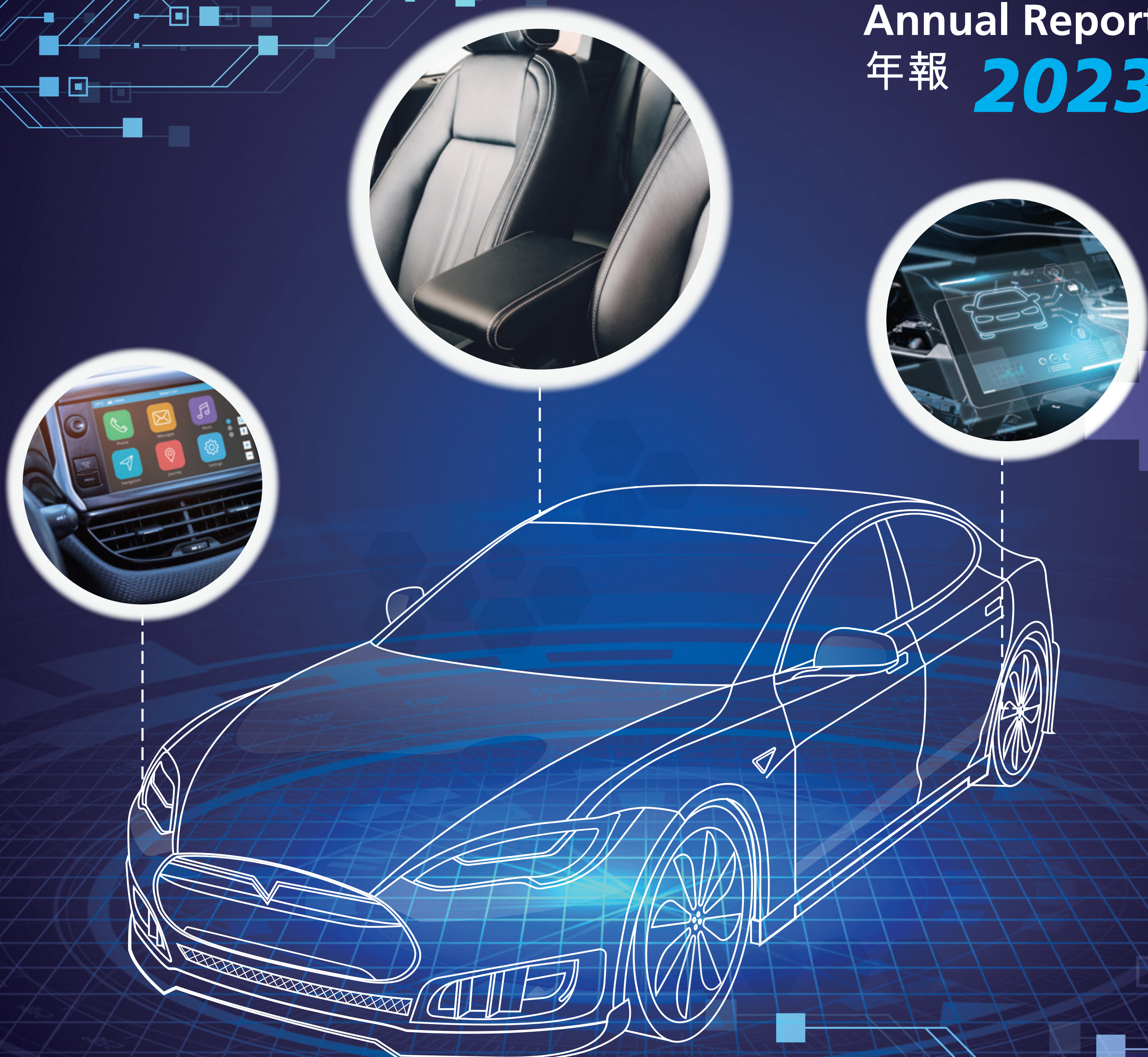
萬馬控股有限公司
TOMO Holdings Limited

(Incorporated in the Cayman Islands with limited liability 於開曼群島註冊成立之有限公司)

Stock Code 股份代號：6928

Annual Report
年報 2023



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CORPORATE INFORMATION

BOARD OF DIRECTORS

Executive Directors

Mr. Tsang Chun Ho Anthony
(appointed on 11 April 2023)
Ms. Ma Xiaoqiu *(Chairlady)*
(removed on 19 March 2024)

Non-executive Directors

Mr. Choi Tan Yee (appointed on 11 April 2023)
Ms. Liu Xinyi (removed on 19 March 2024)
Ms. Chen Jun (appointed on 1 February 2023
and removed on 19 March 2024)
Mr. Wong Chun Man *(Vice-Chairman)*
(resigned on 1 February 2023)
Ms. Lyu Qiujia (removed on 19 March 2024)

Independent non-executive Directors

Mr. Cheng Wai Hei (appointed on 17 May 2023)
Mr. Lam Chi Wing (appointed on 2 January 2024)
Mr. Jin Lailin (removed on 19 March 2024)
Ms. Lee Kit Ying (retired on 17 May 2023)
Mr. Wang Zhongmin (resigned on 1 February 2023)
Mr. Peng Peng (resigned on 2 January 2024)

BOARD COMMITTEES

Audit Committee

Mr. Cheng Wai Hei *(Chairman)*
(appointed on 17 May 2023)
Mr. Lam Chi Wing (appointed on 2 January 2024)
Ms. Lee Kit Ying *(Chairlady)*
(retired on 17 May 2023)
Mr. Jin Lailin (removed on 19 March 2024)
Mr. Wang Zhongmin (resigned on 1 February 2023)
Mr. Peng Peng (appointed on 1 February 2023
and resigned on 2 January 2024)

Remuneration Committee

Mr. Cheng Wai Hei *(Chairman)*
(appointed on 17 May 2023)
Mr. Lam Chi Wing (appointed on 2 January 2024)
Ms. Lee Kit Ying *(Chairlady)*
(retired on 17 May 2023)
Ms. Ma Xiaoqiu (removed on 19 March 2024)
Mr. Jin Lailin (removed on 19 March 2024)
Mr. Wong Chun Man (resigned on 1 February 2023)
Mr. Wang Zhongmin (resigned on 1 February 2023)
Mr. Peng Peng (resigned on 2 January 2024)

Nomination Committee

Mr. Cheng Wai Hei (appointed on 17 May 2023)
Mr. Lam Chi Wing (appointed on 2 January 2024)
Ms. Ma Xiaoqiu *(Chairlady)*
(removed on 19 March 2024)
Ms. Liu Xinyi (removed on 19 March 2024)
Ms. Lee Kit Ying (retired on 17 May 2023)
Mr. Jin Lailin (removed on 19 March 2024)
Mr. Wang Zhongmin (resigned on 1 February 2023)
Mr. Peng Peng (resigned on 2 January 2024)

COMPANY SECRETARY

Ms. Lam Wai (appointed on 19 May 2023)
Mr. Leung Ho Chi, *HKICPA, ACCA, HKICS*
(resigned on 19 May 2023)

AUTHORISED REPRESENTATIVES

Mr. Choi Tan Yee (appointed on 11 April 2023)
Ms. Lam Wai (appointed on 19 March 2024)
Ms. Liu Xinyi (ceased on 19 March 2024)
Mr. Leung Ho Chi (appointed on 2 February 2023
and resigned on 11 April 2023)
Mr. Wong Chun Man (resigned on 1 February 2023)

AUDITOR

Prism Hong Kong and Shanghai Limited
Units 1903A–1905, 19/F
8 Observatory Road
Tsim Sha Tsui, Kowloon
Hong Kong

CORPORATE INFORMATION

LEGAL ADVISER AS TO HONG KONG LAW

Messrs. HANS
Unit 802, 8/F, LKF29
29 Wyndham Street, Central
Hong Kong

Messrs. David Fenn & Co.
Suite 2812, 28th Floor, Shui On Centre
6–8 Harbour Road, Wanchai, Hong Kong

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

Block 3018
Bedok North Street 5
#02-08 Eastlink
Singapore 486132

PRINCIPAL PLACE OF BUSINESS IN HONG KONG REGISTERED UNDER PART 16 OF THE COMPANIES ORDINANCE

Unit 802, 8/F
LKF 29, 29 Wyndham Street
Central, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Tricor Investor Services Limited
17/F, Far East Finance Centre
16 Harcourt Road
Hong Kong

PRINCIPAL BANKERS

Bank of China (Hong Kong) Limited
DBS Bank Limited
DBS Bank (Hong Kong) Limited

COMPANY'S WEBSITE

www.tomogroupltd.com

PLACE OF LISTING

The Stock Exchange of Hong Kong Limited

STOCK CODE

6928

CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of TOMO Holdings Limited (the "Company"), I am pleased to present the annual report of the Company and its subsidiaries (collectively, the "Group") for the year ended 31 December 2023.

In previous years, the COVID-19 pandemic created global challenges, including in Singapore. The Group has implemented certain measures to navigate this crisis successfully.

During the year ended 31 December 2023, the price of the Certificate of Entitlement (COE) significantly increased due to a reduction in the COE quota in Singapore. Additionally, the Singapore government enhanced the import duty on premium cars with an open market value exceeding S$80,000. As a result, the sales and demand for newly registered cars plummeted in 2023, posing challenges for the Group's operations in the foreseeable future. However, the Group has forged strong partnerships with suppliers and customers to offer competitive pricing and adapt to changing consumer preferences.

Despite these challenges, we maintain an optimistic outlook and actively explore new opportunities. The Group remains focused on its existing business objectives in Singapore while actively considering and evaluating growth prospects.

The Board would like to take this opportunity to express its gratitude to all shareholders, customers, suppliers and business partners of for their continuous support. I would also like to thank the management team and staff for their commitment and dedication during this tough period.

Mr. Tsang Chun Ho Anthony
Executive Director
TOMO Holdings Limited

Hong Kong, 28 March 2024

MANAGEMENT DISCUSSION AND ANALYSIS

BUSINESS REVIEW

The Group is principally engaged in the (i) sales and installation of passenger vehicle leather upholstery and electronic accessories; and (ii) sales of electronic accessories, automotive parts and motor vehicle. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited ("HKEx") on 13 July 2017 (the "Listing Date") (the "Listing") and were transferred to be listed on the Main Board of the HKEx on 23 December 2019. During the year ended 31 December 2022, the Company was approved for secondary listing on the Frankfurt Stock Exchange ("FSE") of Germany and its shares have been traded on the FSE under the trading symbol '5WZ'. The Company continues to have a primary listing on the Main Board of HKEx and its shares continues to be traded on the HKEx.

The Group has experienced challenging business operation conditions due to the Sino-U.S.A. trade war, and the global economic environment is expected to become more complicated and severe. The Certificate of Entitlement (the "COE") quota for newly registered passenger vehicles in Singapore has significantly reduced from approximately 90,000 units per year in 2018 and 2019 to approximately 30,000 to 40,000 units per year from 2020 to 2023.

Consequently, the COE price has increased significantly by over 100% for the years 2022 to 2023 compared to the prices in 2020 and 2021, and reached its peak in the second half of 2023. Due to the high COE price, the demand for mass market vehicle has decreased significantly as customers in this segment are unwilling to spend the high price of around S$90,000 to S$110,000 on the COE to register a smaller car.

Although the premium car market has been relatively less affected by the high COE price, the Singapore government has increased the import duty on premium cars. As a result, the car accessories businesses have been adversely impacted in the past years. The rate of highest bands of import duty has increased from 220% to 320% for the premium cars with open market value exceeding S$80,000.

Both business and consumer sentiment have remained persistently weak during the year ended 31 December 2023 (the "Current Year"), thus, the Group's current performance was significantly impacted. The COE quota for 2023 is lower than that of 2022, and the COE prices are close to a 10-year high. Consequently, the sales and demand for newly registered cars have plummeted in 2023, posing challenges for the Group's operation in the foreseeable future.

In the Current Year, the Group's revenue decreased by approximately 44.5%, the gross profit decreased by approximately 54.6% and reported a loss of approximately S$10,582,000. There was a loss of approximately S$1,870,000 in the year ended 31 December 2022 (the "Corresponding Year"). It was mainly due to the sharp decline in sales of newly registered passenger vehicles in Singapore, resulting in lower margins and sales in both leather upholstery segment and electronic accessories segment in the Current Year as compared to the Corresponding Year.

MANAGEMENT DISCUSSION AND ANALYSIS

FUTURE AND OUTLOOK

Given the uncertain global economy, the Group anticipates ongoing challenges that may impact its business and financial performance in the future.

To address these challenges, the Group's management will continue to implement appropriate business strategies. This includes exercising effective cost control measures, upholding quality service to customers, and maintaining good relationships with key suppliers. These strategies aim to strengthen the Group's market position as the leading supplier in Singapore.

Considering the industry outlook, the Group recognizes the importance of resilience and adaptability. It will closely monitor market trends and consumer preferences to identify emerging opportunities. By staying proactive and responsive to changes, the Group aims to navigate the evolving business landscape and maintain its competitiveness.

Overall, the Group remains committed to its strategic objectives, focusing on enhancing operational efficiency, delivering exceptional customer service, and sustaining strong partnerships. By doing so, it aims to mitigate risks, capitalize on opportunities, and achieve long-term success in the industry.

FINANCIAL REVIEW

	For the year ended 31 December		
In S$ ('000)	**2023**	2022	**Change**
Revenue	**9,071**	16,340	(44.5%)
Gross profit	**420**	925	(54.6%)
Gross profit margin	**4.6%**	5.7%	(19.3%)
Loss for the year	**(10,582)**	(1,870)	465.9%

Revenue

The total revenue of the Group for the Current Year was approximately S$9,071,000 as compared to approximately S$16,340,000 for the Corresponding Year, representing a decrease of approximately 44.5%. Such a decrease was attributable to the decrease in the sales of automotive parts and motor vehicles of approximately 49.0%.

Gross profit

The Group's gross profit has declined by approximately S$505,000, representing a decrease of approximately 54.6% from approximately S$925,000 in the Corresponding Year to approximately S$420,000 in the Current Year. This significant drop in gross profit was mainly attributed to a decrease in sales of automotive parts and motor vehicles, which experienced a decline of approximately 49.0% in the Current Year. Additionally, the slow recovery of the economy in Singapore following the pandemic in previous years has contributed to a decrease in demand in the motor vehicles market. Consequently, this has resulted in a decrease in the Group's gross profit margin by approximately 19.3%, from 5.7% in the Corresponding Year to 4.6% in the Current Year.

Other income

Other income of the Group increased by approximately S$49,000 from approximately S$158,000 for the Corresponding Year to approximately S$207,000 for the Current Year. Such increase was mainly due to the increase in rental income from investment properties in the Current Year.

Other gains – net

Other gains – net increased by approximately S$126,000 from approximately S$270,000 of net gains for the Corresponding Year to approximately S$396,000 of net gains for the Current Year. Other gains – net mainly represent foreign exchange changes resulting from the settlement of foreign currency transactions and from the translation at year end exchange rates of monetary assets and liabilities denominated in foreign currencies and fair value gain on investment properties.

Selling and distribution expenses

Selling and distribution expenses increased by approximately S$40,000 from approximately S$465,000 for the Corresponding Year to approximately S$505,000 for the Current Year. The increase of the costs was mainly attributable to the increase in employee benefit costs and travelling expenses.

Administrative expenses

Administrative expenses increased by approximately S$1,657,000 from approximately S$2,965,000 for the Corresponding Year to S$4,622,000 for the Current Year. The increase of administrative expenses was mainly due to the increase in employee benefit costs, motor vehicles expenses and travelling expenses.

Loss for the year

The loss of the Group was approximately S$10,582,000 for the Current Year, as compared to the loss of approximately S$1,870,000 for the Corresponding year.

The increase in net loss was mainly attributable to the following reasons:

(i) the increase in employee benefits costs from approximately S$3.3 million in the Corresponding Year to around S$4.6 million in the Current Year, due to the increase in salary for the management as an incentive to improve the business of the Group in the Current Year;

(ii) the decrease in sales of motor vehicles due to (a) a significant increase in the price of the Certificate of Entitlement (the "COE") resulting from a reduction in the COE quota for newly registered passenger vehicles; and (b) the imposition of higher import duties on premium cars by the Singapore government in the Current Year; and

(iii) the impairment of investments in associates of approximately S$6.4 million in relation to the acquisition of 49% equity interest in Ocean Dragon Group Limited (together with its subsidiary, the "Target Group") in 2022. Based on the assessment of the Board, the Board considers that the Group is unlikely to recover any value from the Target Group as the Company could not access to its substances, hence the investments in the Target Group would be fully impaired. For details, please refer to the announcements of the Company dated 24 April 2023, 12 May 2023 and 7 June 2023.

MANAGEMENT DISCUSSION AND ANALYSIS

QUALIFIED OPINION OF THE COMPANY

Details of the qualified opinion and the management's view on the qualified opinion

During the year ended 31 December 2022, the Group acquired 49% equity interest in Ocean Dragon Group Limited and its wholly-owned subsidiary, namely, Hua Bright International Limited (collectively the "Target Group"), specialises in the provision of electric charging solutions and which was accounted for an associate under the equity method. In the past, the Group relied on the financial information provided by local management of the Target Group to account for the share of results and to assess the impairment of its investments in associates at each reporting period. During the current year, the Group did not have access to a set of complete and accurate accounting books and records of the Target Group, all key personnel of the local management who are responsible for finance and accounting matters had left and despite the best endeavour of the directors of the Company, they were unable to recover or access the accounting books and records of the Target Group as a result of local management not being contactable. Apart from that, the current directors of the Company raised concerns over the genuineness of the acquisition of the Target Group during the current year, a special investigation committee has been formed to investigate the relevant matters pertaining to the acquisition. As at the date of this report, the investigation is still in progress. Due to the absence of sufficient supporting documents and explanations in relation to the accounting books and records made available to the current directors of the Company in respect of the Target Group, they consider that the Group is unlikely to recover the entire value of the Target Group as the Company could not access to the substances of the Target Group, and hence, the investments in associates of $6,421,491 would be fully impaired during the year.

Given the above circumstances on scope limitation, Prism Hong Kong and Shanghai Limited ("Prism"), the auditors of the Company, was unable to obtain sufficient appropriate audit evidence in respect of the financial information of the investments in associates of the Group as their accounting books and records were not available to them for audit purpose. As a result, Prism was unable to carry out necessary audit procedures to determine whether the impairment of investments in associates of $6,421,491 and share of nil result of associates for the year ended 31 December 2023, the investments in associates carried at nil as at 31 December 2023 and the related disclosures notes in relation to the consolidated financial statements of the Group, have been accurately recorded and properly accounted for in the Group's consolidated financial statements. There were no other satisfactory audit procedures that Prism could perform to determine whether any adjustments were necessary or might have a consequential effect of the Group's consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, and related disclosures thereof for the year ended 31 December 2023.

In Prism's opinion, except for the possible effects of the matter described in the section headed "basis for qualified opinion" of their report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year ended 31 December 2023 in accordance with International Financial Reporting Standards issued by the International Accounting Standards Board and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

As a result, with respect to the type of audit opinion issued by Prism, the management of the Company (the "Management") acknowledged and agreed with the audit opinion that Prism had issued based on their professional and independent assessment.

View of Audit Committee

The Audit Committee had critically reviewed the matter after discussion with Prism and the Management and has actively participated in the audit process, including but not limited to carrying out independent investigation regarding the genuineness of the acquisition of the Target Group. The Audit Committee agreed with the management's position concerning the recoverability and impairment judgement of the investments in associates, and acknowledged that given the above circumstance, Prism is of the view that they were unable to obtain sufficient appropriate audit evidence. As a result, with respect to the type of audit opinion issued by Prism, the Audit Committee acknowledged and agreed with the audit opinion Prism had issued based on their professional and independent assessment.

Action plan of the Group to address the qualified opinion

Although the investments in associates has been fully impaired, the Company does not expect there will be any impact on the financial performance and financial position to the Group in the year ending 31 December 2024 and thus the qualified opinion relating to this issue is not expected to be issued in the next financial year. In light of the qualified opinion, the Company had engaged BT Corporate Governance Limited to conduct an internal control review of the Group and the review was completed in September 2023. The Board considered that following the internal control review and the implementation of the remedial measures recommended by BT Corporate Governance Limited in relation to the internal control deficiencies of the Group, the Company will be able to prevent the occurrence of similar incidents. Accordingly, the Board considered that the internal control review and the implemented remedial measures are sufficient to resolve this issue. Prism is also satisfied that the aforesaid measures are sufficient to resolve this issue.

PRINCIPAL RISKS AND UNCERTAINTIES AND RISK MANAGEMENT

The Group is subject to a number of risks in the Group's business and the Group believes that risk management is important to the Group's success. Key business risks include, among others, the decrease or loss of business with our largest customer, maintaining of our reputation and customer services, stable supply of technicians and foreign workers for our services, reliance on suppliers for the PV leather upholstery, electronic accessories, automotive parts and motor vehicles, and single market business strategy. Our revenue substantially derived from sales to our largest customer and any decrease or loss of business with any Singapore subsidiaries of the largest customer and failure to maintain reputation and customer services could materially and adversely affect our business, financial conditions and results of operations. We also highly rely on a single market in developing our business and our business may be materially affected by the limitation on COE availability.

CAPITAL STRUCTURE, LIQUIDITY AND FINANCIAL RESOURCES

The capital of the Group comprises ordinary shares only.

As at 31 December 2023, the Group had net current assets of approximately S$8,127,000 (2022: approximately S$12,787,000) including cash and cash equivalents of approximately S$8,317,000 (2022: approximately S$7,016,000). The current ratio, being the ratio of current assets to current liabilities, was approximately 6.9 times as at 31 December 2023 (2022: 12.6 times). The decrease in the current ratio was mainly due to higher balances of trade and other payables and the decrease of financial assets at fair value through profit or loss as at 31 December 2023 compared to 31 December 2022.

The Group's operations were financed principally by revenues generated from business operations and available cash and bank balances. The Group did not have any debt as at 31 December 2023 (2022: NIL). There was no borrowing cost incurred during the Current Year (2022: NIL), hence no gearing ratio of the Group was presented.

USE OF PROCEEDS

The net proceeds from the Listing were approximately S$10,300,000 after deducting the Listing related expenses. These net proceeds were intended to be applied in the manner as described in the section headed "Future Plans and Use of Proceeds" in the prospectus of the Company dated 30 June 2017. Referring to an announcement of the Company dated 14 August 2023, the Board has resolved to change the use of the remaining net proceeds in the amount of approximately S$390,000 from the Listing.

The continual impact of COVID-19 pandemic and the slowing economic growth have curtailed progress of the Group's business scale expansion. Accordingly, the Group needs to adopt a more effective policy to maintain its existing business operations and cash flow liquidity.

The Board believes that the reallocation of the unutilised net proceeds will enable a better utilisation of such unutilised net proceeds as this will provide higher level of flexibility for the Group to manage its asset and liability against the current unstable business environment and is favourable to the Group's long term business development.

An analysis of the amount of the net proceeds utilised up to 31 December 2023 is set out as follow:

	Planned use of net proceeds updated from the Listing Date to 31 December 2023 S$000	**Actual utilised amount up to 31 December 2023** S$000
Use of net proceeds from the Listing		
Upgrade existing facilities, acquire new machinery and premises	5,160	4,770
Strengthen our sales and marketing efforts	1,760	1,760
Expand our product offerings	1,430	1,430
Upgrade and integrate of our information technology system	350	350
Working capital and general corporate use	1,600	1,990
	10,300	10,300

The remaining net proceeds as at 31 December 2022 have been fully utilised during the year ended 31 December 2023.

EMPLOYEE INFORMATION

As at 31 December 2023, the Group had 46 employees (2022: 49), comprising of 2 executive Directors (2022: 1), 4 non-executive Directors (2022: 3), 3 independent non-executive Directors (2022: 4), nil senior management (2022: 2), 12 administrative employees (2022: 12) and 25 technicians (2022: 27).

Our employees are remunerated according to their job scope and responsibilities. For our technicians in passenger vehicle leather upholstery and accessories business, we offer incentives in addition to their salary. We offer bonuses for all employees, provided their performance is satisfactory. We also believe in promoting internally as this promotes employee satisfaction and enables us to improve service quality to our customers and enjoy a low employee turnover rate. We review the performance of our employees on a regular basis for salary and promotion appraisals.

Total staff costs, including directors' emolument, amounted to approximately S$4,612,000 for the year ended 31 December 2023 (2022: approximately S$3,251,000).

EMPLOYEE BENEFITS

Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund ("CPF") in Singapore, on a mandatory, contractual or voluntary basis, and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. The Group's contributions to defined contribution plans are recognised in the financial year to which they relate.

The total contributions to defined contribution plans made by the Group amounted to approximately S$68,000 for the Current Year (2022: approximately S$142,000).

The Group's contributions to the defined contribution plans vest fully and immediately with the employees. During the Current year and Corresponding Year, there were neither contribution forfeited by the Group nor had there been any utilisation of such forfeited contributions to reduce future contributions. As at 31 December 2023 and 2022, there were no forfeited contributions which were available for utilisation by the Group to reduce the existing level of contributions to the defined contribution plans.

MATERIAL ACQUISITIONS OR DISPOSALS OF SUBSIDIARIES AND AFFILIATED COMPANIES

There was no material acquisition or disposal of subsidiaries and affiliated companies during the Current Period. As at the date of this report, the Group have no specific future plan for material investments or capital assets, as well as material acquisitions or disposals of subsidiaries, associates and joint ventures.

IMMEDIATE AND ULTIMATE CONTROLLING PARTY

As at 31 December 2023, the directors consider the immediate parent of the Company to be Billion Legend Company Limited ("Billion Legend"), which is a limited liability company incorporated in the British Virgin Islands. This entity does not produce financial statements available for public use. On 20 March 2024, the entire issued share capital of Billion Legend was transferred to Mr. Lu Yondge.

As at 31 December 2023, the ultimate controlling party of the Company was Ms. Ma Xiaoqiu.

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2023, leasehold properties with carrying values totalling approximately S$375,000 (2022: S$418,000) were pledged to secure the Group's banking facilities.

FOREIGN EXCHANGE EXPOSURE

The turnover and business costs of the Group were principally denominated in Singapore dollars. The Group has exposure to foreign exchange risk as a result of purchases that are denominated in currencies other than Singapore Dollar ("S$") and recognised assets and liabilities denominated in currencies other than S$. The foreign currencies giving rise to this risk are primarily the Hong Kong Dollar ("HK$"), the United States Dollar ("US$") and Australian Dollar ("AUD"). As at 31 December 2023, if the foreign currencies had weakened or strengthened by 10% against the S$ with all other variables held constant, post-tax loss for the Current Year would have been S$347,000 (2022: S$280,000) lower/higher, as a result of foreign exchange losses/gains on translation of HK$ denominated cash and bank balances.

SIGNIFICANT INVESTMENTS HELD BY THE GROUP

During the Current Year, there was no significant investments held by the Group.

CONTINGENT LIABILITIES

No material contingent liabilities had come to the attention of the Directors in the Current Year.

DIVIDEND

The Board does not recommend the payment of a final dividend for the Current Year (2022: Nil).

EVENT AFTER THE REPORTING PERIOD

The Board was informed that on 20 March 2024, Mr. Leung Ka Fai (the "Vendor"), as mortgagee under the equitable mortgage dated 9 June 2023 over the 50,000 issued shares of Billion Legend, representing the entire issued share capital of Billion Legend (the "Sale Shares"), executed by Ms. Ma Xiaoqiu in favour of the Vendor as security for the loan facility in the principal amount of HK$40,000,000 granted by the Vendor (the "Share Mortgage") and by way of exercising his power of sale under the Share Mortgage, entered into the sale and purchase agreement dated 20 March 2024 with Mr. Lu Yongde (the "Offeror") in respect of the sale and purchase of the Sale Shares, pursuant to which the Vendor agreed to sell, and the Offeror agreed to purchase, the Sale Shares for an aggregate consideration of HK$30,000,000. For details, please refer to the joint announcement of the Company dated 26 March 2024.

Apart from the above, up to the date of this report, there was no other significant event relevant to the business or financial performance of the Group came to the attention of the Directors after the Current Year.

EXECUTIVE DIRECTOR

Mr. Tsang Chun Ho Anthony (子辰先生) ("Mr. Tsang") (also known as Zichen), aged 39, was appointed as an executive director of the Company on 11 April 2023. Mr. Tsang is currently the managing director of Fuchsia Capital Limited and was previously a fund manager for Emperor Greater China Investment Fund and Orient Investment Fund. Mr. Tsang has been an executive director and a member of the investment committee of Carry Wealth Holdings Limited, a company listed on the Main Board of the HKEx (stock code: 643) and an executive director and a president of Alpha Technology Group Limited, a company listed on Nasdaq (stock code: ATGL) since 1 February 2023. Mr. Tsang was appointed as an executive director of Fullwealth International Holdings Limited, a company listed on the Main Board of The HKEx (stock code: 1034), from 28 May 2023 to 9 February 2024. Mr. Tsang has accumulated over 16 years of experience in financial investment, capital operation, corporate governance, strategic planning and mergers and acquisitions. He holds the Honorary Doctor of Business Administration from Lincoln University College and a Master Degree of Business Administration from Heriot-Watt University Edinburgh Business School. Mr. Tsang has been accredited with the "Forbes Outstanding Leader Award" and the "World Outstanding Chinese Award" in 2022.

NON-EXECUTIVE DIRECTOR

Mr. Choi Tan Yee (蔡丹義先生) ("Mr. Choi") Mr. Choi, aged 40, was appointed as a non-executive director of the Company on 11 April 2023. Mr. Choi is currently a responsible officer for Type 1 (dealing in securities) and Type 6 (advising on corporate finance) regulated activities under the SFO for Rainbow Capital (HK) Limited, where he is responsible for supervising and leading execution of corporate finance projects. Mr. Choi has over 15 years of experience in corporate finance, accounting and auditing. Since February 2023, he has been an executive director, a member of the investment committee and an authorized representative of Carry Wealth Holdings Limited, a company listed on Main Board of the HKEx (stock code: 643) and an executive director and a chief financial officer of Alpha Technology Group Limited, a company listed on Nasdaq (stock code: ATGL). Mr. Choi was appointed as a non-executive director of Fullwealth International Holdings Limited, a company listed on the Main Board of the HKEx (stock code: 1034), from 28 May 2023 to 9 February 2024. Prior to the establishment of Rainbow Capital (HK) Limited in 2019, Mr. Choi worked in China Tonghai Capital Limited (formerly known as "Quam Capital Limited") between January 2015 and December 2019 with the last position as director. Between December 2009 and December 2014, Mr. Choi worked in Somerley Capital Limited with the last position as senior manager. He handled various initial public offerings, merger and acquisition transactions and fund-raising exercises. Mr. Choi also worked in the audit division of Grant Thornton from 2006 to 2009. Mr. Choi graduated from The Chinese University of Hong Kong with a bachelor's degree of business administration in December 2005

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cheng Wai Hei (鄭偉禧先生) ("Mr. Cheng"), aged 43, was appointed as an independent non-executive director of the Company on 17 May 2023. Mr. Cheng is the chairman of the Audit Committee and the Remuneration Committee and a member of the Nomination Committee. Mr. Cheng obtained his bachelor's degree of arts in accounting and finance from the Leeds Metropolitan University (currently known as Leeds Beckett University) in the United Kingdom in May 2005. He obtained his master's degree of business administration from The Hong Kong Polytechnic University in September 2017. He has been a fellow of the Association of Chartered Certified Accountants since October 2011. He was admitted to Graduateship of The Institute of Chartered Secretaries and Administrators (currently known as The Chartered Governance Institute) in February 2013 and has been an associate of The Hong Kong Institute of Chartered Secretaries (currently known as The Hong Kong Chartered Governance Institute) since May 2013.

Mr. Cheng has over 15 years of audit, financial management and company secretarial experience. He joined Shu Lun Pan Horwath Hong Kong CPA Limited as a semi-senior in the audit and assurance division in October 2006, and was transferred to BDO Limited due to a corporate merger in May 2009 with his last position as a senior associate in July 2010. He joined Inno-Tech Holdings Limited, a company listed on GEM of the HKEx (stock code: 8202), as a financial manager in July 2010 and was promoted to a financial controller. He also acted as the company secretary of Inno-Tech Holdings Limited from May 2013 to August 2014 and from July 2015 to November 2015. He joined Win Win Way Construction Holdings Ltd. (currently known as CT Vision S.L. (International) Holdings Limited), a company listed on the Main Board of the HKEx (stock code: 994), as chief financial officer in November 2015 and also acted as its company secretary since May 2016, where he was responsible for the financial and secretarial matters of the company until July 2019. He acted as the company secretary of Chi Kan Holdings Limited, a company listed on the Main Board of the HKEx (stock code: 9913), from August 2020 to November 2021, where he was responsible for the secretarial matters of the company. He joined Zhicheng Technology Group Ltd. (currently known as Min Fu International Holding Limited), a company listed on GEM of the HKEx (stock code: 8511), as financial controller in December 2021 and also acted as company secretary since January 2022, where he was responsible for the financial and secretarial matters of the company. Mr. Cheng is currently an independent non-executive director of Carry Wealth Holdings Limited, a company listed on the Main Board of the HKEx (stock code: 643), and an independent non-executive director of Alpha Technology Group Limited, a company listed on Nasdaq (stock code: ATGL). Mr. Cheng was appointed as an independent non-executive director of Fullwealth International Holdings Limited, a company listed on the Main Board of the HKEx (stock code: 1034) from 22 May 2023 to 14 March 2024.

Mr. Lam Chi Wing (林至穎先生) ("Mr. Lam"), aged 44, was appointed as an independent non-executive director of the Company on 2 January 2024. Mr. Lam is a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee. Mr. Lam obtained a bachelor of business administration in accounting and finance degree from The University of Hong Kong in December 2003, a master of science in knowledge management degree from The Hong Kong Polytechnic University in December 2006 and a master of business administration degree from The Chinese University of Hong Kong in December 2010. He is currently a postgraduate of the Executive Master in Public Administration Hong Kong Administrative Talents Program conducted by the School of Public Policy & Management at Tsinghua University. Mr. Lam joined Li & Fung Group in September 2003, where he served as the group chief representative and general manager of Southern China of Li & Fung Development (China) Limited prior to his departure in July 2015. From June 2020 to December 2020, he was an executive director of Bonjour Holdings Limited. Mr. Lam has been a deputy to the 14th National People's Congress (第十四屆全國人大代表), a member of each of the 12th and 13th Guangdong Provincial Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議第十二屆及第十三屆廣東省委員會) and a member of each of the 11th and 12th Zhongshan Municipal Committee of the Chinese People's Political Consultative Conference (中國人民政治協商會議第十一屆及第十二屆中山市委員會). Mr. Lam is currently a vice-chairman of each of the Hong Kong Guangdong Youth Association (香港廣東青年總會), the council of the Guangdong Society of Commercial Economy (廣東省商業經濟學會理事會), the Council for the Promotion of Guangdong-HongKong-Macao Cooperation (廣東省粵港澳合作促進會) and the Federation of Hong Kong ZhongShan Community Organisations Limited (香港中山社團總會). He is also currently an adjunct associate professor of the department of information systems, business statistics and operations management of the Business School of The Hong Kong University of Science and Technology, and co-director and an adjunct professor of the Center of Innovation Design and Entrepreneurship of the School of Management and Economics of The Chinese University of Hong Kong, Shenzhen. Mr. Lam served as a part-time member of the Central Policy Unit of the Government of the Hong Kong Special Administrative Region from 2011 to 2012. Mr. Lam served as an executive director of Bonjour Holdings Limited (stock code: 653) from July 2020 to December 2020 and an independent non-executive director of Aidigong Maternal & Child Health Limited (stock code: 286) from March 2016 to December 2022, the shares of both of which are listed on the Main Board of the HKEx. Mr. Lam is currently an independent non-executive director of each of Wai Hung Group Holdings Limited (stock code: 3321), Alco Holdings Limited (stock code: 328), MTT Group Holdings Limited (stock code: 2350), Space Group Holdings Limited (stock code: 2448), China Wantian Holdings Limited (stock code: 1854), RENHENG Enterprise Holdings Limited (stock code: 3628), Aidigong Maternal & Child Health Limited (stock code: 286) and Carry Wealth Holdings Limited (stock code: 643), and a non-executive director and chairman of Dreameast Group Limited (stock code: 593), the shares of all of which are listed on the Main Board of the HKEx.

COMPANY SECRETARY

Ms. Lam Wai (林慧女士) ("Ms. Lam") was appointed as the Company's company secretary on 19 May 2023. She is a partner of HANS. Ms. Lam is currently a company secretary of Carry Wealth Holdings Limited (stock code: 643) and Fullwealth International Holdings Limited (stock code: 1034), the shares of which are listed on the Main Board of the HKEx. From June 2014 to December 2015 and from July 2016 to December 2021 respectively, she worked as a lawyer at Hastings & Co. with the last position as senior associate. Ms. Lam obtained a Bachelor's degree in Social Sciences from the University of Hong Kong in 2005 and a Bachelor's degree in Law (Honours) from the University of London in 2009. She was admitted as a solicitor of the High Court of Hong Kong in 2014 and is currently a member of the Law Society of Hong Kong. Ms. Lam obtained her Lawyer's Licence (Guangdong-Hong Kong-Macao Greater Bay Area) issued by the Department of Justice of the Guangdong Province in January 2023.

Other than the working relationships in the Company, there was no other relationship between any of the Directors or senior management of the Company in respect of finance, business and family or in other material aspects.

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE PRACTICES

The Board is responsible for overseeing and managing the overall risks associated with the business of the Group and promoting the success of the group by the direction and supervision of the Group's business and affairs. The Board is also responsible for formulating the overall strategies and day to day management of the Group by delegating to the management team with appropriate authority and responsibility.

The Company has adopted the Corporate Governance Code (the "CG Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Main Board of the HKEx (the "Listing Rules"). Save as disclosed in this report, the Directors consider that during the Current Year, the Company had complied with all the code provisions (the "Code Provision") as set under the CG Code.

A healthy corporate culture across the Group is integral to attain its vision and strategy. It is the Board's role to foster a corporate culture with the following core principles and to ensure that the Company's vision, values and business strategies are aligned to it.

The Group strives to maintain high standards of business ethics and corporate governance across all our activities and operations. The Directors, management and staff are all required to act lawfully, ethically and responsibly, and the required standards and norms are explicitly set out in the training materials for all new staff and embedded in various policies such as the Group's staff handbook (including therein the guiding provisions on the code of conduct), the anti-corruption policy and the whistleblowing policy of the Group. The Group requires all employees to familiarize themselves with the policies, ensuring that each employee understands the importance in maintaining the highest ethical standard.

The Group believes that the culture of commitment to workforce development, workplace safety and health, diversity, and sustainability is one where people have a feeling of commitment and emotional engagement with the Group's mission. This sets the tone for a strong, productive workforce that attracts, develops, and retains the best talent to produce the highest quality output. Moreover, the Company's strategy in the business development and management are to achieve long-term, steady and sustainable growth, while having due considerations from environment, social and governance aspects.

COMPLIANCE OF CODE OF CONDUCT FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted a code of conduct regarding securities transactions by directors on terms no less exacting than the required standard of dealings set out in the Model Code for Securities transactions by Directors of listed Issuers as set out in Appendix C3 to the Listing Rules. Having made specific enquiry of all the current Directors, all the current Directors confirmed that they had complied with the required standard of dealings and the code of conduct regarding securities transactions by directors adopted by the Company throughout the year ended 31 December 2023.

BOARD OF DIRECTORS

Responsibilities, Accountabilities and Contributions of the Board and Management

The Board should assume responsibility for leadership and control of the Company and is collectively responsible for directing and supervising the Company's affairs. The Board directly, and indirectly through its committees, leads and provides direction to the management by laying down strategies and overseeing their implementation, monitors the Group's operational and financial performance, and ensures that sound internal control and risk management systems are in place.

All Directors, including independent non-executive Directors, have brought a wide spectrum of valuable business experience, knowledge and professionalism to the Board for its efficient and effective functioning.

Board Composition

The composition of the Board for the year ended 31 December 2023 and up to the date of this report were:

Executive Directors:

Mr. Tsang Chun Ho Anthony (appointed on 11 April 2023)
Ms. Ma Xiaoqiu *(Chairlady)* (removed on 19 March 2024)

Non-executive Directors:

Mr. Choi Tan Yee (appointed on 11 April 2023)
Ms. Liu Xinyi (removed on 19 March 2024)
Ms. Chen Jun (appointed on 1 February 2023 and removed on 19 March 2024)
Mr. Wong Chun Man *(Vice-Chairman)* (resigned on 1 February 2023)
Ms. Lyu Qiujia (removed on 19 March 2024)

Independent non-executive Directors:

Mr. Cheng Wai Hei (appointed on 17 May 2023)
Mr. Lam Chi Wing (appointed on 2 January 2024)
Mr. Jin Lailin (removed on 19 March 2024)
Ms. Lee Kit Ying (retired on 17 May 2023)
Mr. Wang Zhongmin (resigned on 1 February 2023)
Mr. Peng Peng (resigned on 2 January 2024)

As at the date of this report, to the best knowledge of the Company, there has been no financial, business, family, or other material/relevant relationships among members of the Board.

The Board had complied with the Rule 3.10, Rule 3.10A and Rule 3.21 of the Listing Rules to have at least three independent non-executive Directors and at least one independent non-executive Director has appropriate professional qualifications or accounting or related financial management expertise throughout the year ended 31 December 2023. As at the date of this Report, the Company has (i) two independent non-executive Directors, which results in the current number of independent non-executive Directors falling below the minimum number required under Rule 3.10(1) of the Listing Rules and one third of the Board as required under Rule 3.10A of Listing Rules; and (ii) two members of the Audit Committee, which results in the number of the Audit Committee falling below the minimum number required under Rule 3.21 of the Listing Rules. The Company will use its best endeavor to identify a suitable candidate to fill the vacancy as soon as practicable, with the relevant appointments to be made within 3 months from 19 March 2024 as required under the Listing Rules.

Each of the current independent non-executive Directors has made an annual confirmation of independence pursuant to Rule 3.13 of the Listing Rules. The Board considers that all current independent non-executive Directors to be independent to the Company and meet the requirements set out in Rules 3.13 of the Listing Rules at the date of this report.

The Company has arranged appropriate insurance cover in respect of legal action against the Directors.

Each executive Director has entered into a service contract with the Company for an initial term of three (3) years commencing from their respective date of appointment and shall continue thereafter unless and until it is terminated by the Company or the Director giving to the other not less than three months' prior notice in writing.

Each non-executive Director has entered into a service contract with the Company for an initial term of three (3) years commencing from their respective date of appointment and shall continue thereafter unless and until it is terminated by the Company or the Director giving to the other not less than three months' prior notice in writing.

Each of the current independent non-executive Director has entered into a letter of appointment with the Company for an initial term of three (3) years commencing from their respective date of appointment and shall continue thereafter unless terminated by the Company or the Director giving at least one month's notice in writing.

At each annual general meeting, one-third of the Directors for the time being (or if their number is not a multiple of three, then the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years. The Directors so to retire by rotation shall include any Director who wishes to retire and not offer himself for re-election. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment but as between persons who became or were last re-elected Directors on the same day those to retire will (unless they otherwise agree among themselves) be determined by lot.

Each of the Directors is aware of his or her fiduciary duties as a Director which require, among other things, that he/she acts for the benefit of and in the best interests of the Company and does not allow any conflict between his or her duties as a Director and his or her personal interest. In the event that there is a potential conflict of interest arising out of any transaction to be entered into between the Group and the Directors or their respective close associates, the interested Director(s) will abstain from voting at the relevant Board meetings of the Company in respect of such transactions and will not be counted in the quorum.

To enable the Board to fulfil its responsibilities, the Management strives to provide Board members with adequate and timely information for Board and Board Committee meetings on an on-going basis. The Board and Board Committee papers are prepared for each meeting and are disseminated to the members at least 3 days before the meetings. The Board and Board committee papers include financial, business and corporate matters of the Group so as to enable the Directors to be properly briefed on matters to be considered at the Board and Board committee meetings and to make informed decisions. Directors are given separate and independent access to the Group's Management and company secretary to address any enquiries.

The Board adopted a board diversity policy (the "Board Diversity Policy") and discussed all measurable objectives set for implementing the Board Diversity Policy. The Company embraced the benefits of having a diverse Board, as such, the Board Diversity Policy aimed to set out the approach to maintain diversity of the Board. A summary of the Board Diversity Policy, together with the measurable objectives set for implementing the Board Diversity Policy, and the progress made towards achieving those objectives are disclosed as below.

The Company recognises and embraces the benefits of diversity of Board members. It endeavours to ensure that the Board has a balance of skills, experience and diversity of perspectives appropriate to the requirements of the Company's business. All Board appointments will continue to be made on a merit basis with due regard for the benefits of diversity of the Board members. Selection of candidates will be based on a range of diversity perspectives, including but not limited to gender, age, race, language, cultural background, educational background, industry experience and professional experience.

The Nomination Committee will disclose the composition of the Board annually in the corporate governance report and monitor the implementation of this Policy.

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group at the date of this Annual Report:

	Female (approximately)	**Male** (approximately)
Board	0%	100%
Other employees	28%	72%

As at 31 December 2023, the Board comprises 4 female directors and 5 male directors and the Board considers have achieved gender diversity on the Board.

As at the date of this Report, the Board comprises 4 male directors. The current Board is a single gender board which does not meet the requirement under Rule 13.92 of the Listing Rules. The Board will use its best endeavour to identify at least one suitable female candidate that meets relevant requirements within three months from 19 March 2024. Up to the date of this Annual Report, the Nomination Committee is in progress of identifying suitable female candidate(s) for appointment to the Board on merit against objective criteria. The Nomination Committee will continue to ensure gender diversity is attained the Board level by strictly adhering to the Board Diversity Policy and ensure a robust pipeline of male and female successors to our Board in the near future.

Gender Diversity

The Company values gender diversity across all levels of the Group. The following table sets out the gender ratio in the workforce of the Group, including the Board and senior management as at 31 December 2023:

	Female	**Male**
Board	44% (4)	56% (5)
Other employees	27% (10)	73% (27)

The Board believes that the gender diversity of female directors and female employees of the Group is reasonable and appropriate. The Group will continue to create a workplace environment with equal employment opportunities for female.

Details on the gender ratio of the Group together with relevant data can be found in the Environmental, Social and Governance Report on page 53 of this Annual Report.

Directors' Attendance Records

During the year ended 31 December 2023, the Board held 4 Board meetings, among other things, reviewing and approving the financial and operating performance, and reviewing and approving the interim and annual results of the Group, and one general meeting.

The attendance records of each Director at the Board meetings for the year ended 31 December 2023 are set out below:

Name of Director	**Attended in person/ attended by proxy/ Number of Board meetings held**	**Attendance/ Number of general meeting held**
Executive Directors		
Ms. Ma Xiaoqiu *(Chairlady)* (removed on 19 March 2024)	2/0/4	1/1
Mr. Tsang Chun Ho Anthony (appointed on 11 April 2023)	3/0/4	1/1

Name of Director	Attended in person/ attended by proxy/ Number of Board meetings held	Attendance/ Number of general meeting held
Non-executive Directors		
Ms. Liu Xinyi (removed on 19 March 2024)	4/0/4	1/1
Ms. Chen Jun (appointed on 1 February 2023 and removed on 19 March 2024)	3/0/4	1/1
Mr. Wong Chun Man *(Vice-Chairman)* (resigned on 1 February 2023)	0/0/4	0/1
Ms. Lyu Qiujia (removed on 19 March 2024)	3/0/4	1/1
Mr. Choi Tan Yee (appointed on 11 April 2023)	3/0/4	1/1
Independent non-executive Directors		
Mr. Jin Lailin (removed on 19 March 2024)	3/0/4	1/1
Ms. Lee Kit Ying (retired on 17 May 2023)	1/0/4	0/1
Mr. Wang Zhongmin (resigned on 1 February 2023)	0/0/4	0/1
Mr. Peng Peng (resigned on 2 January 2024)	2/1/4	1/1
Mr. Cheng Wai Hei (appointed on 17 May 2023)	2/0/4	1/1
Mr. Lam Chi Wing (appointed on 2 January 2024)	N/A	N/A

There is no alternate director.

The Chairlady also held a meeting with the independent non-executive Directors without the presence of other Directors during the year ended 31 December 2023.

Notice of regular Board meetings is served to all the Directors at least 14 days before the meeting. For other Board and committee meetings, reasonable notice is generally given. Board papers together with all appropriate, complete and reliable information are sent to all the Directors at least 3 days before each Board meeting or committee meeting to enable the Directors to make informed decisions. Each Director is able to seek independent professional advice in appropriate circumstances at the Company's expense, upon making request to the Board.

The company secretary is responsible for taking and keeping minutes of all board meetings and committee meetings. Draft minutes which record in sufficient detail the matters considered and decisions reached, including any concerns raised by Directors or dissenting views expressed are normally circulated to directors for comments within a reasonable time after each meeting and final versions are open for directors' inspection.

Corporate Governance Functions

The Board is responsible for performing the functions set out in the Code Provision A.2.1 of the CG Code. The Board reviewed the Company's corporate governance policies and practices, training and continuous professional development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, the compliance of the Model Code and written employee guidelines, and the Company's compliance with the CG Code and disclosure in this corporate governance report.

Directors' Training

Pursuant to Code Provision C.1.4 of the CG Code, all the Directors should participate in continuous professional development to develop and refresh their knowledge and skills. This is to ensure that their contribution to the Board remains informed and relevant. The Company has provided information related to the changes in the Listing Rules. The Company will continuously update the Directors on the latest developments to the Listing Rules and other applicable regulatory requirements, to ensure compliance and enhance the Directors' awareness of good governance practice.

BOARD COMMITTEES

The Board has established three committees, namely the audit committee (the "Audit Committee"), remuneration committee (the "Remuneration Committee"), and nomination committee (the "Nomination Committee"). Each committee has its own written terms of reference and is provided sufficient resources and empowered to function within its own terms of reference. The terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee can be found on the websites of the HKEx and the Company respectively.

Audit Committee

The Company has established the Audit Committee on 23 June 2017 with written terms of reference in compliance with Code Provision D.3.4. As at the date of this Report, the Audit Committee comprises two independent non-executive Directors, namely Mr. Cheng Wai Hei and Mr. Lam Chi Wing. Mr. Cheng Wai Hei has been appointed as the chairman of the Audit Committee. The primary duties of the Audit Committee are mainly to make recommendations to the Board on the appointment and dismissal of the external auditor, review the financial statements and information and provide advice in respect of financial reporting and oversee the internal control procedures of the Company.

The Audit Committee held 2 meetings during the year ended 31 December 2023 for the purposes of, among other things, considering and approving the annual financial results for the year ended 31 December 2022, the interim financial results for the six months ended 30 June 2023 and discussion of audit plan for the year ended 31 December 2023 respectively. The details of attendance are set out below:

Audit Committee Members	**Attended in person/ attended by proxy/ Number of meetings held**
Ms. Lee Kit Ying (retired on 17 May 2023)	1/0/2
Mr. Jin Lailin (removed on 19 March 2024)	2/0/2
Mr. Peng Peng (appointed on 1 February 2023 and resigned on 2 January 2024)	1/1/2
Mr. Wang Zhongmin (resigned on 1 February 2023)	0/0/2
Mr. Cheng Wai Hei (appointed on 17 May 2023)	1/0/2
Mr. Lam Chi Wing (appointed on 2 January 2024)	N/A

Nomination Committee

The Company has established the Nomination Committee on 23 June 2017. As at the date of this Report, the Nomination Committee comprises two independent non-executive Directors, namely Mr. Cheng Wai Hei and Mr. Lam Chi Wing. The Nomination Committee has written terms of reference in compliance with the CG Code. The primary functions of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations to the Board on any proposed changes to the Board to complement the Company's corporate strategy; identify individuals suitably qualified as potential Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; assess the independence of the independent non-executive Directors; and make recommendations to the Board on the appointment or reappointment of the Directors and succession planning of Directors, in particular that of the chairman and the chief executive officer.

Where necessary, the Nomination Committee can seek independent professional advice, at the Company's expense, to perform its responsibilities.

The Nomination Committee held 1 meeting during the year ended 31 December 2023 for the purposes of, among others, reviewing the composition of the Board, considering any changes in the Directors and senior management of the Company and the making recommendations to the Board for approval. The details of attendance are set out below:

Nomination Committee Members	**Attended in person/ attended by proxy/ Number of meetings held**
Ms. Ma Xiaoqiu (removed on 19 March 2024)	1/0/1
Ms. Liu Xinyi (removed on 19 March 2024)	1/0/1
Ms. Lee Kit Ying (retired on 17 May 2023)	1/0/1
Mr. Jin Lailin (removed on 19 March 2024)	1/0/1
Mr. Peng Peng (resigned on 2 January 2024)	0/1/1
Mr. Wang Zhongmin (resigned on 1 February 2023)	0/0/1
Mr. Cheng Wai Hei (appointed on 17 May 2023)	0/0/1
Mr. Lam Chi Wing (appointed on 2 January 2024)	N/A

The director nomination procedures and process: (a) the Nomination Committee shall first review and assess factors relating to the diversity of the Board, including but not limited to professional experience, skill, knowledge and length of service, gender, age, cultural and education background, and give consideration to the candidate's willingness to devote adequate time to the Board and independence of each independent non-executive Directors based on the requirements of the Listing Rules as amended from time to time; (b) the Nomination Committee shall then nominate suitable candidates to the Board based on the then-current and anticipated future leadership needs of the Company, with a view to achieving a sustainable and balanced development of the Company; and (c) the Nomination Committee shall also monitor and review the implementation of the nomination policy, as appropriate from time to time, and will report to the Board annually.

Remuneration Committee

The Company has established the Remuneration Committee on 23 June 2017 with written terms of reference in compliance with Code Provision E.1.3. The Remuneration Committee comprises two independent non-executive Directors, namely Mr. Cheng Wai Hei and Mr. Lam Chi Wing. Mr. Cheng Wai Hei has been appointed as the chairman of the Remuneration Committee. The primary functions of the Remuneration Committee are to make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; to review and approve the management's performance-based remuneration proposals with reference to the Board's corporate goals and objectives from time to time; to make recommendations to the Board on the remuneration packages of all individual executive directors and senior management, including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment, and make recommendations to the Board on the remuneration of non-executive directors. The Remuneration Committee should consider factors such as salaries paid by comparable companies, time commitment and responsibilities of the directors, and employment conditions elsewhere in the Group and desirability of performance-based remuneration; and to ensure that no director or any of his associates is involved in deciding his own remuneration.

The Remuneration Committee held 1 meeting during the year ended 31 December 2023 for the purposes of, among others, reviewing the remuneration policy and structure for the Directors and senior management, considering the remuneration package and benefits of the Directors and senior management and making recommendations to the Board for approval and assessing and reviewing performance of the Directors and senior management. The details of attendance are set out below:

Remuneration Committee Members	**Attended in person/ attended by proxy/ Number of meetings held**
Ms. Ma Xiaoqiu (removed on 19 March 2024)	1/0/1
Ms. Lee Kit Ying (retired on 17 May 2023)	1/0/1
Mr. Jin Lailin (removed on 19 March 2024)	1/0/1
Mr. Peng Peng (resigned on 2 January 2024)	0/1/1
Mr. Wang Zhongmin (resigned on 1 February 2023)	0/0/1
Mr. Wong Chun Man (resigned on 1 February 2023)	0/0/1
Mr. Cheng Wai Hei (appointed on 17 May 2023)	0/0/1
Mr. Lam Chi Wing (appointed on 2 January 2024)	N/A

ACCOUNTABILITY AND AUDIT

The Board acknowledges its responsibility for on a going concern basis preparing financial statements for each financial year giving a true and fair view of the state of affairs of the Group. The responsibility of the Company's auditor, Prism Hong Kong and Shanghai Limited is set out in the section headed "Independent Auditor's Report" of this report.

Risk management and internal control system

The goal of the Group is to identify and manage the risks (including ESG Risks) which are inherent in the Group's business and its operating markets so that the risks can be reduced, mitigated, transferred or avoided.

CORPORATE GOVERNANCE REPORT

The Board recognizes its responsibility for maintaining an adequate and sound enterprise risk management and internal control system and through the Audit Committee and, if necessary, an external firm of professional internal control consultant to provide internal control services, conducts reviews on the effectiveness of these systems at least annually, covering material controls, including financial, operational, compliance and strategic risk control functions. The Audit Committee will then report to the Board after properly reviewing the effectiveness of the Group's risk management and internal control systems. The Board considers the works, findings and recommendations of the Audit Committee in forming its own view on the effectiveness of such systems and makes proper responses. The Board understands that such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

Deficiencies in the design and implementation of internal controls are identified and recommendations are proposed for improvement. Significant internal control deficiencies are reported to the Audit Committee and the Board of Directors on a timely basis to ensure prompt remediation actions are taken.

Our enterprise risk management framework

The Group fine-tuned its enterprise risk management framework in 2023. While the Board has the overall responsibility to ensure that sound and effective internal controls are maintained, management is responsible for designing and implementing an internal control system to manage all kinds of risks faced by the Group.

Through the risk identification and assessment processes, risks are identified, assessed, prioritized and allocated treatments. Our risk management framework follows the COSO Enterprise Risk Management – Integrated Framework, which allows the Board and management to manage the risks of the Group effectively. The Board receives regular reports through the Audit Committee that oversees risk management and internal audit functions.

Our risk control mechanism

The Group adopts a "three-layer" corporate governance structure with operational management and controls performed by operations management, coupled with risk management monitoring carried out by the finance team and independent internal audit outsourced to and conducted by BTCGL. The Group maintains a risk register to keep track of all identified major risks of the Group. The risk register provides the Board, the Audit Committee, and management with a profile of its major risks and records management's action taken to mitigate the relevant risks. Each risk is evaluated at least annually based on its likelihood of occurrence and potential impact upon the Group. The risk register is updated by management as the risk owners with addition of new risks and/or removal of existing risks, if applicable, at least annually, after the annual risk evaluation has been performed. This review process can ensure that the Group proactively manages the risks faced by it in the sense that all risk related parties have access to the risk register and are aware of and alert to those risks in their area of responsibility so that they can take follow-up action in an efficient manner.

Our risk management activities are performed by management on an ongoing process. The effectiveness of our risk management framework will be evaluated at least annually, and periodic management meeting is held to update the progress of risk monitoring efforts. Management is committed to ensuring that risk management forms part of the daily business operation processes in order to align risk management with corporate goals in an effective manner.

Review of effectiveness of the risk management and internal control system and to resolve material internal control defects

During the year under review, the Board, through the Audit Committee, conducted review of both design and implementation effectiveness of the risk management and internal control systems of the Group, covering all material controls, including financial, operational and compliance controls, with a view to ensuring that resources, staff qualifications and experience, training programs and budget of the Group's accounting, internal audit and financial reporting functions are adequate.

To review whether there is any deficiency in the Group's approval process in relation to significant transactions, the Company appointed BT Corporate Governance Limited ("BTCGL"), an external firm of professional internal control consultants, to assist in identifying and assessing the risks of the Group through a series of interview and testing, and independently perform internal control review and assess effectiveness of the Group's risk management and internal control systems, including the assessment of the effectiveness of the procedures, systems and controls established by Group, particularly, the investment management cycle and the financial reporting cycle of the Group during the year ended 31 December 2023. Based on the review results of BTCGL, the Board and the Audit Committee noted that there were internal control deficiencies regarding the investment management and financial reporting management of the Group during the reporting period, which included:

	Internal control deficiencies noted	Principal risks	Remedial measures implemented
1	Insufficient mechanism over preliminary assessment of the investment – (a) investment plan was not prepared for the existing investment, (b) no financial due diligence procedures performed for the potential investment.	Difficult for the management to justify whether the investment has been properly analysed with the risks and the return considered, the risk of making a wrong investment decision could not be minimised.	The Treasury Management Policy has been updated with covering the mechanism over preliminary assessment of the investment.
2	Insufficient mechanism over monitoring of the performance of investment – (a) content of monthly investment report is not specified in the existing manual, (b) no monthly investment report prepared for the existing investment.	Difficult for the Group to ensure that the performance of investment has matched with the target and goal set by the Group, the risk of the Group may be suffered from financial loss due to underperformed investment could not be minimized.	The Treasury Management Policy has been updated with covering the mechanism over monitoring of the performance of investment.
3	Insufficient mechanism over termination of investment – indicators of termination of investment and procedures of termination were not defined in the existing policy.	The risk of the Group may be suffered from financial loss due to risky investment could not be minimized.	The Treasury Management Policy has been updated with covering the mechanism over termination of investment.
4	Policy and procedure over connected transaction and notifiable transaction yet to be enhanced – (a) the existing Related Party & Connected Party Transactions Policy was not comprehensive enough, (b) lack of formal written procedure and guidelines in relation to notifiable transaction.	The risk of occurrence of inconsistent business practice and procedures and violation of the requirements of the Listing Rules cannot be minimized.	The Policy and Procedures for Related Party & Connected Transaction has been updated with covering the procedures of notifiable transaction and connected transaction.

	Internal control deficiencies noted	Principal risks	Remedial measures implemented
5	Variance analysis between financial budget and actual financial performance figures not regularly prepared.	Significant variances between actual and budgeted operating and financial performance results cannot be followed up in a timely manner with the necessary corrective action promptly taken by management.	Semi-annually variance analysis between financial budget and actual financial performance figures was prepared by Financial Controller and reviewed by the Group's Chief Financial Officer through email.
6	Control over monthly management accounts and consolidated management accounts to be strengthened – (a) absence of written review evidence over monthly management accounts and consolidated management accounts, (b) absence of monthly financial updates to Board members.	Difficult for management of the Business Units to distinguish whether monthly consolidated management accounts and management accounts have been properly reviewed by designated responsible personnel, and whether Board has fully understand the business performance of the company in a timely manner, and to monitor the operational performance of the Business Unit in order to achieve its business targets.	Monthly management accounts of the Business Units are properly approved by the Directors through emails. Besides, the monthly consolidated financial statements have been properly sent to the Board members through emails by the Group's Chief Financial Officer.
7	Policy and procedure over financial reporting yet to be enhanced – the existing written policy was not comprehensive enough.	The risk of occurrence of inconsistent business practice and procedures cannot be minimized.	The Accounting Policies has been updated and established.

Since the management of the Group has taken remedial measures in relation to the above internal control deficiencies and no further suggestion is raised by BTCGL, the Board and the Audit Committee are satisfied that the Group's internal control system is sound and effective. Apart from above internal control deficiencies regarding investment management and financial reporting management of the Group which have been resolved, no significant area of concern that may affect the financial, operational, compliance, control and risk management of the Group has been identified during the year ended 31 December 2023.

A qualified opinion has been issued by the auditor of the Company for the consolidated financial statements for the year ended 31 December 2023 since the auditor of the Company were unable to obtain sufficient appropriate audit evidence in respect of the financial information of the investments in associates of the Group as their accounting books and records were not available to them for audit purpose. The Company considers that the occurrence of such circumstance was due to the deficiencies in the internal control policies and procedures relating the investment management and financial reporting management of the Group. Since the investment in associate has been fully impaired, the Company does not expect there will be any impact on the financial performance and financial position to the Group in the year ending 31 December 2024 and thus the qualified opinion is not expected to be issued in the next financial year. The Board considers that following the internal control review and the implementation of the remedial measures recommended by BT Corporate Governance Limited in relation to the internal control deficiencies of the Group as stipulated in the above, the Company will be able to prevent the occurrence of similar incidents. Accordingly, the Board considers that the internal control review and the implemented remedial measures are sufficient to resolve the issue.

There is currently no internal audit function within the Group. The Directors have reviewed the need for an internal audit function and are of the view that in light of the size, nature and complexity of the business of the Group, it would be more cost effective to appoint external independent professionals to perform internal audit function for the Group in order to meet its needs. Nevertheless, the Directors will continue to review at least annually the need for an internal audit function. Overall, the Board considered the risk management and internal control systems of the Group are effective and adequate.

The Company will continue to engage external independent professionals to review the Group's system of internal controls and risk management annually and further enhance the Group's internal control and risk management systems as appropriate.

Details of the ESG-related risks of the Group are set out in the ESG Report contained in this annual report.

INSIDE INFORMATION

With regard to the internal controls and procedures for the handling and dissemination of inside information, the Group is in compliance with provisions under the Part XIVA and relevant parts of the Securities and Future Ordinances and Listing Rules. To be certain that all the staff members of the Group are aware of the inside information handling, the Group's disclosure policy sets out guidance and procedures to ensure that the inside information of the Group is disseminated to the public completely, accurately and timely. Besides, the Board is responsible to approve the dissemination of the information. The Group also has reasonable measures and procedures regarding keeping the sensitive information confidential and ensuring the confidentiality terms are in place in the significant agreements. Other procedures including sending blackout period and securities dealing restrictions notification to the relevant Directors and employees timely, disseminating information to specified persons on a need-to-know basis have also been implemented by the Group against possible mishandling of inside information within the Group.

Company Secretary

In order to uphold good corporate governance and ensure compliance with the Listing Rules and applicable Hong Kong Laws, the Company engages an external service provider to provide secretary service and has appointed Ms. Lam Wai ("Ms. Lam") as its company secretary on 19 May 2023. Since Ms. Lam is not an employee of the Group, Mr. Tsang Chun Ho Anthony, our executive director, is the person whom Ms. Lam can contact for the purpose of Code Provision F.1.1 of the CG Code. Ms. Lam has confirmed that she has taken not less than 15 hours of relevant professional training during the year ended 31 December 2023 and has complied with the requirements of Rule 3.29 of the Listing Rules.

Auditor's Remuneration

The remuneration paid to the auditor of the Company, Prism Hong Kong and Shanghai Limited, for audit services and non-audit service amounted to approximately S$68,000 and S$Nil, respectively for the Current Year.

There was no non-audit service provided by Prism Hong Kong and Shanghai Limited to the Company during the Current Year.

COMMUNICATION WITH SHAREHOLDERS

The Company strives for maintaining effective and on-going communication with and timely disclosing useful information to the shareholders and potential investors of the Company. The Directors hold annual general meeting yearly to meet the shareholders of the Company, and publish and distribute annual and interim reports for providing updated financial performance and business developments of the Company to the shareholders of the Company.

SHAREHOLDERS' RIGHTS

Convening extraordinary general meeting

Pursuant to the Company's articles of association, the Board may whenever it thinks fit call extraordinary general meetings. Any one or more shareholders of the Company holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two (2) months after the deposit of such requisition. If within twenty-one (21) days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

Right to Put Forward Proposals at General Meetings

There is no provision for shareholders to propose resolutions at a general meeting under the Cayman Islands Companies Act (as revised). However, shareholders can follow the above procedure and request to convene extraordinary general meeting.

Right to Put Enquiries to the Board

Shareholders of the Company may send written enquiries or requests in respect of their rights to Room 802, 8/F., LKF29, 29 Wyndham Street, Central, Hong Kong for the attention to the company secretary, or contact the Hong Kong Branch Share Registrar and Transfer Office of the Company, Tricor Investor Services Limited for any enquiries about their shareholdings and entitlements to dividend and to put their views on matters affecting the Company.

INVESTOR RELATIONS

The Company has established various communication channels with its shareholders, including but not limited to holding annual general meeting, publishing and distributing annual, interim and quarterly reports, announcements and circulars on the websites of the HKEx and the Company and to its shareholders, respectively.

The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. Shareholders may make enquiries to the Company directly by raising questions at general meetings. Members of the Board, in particular, the chairlady/chairman of the Board committees or their delegates and external auditor will use all reasonable efforts to attend annual general meetings and to answer the questions of the shareholders.

The Company has reviewed the implementation and effectiveness of its shareholders communication policy and conclude that the policy is effective. Shareholders are given clear guidance in this Corporate Governance Report on how and when it can communicate with the Company, and are provided with regular updates on the Group's financial performance, strategic direction, and material business developments. In addition, our shareholders communication policy is regularly reviewed and updated to reflect changes in regulatory landscape and best practices, ensuring that the Company remains responsive to evolving shareholders' expectations and needs.

Articles of Association

There had been no significant change to the Articles of Association of the Company for the Current Year.

DIRECTORS' REPORT

The Directors have pleasure in presenting their annual report together with the audited consolidated financial statements of the Group (the "Consolidated Financial Statements") for the year ended 31 December 2023 (the "Current Year").

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding and those of the principal subsidiaries of the Company are set out in Note 1 to the consolidated financial statements for the Current Year.

SEGMENT INFORMATION

An analysis of the Group's performance for the Current Year by operating segment is set out in Note 7 to the consolidated financial statements for the Current Year.

BUSINESS REVIEW

The business review of the Group for the Current Year together the future business development is set out in the section headed "Management Discussion and Analysis" on pages 6 to 12 of this annual report. This discussion forms part of the report of directors.

The environmental policies and performance, compliance with relevant laws and regulations and relationships with employees, customers, suppliers and other that have a significant impact on the Company and on which the Company's success depends are also discussed in the Environmental, Social and Governance Report on pages 39 to 66 of this Annual Report.

RESULTS AND APPROPRIATIONS

The results of the group for the Current Year are set out in the consolidated statement of comprehensive income on page 73 of this annual report.

The Directors do not recommend the payment of a final dividend to the shareholders of the Company for the Current Year (2022: N/A).

DONATIONS

During the Current Year, charitable and other donations made by the Group amounted to S$Nil (2022: S$Nil).

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to achieving environmental sustainability. The Group endeavours to comply with the relevant laws and regulations regarding environmental protection and adopt effective measures to achieve efficient use of resources, waste reduction and energy saving.

In accordance with Rule 13.91 and the Environmental, Social and Governance Reporting Guide contained in Appendix C2 to the Listing Rules, the Company's environmental, social and governance report is contained in this report.

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

The Group has compliance policies and procedures in place to ensure adherence to applicable laws, rules and regulations, in particular, those that have a significant impact on the operation of the Group, including the requirements under the Companies Ordinance, the Listing Rules, the SFO and the CG Code for, among other things, the disclosure of information and corporate governance. The Group would seek professional legal advice from its legal advisers to ensure that transactions and business to be performed by the Group are in compliance with the applicable laws and regulations. During the Current Year, the Group was not aware of any material non-compliance with any relevant laws and regulations that had a significant impact on it.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the Current Year are set out in Note 17 to the consolidated financial statements for the Current Year.

SHARES CAPITAL

Details of movements in the Company's share capital during the Current Year are set out in Note 27 to the consolidated financial statements for the Current Year.

DISTRIBUTABLE RESERVES

As at 31 December 2023, the Company's reserves available for distribution, calculated in accordance with the Companies Act (as revised) of the Cayman Islands, amounted to approximately S$3,512,000 (2022: approximately S$5,167,000).

DIVIDEND POLICY

The Dividend Distribution Policy of the Company establishes the principles to ascertain amounts that can be distributed to its shareholders as dividend by the Company. Subject to the applicable law and its Articles of Association, the Company's dividend payout will be determined based on available financial resources, investment requirements and taking into account optimal shareholders return.

While determining the nature and quantum of dividend payout, the Board would take into account the following factors, inter alia:

- Cash flow position of the Company
- Earnings stability
- Long term investments
- Future cash requirements for development
- Economic environment
- Industry outlook for the future years
- Changes in the Government policies, industry specific rulings & regulatory provisions

EQUITY-LINKED AGREEMENTS

Other than the share option scheme of the Company, no equity-linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Current Year or subsisted at the end of the Current Year.

PRE-EMPTIVE RIGHTS

There is no provision for the pre-emptive rights under the Company's Articles of Association, or the laws of the Cayman Islands, which would oblige the Company to offer new shares on a pro-rata basis to existing shareholders.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the Current Year were rights to acquire benefits by means of the acquisition of shares in or debentures of the Company granted to any Directors or their respective spouses or children under 18 years of age, or were any such rights exercised by them, or was the Company, its holding company, or any of its subsidiaries and fellow subsidiaries a party to any arrangement to enable the Directors to acquire such rights in any other body corporate.

DISCLOSURE ON CHANGES IN INFORMATION OF DIRECTORS

Pursuant to Rule 13.51(B) of the Listing Rules, the changes in details of the Directors' information subsequent to the date of the interim report of the Company for the six months ended 30 June 2023 are set out below:

Name	**Details of Changes**
Mr. Peng Peng	Mr. Peng Peng has resigned as an independent non-executive Director, a member of each of the Nomination Committee, the Remuneration Committee and the Audit Committee on 2 January 2024.
Mr. Lam Chi Wing	Mr. Lam was appointed as an independent non-executive Director, and a member of each of the Nomination Committee, the Remuneration Committee and the Audit Committee with effect from 2 January 2024. Details of his appointment were disclosed in the Company's announcement dated 2 January 2024.
Ms. Ma Xiaoqiu	Ms. Ma Xiaoqiu was removed as an executive Director and ceased to be the chairlady of the Board, the chairlady of the Nomination Committee and a member of the Remuneration Committee on 19 March 2024. Details of her removal, please refer to the announcements of the Company dated 16 January 2024 and 19 March 2024 respectively and the circular of the Company dated 27 February 2024.
Ms. Liu Xinyi	Ms. Liu Xinyi was removed as a non-executive Director and ceased to be a member of the Nomination Committee and the authorised representative of the Company pursuant to Rule 3.05 of the Listing Rules on 19 March 2024. Details of her removal, please refer to the announcements of the Company dated 16 January 2024, 19 March 2024 and 22 March 2024 respectively and the circular of the Company dated 27 February 2024.
Mr. Chen Jun	Mr. Chen Jun was removed as a non-executive Director on 19 March 2024. Details of his removal, please refer to the announcements of the Company dated 16 January 2024 and 19 March 2024 respectively and the circular of the Company dated 27 February 2024.
Ms. Lyu Qiujia	Ms. Lyu Qiujia was removed as a non-executive Director on 19 March 2024. Details of her removal, please refer to the announcements of the Company dated 16 January 2024 and 19 March 2024 respectively and the circular of the Company dated 27 February 2024.
Mr. Jin Lailin	Mr. Jin Lailin was removed as an independent non-executive Director and ceased to be a member of each of the Audit Committee, the Remuneration Committee and the Nomination Committee on 19 March 2024. Details of his removal, please refer to the announcements of the Company dated 16 January 2024 and 19 March 2024 respectively and the circular of the Company dated 27 February 2024.

FIVE YEARS FINANCIAL SUMMARY

A summary of the published results, assets and liabilities of the Group for the last five financial years is set out on page 140 of this annual report. This summary does not form part of the consolidated financial statements for the Current Year.

PURCHASE, SALE OR REDEMPTION OF THE COMPANY'S LISTED SECURITIES

On 13 July 2017, the shares of the Company were listed on GEM operated by HKEx. On 23 December 2019, the shares of the Company have been transferred to be listed on the Main Board of HKEx by way of transfer of listing from GEM, and subsequently delisted from GEM. During the Corresponding Year, the Company was approved for secondary listing on the Frankfurt Stock Exchange ("FSE") of Germany and its shares have been traded on the FSE under the trading symbol "5WZ". The Company continues to have a primary listing on the Main Board of The Stock Exchange of Hong Kong Limited ("HKEx") and its shares have continued to be traded on the HKEx. Neither the Company nor any of its subsidiaries had purchased, sold and redeemed any of the Company's listed securities after the Listing and up to the date of this report.

SHARE OPTION SCHEME

A share option scheme (the "Share Option Scheme") has been adopted by passing of written resolutions by the then shareholders of the Company and was effective on 23 June 2017. Unless otherwise cancelled or amended, the Share Option Scheme will remain in force for a period of 10 years from the date of its adoption. As at 31 December 2023, the remaining life of the Share Option Scheme is approximately 3.5 years. During the period from 23 June 2017 to the date of this report, no share options had been granted by the Company.

(a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to attract and retain the best available personnel, to provide additional incentive to employees (full-time and part-time), directors, consultants, advisers, distributors, contractors, suppliers, agents, customers, business partners or service providers of our Group and to promote the success of the business of our Group.

(b) Who may join and basis of eligibility

The basis of eligibility of any participant to the grant of any option shall be determined by the Board (or as the case may be, including, where required under the Listing Rules, the independent non-executive Directors) from time to time on the basis of the participant's contribution or potential contribution to the development and growth of our Group.

(c) Maximum number of shares

The maximum number of shares in respect of which options may be granted under the Share Option Scheme shall not in aggregate exceed 10% of all the Shares in issue as at the date of the Listing (i.e. not exceeding 45,000,000 shares representing 10% of the issued capital of the Company as at the date of this report).

(d) Maximum entitlement of each participant

The total number of Shares issued and to be issued upon the exercise of options granted to each participant (including both exercised and outstanding options) under the Share Option Scheme of our Company, in any 12-month period up to the date of grant shall not exceed 1% of the Shares in issue. Any further grant of options in excess of such limit must be separately approved by Shareholders in general meeting with such grantee and his/her close associates abstaining from voting. In such event, our Company must send a circular to the Shareholders containing the identity of the grantee, the number and terms of the options to be granted (and options previously granted to such grantee), and all other information required under the Listing Rules. The number and terms (including the subscription price) of the options to be granted to such grantee must be fixed before the approval of the Shareholders and the date of the Board meeting proposing such further grant should be taken as the date of grant for the purpose of calculating the subscription price.

(e) Time of exercise of option

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Board may determine which shall not exceed ten years from the date of grant subject to the provisions of early termination thereof.

(f) The minimum period for which an option must be held before it can be exercised

As determined by the Board upon the grant of an option.

(g) Grant of options and acceptance of offers

An offer for the grant of options must be accepted within seven days inclusive of the day on which such offer was made. The amount payable by the grantee of an option to our Company on acceptance of the offer for the grant of an option is HK$1.00.

(h) Price of Shares

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be a price solely determined by the Board and notified to a participant and shall be at least the higher of: (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant of the option, which must be a business day; (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant of the option; and (iii) the nominal value of a Share on the date of grant of the option, provided that in the event of fractional prices, the subscription price per Share shall be rounded upwards to the nearest whole cent; and for the purpose of calculating the subscription price, where our Company has been listed on the Stock Exchange for less than five business days, the new issue price shall be used as the closing price for any business day falling within the period before listing.

DIRECTORS' REPORT

DIRECTORS

The Directors during the Current Year and up to the date of this report were:

Executive Directors

Mr. Tsang Chun Ho Anthony (appointed on 11 April 2023)
Ms. Ma Xiaoqiu *(Chairlady)* (removed on 19 March 2024)

Non-executive Directors

Mr. Choi Tan Yee (appointed on 11 April 2023)
Ms. Liu Xinyi (removed on 19 March 2024)
Ms. Chen Jun (appointed on 1 February 2023 and removed on 19 March 2024)
Mr. Wong Chun Man *(Vice-Chairman)* (resigned on 1 February 2023)
Ms. Lyu Qiujia (removed on 19 March 2024)

Independent non-executive Directors

Mr. Cheng Wai Hei (appointed on 17 May 2023)
Mr. Lam Chi Wing (appointed on 2 January 2024)
Mr. Jin Lailin (removed on 19 March 2024)
Ms. Lee Kit Ying (retired on 17 May 2023)
Mr. Wang Zhongmin (resigned on 1 February 2023)
Mr. Peng Peng (resigned on 2 January 2024)

Pursuant to the Articles of Association, Mr. Cheng Wai Hei and Mr. Lam Chi Wing will retire and, being eligible, offer themselves for re-election at the forthcoming annual general meeting of the Company (the "Annual General Meeting").

DIRECTORS' SERVICE CONTRACTS

Each executive Director has entered into a service contract with the Company for an initial term of three (3) years commencing from their respective date of appointment and shall continue thereafter unless and until it is terminated by the Company or the Director giving to the other not less than three months' prior notice in writing.

Each non-executive Director has entered into a service contract with the Company for an initial term of three (3) years commencing from their respective date of appointment and shall continue thereafter unless and until it is terminated by the Company or the Director giving to the other not less than three months' prior notice in writing.

Each of the current independent non-executive Director has entered into a letter of appointment with the Company for an initial term of three (3) years commencing from their respective date of appointment and shall continue thereafter unless terminated by the Company or the Director giving at least one month's notice in writing.

None of the directors who are proposed for re-election at the Annual General Meeting has a service contract or letter of appointment (as the case may be) with the Company which is not determinable within one year without payment of compensation, other than statutory compensation.

DIRECTORS' REMUNERATION

The Directors' fees are subject to shareholders' approval at the annual general meeting. Other emoluments are determined by the Board of the Company with reference to the recommendations by the Remuneration Committee, directors' duties, responsibilities and performance and the results of the Group. The remuneration of Directors (including executive Directors and independent non-executive Directors) on named basics are set out in Note 12(b) to the consolidated financial statements for the Current Year.

DIRECTORS' MATERIAL INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS THAT ARE SIGNIFICANT IN RELATION TO THE COMPANY'S BUSINESS

No transactions, arrangements and contracts of significance in relation to the Group's business to which the Company's subsidiaries, fellow subsidiaries or its parent company was a party and in which a director of the company had a material interest, whether directly or indirectly, subsisted at the end of the Current Year or at any time during the Current Year.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No controlling shareholder of the Company had a material interest, either directly or indirectly, in any contract of significance (whether for the provision of services to the Company or not) to the business of the Group to which the Company or any of its subsidiaries was a party during the Current Year.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Brief biographical details of directors and senior management are set out on pages 13 to 15 of this report.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY OR ANY SPECIFIED UNDERTAKING OF THE COMPANY OR ANY OTHER ASSOCIATED CORPORATION

As at the date of this report, none of the Directors nor the chief executives of the Company has any interests or short positions in the Shares, underlying Shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (the "SFO") which have been notified to the Company and the HKEx pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which he is taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers contained in the Listing Rules.

At no time during the Current Year was the Company or any of its subsidiaries a party to any arrangements to enable the Directors to acquire benefits by means of the acquisition of the Shares, or debentures of the Company or any other body corporate.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND/OR SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES OF THE COMPANY

As at the date of this report, the persons or entities who have interests or short positions in the Shares and underlying Shares of the Company which have been disclosed to the Company under the provisions of Division 2 and 3 of Part XV of the SFO, or which were recorded in the register required to be kept by the Company under Section 336 of the SFO are as follows:

Name	Capacity/Nature of interests	Number of Shares held *(Note 1)*	Approximately percentage of shareholding of the Company
Mr. Lu Yongde	Interest in controlled corporation *(Note 2)*	230,000,000 (L)	51.11%
Billion Legend	Beneficial owner	230,000,000 (L)	51.11%

Notes:

(1) The Letter "L" denotes the person's long position in the relevant Shares.

(2) The entire issued share capital of Billion Legend is legally and beneficially owned as to 100% by Mr. Lu Yongde. Accordingly, Mr. Lu Yongde is deemed to be interested in 230,000,000 Shares held by Billion Legend by virtue of the SFO.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the company were entered into or existed during the Current Year.

MAJOR CUSTOMERS AND SUPPLIERS

The percentages of purchases and sales for the Current Year attributable to the Group's major suppliers and customers are as follows:

Purchases

– the largest supplier	51.4%
– five largest suppliers in aggregate	74.4%

Sales

– the largest customer	69.5%
– five largest customers in aggregate	94.4%

To the best knowledge of the directors, neither the directors, their associates, nor any shareholders, who owned more than 5% of the Company's issued share capital, had any beneficial interest in any of the Group's five largest customers or suppliers during the Current Year.

CONNECTED TRANSACTIONS

The Directors consider that those material related party transactions disclosed in Note 35 to the consolidated financial statements did not fall under the definition of "connected transactions" or "continuing connected transactions" (as the case may be) in Chapter 14A of the Listing Rules which are required to comply with any of the reporting, announcement or independent Shareholders' approval requirements under the Listing Rules. The Directors confirmed that the Company has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

During the Current Year, the Group had no transactions which need to be disclosed as connected transactions or continuing connected transaction in accordance with the requirements of the Listing Rules.

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES

As at 31 December 2023, the Group had not provided any financial assistance and guarantee.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the company and within the knowledge of the Directors, it is confirmed that there is sufficient public float of at least 25% of the Company's issued shares for the period from the date of Listing to 31 December 2023 and up to the date of this report.

TAX RELIEF

The Company is not aware of any relief from taxation available to the shareholders of the Company by reason of their holdings of the Company's shares.

COMPETING BUSINESS

During the Current Year and up to the date of this report, none of the Directors or the controlling shareholders or their respective associates (as defined in the Listing Rules) of the Company had any interests in any businesses which competed with or might compete with the business of the Group.

SUBSEQUENT EVENTS

The Board was informed that on 20 March 2024, Mr. Leung Ka Fai (the "Vendor"), as mortgagee under the equitable mortgage dated 9 June 2023 over the 50,000 issued shares of Billion Legend, representing the entire issued share capital of Billion Legend (the "Sale Shares"), executed by Ms. Ma Xiaoqiu in favour of the Vendor as security for the loan facility in the principal amount of HK$40,000,000 granted by the Vendor (the "Share Mortgage") and by way of exercising his power of sale under the Share Mortgage, entered into the sale and purchase agreement dated 20 March 2024 with Mr. Lu Yongde (the "Offeror") in respect of the sale and purchase of the Sale Shares, pursuant to which the Vendor agreed to sell, and the Offeror agreed to purchase, the Sale Shares for an aggregate consideration of HK$30,000,000. For details, please refer to the joint announcement of the Company dated 26 March 2024.

Save as disclosed above, there was no significant event occurred after the reporting period.

CONTINUING DISCLOSURE OBLIGATIONS PURSUANT TO THE LISTING RULES

The Company does not have any other disclosure obligations under Rules 13.20, 13.21 and 13.22 of the Listing Rules.

DIRECTORS' REPORT

CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

The Company had no outstanding convertible securities, options, warrants or similar rights as at 31 December 2023. There has been no issue or exercise of any convertible securities, options, warrants or similar rights during the Current Year.

CORPORATE GOVERNANCE REPORT

Details of the Group's corporate governance practices can be found in the Corporate Governance Report contained on pages 16 to 28 of this annual report.

LOANS AND BORROWINGS

The Group did not have bank loans or other borrowings as at 31 December 2023.

PERMITTED INDEMNITY PROVISIONS

At no time during the Current Year and up to the date of this Directors' Report, there was or is, any permitted indemnity provision being in force for the benefit of any of the directors of the Company or an associated company.

ANNUAL GENERAL MEETING

The Annual General Meeting will be held on Friday, 28 June 2024. A notice of which shall be sent to the shareholders of the Company in accordance with the Articles, the Listing Rules and other applicable laws and regulations.

CLOSURE OF REGISTER OF MEMBERS

For determining the entitlement to attend and vote at the forthcoming Annual General Meeting, the register of members of the Company will be closed from Tuesday, 25 June 2024 to Friday, 28 June 2024, both dates inclusive, during which period no transfer of shares can be registered. In order to be eligible to attend and vote at the Annual General Meeting, all transfers accompanied by the relevant share certificates must be lodged with the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited, at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration not later than 4:30 p.m. on Monday, 24 June 2024.

AUDITOR

The consolidated financial statements have been audited by Prism Hong Kong and Shanghai Limited who retire and, being eligible, offer themselves for re-appointment. A resolution for the re-appointment of Prism Hong Kong and Shanghai Limited as auditors of the Company will be proposed at the forthcoming Annual General Meeting.

On behalf of the Board

Mr. Tsang Chun Ho Anthony
Executive Director
Hong Kong, 28 March 2024

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

Introduction to the Report

This Environmental, Social and Governance Report (the "Report" or the "ESG Report") provides an overview of the initiatives, plans and performance of TOMO Holdings Limited (the "Company", the "Group" or "We", together with its subsidiaries) in Environmental, Social and Governance ("ESG") and demonstrates its commitment to sustainable development.

Reporting Period

This Report describes the ESG activities, challenges and measures taken by the Group during the year ended 31 December 2023 (the "Reporting Period", "Year", "2023").

Reporting Scope

This Report covers the Group's principal business operations in Singapore, which serve as the main sources of revenues, while the Group's headquarters are located in Hong Kong. It conducts operations in two primary business sectors: (i) the sales and installation of passenger vehicle leather upholstery and electronic accessories, and (ii) the sales of electronic accessories, automotive parts, and motor vehicles.

Reporting Framework

This Report has been prepared in accordance with the ESG Reporting Guide as set out in Appendix C2 to the Rules Governing the Listing of Securities on Main Board of The Stock Exchange of Hong Kong Limited (the "Stock Exchange").

Reporting Principles

During the preparation of this ESG Report, the Group has applied the reporting principles stipulated in the ESG Reporting Guide as follows:

- *"Materiality"* – A materiality assessment was conducted to identify material issues during the Reporting Period, thereby adopting the confirmed material issues as the focus for the preparation of this ESG Report. The materiality of issues was reviewed and confirmed by the Board. Please refer to the sections headed "Engaging Stakeholders" for further details.

- *"Quantitative"* – Supplementary notes are added along with quantitative data disclosed in this ESG Report to explain any standards, methodologies, and source of conversion factors used during the calculation of environmental KPI.

- *"Balance"* – This Report aims to provide a holistic and fair view of the sustainability performance of the Group and has not omitted any information related to material ESG topics.

- *"Consistency"* – The approach adopted for the preparation of this ESG Report was substantially consistent with the previous year, and explanations were provided regarding data with changes in the scope of disclosure and calculation methodologies.

Forward-looking Statements

This ESG Report contains forward-looking statements which are based on the current expectations, estimations, projections, beliefs, and assumptions of the Group about the businesses and the markets in which it operates. These forward-looking statements are not guarantees of future performance and are subject to market risks, uncertainties, and factors beyond the control of the Group. Therefore, actual outcomes may differ from the assumptions made and the statements contained in this ESG Report.

Confirmation and Approval

This Report was endorsed by the ESG working group and approved by the Board in March 2024.

Contact Us

Your feedback is valuable to our continuous improvement, and we welcome any comments and suggestions you may have on this Report or our future ESG strategy in general. Please share any comments or suggestions regarding the Group's ESG performance at admin@tomogroupltd.com.

ESG GOVERNANCE STRUCTURE

The ESG working and managements play a pivotal role in overseeing the effective implementation of our environmental management measures and related policies. With a strong emphasis on accountability, we ensure that all departments within the organisation adhere to the Group's comprehensive environmental policy. Under the strict supervision and guidance of the ESG working and management, we uphold our commitment to compliance with legal requirements across all our business processes. To maintain a proactive approach, management at every level continuously reviews our policies and implementation procedures. They report their findings to the Board and provide recommendations for necessary measures to further strengthen our environmental initiatives.

THE BOARD STATEMENT

The Board being ultimately responsible for monitoring the Group's ESG issues, including ESG management approach, strategy, and policies, holds a crucial role in ensuring effective oversight. To comprehensively manage the Group's ESG performance and proactively identify potential risks, the Board conducts materiality assessments, when necessary, with the assistance of the ESG working group. These assessments evaluate and prioritise material ESG-related issues, considering the opinions of stakeholders. Additionally, the Board reviews the progress made against ESG-related goals and targets, establishing a direct connection between these goals and targets and their relevance to the issuer's businesses.

ENVIRONMENT, SOCIAL AND GOVERNANCE STRUCTURE

The Board

- Evaluate ESG-related risks and opportunities
- Formulate ESG management approaches, strategies, priorities and goals
- Regularly review ESG-related targets
- Review the disclosure in the ESG Report
- Oversee all ESG issues

ESG Working Group

- Collect and analyse ESG data and evaluate the effectiveness of policies and procedures
- Ensure the implementation of plans to achieve ESG targets
- Ensure compliance with relevant ESG laws and regulations
- Support the preparation of the annual ESG Report
- Report to the Board on all ESG-related issues

ESG Working Group

The Group's ESG working group (the "ESG Working Group") comprises core personnel from different departments to facilitate the Board's oversight of ESG matters (the "ESG Working Group"). At the executive level, the ESG Working Group is responsible for collecting and analysing ESG data, monitoring and evaluating the Group's ESG performance, ensuring compliance with ESG-related laws and regulations, and preparing the ESG Reports. The ESG Working Group arranges regular meetings to assess the effectiveness of current policies and procedures and to develop appropriate solutions to enhance the overall performance of ESG policies. At the meeting, the ESG Working Group discussed existing and future plans to monitor and manage the Group's sustainability objectives and indicators, mitigate potential risks and minimise negative impacts on our business operations. By formulating ESG-related targets and indicators to reduce our environmental impact, the Group is committed to integrating sustainable development into its business operations and fulfilling corporate responsibility. The ESG Working Group reports regularly to the Board to evaluate the implementation and effectiveness of the internal control mechanisms and to review the progress of established goals and targets. The ESG Working Group will also be involved in the assessment and identification of the Group.

The Board confirmed that it had reviewed and approved this ESG Report. To the best of its knowledge, this report will fairly address the identified material issues and report on the Group's ESG approach and performance.

STAKEHOLDER ENGAGEMENT

The Group recognises the significance of effective stakeholder engagement and collaboration. As the operations involve a variety of stakeholder Groups, their inputs allow the Group to respond promptly to sustainability challenges and opportunities. The feedback from stakeholders of different backgrounds also helps the Group understand the ever-changing market demands and global sustainability trends.

The Group adopts a three-step iterative process for materiality assessment: identifying, prioritsing and validating. Through the process, the Group confirms the sustainability topics that are important to the business and stakeholders.

Identification

- Consider industry standards, trends, and the results of previous stakeholder engagement.
- Conduct survey and identify a list of issues that are considered relevant and important.

Prioritisation

- Gain insight from stakeholders on sustainability priorities.
- Prioritise material issues according to their relevance, impact and likelihood.

Validation

- Review and approve the material issues by the Board.

In formulating operational and ESG strategies, the Group considers stakeholders' expectations through a diverse range of engagement methods and communication channels, as shown below:

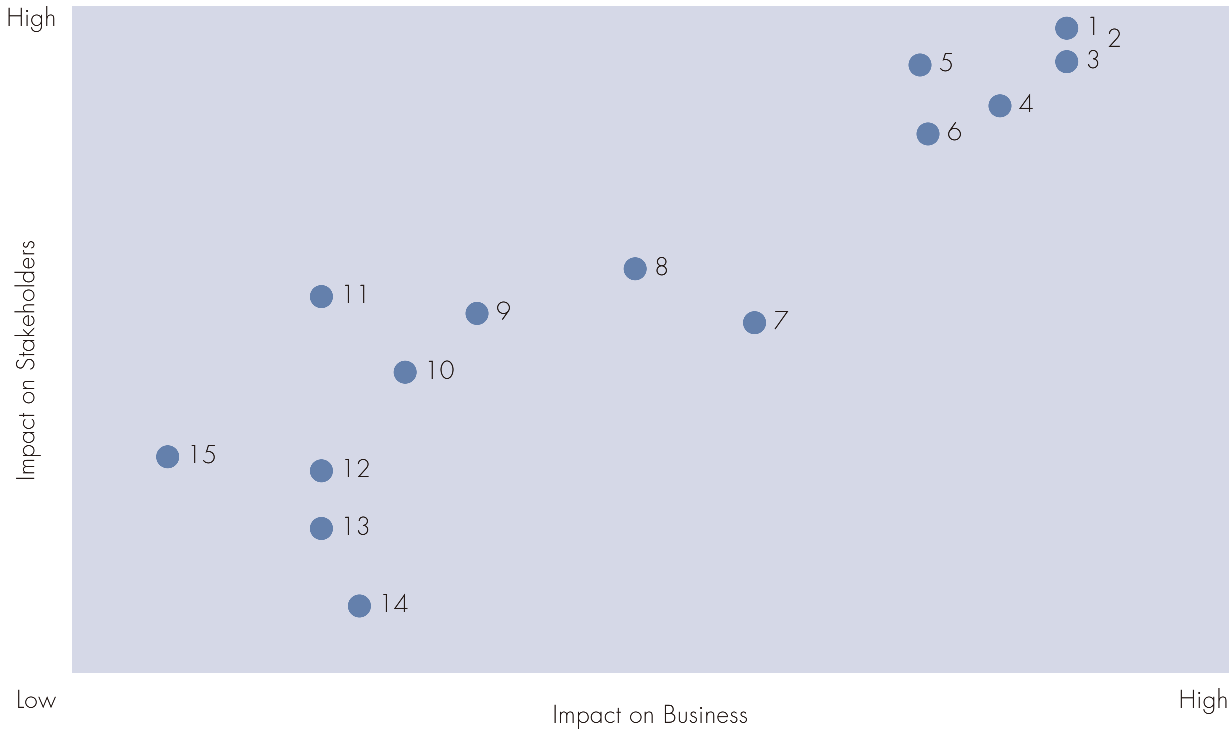
Stakeholders	Communication channels	Expectations
Employees	• Employee Activities • Professional Training • Performance Appraisal • On-site meetings and discussions	• Health and Safety • Equal Opportunities • Compensation and Benefits • Career Development • Legal rights and interests
Customers	• Customer Satisfaction Surveys • Customer Service Center • Complains Review Meeting • Hotline • Emails and Website	• Quality Services • Personal Safety • Compliant Operation • Privacy Protection • Seamless Communication
Suppliers	• Supplier Meetings and Events	• Contract Performance • Business Ethics
Investors and Shareholders	• Annual General Meeting • Special Report • Financial Reporting • Announcements and Circulars	• Compliant Operation • Information Disclosure • Financial Performance • Corporate Governance • Involvement in the decision-making process
Government and Regulators	• Regular Performance Report • Tax Payments	• Pay Taxes under Laws • Employment Growth • Compliance with Regulations • Security Operations
Community, NGOs, and Media	• Public and Community Events • Community Investment Programs • ESG Reports	• Community Contributions • Environmental Protection • Waste Disposal

MATERIALITY ASSESSMENT

Material issues in this report refer to what may have a significant impact on the Group's business operations or have an actual impact on stakeholders. To identify and prioritise these issues, the Group conducts a materiality assessment survey every year, presenting the findings in the form of a materiality matrix.

The following matrix is a summary of the Group's material ESG issues:

Materiality Matrix



Materiality Issues

1	Safe working environment and occupation	9	Resource usage
2	Supply chain management	10	Use of resources
3	Employee practices	11	Child labour and forced labour
4	Anti-corruption	12	Exhaust gas and greenhouse gas emissions
5	Business ethics and integrity	13	Climate change
6	Product quality and safety	14	Community investment
7	Consumer data production	15	Natural environment protection
8	Development and training		

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

To ensure the comprehensive and effective implementation of our sustainable development initiatives, we have integrated core commitments for each major area into our overarching sustainable development strategy.

Goals Number	How we support the Goals
3 Good health and well-being	The health and well-being of our employees is our topmost priority. We have implemented a comprehensive set of policies and procedures that encompass every aspect of workplace safety, ranging from hazard identification and risk assessment to injury prevention and emergency response. These policies and procedures undergo regular review and updates to ensure compliance with the latest industry standards and best practices. We strongly believe that promoting a culture of safety is key to fostering a positive work environment where employees feel valued and supported. By consistently prioritising safety, we are committed to enhancing the health and well-being of our employees and creating a secure and conducive workplace for everyone. For further details on our commitment, please refer to "**Aspect B2: Health and Safety**"
5 Gender equality	The Group is committed to promoting gender equality and implementing policies and practices that eliminate gender discrimination, ensure equal opportunities, and foster diversity and inclusivity. For further details on our commitment, please refer to "**Aspect B1: Employment**"
8 Decent work and economic growth	The Group is dedicated to continuously creating a positive impact on the communities and economies in which we operate. This commitment reflects our unwavering dedication to fostering dignified work and promoting sustainable economic development. Our comprehensive approach entails advocating for fair employment practices, investing in the development of our employees, and collaborating with local stakeholders to support and drive the growth of the local economy. For further information, please refer to "**Aspect B1: Employment**" and "**Aspect B5: Supply Chain Management**"
13 Climate action	The Group recognises the pressing need for climate action and endeavors to mitigate greenhouse gas (GHG) emissions through a series of measures, including energy-efficient building designs and sustainable operational practices. Regular assessments of GHG emissions are conducted, as part of our commitment to continuously enhance our environmental performance. Our dedication to reducing our carbon footprint reflects the Group's steadfast resolve to address climate change and foster a more sustainable future for our business, stakeholders, and the global community. For further details on our commitment, please refer to "**Aspect A1: Emissions**"

A. ENVIRONMENTAL

In line with our commitment to environmental protection, the Group consistently priortises and promotes the principles of green development. We recognise the significance of minimising the environmental footprint of our operations and strive to implement sustainable practices at every level. Our dedication to environmental management drives us to continually refine and optimise our existing measures. We proactively develop and implement relevant systems that adhere to stringent environmental standards. By enhancing our energy efficiency and adopting innovative technologies, we actively reduce pollution emissions.

Environmental Targets – Our Progress

In order to support global efforts to address climate change, accelerate the pace of transition to a green and low-carbon economy, resolutely achieve the "2050 carbon neutrality" goals, and assess the effectiveness of the Group's strategies and measures to mitigate the impact of climate change, we had set environmental targets of the Group, using 2020 as baseline and keeping our figures as the same as or lower than the baseline, as below.

Environmental Aspects	**Units**	**2020 (baseline)**	**2023**	**Progress**
Greenhouse gas emissions intensity*	$kgCO_2e$/S$'000	9.7	5.2	↓ 46%
Fuel consumption intensity	kWh/S$'000	16.4	10.8	↓ 34%
Electricity consumption intensity	kWh/S$'000	8.5	5.82	↓ 32%
Energy consumption intensity	kWh/S$'000	24.9	16.6	↓ 33%
Water consumption intensity	m^3/S$'000	0.06	0.02	↓ 67%

Setting these objectives, it provides guidance for the Group's business strategy. The steps taken to achieve these goals are detailed below.

A.1 Emissions

During the Reporting Period, the Group was not aware of any material non-compliance with environmental-related laws and regulations in relation to exhaust gas and greenhouse gases ("GHGs"), emissions, water and land discharge, and the generation of hazardous and non-hazardous waste that would have a significant impact on the Group. Such laws and regulations include but not limited to Water Pollution Control Ordinance of Hong Kong, Waste Disposal Ordinance of Hong Kong, Environmental Protection and Management Act of Singapore, Water Pollution Control and Drainage Act of Singapore.

Air Emissions

To align the global development of the low-carbon economy, the Group pays attention to its air emissions arise from the daily operations. The principles sources of air emissions are the combustion of diesel for company vehicles.

Type of Air Pollutants	Unit	2023
Nitrogen oxides (NO_x)	kg	101.08
Sulphur oxides (SO_x)	kg	0.14
Particulate matter ("PM")	kg	9.69

Greenhouse Gas ("GHG") Emissions

The major sources of the Group's GHG emissions are direct GHG emissions (Scope 1) from petrol combustion of company-owned vehicles and indirect GHG emissions (Scope 2) from purchased electricity. During the Reporting Period, the Group witnessed a decrease in total emissions. These reductions were primarily attributed to the implementation of energy-saving measures, as highlighted in the "Optimising Resources" section.

In order to our reduce footprint, we have implemented the following best practices for our vehicles:

- Optimised engine performance and maximise diesel efficiency through regular maintenance.
- Upgraded the fleet vehicles by replacing older ones with more fuel-efficient diesel vehicles.

Types of GHG Emissions	Units	2023	2022
Direct GHG emissions (Scope 1)			
• Diesel	tCO_2e	23.3	25.3
Indirect GHG emissions (Scope 2)			
• Purchased electricity	tCO_2e	20.4	20.6
Total GHG emissions (Scope 1 & 2)	tCO_2e	43.7	45.9
GHG emission intensity	$kgCO_2e$ per S$'000	5.2	4.3

Notes:

1. GHG emissions data is presented in terms of carbon dioxide equivalent and are based on, including but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, the 2022 Sustainability Report" published by HK Electric Investments Limited and the "CLP 2022 Sustainability Report" published by CLP Holdings Ltd.

2. As at 31 December 2023, the total revenue in Thousand Singapore dollar within the Reporting Scope of the Group amounted to 8,398.53 (as at 31 December 2022: 10,554 Thousand SGD). This data is also used for calculating other intensity data.

Sewage Discharge

Given the nature of its operations, the Group's business activities do not generate any substantial discharge. Instead, the Group ensures that all wastewater generated is appropriately channeled to local sewage treatment plants for thorough treatment via the municipal sewage network. Detailed information regarding the Group's water consumption data will be provided in the "Water Management section" under aspect A2.

Waste Management

The Group actively advocates the importance of environmental management, strictly controls the generation of waste, continuously optimises management and monitoring, meeting the requirements of national and local environmental standards. We have in place an internal waste management guideline ensuring that all waste is properly collected and handled by licensed contractors, and according to local laws and regulations. The guideline identifies responsible personnel and details of their duties. It also explicitly outlines the methods for garbage collection, storage, and disposal. We encourage our employees to follow the guideline and embrace the challenge of circularity.

Hazardous Waste

Due to the nature of its business, the Group did not generate any hazardous waste during the Reporting Period. However, the Group has also formulated guidelines for the management and disposal of hazardous waste. If any hazardous waste is generated, the Group must engage qualified chemical waste collectors to treat such waste to comply with relevant environmental laws and regulations.

Non-hazardous waste

The Group's business activities generate non-hazardous waste, primarily consisting of general waste. As a responsible organisation, we have implemented robust waste management practices to effectively handle this waste stream. Our first step is to sort the waste into recyclable and non-recyclable categories, with a strong focus on maximising the reuse of recyclable items such as paper, plastic, and glass.

For non-recyclable waste, we ensure its proper disposal and prevention of environmental pollution by transporting it to designated garbage transfer stations. This ensures that our waste management processes align with established regulations and standards. In line with our commitment to sustainability, we have also prioritised the creation of a green office environment. Our offices are equipped with suitable waste separation facilities, promoting waste separation at its source.

We actively encourage our employees to participate in waste recycling initiatives and emphasise the importance of reducing, reusing, and recycling waste throughout our operations. By integrating these practices into our day-to-day activities, we aim to minimise our environmental impact and contribute to the development of a sustainable business model.

Category of Waste	Unit	2023
General waste	kg	2,130
Waste Intensity	kg per S$'000	0.25

A.2 Use of Resources

The Group has implemented policies and measures to efficiently manage resource utilisation, aiming to enhance energy efficiency and minimise the consumption of non-essential materials. Our resource management policies and procedures ensure effective control over resource usage. Additionally, we prioritise the management of high-energy-consuming equipment, regulating their operational processes to maximise energy efficiency.

Energy Management

In its daily operations, the primary source of energy consumption for the Group is electricity, which is mainly derived from the daily operations of both the office and workshop machinery. Since the Group's main energy consumption comes from electricity, we integrate energy conservation and emission reduction into our business operation and development goals, establish an energy-saving performance management system, and further improve energy efficiency through personnel management and equipment transformation for energy conservation and emission reduction. The relevant specific measures are as follows:

- Replace traditional light bulbs with LED lighting system.
- In feasible situations establish applicable targets to monitor energy consumption.
- Ensure to power off electrical appliances when they are not in use.
- Turn off lighting, computers, and air conditioning systems before leaving at the end of the working day.
- Place energy-saving reminder labels next to switches.
- Regular clean office equipment, such as refrigerators and air conditioning units, to maintain optimal efficiency.
- Set the air conditioning temperature to 25°C.

In addition, the Group conducts sustainability education and training from time to time, promotes practical suggestions on eco-friendly lifestyles, and raises employees' awareness of energy conservation.

Indicators	**Unit**	**2023**	**2022**
Direct Energy Consumption			
– Diesel	kWh	90,619	90,550
Indirect Energy Consumption			
– Purchased electricity	kWh	48,870	50,543
Total Energy consumption	kWh	139,489	141,093
Total Energy consumption intensity	kWh per S$'000	16.6	13.4

Water Management

The Group's water usage is mainly used for domestic cleaning in offices and facilities. As the Group recognises the prevailing global water scarcity, we proactively implement strategies to address this critical issue. We promote a culture of water conservation among employees and have implemented a range of measures to mitigate water usage. The following are some of the water conservation initiatives we have established:

- Enhance inspection and maintenance of faucets, promptly repairing any leaking faucets to prevent water wastage.

- Promote water conservation by prominently displaying "Save Water" posters to encourage and raise awareness about the importance of reducing water usage.

- Implement water-saving devices to reduce water consumption.

During the Reporting Period, the decrease in water consumption can be primarily attributed to operational changes and process optimisation implemented by the Group. Meanwhile, we have not encountered any difficulties in obtaining water resources.

Index	**Unit**	**2023**	**2022**
Total water consumption	m^3	196	249
Water consumption intensity	m^3 per S$'000	0.02	0.02

Using of Packaging Materials

The disclosure is not applicable to the Group since the production of its products has been outsourced to third-party factories. Consequently, the Group does not utilise packaging materials in its day-to-day operations.

A.3 The Environment and Natural Resources

The Group prioritises minimising the environmental impact of its business operations and actively implements best practices for environmental protection. In addition to complying with environmental laws and international standards to safeguard the natural environment, the Group integrates principles of environmental and natural resource conservation into its internal management and daily operational activities. This includes responsible waste disposal, resource conservation, and other initiatives aimed at achieving environmental sustainability. The Group continually enhances its environmental monitoring and early warning system and has established an emergency response system to effectively address environmental emergencies.

The Group is committed to minimising the environmental and natural resource impact of our operations. We strive to reduce electricity and fuel consumption, which helps us lower greenhouse gas emissions and demonstrates our dedication to sustainable business practices. Our business operations do not have a significant impact on the environment and natural resources.

A.4 Climate Change

Frequency of extreme weather conditions is on the rise, with their devastating effects impacting a growing number of people worldwide. The interconnectedness and complexity of the modern world mean that climate disasters have far-reaching consequences, affecting lives across the globe. These profound climate impacts necessitate immediate action towards decarbonisation.

In view of the climate challenge, the Group is actively seeking opportunities to reduce its overall environmental footprint. Through well-designed operational standards, the Group strives to ensure that, wherever possible, its operations do not adversely affect the environment or natural resources. The focus areas include waste reduction, energy saving and water conservation. Moving forward, the Group will adopt circular approaches to production and consumption, creating more with less by reducing waste at source and applying innovative technologies.

Necessary steps have been taken to identify and assess the potential climate risks and opportunities, to maximise the positive impacts and minimise the negative impacts. The assessment gives stakeholders insight into the strategic decisions and actions the Group is taking to address climate change.

Climate-related impacts can be categorised into physical and transition risks. Physical risks refer to the exposure of a business and/or value chain to physical hazards associated with a changing climate. Transition risks refer to the exposure of a business to regulators and market responses associated with a transition to a low-carbon economy to address mitigation and adaptation requirements related to climate change.

Climate Risks and Opportunities		**Potential Impacts**	**Mitigation Strategy**
Physical Risks	Increased frequency and severity of extreme weather events such as strong typhoons rainfalls, and extreme temperatures	• Decreased revenue due to extreme weather events that reduce customer traffic and delay projects. • Increased capital expenditures for the implementation of mitigation measures required. • Increased operational costs due to health and safety incidents. • Reduced asset value due to the exposure of continuous climate risks.	• Undertake precautionary measures for all employees and workers during typhoon and rainstorm season, such as developing operation continuity plans and conducting emergency drills. • State working instructions to give directions on preventive measures and operational procedures. • Carry out climate risk assessment and incorporate climate-resilient designs in new projects. • Promote the use of energy-efficient systems.

Climate Risks and Opportunities		Potential Impacts	Mitigation Strategy
Transition Risks	Tightened requirements and regulations on energy efficiency and green standards	• Increased capital expenditures for the procurement of energy-efficient equipment. • Increased risks of non-compliance with the requirements of green standards.	• Commit to Government's schemes to impose energy-saving measures and procure energy-efficient equipment.
	Increased implementation and application of technology	• Increased capital expenditures for the procurement of new technologies and R&D. • Long-term opportunities to embrace technology to improve efficiency and branding.	• Source and introduce technological applications.
	Increased expectation from stakeholders (including banks, investors, among others)	• Potential negative impacts on share price and investor demands due to lack of climate risk governance and disclosure. • Possible lowered cost of capital through green finance.	• Include climate risks and opportunities disclosure in sustainability Reports. • Actively engage stakeholders including government authorities, NGOs, and professional institutes to understand their expectations in key sustainability areas including climate change.

B. SOCIAL

The Group values its relationship with all of its stakeholders. Creating a shared value for stakeholders provides a competitive edge for sustaining the Group's long-term prosperity. The Group prioritise the health and safety of its employees through comprehensive health and safety guidelines. To effect positive impact on the communities in which the business operates, the Group supports impactful social initiatives to address the needs of the underprivileged.

B.1 Employment

Aspiring to become an employer of choice, the Group strives to protect the well-being of its employees. The Group adheres to a people-oriented principle, respects and protects all employee's legitimate rights and interests and regulates labour employment management to safeguard employees' occupational health and safety.

The Group is committed to providing fair opportunities to all candidates in order to attract and retain talents. Its fair hiring practices ensure recruitment is merit-based, without unconscious bias of any kind. Factors such as capabilities, academic qualification, practical working requirements, functional knowledge and language proficiency are considered recruitment standards under a transparent and friendly recruitment process.

We strictly adhere to the applicable employment laws and regulations in Singapore, including but not limited to the Employment Act of Singapore (Chapter 91), the Foreign Employee Levy Act of Singapore (Chapter 91A), and Employment Ordinance Hong Kong. The Human Resources departments of the Group and its subsidiaries regularly review and update company policies in accordance with the latest laws and regulations.

Recruitment, Promotion and Dismissal

Promotions and dismissals within the organisation are carried out on a fair and equal opportunity basis. Employee promotions are reviewed annually, considering objective performance indicators. Supervisors engage in effective two-way communication with employees, discussing their performance and facilitating advancement. Regular performance appraisals are conducted to evaluate employees' work performance, capabilities, and potential for progress, laying the foundation for future promotions and training. The Group encourages internal promotion to provide employees with additional opportunities for personal and professional development. The organisation strictly prohibits unreasonable dismissals under any circumstances. If necessary, dismissals are based on reasonable and lawful grounds, aligned with the Group's internal policies.

Compensation and Benefits

Equitable remuneration and benefits contribute to employee satisfaction, team morale and overall performance. The Group offers an extensive and competitive package of renumeration and benefits, and it reviews its package in a timely manner in response to market changes. In Singapore, the Group offers its employees the Central Provident Fund ("CPF") as a mandatory benefit, while in Hong Kong, the Group provides contributions to the Mandatory Provident Fund ("MPF") for its employees. It offers non-statutory benefits as additional welfare to employees, such as maternity and parental pay, and educational support. Outstanding employee awards, and long-term service awards are also offered.

Equal Opportunity, Diversity and Anti-Discrimination

The Group is committed to strict compliance with all national and local governmental laws and regulations. We uphold a fair, equitable, and transparent recruitment process, establishing policies that prevent discrimination in recruitment. Our aim is to ensure that no individual experiences discrimination based on race, social status, religion, nationality, disability, age, marital status, gender, pregnancy, sexual orientation, trade union membership, or political association. We strive to provide equal and fair treatment to all employees, encompassing areas such as recruitment, remuneration, training, promotion, dismissal, retirement, and other aspects of employment.

If an employee faces intimidation, humiliation, bullying, or harassment, including sexual harassment, they are encouraged to report the matter to their designated employee representative or directly to the general manager. The Group takes such complaints seriously and will employ appropriate measures to address and resolve these issues promptly upon receipt of the complaint.

Employee Communication Channels

The Group engages in proactive dialogue with its employees using various management mechanisms and communication channels, including internal mail systems, employee satisfaction questionnaires, and meetings.

To ensure a fair and transparent process, the Group has established guidelines in the Employee Handbook. It stipulates that employees should report any irregularities or concerns to their supervisors or the Human Resources Department. All reported cases will be thoroughly investigated, and appropriate actions will be taken to address them. We guarantee that the investigation and resolution process will be conducted with strict confidentiality, protecting the privacy and well-being of all parties involved.

As of 31 December 2023, the breakdown of employment is shown below:

Breakdown of Employees	2023	2022
Total	35	38
By Gender		
Male	25	27
Female	10	11
By Age Group		
Below 30	4	8
30 to 50	10	13
Over 50	21	17
By Employment Type		
Full time	34	37
Part time	1	1
By Region		
Singapore	35	38

During the Reporting Period, the employee turnover breakdown is as follows:

Employee Turnover Rate	2023	2022
By Region		
Singapore	17.1%	18.4%
By Gender		
Male	83.3%	85%
Female	16.7%	15%
By Age Group		
Below 30	83.3%	21%
30 to 50	0%	34%
Over 50	16.7%	45%

B.2 Health and Safety

The Group places a high priority on the health and safety of its employees as an integral part of its business management approach. Guided by a people-oriented principle, we are dedicated to creating a healthy, safe, and comfortable working environment for all employees. Our goal is to identify and eliminate potential workplace health and safety hazards, implementing comprehensive safety management practices across all aspects of our operations.

Occupational Health and Safety

To uphold a safe and healthy working environment, the Group has developed a Safety Work Responsibility management system, aligning with Singapore's occupational safety and health policies, notably the Workplace Safety and Health Act (Chapter 354A) of Singapore, and the Health Ordinance of Hong Kong. This legislation serves as the legal foundation for promoting workplace safety and health, establishing a comprehensive framework to ensure the well-being of employees in their work environments.

No work-related fatalities happened during the past 3 consecutive years:

Indicators	Unit	2023	2022	2021
Fatalities due to work	Cases	0	0	0
Lost days due to work injury	Days	0		
Work injury rate	%	0%		

Note: Work injury rate is calculated by number of work-related injury Lost days/(number of Employee x 22 x 12 (working days)) x 100%. The Group has subscribed employees' compensation insurance for all employees, and it has covered the compensation required due to work-related injury.

In order to ensure a safe working environment and protect employees from occupational hazards, The Group has implemented a range of policies aligned with ISO 9001:2008 and BizSAFE Level 3 standards. We are dedicated to eliminating workplace injuries by implementing the following measures:

- Promote a safe community responsible for workplace safety.
- Ensure regular safety briefings and reminders for workers.
- Conduct professional on-site safety monitoring.
- Reprimand employees who violate safety guidelines.
- Implement safety warnings and stickers in strategic locations.

B.3 Development and Training

Investing in future leaders is essential for ensuring the Group's long-term success and resilience. The Group intends to nurture its talent pipeline to retain high-performers and be equipped with leaders for tomorrow. In view of this, the Group provides them with the right tools and an environment in which they can grow professionally. Employees are continuously motivated to improve and contribute their knowledge and experiences towards shaping the future.

Structured skills development programs are in place across the Group for all employees, who play an integral role in operations. The Group's targeted learning activities aim to address the skills development needs of each core business as well as employees' career development aspirations. The content and structure of its learning programs are continually refreshed to keep pace with market developments and digitalisation requirements.

During the Reporting Period, the Group provided around 190 hours of training, with an average training hour of approximately 5.43 hour per trained employee. The employee training percentage of the Group is 60.00%. The breakdown of the employees trained by gender and employment category is as follows:

Composition of Employee Training	**2023**	**2022**
By Gender		
Male	56.00%	70.37%
Female	70.00%	36.36%
By Employment Category		
Management	100%	0%
General Staff	51.72%	100%

The breakdown of the average number of training hours completed per employee by gender and employment category is as follows:

Average Number of Training Hours (Hours)	**2023**	**2022**
By Gender		
Male	3.64	8.44
Female	9.90	4.36
By Employment Category		
Management	1.00	0
General Staff	6.34	7.26

B.4 Labour Standards

Prevention of Child and Forced Labour

The Group has zero tolerance and strictly prohibits the use of child labour, forced labour and hiring of illegal immigrants in our operations. Below measures have been taken to avoid these illegal employment practices.

Prevention of child labour	During the recruitment process, the human resources department will verify the applicant's identity documents and ensure that they have reached the minimum age for employment.
Prohibition of forced labour	The Group specifies overtime compensation provisions in the Employee Handbook. The Group carefully monitors the employee working time and working schedule to ensure they work voluntarily and freely.
Prevention of hiring of illegal immigrants	A Stringent recruitment screening procedure is adopted to ensure that all recruited employees bear the necessary documents to work for the Group, such as Singapore ID, proof of eligible working visa, the Construction Industry Safety Training Certificate, etc.

In case of any illegal labour practice is discovered, the Group will stop their employments immediately. An investigation will be carried out subsequently and report the case to the relevant authorities.

During the Reporting Period, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations, that would have a significant impact on the Group including but not limited to the Employment Ordinance (Chapter 57 of the Laws of Hong Kong), the Employment of Children Regulations (Chapter 57B of the Laws of Hong Kong), the Children and Young Person Act of the Republic of Singapore and Employment Act of the Republic of Singapore.

B.5 Supply Chain Management

The Group extends its effective governance to its supply chain. Through the Supplier Code of Conduct, the Group communicates its expectations to suppliers on upholding ethical standards, compliance with law, and avoidance of corruption. The Supplier Code of Conduct is being implemented in the following process:

- *Understanding:* The Group builds trust with suppliers and ensures that they have a clear understand of the code.
- *Communication:* Communication channels between the Group and its suppliers are established to make sure any questions or concerns are quickly addressed.
- *Monitoring:* Regular reviews are made to check if suppliers are adhering to the standards outlined in the code.
- *Follow-up:* Follow up actions will be taken if any non-compliance is discovered during the regular reviews.

Supplier Management

The Group identifies, evaluates, and selects its suppliers based on its needs and requirements, and considers suppliers on factors like quality, pricing, reliability, and overall value. Moreover, identifying environmental and social risks along with supply chain is crucial for ensuring sustainable and responsible business practices. The Group conducts risk evaluation on suppliers by identifying potential environmental and social risks, communicating with suppliers regularly, and conducting site visits and supplier audits. By continuing to monitor and review the suppliers performance, we understand the environmental and social risks associated with our supply chain and work towards mitigating those risks effectively. The Group seeks to leverage its purchasing power in support of sustainable consumption and production by choosing environmentally and socially preferable options.

In 2023, the Group had a total of 17 suppliers, and the following breakdown illustrates their distribution:

Location	No. of Suppliers
China	4
Singapore	9
Malaysia	2
Korea	2

Open and Fair Procurement

The Group has established a supplier selection system which involves the following operational department. In the supplier selection process, we conduct a comprehensive evaluation that goes beyond basic supplier information. We consider different factors, including but not limited to delivery schedule, pricing, product quality, possession of necessary licenses and certifications, and compliance with relevant industrial laws, regulations, and standards. The Group identifies, evaluates, and selects its suppliers based on its needs and requirements, and considers suppliers on factors like quality, pricing, reliability, and overall value. Moreover, identifying environmental and social risks along with supply chain is crucial for ensuring sustainable and responsible business practices. The Group conducts risk evaluation on suppliers by identifying potential environmental and social risks, communicating with suppliers regularly, and conducting site visits and supplier audits.

Our 17 suppliers diligently adhered to all the prescribed rules and regulation.

The Group upholds principles of openness, fairness, and equity in its procurement process, ensuring no discrimination or preferential treatment towards any suppliers. Only suppliers with a proven track record and no significant breaches of business ethics are selected to work with the Group.

When considering new suppliers, the Group evaluates their qualifications, scale, quality systems, business capabilities, environmental practices, and social responsibility. Stringent anti-corruption measures are integrated throughout the procurement process. Integrity agreements have been implemented with suppliers to regulate their conduct and prevent improper interests during project development.

Transparency and fairness are maintained by prohibiting employees and individuals with vested interests in suppliers from participating in relevant procurement activities. The Group places a strong emphasis on supplier integrity, engaging exclusively with those who demonstrate ethical business practices and have a clean record of upholding business ethics.

Bribery and corruption are strictly prohibited, with the Group adopting a zero-tolerance stance. Suppliers are forbidden from obtaining procurement contracts or partnerships through bribes or gifts.

Green Procurement

The Group aims to foster a virtuous ecosystem comprising customers, enterprises, and suppliers through innovative approaches and transformative changes in the supply chain. Emphasising sustainable development, the Group is dedicated to local procurement, streamlining turnaround times, and integrating sustainable practices into its business model.

Throughout the procurement process, the Group prioritises local suppliers and environmentally friendly products and services. By favoring local procurement, the Group seeks to minimise the carbon footprint associated with procurement activities, while simultaneously supporting local economic growth and generating employment opportunities within local communities.

B.6 Product Responsibility

Customer Service

The Group demonstrates a diligent approach in meeting customer needs by actively engaging with them to gain valuable insights into their interests and concerns. Multiple mechanisms are employed to gauge customer satisfaction and monitor feedback, including regular customer satisfaction surveys and service reviews.

Customer health and safety is always placed at the top priority. The Group's management systems ensure quality and mitigate environmental, safety, and security hazards.

To ensure product quality and prevent potential recalls, a comprehensive quality checking procedure is implemented before the products are dispatched from the factory. Additionally, our customers services team is available to provide support and assistance to customers in the event of any product-related concern.

During the Reporting Period, the Group received no complaints, none of which were related to non-compliance with pertinent laws and regulations concerning health and safety, advertising, labeling, privacy matters, or methods of redress for the products and services provided. Furthermore, there were no product recalls given the nature of the business.

Protection of Intellectual Property Rights

Fair and unbiased information is being emphasised in all marketing publications. All promotional materials must be examined by the management to ensure they adhere to all applicable advertising and intellectual property rights laws. To prevent infringement and infringement upon, the Group follows patents and licensing restrictions. The Group has also implemented registration to safeguard its intellectual property rights.

During the Reporting Period, there were no incidents of non-compliance concerning marketing communications occurred within the Group. The Group has registered the "Eurostyle" trademark in Singapore and Hong Kong. This brand is applicable to a variety of different products.

Privacy Protection

The Group's comprehensive governance structure safeguards digital information and protects the Group against the risk of human error, cyberattacks, and other threats. The governance structure is built upon the following best practice principles:

- *Secure the information:* The Group specifies who has access to the data and encrypts the information as needed.

- *Prepare for threats:* The Group performs test on its systems, educates its employees, and devises a data recovery plan, to prepare for cyber threats.

- *Remove information not in use:* Both digital and physical copies of data that the Group no longer uses are removed to reduce the chances of information being misused.

The Group respects the privacy of personal data. Protecting the personal data of customers and employees ensures legal compliance, financial stability, and sustained reputation, fostering a culture of trust among the Group and its stakeholders. The Group's Policy on Personal Data contains provisions on the legitimate purposes of collecting, using, retaining, sharing, transferring, and processing any personal data.

Advertising and Labelling

The Group places a strong emphasis on adhering to relevant regulations and guidelines concerning media advertising, recognising the significance of responsible and compliant advertising practices. The Group has established internal guidelines to ensure the provision of accurate product labels and marketing materials in compliance with the Consumer Protection (Trade Descriptions and Safety Requirements) Act (Chapter 53) and industry standards. The Group strictly prohibits the exaggeration of product claims in marketing materials. Any deviation from the Group's internal guidelines will result in immediate corrective measures being taken.

B.7 Anti-Corruption

The Board sets a tone of zero tolerance towards fraud and corruption. The Group's Employee Handbook states guidelines that require employees to comply with all applicable rules on conflicts of interest, insider dealing, anti-competition and anti-corruption. It demands strict adherence from every employee to applicable laws, rules, and regulations in the jurisdictions in which the Group operates.

The Anti-corruption Policy provides guidance for employees on recognising and avoiding unethical behaviour in a range of business contexts, including procurement of goods and services, accepting and offering corporate gifts or hospitality, and making political or charitable contributions. Any solicitation or acceptance of an advantage, any form of bribery, extortion, fraud, or money laundering are strictly prohibited.

Anti-Corruption Training

The Group provides training to employees on its governance policies. New joiners receive training as part of their induction programs. During the Reporting Period, the directors and employees were provided with anti-corruption training for a total of 1 hour and the Group was unaware of any non-compliance with the relevant laws and regulations relating to bribery, extortion, fraud and money laundering. There were no concluded legal cases regarding corrupt practices brought against the Group or its employees.

Whistleblowing

The Group encourages its employees and other stakeholders, including customers and suppliers, to raise concerns about suspected improprieties, misconduct, or malpractice. A confidential channel is in place for employees and stakeholders to report any suspected incidents.

Following the guidelines outlined in the Whistleblowing Policy, the Group treats every reported incident with utmost confidentiality and ensures that whistleblowers are protected from unfair dismissal, victimisation, or unwarranted disciplinary action. Incidents related to fraud and corruption will be thoroughly investigated.

B.8 Community Investment

The Group considers it as a privilege to have the ability to give back to the community. Throughout the Reporting Period, the Group's community investment initiatives have prioritised the expansion of business operations to create increased employment opportunities. Moreover, we have fostered employee involvement in community endeavors, including volunteering and contributing to supported projects, as well as participation in environmental conservation initiatives.

While the group has not yet undertaken specific community initiatives, they are committed to exploring opportunities for community engagement and making a positive impact in the future.

MAJOR APPLICABLE LAWS AND REGULATIONS

Aspect	Main Applicable Laws and Regulations (Laws of Hong Kong unless otherwise specified)
Environment	• Water Pollution Control Ordinance • Waste Disposal Ordinance • Air Pollution Control Ordinance • Environmental Protection and Management Act of the Republic of Singapore • Air Pollution Control Act of the Republic of Singapore • Energy Conservation Act of the Republic of Singapore • Hazardous Substances Act of the Republic of Singapore

Aspect	Main Applicable Laws and Regulations (Laws of Hong Kong unless otherwise specified)
Employment and Labour Standards	• Employment Ordinance • Employees' Compensation • Sex Discrimination Ordinance • Family Status Discrimination Ordinance • Personal Data (Privacy) Ordinance • Employment Act of the Republic of Singapore • Employment of Foreign Manpower Act of the Republic of Singapore • Children and Young Person Act of the Republic of Singapore • Workplace Safety and Health Act of the Republic of Singapore • Central Provident Fund Act of the Republic of Singapore • Employment Claims Act of the Republic of Singapore
Health and Safety	• Occupational Safety and Health Ordinance • Fire Safety Ordinance • Workplace Safety and Health Act of the Republic of Singapore
Product Responsibility	• Trade Description Ordinance • Personal Data (Privacy) Ordinance • Consumer Protection (Consumer Goods Safety Requirements) Regulations of the Republic of Singapore • Consumer Protection (Trade Descriptions and Safety Requirements) Act of the Republic of Singapore • Control of Consumer Goods (Safety) Regulations of the Republic of Singapore
Anti-corruption	• Prevention of Bribery Ordinance • Anti-Money Laundering and Counter-Terrorist Financing Ordinance • Prevention of Corruption Act of the Republic of Singapore • Whistleblower Protection Act of the Republic of Singapore

CONTENT INDEX OF THE STOCK EXCHANGE ESG REPORTING GUIDE

Indicators	Subject Areas, Aspects, General Disclosures and KPIs Description	Section and Remarks
A. Environmental		
Aspect A1: Emissions		
General Disclosure	Information on: (a) The policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste. *Note:* Air emissions include NO_x, SO_x, and other pollutants regulated under national laws and regulations. Greenhouse gases include carbon dioxide, methane, nitrous oxide, hydrofluorocarbons, perfluorocarbons and sulphur hexafluoride. Hazardous wastes are those defined by national regulations.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – GHG Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions – Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions – Waste Management

Indicators	Subject Areas, Aspects, General Disclosures and KPIs Description	Section and Remarks
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, waste and other raw materials. *Note:* Resources may be used in production, in storage, transportation, in buildings, electronic equipment, etc.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Use of Resources – Energy Management
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources – Water Management
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Use of Resources – Energy Management
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Use of Resources – Water Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources – Use of Packaging Materials
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impacts on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources – Noise Control, Park Greenery
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change – Physical Risks, Transition Risks

Indicators	Subject Areas, Aspects, General Disclosures and KPIs Description	Section and Remarks
B. Social		
Employment and Labour Practices		
Aspect B1: Employment		
General Disclosure	Information on: (a) The policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest Periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age Group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age Group and geographical region.	Employment
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) The policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the Reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety – Occupational Health and Safety
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities. Note: Training refers to vocational training. It may include internal and external courses paid by the employer.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training

Indicators	Subject Areas, Aspects, General Disclosures and KPIs Description	Section and Remarks
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) The policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards – Prevention of Child and Forced Labour
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards – Prevention of Child and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards – Prevention of Child and Forced Labour
Operating Practices		
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management – Supplier Management, Open and Fair Procurement
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management – Green Procurement
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management – Green Procurement

Indicators	Subject Areas, Aspects, General Disclosures and KPIs Description	Section and Remarks
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) The policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provides and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility – Customer Service
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility – Protection of Intellectual Property Rights
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility – Privacy Protection
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) The policies; and (b) Compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the Reporting Period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Community		
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF TOMO HOLDINGS LIMITED
Incorporated in the Cayman Islands with limited liability

QUALIFIED OPINION

We have audited the consolidated financial statements of TOMO Holdings Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") as set out on pages 73 to 77, which comprise the consolidated statement of financial position as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2023, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards (the "IFRS Accounting Standards") issued by the International Accounting Standards Board (the "IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR QUALIFIED OPINION

During the year ended 31 December 2022, the Group acquired 49% equity interest in Ocean Dragon Group Limited and its subsidiary, namely, Hua Bright International Limited (collectively the "Target Group"), specialises in the provision of electric charging solutions and which was accounted for an associate under the equity method. In the past, the Group relied on the financial information by local management of the Target Group to account for the share of results and to assess the impairment of its investments in associates at each reporting period. During the year, the Group did not have access to a set of complete and accurate accounting books and records of the Target Group, all key personnel of the local management and responsible for finance and accounting matters had left and despite the best endeavour of the directors of the Company, they were unable to recover or access the accounting books and records of the Target Group as a result of local management not being contactable. Apart from that, the current directors of the Company raised concerns over the genuineness of the acquisition of the Target Group during the year, a special investigation committee has been formed to investigate such matters pertaining to the acquisition. As at the date of this consolidated financial statements, the investigation is still in progress. Due to the absence of sufficient supporting documents and explanations in relation to the accounting books and records made available to the directors of the Company in respect of the Target Group, they consider that the Group is unlikely to recover the entire value of the Target Group as the Company could not access to the substances of the Target Group, and hence, the investments in associates of $6,421,491 would be fully impaired during the year.

BASIS FOR QUALIFIED OPINION (CONTINUED)

Given the above circumstances on scope limitation, we were unable to obtain sufficient appropriate audit evidence in respect of the financial information of the investments in associates of the Group as their accounting books and records were not available to us for audit purpose. As a result, we were unable to carry out necessary audit procedures to determine whether the impairment of investments in associates of $6,421,491 and share of nil result of associates for the year ended 31 December 2023, the investments in associates carried at nil as at 31 December 2023 and the related disclosures notes in relation to the consolidated financial statements of the Group, have been accurately recorded and properly accounted for in the consolidated financial statements. There were no other satisfactory audit procedures that we could perform to determine whether any adjustments were necessary or might have a consequential effect of the Group's consolidated statement of profit or loss and other comprehensive income, the consolidated statement of financial position, the consolidated statement of changes in equity, and related disclosures thereof for the year ended 31 December 2023.

We conducted our audit in accordance with International Standards on Auditing ("ISAs") issued by the International Auditing and Assurance Standards Board ("the IAASB"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of the Group in accordance with the IASB's Code of Ethics for Professional Accountants ("the Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matter described in the *Basis for Qualified Opinion* section, we have determined the matter described below to be the key audit matter to be communicated in our report.

Key Audit Matter	How our audit addressed the Key Audit Matter
Valuation of investment properties Refer to note 16 to the consolidated financial statements. As at 31 December 2023, the fair values of the Group's investment properties located in Singapore amounted to \$3,740,000 (2022: \$3,300,000). Management has engaged an independent external valuation expert to assess the fair values of the investment properties using comparison method. As each property is different on its nature, condition and location, the valuation requires the use of judgement in determining the relevant unobservable inputs including the selling price per square metre applied to the valuation model. We focused on this area due to the significance of the carrying value of the investment properties to the Group's consolidated financial statements, as well as significant judgement and estimates involved in the valuation.	Our procedures in relation to management's valuation of these properties included the following: • evaluating the external valuation expert's independence, qualification and competency; • discussing with the external valuer and management to understand the rationale of the chosen valuation method and the assumptions applied; • assessing the appropriateness of the methodology used and the reasonableness of assumptions applied; and • comparing the data inputs adopted in the valuations, such as recent transaction prices of comparable properties, on a sample basis, to market data.

OTHER INFORMATION INCLUDED IN THE ANNUAL REPORT

The directors of the Company are responsible for the other information. The other information comprises the information included in the Annual Report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the *Basis for Qualified Opinion* section above, we were unable to obtain sufficient appropriate audit evidence about the investments in associates and its recognised impairment loss. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to these matters.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors of the Company are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so. The directors of the company are assisted by the Audit Committee in discharging their responsibility for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion solely to you as a body corporate in accordance with our agreed terms of engagement and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (CONTINUED)

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Chin Wang Leung.

Prism Hong Kong and Shanghai Limited
Certified Public Accountants
Chin Wang Leung
Practising Certificate Number: P07806
Hong Kong

28 March 2024

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2023

	Notes	**2023** **$**	2022 $
Revenue	8	**9,071,257**	16,340,186
Cost of sales	11	**(8,650,862)**	(15,414,694)
Gross profit		**420,395**	925,492
Other income	9	**207,268**	157,765
Other gains – net	10	**396,058**	270,347
Selling and distribution expenses	11	**(505,099)**	(465,183)
Administrative expenses	11	**(4,621,752)**	(2,964,657)
Impairment of investments in associates	20	**(6,421,491)**	–
Finance income	13	**117,618**	25,551
Finance cost on lease liabilities	19(b)	**(3,188)**	(4,044)
Loss before tax	11	**(10,410,191)**	(2,054,729)
Income tax (expense)/credit	14	**(172,000)**	185,161
Loss for the financial year		**(10,582,191)**	(1,869,568)
Loss and total comprehensive expense for the financial year attributable to equity holders of the Company		**(10,582,191)**	(1,869,568)
Loss per share attributable to equity holders of the Company			
Basic and diluted (Singapore cents)	15	**(2.35)**	(0.42)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	Notes	2023 $	2022 $
Assets			
Non-current assets			
Investment properties	16	**3,740,000**	3,300,000
Property, plant and equipment	17	**882,168**	1,019,071
Intangible asset	18	**461,652**	95,060
Right-of-use asset	19	**44,529**	82,696
Investments in associates	20	**–**	6,421,491
Deferred tax assets	21	**–**	172,000
		5,128,349	11,090,318
Current assets			
Inventories	22	**284,821**	629,745
Trade and other receivables	23	**907,279**	1,240,623
Financial assets at fair value through profit or loss	24	**–**	5,000,000
Cash and cash equivalents	25	**8,317,344**	7,015,867
		9,509,444	13,886,235
Total assets		**14,637,793**	24,976,553
Equity and liabilities			
Capital and reserve attributable to equity holders of the Company			
Share capital	27	**793,357**	793,357
Share premium	27	**12,398,264**	12,398,264
Other reserve		**200,000**	200,000
(Accumulated losses)/retained earnings		**(143,019)**	10,439,172
Total equity		**13,248,602**	23,830,793

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

At 31 December 2023

	Notes	2023 $	2022 $
Liabilities			
Non-current liabilities			
Lease liabilities	19	**6,797**	46,473
Deferred tax liability	21	**–**	–
		6,797	46,473
Current liabilities			
Trade and other payables	28	**1,068,115**	221,555
Contract liabilities	29	**244,322**	810,550
Lease liabilities	19	**39,676**	37,839
Current income tax liabilities		**374**	374
Provision	32	**29,907**	28,969
		1,382,394	1,099,287
Total liabilities		**1,389,191**	1,145,760
Total equity and liabilities		**14,637,793**	24,976,553

Mr. Tsang Chun Ho Anthony
Director

Mr. Choi Tan Yee
Director

The accompanying notes form an integral part of these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2023

	Attributable to the equity holders of the Company				
	Share capital (Note 27) $	**Share premium** (Note 27) $	**Other reserve** $	**(Accumulated losses)/ retained earnings** $	**Total** $
At 1 January 2022	793,357	12,398,264	200,000	12,308,740	25,700,361
Loss and total comprehensive expense for the financial year	–	–	–	(1,869,568)	(1,869,568)
At 31 December 2022	793,357	12,398,264	200,000	10,439,172	23,830,793
At 1 January 2023	**793,357**	**12,398,264**	**200,000**	**10,439,172**	**23,830,793**
Loss and total comprehensive expense for the financial year	**-**	**-**	**-**	**(10,582,191)**	**(10,582,191)**
At 31 December 2023	**793,357**	**12,398,264**	**200,000**	**(143,019)**	**13,248,602**

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2023

	Note	2023 $	2022 $
CASH FLOWS FROM OPERATING ACTIVITIES			
Loss before tax		**(10,410,191)**	(2,054,729)
Adjustments for:			
– Amortisation of intangible asset		**14,408**	5,293
– Depreciation of property, plant and equipment		**136,903**	141,925
– Depreciation of right-of-use assets		**38,167**	38,261
– Loss on disposals of property, plant and equipment		**–**	9,634
– Fair value gain on investment properties		**(440,000)**	(300,000)
– Write-off of inventories		**31,435**	33,577
– Write-off of amount due to a shareholder		**–**	93,197
– Provision for warranty		**79,361**	93,254
– Finance income		**(117,618)**	(25,551)
– Finance cost on lease liabilities		**3,188**	4,044
– Impairment of investments in associates		**6,421,491**	–
		(4,242,856)	(1,961,095)
Changes in working capital:			
– Inventories		**313,489**	(219,744)
– Trade and other receivables		**333,344**	231,447
– Trade and other payables and provision		**768,137**	(275,546)
– Contract liabilities		**(566,228)**	629,950
Cash used in operations		**(3,394,114)**	(1,594,988)
Income tax paid		**–**	(4,465)
NET CASH FLOWS USED IN OPERATING ACTIVITIES		**(3,394,114)**	(1,599,453)
CASH FLOWS FROM INVESTING ACTIVITIES			
Acquisition of an associate		**–**	(6,421,491)
Proceeds from disposal of property, plant and equipment		**–**	252,800
Purchase of intangible asset		**(381,000)**	–
Purchase of property, plant and equipment		**–**	(564,408)
Interest received		**117,618**	25,551
Proceeds from redemption/(purchase) of financial assets at fair value through profit or loss		**5,000,000**	(5,000,000)
NET CASH FROM/(USED IN) INVESTING ACTIVITIES		**4,736,618**	(11,707,548)
CASH FLOWS FROM FINANCING ACTIVITIES			
Principal element of lease payment		**(37,839)**	(37,135)
Interest element of lease payment		**(3,188)**	(4,044)
NET CASH FLOWS USED IN FINANCING ACTIVITIES		**(41,027)**	(41,179)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		**1,301,477**	(13,348,180)
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR		**7,015,867**	20,364,047
CASH AND CASH EQUIVALENTS AT END OF THE YEAR	25	**8,317,344**	7,015,867

1 GENERAL INFORMATION

TOMO Holdings Limited ("the Company") was incorporated in the Cayman Islands on 16 January 2017 as an exempted company with limited liability under Companies Act (as revised) of the Cayman Islands. During the Corresponding Year, the Company was accepted for secondary listing on the Frankfurt Stock Exchange ("FSE") of Germany and its shares have been traded on the FSE under the trading symbol "5WZ". The Company continues to have a primary listing on the Main Board of The Stock Exchange of Hong Kong Limited ("HKEx") and its shares have been continued to be traded on the HKEx. The ultimate beneficial owner and immediate holding of the Company are Mr. Lu Yongde and Billion Legend Company Limited respectively since 20 March 2024.

The Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business in Singapore of the Company is Block 3018, Bedok North Street 5, #02-08 Eastlink, Singapore 486132 and the principal place of business in Hong Kong of the Company is Unit 802, 8/F, LKF 29, 29 Wyndham Street, Central, Hong Kong.

The Company is an investment holding company. The Company and its subsidiaries (the "Group") are principally engaged in the (i) sales and installation of passenger vehicle leather upholstery and electronic accessories; and (ii) sales of electronic accessories, automotive parts and motor vehicle.

2 BASIC OF PREPARATION

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRSs") issued by International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. They have been prepared under the historical cost convention, as modified by the revaluation of investment properties, which are carried at fair value. These financial statements are presented in Singapore dollars ("$"), unless otherwise indicated.

3 APPLICATION OF NEW AND AMENDMENTS TO IFRSs

Application of new and amendments to IFRSs

In the current year, the Group has applied, for the first time, the following new and amendments to IFRSs issued by the IASB which are effective for the Group's financial year beginning 1 January 2023:

IFRS 17	*Insurance Contracts*
Amendments to IFRS 17	*Insurance Contracts*
Amendments to IFRS 17	*Initial Application of IFRS 17 and IFRS 9 – Comparative Information*
Amendments to IAS 1 and IFRS Practice Statement 2	*Disclosure of Accounting Policies*
Amendments to IAS 8	*Definition of Accounting Estimates*
Amendments to IAS 12	*Deferred Tax related to Assets and Liabilities arising from a Single Transaction*
Amendments to IAS 12	*International Tax Reform – Pillar Two Model Rules*

The application of the new and amendments to IFRSs in the current year has had no material effect on the Group's financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

3 APPLICATION OF NEW AND AMENDMENTS TO IFRSs (CONTINUED)

Amendments to IFRSs issued but not yet effective

The Group has not early applied the following amendments to IFRSs that have been issued but are not yet effective:

Amendments to IFRS 10 and IAS 28	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*[3]
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*[1]
Amendments to IAS 1	*Classification of Liabilities as Current or Non-current*[1]
Amendments to IAS 1	*Non-current Liabilities with Covenants*[1]
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*[1]
Amendments to IAS 21	*Lack of Exchangeability*[2]

1 Effective for annual periods beginning on or after 1 January 2024
2 Effective for annual periods beginning on or after 1 January 2025
3 Effective for annual periods beginning on or after a date to be determined.

The directors of the Company anticipate that the application of amendments to IFRSs will have no material impact on the results and the financial position of the Group.

4 MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements have been prepared in accordance with IFRSs issued by the IASB. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on The Stock Exchange of Hong Kong Limited and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared on the historical cost basis except for investment properties and financial instruments that are measured at fair values, at the end of each reporting period.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. Details of fair value measurement are explained in the accounting policies set out below.

The material accounting policies are set out below.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company and its subsidiaries. If a subsidiary prepares its financial statements using accounting policies other than those adopted in the consolidated financial statements, appropriate adjustments are made to that subsidiary's financial statements in preparing the consolidated financial statements to ensure conformity with the Group's accounting policies.

Control is achieved where the Group has: (i) the power over the investee; (ii) exposure, or rights, to variable returns from its involvement with the investee; and (iii) the ability to use its power over the investee to affect the amount of the Group's returns.

The Group reassess whether it controls an investee if facts and circumstances indicate that there are changes to one or more of these elements of control stated above.

Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and cease when the Group loses control of the subsidiary.

Income and expenses of subsidiaries are included in the consolidated statement of profit or loss and other comprehensive income from the date the Group gains control until the date when the Group ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income of subsidiaries are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group are eliminated in full on consolidation.

Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in existing subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Changes in the Group's ownership interests in existing subsidiaries (Continued)

When the Group loses control of a subsidiary, it (i) derecognises the assets (including any goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost, (ii) derecognises the carrying amount of any non-controlling interests in the former subsidiary at the date when control is lost (including any components of other comprehensive income attributable to them), and (iii) recognises the aggregate of the fair value of the consideration received and the fair value of any retained interest, with any resulting difference being recognised as a gain or loss in profit or loss attributable to the Group. When assets and liabilities of the subsidiary are carried at revalued amounts or fair values and the related cumulative gain or loss has been recognised in other comprehensive income and accumulated in equity, the amounts previously recognised in other comprehensive income and accumulated in equity are accounted for as if the Group had directly disposed of the related assets and liabilities (i.e. reclassified to profit or loss or transferred directly to retained earnings as specified by applicable IFRSs). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9 Financial Instruments or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

Business combinations or asset acquisitions

The Group can elect to apply an optional concentration test, on a transaction-by-transaction basis, that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets. The gross assets under assessment exclude cash and cash equivalents, deferred tax assets, and goodwill resulting from the effects of deferred tax liabilities. If the concentration test is met, the set of activities and assets is determined not to be a business and no further assessment is needed.

Assets acquisitions

When the Group acquires a group of assets and liabilities that do not constitute a business, the Group identifies and recognises the individual identifiable assets acquired and liabilities assumed by allocating the purchase price first to investment properties which are subsequently measured under fair value model and financial assets and financial liabilities at the respective fair values, the remaining balance of the purchase price is then allocated to the other identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction does not give rise to goodwill or bargain purchase gain.

Business combinations

Acquisition of businesses are accounted for using the acquisition method. The consideration transferred in a business combination is measured at fair value, which is calculated as the sum of the acquisition-date fair values of the assets transferred by the Group, liabilities incurred by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs incurred to effect a business combination are recognised in profit or loss as incurred.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Business combinations or asset acquisitions (Continued)

Business combinations (Continued)

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their fair value, except that:

- deferred tax assets or liabilities arising from the assets acquired and liabilities assumed in the business combination are recognised and measured in accordance with IAS 12 *Income Taxes*;

- assets or liabilities related to the acquiree's employee benefit arrangements are recognised and measured in accordance with IAS 19 *Employee Benefits*;

- liabilities or equity instruments related to share-based payment arrangement of the acquiree or the replacement of the acquiree's share-based payment transactions with the share-based payment transactions of the Group are measured in accordance with IFRS 2 *Share-based Payment at the acquisition date*;

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard; and

- lease liabilities are recognised and measured at the present value of the remaining lease payments as if the acquired lease was a new lease at the acquisition date, except for leases for which (a) the lease term ends within 12 months of the acquisition date; or (b) the underlying asset is of low value. Right-of-use assets are recognised and measured at an amount equal to the lease liabilities, adjusted to reflect favourable or unfavourable terms of the lease when compared with market terms.

Foreign currency

In preparing the financial statements of each individual group entity, transactions in currencies other than the functional currency of that entity (foreign currencies) are recorded in the respective functional currency (i.e. the currency of the primary economic environment in which the entity operates) at the rates of exchanges prevailing at the dates of the transactions. At the end of the reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the retranslation of monetary items, are recognised in profit or loss in the period in which they arise.

Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Foreign currency (Continued)

For the purposes of presenting the consolidated financial statements, the assets and liabilities of the Group's foreign operations are translated into the presentation currency of the Group (i.e. Singapore dollars) using exchange rates prevailing at the end of each reporting period. Income and expenses items are translated at the average exchange rates for the year. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation, or a disposal involving loss of control over a subsidiary that includes a foreign operation, a disposal involving loss of joint control over a joint arrangement that includes a foreign operation, or a disposal involving loss of significant influence over an associate that includes a foreign operation), all of the exchange differences accumulated in equity in respect of that operation attributable to the owners of the Company are reclassified to profit or loss. In addition, in relation to a partial disposal of a subsidiary that does not result in the Group losing control over the subsidiary, the proportionate share of accumulated exchange differences are re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation.

Owned investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are measured at their fair values. Gains or losses arising from changes in the fair value of investment properties are included in profit or loss for the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from its disposals. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the profit or loss in the period in which the property is derecognised.

If an item of property, plant and equipment becomes an investment property when there is a change in use, as supported by observable evidence, any difference between the carrying amount and the fair value of that item at the date of transfer is recognised in other comprehensive income and accumulated in properties revaluation reserve. The properties revaluation reserve in respect of that item will be transferred directly to retained earnings when it is derecognised.

If an investment property becomes an owner-occupied property when there is a change in use, as supported by observable evidence, the fair value of that property at the date of transfer is the deemed cost for subsequent accounting for that property as an item of property, plant and equipment.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Property, plant and equipment

Property, plant and equipment are stated in the consolidated statement of financial position at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Ownership interests in leasehold land and buildings

When the Group makes payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as "right-of-use assets" in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Depreciation is recognised so as to write off the cost of items of property, plant and equipment less their residual values over their estimated useful lives, using the straight-line method. The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis. The estimated useful lives are as follows:

	Useful lives
Leasehold properties	30 years
Lightings, renovation, furniture & fittings	3 to 5 years
Machineries and motor vehicles	5 to 10 years
Office equipment, software and computers	3 to 5 years

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Intangible asset

Club membership

Club membership is measured initially at cost. Following initial recognition, intangible assets are measured at cost less any accumulated amortisation and accumulated impairment losses.

Intangible asset with finite useful lives is amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortisation method are reviewed at least at each statement of financial position date. Amortisation of club membership is calculated on a straight-line basis over the estimated useful lives of 17.5 years and 19.5 years.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Investments in associates

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control of those policies.

The Group's investments in associates are accounted for in the consolidated financial statements using the equity method. Under the equity method, investments in associates are initially recognised at cost and adjusted thereafter to recognise the Group's share of the profit or loss and changes in the other comprehensive income of the associates are recognised in profit or loss and other comprehensive income respectively after the date of acquisition. If the Group's share of losses of an associate equal or exceeds its interest in the associate, which determined using the equity method together with any long-term interests that, in substance, form part of the Group's net investment in the associate, the Group discontinues recognising its share of further losses. Additional losses are provided for, and a liability is recognised, only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

If an associate uses accounting policies other than those of the Group for like transactions and events in similar circumstances, adjustments are made to make the associate's accounting policies conform to those of the Group when the associate's financial statements are used by the Group in applying the equity method.

An investment in an associate is accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment, any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets and liabilities of the associate is recognised as goodwill and is included in the carrying amount of the investment.

Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition, after reassessment, is recognised in profit or loss in the period in which the investment is acquired.

The requirements of IAS 36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised to the extent that the recoverable amount of the net investment subsequently increases.

When the Group's ownership interest in an associate is reduced, but the Group continues to apply the equity method, the proportion of the gain or loss that had previously been recognised in other comprehensive income relating to that reduction in ownership interest is reclassified to profit or loss if that gain or loss would be required to be reclassified to profit or loss on the disposal of the related assets or liabilities.

Gains and losses resulting from transactions between the Group and its associate are recognised in consolidated financial statements only to the extent of unrelated investors' interests in the associate that are unrelated to the Group. The Group's share in the associate's gains or losses resulting from these transactions is eliminated.

The Group applies IFRS 9, including the impairment requirements, to long-term interests in an associate to which the equity method is not applied and which form part of the net investment in the investee. In applying IFRS 9 to long-term interests, the Group does not take into account adjustments to their carrying amount required by IAS 28 (i.e. adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leasing

Definition of a lease

A contract is, or contains, a lease if the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

At the commencement date, the Group measures lease liability at the present value of the lease payments that are not paid at that date. The lease payments are discounted by using the interest rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- the exercise price of purchase options if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the Group exercising an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leasing (Continued)

The Group as lessee (Continued)

Lease liabilities (Continued)

Lease liability is remeasured (and with a corresponding adjustment to the related right-of-use asset) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using revised discount rate.

- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).

- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs, less lease incentives received. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37 "Provision, Contingent Liabilities and Contingent Assets". The costs are included in the related right-of-use asset.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities other than adjustments to lease liabilities resulting from Covid-19-related rent concessions in which the Group applied the practical expedient. They are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The Group presents right-of-use assets as a separate line in the consolidated statement of financial position.

The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in administrative expenses in the consolidated statement of profit or loss.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Leasing (Continued)

The Group as lessee (Continued)

Lease modification

The Group accounts for a lease modification as a separate lease if:

- the modification increases the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for the lease increases by an amount commensurate with the stand-alone price for the increase in scope and any appropriate adjustments to that stand-alone price to reflect the circumstances of the particular contract.

For a lease modification that is not accounted for a separate lease, the Group remeasures the lease liability based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

The Group as lessor

The Group enters into lease agreements as a lessor with respect to investment properties. Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group’s net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group’s net investment outstanding in respect of the leases.

Lease modification

For operating lease

The Group accounts for a modification to an operating lease as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

For rent concession where the Group legally releases the lessee from its obligation to make specifically identified lease payments, some of which the Group had recognised as an operating lease receivable, the Group accounts for the rent concession by applying: (a) the derecognition requirements in IFRS 9 to forgiven lease payments that the Group has recognised as an operating lease receivable; and (b) the lease modification requirements in IFRS 16 to forgiven lease payments that the lessor has not recognised as an operating lease receivable.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income ("FVTOCI"), and fair value through profit or loss ("FVTPL").

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

Financial assets at amortised cost (debt instruments)

The Group measures financial assets subsequently at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment.

(i) Amortised cost and effective interest method

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period.

For financial assets, the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses ("ECL"), through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition.

The amortised cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance. The gross carrying amount of a financial asset is the amortised cost of a financial asset before adjusting for any loss allowance.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost.

Interest income is recognised in profit or loss and is included in the finance income.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial assets (Continued)

Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortised cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.

- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognised in profit or loss to the extent they are not part of a designated hedging relationship. The net gain or loss recognised in profit or loss includes any dividend or interest earned on the financial asset and is included in the finance income line item. Fair value is determined in the manner described in note 5(e).

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or

- on initial recognition, it is part of a portfolio of identified financial instruments that the Group manages together and has evidence of a recent actual pattern of short-term profit-taking; or

- it is a derivative (except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument).

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial assets (Continued)

Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on investments in debt instruments that are measured at amortised cost. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group measures the loss allowance equal to 12-month ECL, unless there has been a significant increase in credit risk since initial recognition, in which case the Group recognises lifetime ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial assets (Continued)

Impairment of financial assets (Continued)

Significant increase in credit risk (Continued)

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. The Group considers a debt instrument to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable:

- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial assets (Continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Measurement and recognition of expected credit losses

The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward-looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the expected credit losses is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16 *Leases*.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial assets (Continued)

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party.

On derecognition of a financial asset measured at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

Modification of financial assets

A modification of a financial asset occurs if the contractual cash flows are renegotiated or otherwise modified.

When the contractual terms of a financial asset are modified, the Group assesses whether the revised terms result in a substantial modification from original terms taking into account all relevant facts and circumstances including qualitative factors. If qualitative assessment is not conclusive, the Group considers the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received, and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial asset, after reducing gross carrying amount that has been written off.

For non-substantial modifications of financial assets that do not result in derecognition, the carrying amount of the relevant financial assets will be calculated at the present value of the modified contractual cash flows discounted at the financial assets' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial assets and are amortised over the remaining term. Any adjustment to the carrying amount of the financial asset is recognised in profit or loss at the date of modification.

Inventories

Inventories are stated at the lower of cost and net realisable value. Costs of inventories are calculated using the weighted average method. Net realisable value of inventories represents the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

Cash and cash equivalents

In the consolidated statement of financial position, cash and bank balances comprise cash (i.e. cash on hand and demand deposits) and cash equivalents. Cash equivalents are short-term (generally with original maturity of three months or less), highly liquid investments that are readily convertible to a known amount of cash and which are subject to an insignificant risk of changes in value. Cash equivalents are held for the purpose of meeting short-term cash commitments rather for investment or other purposes.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Share capital and dividends

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction, net of tax, from the proceeds. Amounts received above the nominal is recorded as a share premium.

Dividend distribution to the Company's equity owners is recognised as a liability in the Group's financial statements in the period in which the dividends are approved by the Company's shareholders or directors, where appropriate.

Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method.

Financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, are measured in accordance with the specific accounting policies set out below.

A financial liability is classified as held for trading if:

- it has been acquired principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Group manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative, except for a derivative that is a financial guarantee contract or a designated and effective hedging instrument.

Financial liabilities subsequently measured at amortised cost

Financial liabilities that are not (1) contingent consideration of an acquirer in a business combination, (2) held-for-trading, or (3) designated as at FVTPL, are subsequently measured at amortised cost using the effective interest method.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Financial liabilities (Continued)

Modification of financial liabilities

A substantial modification of the terms of an existing financial liability or a part of it (whether or not attributable to the financial difficulty of the Group) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The Group considers that the terms are substantially different if the discounted present value of the cash flows under the new terms, including any fees paid net of any fees received and discounted using the original effective interest rate, is at least 10 per cent different from the discounted present value of the remaining cash flows of the original financial liability. Accordingly, such exchange of debt instruments or modification of terms is accounted for as an extinguishment, any costs or fees incurred are recognised as part of the gain or loss on the extinguishment. The exchange or modification is considered as non-substantial modification when such difference is less than 10 per cent.

Non-substantial modifications of financial liabilities

For non-substantial modifications of financial liabilities that do not result in derecognition, the carrying amount of the relevant financial liabilities will be calculated at the present value of the modified contractual cash flows discounted at the financial liabilities' original effective interest rate. Transaction costs or fees incurred are adjusted to the carrying amount of the modified financial liabilities and are amortised over the remaining term. Any adjustment to the carrying amount of the financial liability is recognised in profit or loss at the date of modification.

Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of the transaction does not give rise to equal taxable and deductible temporary differences.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Taxation (Continued)

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset is realised, based on tax rate (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle current tax liabilities and assets on a net basis.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

Salary tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and

- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Retirement benefits costs and termination benefits

Payments to defined contribution plans are recognised as an expense when employees have rendered service entitling them to the contributions.

For defined benefit retirement benefit plans, the cost of providing benefits is determined using the Projected Unit Credit Method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurements comprising actuarial gains and losses, the effect of the asset ceiling (if applicable) and the return on plan assets (excluding interest) are recognised immediately in the statement of financial position with a charge or credit to other comprehensive income in the period in which they occur. Remeasurements recognised in other comprehensive income are not reclassified. Past service cost is recognised in profit or loss when the plan amendment or curtailment occurs, or when the Group recognises related restructuring costs or termination benefits, if earlier. Gains or losses on settlement of a defined benefit plan are recognised when the settlement occurs. Net interest is calculated by applying a discount rate to the net defined benefit liability or asset.

Defined benefit costs are categorised as:

- service costs, which includes current service cost, past service cost and gains and losses on curtailments and settlements;
- net interest expense or income; and
- remeasurements.

The retirement benefit obligation recognised in the consolidated statement of financial position represents the deficit or surplus in the Group's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form of refunds from the plans or reductions in future contributions to the plans.

A liability for a termination benefit is recognised at the earlier of when the entity can no longer withdraw the offer of the termination benefit and when the entity recognises any related restructuring costs.

Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Revenue recognition

(a) Sale and installation of passenger vehicle leather upholstery and electronic accessories

The Group sells and installs passenger vehicle leather upholstery and electronic accessories for the customers. Sales are recognised when control of the products has transferred, being when the products are delivered and installed (i.e. at a point of time), the customer has the ability to direct the usage of the installed product, obtain substantially all of the remaining benefits from it, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been installed on the vehicles, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice. The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision, see Note 32.

The customers are invoiced periodically. Unbilled revenue arises from the cumulative revenue recognised but not yet invoiced to customer is recognised as trade receivables.

(b) Sale of electronic accessories

The Group sells vehicle electronic accessories to the customers. Sales are recognised when control of the products has transferred, being when the products are delivered (i.e. at a point of time), the customer has the ability to direct the usage of the installed product, obtain substantially all of the remaining benefits from it, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the wholesaler has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

Revenue from these sales is recognised based on the price specified in the contract. No element of financing is deemed present as the sales are made with a credit term of 30 days, which is consistent with market practice. The Group's obligation to repair or replace faulty products under the standard warranty terms is recognised as a provision, see Note 32.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(c) Sale of automotive parts and motor vehicles

The Group sells automotive parts and motor vehicles to the customers. Sales are recognised when control of the products has transferred, being when the products are delivered (i.e. at a point of time), the customer has the ability to direct the usage of the product, obtain substantially all of the remaining benefits from it, and there is no unfulfilled obligation that could affect the customer's acceptance of the products. Delivery occurs when the products have been shipped to the specified location, the risks of obsolescence and loss have been transferred to the customer, and either the customer has accepted the products in accordance with the sales contract, the acceptance provisions have lapsed, or the Group has objective evidence that all criteria for acceptance have been satisfied.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Revenue recognition (Continued)

(c) Sale of automotive parts and motor vehicles (Continued)

Revenue from these sales is recognised based on the price specified in the contract. No element of financing is deemed present as the sales are made with a credit term of 7 days, which is consistent with market practice.

A receivable is recognised when the goods are delivered as this is the point in time that the consideration is unconditional because only the passage of time is required before the payment is due.

(d) Financing components

The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

Interest income is recognised using the effective interest method for debt instruments measured subsequently at amortised cost.

Government grants

Government grants are not recognised until there is reasonable assurance that the Group will comply with the conditions attaching to them and that the grants will be received.

Government grants are recognised in profit or loss on a systematic basis over the periods in which the Group recognises as expenses the related costs for which the grants are intended to compensate. Specifically, government grants whose primary condition is that the Group should purchase, construct or otherwise acquire non-current assets are recognised as deferred income in the consolidated statement of financial position and transferred to profit or loss on a systematic and rational basis over the useful lives of the related assets.

Government grants related to income that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

4 MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Provision for warranty cost

Provision for warranty cost is recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

The Group recognises the estimated liability to repair or replace products still under warranty at the statement of financial position date. This provision is calculated based on historical experience of the level of repairs and replacements.

5 FINANCIAL RISK MANAGEMENT

The Group's activities expose it to market risk (including currency risk and interest risk), credit risk and liquidity risk. The Group's overall risk management strategy focusses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Market risk

(i) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

The Group has exposure to foreign exchange risk arising mainly from the exposure of $ against HK$, AUD and USD. Foreign exchange risk arises mainly from recognised assets. At 31 December 2023, if the HK$ had weakened or strengthened by 10% against the $ with all other variables held constant, post-tax loss for the year would have been approximately $347,000 (2022: $280,000) lower/higher as a result of foreign exchange losses/gains mainly on translation of HK$ denominated cash and bank balances.

Exposure to AUD and USD movements in exchange rates on transactions is minimised as they relate primarily to its fixed-rate interest financial assets at fair value through profit or loss.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

The Group's fair value interest rate risk relates primarily to its fixed-rate other borrowings and financial assets at fair value through profit or loss.

The Group is also exposed to cash flow interest rate risk in relation to variable-rate bank balances (see Note 25). The Group currently does not have an interest rate hedging policy.

However, the management will consider hedging significant interest rate exposure should the need arises.

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

(a) Market risk (Continued)

(ii) Interest rate risk (Continued)

Interest income from financial assets that are measured at amortised cost and at fair value are as follow:

	2023 **$**	2022 $
Financial assets at amortised cost	**12,997**	3,592
Financial assets at fair value	**104,621**	21,959

The Group's exposure to interest rates on financial liabilities are detailed in the liquidity risk section of this note.

(b) Credit risk

Credit risk refers to the risk that the Group's counterparties will default on their contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts policy of dealing only with customers of appropriate credit history. For other financial assets, the Group adopts the policy of dealing only with high credit quality counter-parties.

The Group's trade receivables comprise 3 debtors (2022: 3 debtors) that in aggregate represented 91.1% (2022: 80.9%) of the trade receivables.

Credit exposure to an individual counterparty is restricted by credit limits that are approved by the directors based on ongoing credit evaluation. The counterparty's payment profile and credit exposure are continuously monitored by the directors of the Company.

The maximum exposure to credit risk is the carrying amount of each classes of financial instruments presented on the consolidated statement of financial position.

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of ECL:

Category of internal credit rating	Description of category	Basis for recognising expected credit losses
Performing	The counterparty has a low risk of default and does not have any past-due amounts.	12-month expected credit losses
Under-performing	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime expected credit losses – not credit
Non-performing	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime expected credit losses – credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery.	Amount is written off

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook, that is available without undue cost or effort.

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the operating results/key financial performance ratios of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

The Group also assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date.

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

Definition of default

The Group considers an event of default for internal credit risk management purpose. Management considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

Trade receivables

The Group has applied the simplified approach to measure the expected credit loss allowance for trade receivables.

Trade receivables that shared the same credit risk characteristics and days past due are grouped together in measuring the expected credit losses.

The Group estimates the expected credit loss rates for each category of past due status of the debtors based on historical credit loss experience adjusted as appropriate to reflect current conditions and forecasts of future economic conditions on the ability of the customers to settle the receivables.

There has been no change in the estimation techniques or significant assumptions made during the current financial year.

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

(b) Credit risk (Continued)

Other financial assets at amortised cost

Other financial assets at amortised cost includes other receivables (excluding advance payment to suppliers, prepayment of operating expenses and grant receivable) and cash and cash equivalents.

The table below details the credit quality of the Group's financial assets (other than trade receivables):

2023	**12-month or lifetime ECL**	**Gross carrying amount $**	**Loss allowance $**	**Net carrying amount $**
Other receivables (excluding advance payment to suppliers, prepayment of operating expenses and grant receivable)	N.A. Exposure Limited	**177,820**	**–**	**177,820**
Cash and cash equivalents	N.A. Exposure Limited	**8,317,344**	**–**	**8,317,344**

2022	12-month or lifetime ECL	Gross carrying amount $	Loss allowance $	Net carrying amount $
Other receivables (excluding advance payment to suppliers, prepayment of operating expenses and grant receivable)	N.A. Exposure Limited	218,301	–	218,301
Cash and cash equivalents	N.A. Exposure Limited	7,015,867	–	7,015,867

The credit loss exposure for other receivables and cash and cash equivalents are immaterial as at 31 December 2023 and 31 December 2022.

The credit risk of financial assets designated as at fair value through profit or loss is limited because the counterparties are banks with high credit rating assigned by international credit-rating agencies.

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

(c) Liquidity risk

Liquidity or funding risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments. Liquidity risk may result from an inability to sell a financial asset quickly at lose to its fair value.

The Group manages its liquidity risk by ensuring the availability of funding through its ability to operate profitably, maintaining sufficient cash to enable it to meet its normal operating commitments, having adequate amount of committed credit facilities.

The table below summarises the maturity profile of the Group's non-derivative financial liabilities at the statement of financial position date based on contractual undiscounted repayment obligations.

	1 year or less $	**2 to 5 years $**	**Total $**
2023			
Trade and other payables	**1,038,309**	**–**	**1,038,309**
Lease liabilities	**41,027**	**6,838**	**47,865**
	1,079,336	**6,838**	**1,086,174**

	1 year or less $	2 to 5 years $	Total $
2022			
Trade and other payables	187,892	–	187,892
Lease liabilities	41,027	47,865	88,892
	228,919	47,865	276,784

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

(d) Capital risk management

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to its shareholder, return capital to shareholder or issue new shares. No changes were made in the objectives, policies and processes during the financial years ended 31 December 2023 and 31 December 2022.

The Group also monitors capital on the basis of gearing ratio. The gearing ratio is calculated as total debt divided by total capital. Debt is calculated as lease liabilities. Total capital represents total equity as shown in the consolidated statement of financial position.

	2023	2022
	$	$
Debt	**46,473**	84,312
Total capital	**13,248,602**	23,830,793
Gearing ratio	**0.0035**	0.0035

The Group does not have any borrowing other than lease liabilities as at 31 December 2023 and 31 December 2022.

(e) Fair value estimation

Financial assets and financial liabilities measured at fair value in the statements of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

(i) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.

(ii) Level 2: inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly or indirectly.

(iii) Level 3: unobservable inputs for the asset or liability.

The carrying amounts of the Group's current financial assets, including amount due from a shareholder, trade and other receivables and bank balances and; current financial liabilities, including trade and other payables, approximate their fair values as at the reporting date due to their short term maturities.

The Group uses fair values measured based on market-observable data which any input which have a significant effect on the recorded fair value are observable, either directly or indirectly for determining and disclosing the fair value of the financial asset at fair value through profit or loss. At 31 December 2023, the Group's financial asset at fair value through profit or loss were measured at fair value and determined as level 1.

The Group's non-financial assets measured at fair value, including investment properties, are included in level 3 as there are significant unobservable inputs in the valuation technique. The Group does not have level 2 items as at 31 December 2023 (2022: Nil).

5 FINANCIAL RISK MANAGEMENT (CONTINUED)

(e) Fair value estimation (Continued)

Fair value measurements of investment properties under Level 3 fair value hierarchy

Investment properties are carried at fair values at the end of reporting date as determined by independent professional valuers. Valuations are made at each financial statements date based on the properties' highest- and-best-use using the comparison method that considers sales of similar properties that have been transacted in the open market with appropriate adjustments have been made to account for the difference in factors such as locations and property size. The most significant input into this valuation approach is selling price per square metre. The valuation report and fair value changes are reviewed by the directors at each reporting date.

The fair value estimation process and technique of investment properties are disclosed in Note 16.

6 CRITICAL AND ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

(a) Provision for warranty cost

The Group gives 12–36 months warranties on certain products and undertakes to repair or replace items that fail to perform satisfactorily. A provision is recognised at the statement of financial position date for expected warranty claims based on current sales levels and past experience of the level of repairs and returns. The Group's provision amounted to $29,907 as at 31 December 2023 (2022: $28,969).

(b) Fair value of investment properties

The fair values of investment properties of the Group are determined by an independent valuer on an open market for existing use basis with reference to comparable market transactions. In making the judgement, the valuer considers information from current prices in an active market for properties of different nature, condition or location (or subject to different lease or other contracts), adjusted to reflect those differences. The judgement and assumptions used for estimating the fair value of the investment properties are disclosed in Note 5(e).

(c) Impairment of trade and other receivables

The impairment provisions for trade and other receivables are based on assumptions about ECL. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, bases on the number of days that an individual receivable is outstanding as well as the Group's historical experience and forward-looking information at the end of the reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the consolidated statement of profit or loss and other comprehensive income. The judgement and assumptions used for impairment of trade and other receivables are disclosed in Note 5(b).

6 CRITICAL AND ACCOUNTING ESTIMATES AND JUDGEMENTS (CONTINUED)

(d) Impairment of property, plant and equipment, right-of-use asset and intangible asset

Property, plant and equipment, right-of-use assets and intangible asset are stated at costs less accumulated depreciation and impairment, if any. In determining whether an asset is impaired, the Group has to exercise judgement and make estimation, particularly in assessing: (1) whether an event has occurred or any indicators that may affect the asset value; (2) whether the carrying value of an asset can be supported by the recoverable amount, in the case of value in use, the net present value of future cash flows which are estimated based upon the continued use of the asset; and (3) the appropriate key assumptions to be applied in estimating the recoverable amounts including cash flow projections and an appropriate discount rate. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the assets belongs.

Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

(e) Deferred income tax

The Group's management determines the amount of deferred tax asset to be recognised by estimating the amount of future profit available to utilise the tax losses or certain temporary differences in the relevant tax jurisdiction and entity. The estimate is based on the projected profit in respective jurisdiction and entity and the Group uses its judgement to make assumptions that are mainly based on market conditions existing on the statement of financial position date. It could change as a result of the uncertainties in the market conditions.

(f) Fair value of financial asset at fair value through profit or loss

The fair value of financial asset at fair value at profit and loss are determined based on market-observable data including reference to other instruments that are substantially the same, discounted cash flow analysis and option pricing model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values.

7 SEGMENT INFORMATION

The chief operating decision-maker has been identified as the executive directors of the Company's Board of Directors. The executive directors review the performance of the Group's operations mainly from a business operation perspective. The Group is organised into three main business segments, namely (i) passenger vehicle leather upholstery; (ii) passenger vehicle electronic accessories; and (iii) automotive parts and motor vehicle. The passenger vehicle leather upholstery segment mainly represents the business of supplying and installing passenger vehicle leather upholstery to passenger vehicle distributors and dealers. The passenger vehicle electronic accessories segment mainly represents the business of supplying and installing passenger vehicle electronic accessories to passenger vehicle distributors and dealers. The automotive parts and motor vehicle segment mainly represents the business of supplying automotive parts and motor vehicle to passenger vehicle distributors and dealers. Those passenger vehicle distributors and dealers are mainly located in Singapore and Hong Kong.

Segment performance is evaluated based on reportable segment results, which is a measure of adjusted profit/loss before tax. The adjusted profit/loss before tax is measured consistently with the Group's profit/loss before tax except that interest income, interest expenses, inter-segment transactions as well as head office and corporate expenses are excluded from such measurement.

The amounts provided to the management with respect to total assets are measured in a manner consistent with that of the financial statements. Management monitors the assets attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets are allocated to reportable segments other than cash and cash equivalents, intangible asset, investment properties, financial assets at fair value through profit or loss and investment in associates which are classified as unallocated assets. Property, plant and equipment and right-of-use assets are allocated as allocated and unallocated assets based on the usage of these assets by segment.

The amounts provided to management with respect total liabilities are measured in a manner consistent with that of the financial statements. All liabilities are allocated to the reportable segments based on the operations of the segments other than other payables and accruals, provision, current income tax liabilities and deferred tax liability which are classified as unallocated liabilities. Lease liabilities is allocated proportionately in both allocated and unallocated liabilities based on the liabilities incurred by segment.

7 SEGMENT INFORMATION (CONTINUED)

	Passenger vehicle leather upholstery		Passenger vehicle electronic accessories		Automotive parts and motor vehicles		Total	
	2023 **$**	2022 $	**2023** **$**	2022 $	**2023** **$**	2022 $	**2023** **$**	2022 $
Sales and installation of goods	**515,021**	543,447	**1,577,178**	1,793,303	**-**	–	**2,092,199**	2,336,750
Sales of goods	**-**	–	**8,933**	339,900	**6,970,125**	13,663,536	**6,979,058**	14,003,436
Total segment revenue	**515,021**	543,447	**1,586,111**	2,133,203	**6,970,125**	13,663,536	**9,071,257**	16,340,186
Segment loss	**(250,484)**	(76,838)	**(771,295)**	(301,122)	**(3,388,143)**	(1,929,490)	**(4,409,922)**	(2,307,450)
Depreciation of property, plant and equipment	**(2,297)**	(1,679)	**(7,073)**	(6,578)	**(31,072)**	(42,152)	**(40,442)**	(50,409)
Depreciation of right-of-use assets	**(30,534)**	(30,609)	**-**	–	**-**	–	**(30,534)**	(30,609)
Unallocated expenses:								
Amortisation of intangible asset							**(14,408)**	(5,293)
Depreciation of property, plant and equipment							**(96,461)**	(91,516)
Depreciation of right-of-use assets							**(7,633)**	(7,652)
Fair value gain on investment properties							**440,000**	300,000
Rental income from investment properties							**170,700**	138,200
Impairment of investments in associates							**(6,421,491)**	–
Loss before tax							**(10,410,191)**	(2,054,729)

7 SEGMENT INFORMATION (CONTINUED)

	Passenger vehicle leather upholstery		Passenger vehicle electronic accessories		Automotive parts and motor vehicles		Total	
	2023	2022	**2023**	2022	**2023**	2022	**2023**	2022
	$	$	**$**	$	**$**	$	**$**	$
Segment assets	**127,957**	169,527	**211,379**	314,100	**312,960**	1,111,604	**652,296**	1,595,231
Unallocated assets:								
Cash and cash equivalents							**8,317,344**	7,015,867
Financial assets at fair value through profit or loss							**-**	5,000,000
Trade and other receivables							**644,388**	423,597
Investment properties							**3,740,000**	3,300,000
Property, plant and equipment							**813,207**	936,768
Intangible asset							**461,652**	95,060
Right-of-use assets							**8,906**	16,539
Investments in associates							**-**	6,421,491
Deferred tax assets							**-**	172,000
Total assets							**14,637,793**	24,976,553
Segment liabilities	**78,088**	73,960	**9,626**	14,649	**244,322**	810,550	**332,036**	899,159
Unallocated liabilities:								
Other payables and accruals							**1,017,580**	200,395
Current income tax liabilities							**374**	374
Lease liabilities							**9,294**	16,863
Provision							**29,907**	28,969
Total liabilities							**1,389,191**	1,145,760

Geographical information

An analysis of revenue from external customers by geographical area is set out below:

	2023	2022
	$	$
Hong Kong	**672,725**	5,785,876
Singapore	**8,398,532**	10,554,310
	9,071,257	16,340,186

The non-current assets of the Group were located in Singapore of $5,128,349 as at 31 December 2023 (2022: $10,918,318).

7 SEGMENT INFORMATION (CONTINUED)

Information about major customers

Revenue is derived from 2 (2022: 4) external customers who individually contributed 10% or more of the Group's revenue and are attributable to the segments as detailed below:

	Attributable segments	2023 $	2022 $
Customer 1	Passenger vehicle leather upholstery and passenger vehicle electronic accessories	**1,691,214**	2,087,757
Customer 2	Automotive parts and motor vehicle	**6,306,770**	7,892,160
Customer 3	Motor vehicles	**N/A**[1]	2,286,333
Customer 4	Motor vehicles	**N/A**[1]	2,513,536
		7,997,984	14,779,786

[1] The corresponding revenue did not contribute over 10% of the total revenue of the Group.

8 REVENUE

Disaggregation of revenue from contracts with customers

The Group derives revenue from the transfer of goods and services at a point in time in the following major product lines.

	2023 $	2022 $
Sales and installation of goods		
– Leather upholstery	**515,021**	543,447
– Electronic accessories	**1,577,178**	1,793,303
	2,092,199	2,336,750
Sales of goods		
– Electronic accessories	**8,933**	339,900
– Automotive parts and motor vehicle	**6,970,125**	13,663,536
	6,979,058	14,003,436
	9,071,257	16,340,186

9 OTHER INCOME

	2023 $	2022 $
Cash grant	–	5,424
Rental income from investment properties	170,700	138,200
Special Employment Credit	36,568	10,594
Wages Credit Scheme	–	3,547
	207,268	157,765

10 OTHER GAINS – NET

	2023 $	2022 $
Foreign exchange loss, net	(54,428)	(23,237)
Loss on disposal of property, plant and equipment	–	(9,634)
Fair value gain on investment properties (Note 16)	440,000	300,000
Others	10,486	3,218
	396,058	270,347

11 LOSS BEFORE TAX

	2023 $	2022 $
Costs of inventories	**7,450,926**	14,168,055
Freight and forwarding charges	**12,994**	17,906
Employee benefit costs (Note 12)	**4,612,157**	3,250,795
Amortisation of intangible asset (Note 18)	**14,408**	5,293
Depreciation of property, plant and equipment (Note 17)	**136,903**	141,925
Depreciation of right-of-use assets (Note 19)	**38,167**	38,261
Rental expenses on short-term leases	**18,697**	23,488
Commission	**12,994**	24,559
Entertainment	**83,749**	63,677
Motor vehicles expenses	**135,446**	44,892
Insurance	**61,173**	56,053
Travelling expenses	**285,361**	–
Advertisement	**11,700**	12,257
Auditor's remuneration		
– Audit services	**68,000**	75,000
Legal and professional fees	**520,026**	511,857
Write-off of inventories (Note 22)	**31,435**	33,577
Provision for warranty cost (Note 32)	**79,361**	93,254
Write-off of amounts due from a shareholder	**–**	93,197
Loss on disposals of property, plant and equipment	**–**	9,634
Other operating expenses	**204,216**	180,854

12 EMPLOYMENT BENEFIT COSTS – INCLUDING DIRECTORS' EMOLUMENTS

(a) Employee benefit expenses during the financial years are as follows:

	2023 $	2022 $
Wages, salaries and allowances	**4,380,930**	3,048,460
Discretionary bonuses	**–**	–
Retirement benefit costs – defined contribution plans	**68,093**	141,702
Others	**163,134**	60,633
	4,612,157	3,250,795

12 EMPLOYMENT BENEFIT COSTS – INCLUDING DIRECTORS' EMOLUMENTS (CONTINUED)

(b) Directors' emoluments

The remuneration of every director for the year ended 31 December 2023 and 31 December 2022 is set out below:

31 December 2023

Name of directors	Fees $	Salaries, allowances and benefits in kind $	Discretionary bonuses $	Employer's contribution to defined contribution plans $	Total $
Executive directors					
Ms. Ma Xiaoqiu	–	123,662	–	–	123,662
Mr. Tsang Chun Ho Anthony	–	44,656	–	–	44,656
Non-executive directors					
Ms. Liu Xinyi	–	123,662	–	–	123,662
Mr. Wong Chun Man	–	10,305	–	–	10,305
Ms. Lyu Qiujia	–	30,916	–	–	30,916
Ms. Chen Jun	–	22,671	–	–	22,671
Mr. Choi Tan Yee	–	44,656	–	–	44,656
Independent non-executive directors					
Mr. Jin Lailin	24,732	–	–	–	24,732
Ms. Lee Kit Ying	9,374	–	–	–	9,374
Mr. Wang Zhongmin	2,061	–	–	–	2,061
Mr. Peng Peng	24,732	–	–	–	24,732
Mr. Cheng Wai Hei	12,854	–	–	–	12,854
	73,753	400,528	–	–	474,281

12 EMPLOYMENT BENEFIT COSTS – INCLUDING DIRECTORS' EMOLUMENTS (CONTINUED)

(b) Directors' emoluments (Continued)

31 December 2022

Name of directors	Fees $	Salaries, allowances and benefits in kind $	Discretionary bonuses $	Employer's contribution to defined contribution plans $	Total $
Executive director					
Ms. Ma Xiaoqiu	–	126,846	–	–	126,846
Non-executive directors					
Ms. Liu Xinyi	–	126,846	–	–	126,846
Mr. Wong Chun Man	–	126,846	–	–	126,846
Ms. Lyu Qiujia	–	31,711	–	–	31,711
Independent non-executive directors					
Mr. Jin Lailin	25,369	–	–	–	25,369
Ms. Lee Kit Ying	25,369	–	–	–	25,369
Mr. Wang Zhongmin	25,369	–	–	–	25,369
Mr. Peng Peng	25,369	–	–	–	25,369
	101,476	412,249	–	–	513,725

For the financial year ended 31 December 2023, none of the directors of the Company waived any emoluments paid or payable by the Group companies and no emoluments were paid by the Group to the directors as an inducement to join or upon joining the Group or as compensation for loss of office (2022: None).

(i) Appointment of directors

Mr. Tsang Chun Ho Anthony has been appointed as an executive Director of the Company with effect from 11 April 2023.

Ms. Chen Jun has been appointed as a non-executive Director of the Company with effect from 1 February 2023.

Mr. Choi Tan Yee has been appointed as a non-executive Director of the Company with effect from 11 April 2023.

Mr. Cheng Wai Hei has been appointed as an independent non-executive Director, the chairman of the audit committee and remuneration committee and a member of the nomination committee of the Company with effect from 17 May 2023.

Mr. Lam Chi Wing has been appointed as an independent non-executive Director, and a member of each of the nomination committee, the remuneration committee and the audit committee with effect from 2 January 2024.

12 EMPLOYMENT BENEFIT COSTS – INCLUDING DIRECTORS' EMOLUMENTS (CONTINUED)

(b) Directors' emoluments (Continued)

(ii) Resignation of directors

Mr. Wong Chun Man has resigned as a non-executive Director and a member of the remuneration committee of the Company with effect from 1 February 2023.

Mr. Wang Zhongmin has resigned as an independent non-executive Director and a member of the audit committee, the remuneration committee and the nomination committee of the Company with effect from 1 February 2023.

Mr. Peng Peng has been appointed as a member of the audit committee with effect from 1 February 2023 and has resigned as an independent non-executive Director, a member of each of the nomination committee, the remuneration committee and the audit committee of the Company with effect from 2 January 2024.

(iii) Retirement of director

Ms. Lee Kit Ying has been retired as an independent non-executive Director, the chairlady of the audit committee and remuneration committee and a member of the nomination committee of the Company with effect from 17 May 2023.

(iv) Removal of directors

Ms. Ma Xiaoqiu was removed as an executive Director and ceased to be the chairlady of the Board, the chairlady of the nomination committee and a member of the remuneration committee of the Company with effect from 19 March 2024.

Ms. Liu Xinyi was removed as a non-executive Director and ceased to be a member of the nomination committee of the Company with effect from 19 March 2024.

Mr. Chen Jun was removed as a non-executive Director of the Company with effect from 19 March 2024.

Ms. Lyu Qiujia was removed as a non-executive Director of the Company with effect from 19 March 2024.

Mr. Jin Lailin was removed as an independent non-executive Director and ceased to be a member of each of the audit committee, the remuneration committee and the nomination committee of the Company with effect from 19 March 2024.

(v) Directors' retirement benefits

Except as disclosed below, no retirement benefits were paid to or receivable by any directors in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertaking for the financial year ended 31 December 2023 (2022: Nil).

(vi) Directors' termination benefits

No payment was made to directors as compensation for the early termination of the appointment for the financial year ended 31 December 2023 (2022: Nil).

(vii) Consideration provided to third parties for making available directors' services

No payment was made to the former employer of directors for making available the services of them as a director of the Company for the financial year ended 31 December 2023 (2022: Nil).

12 EMPLOYMENT BENEFIT COSTS – INCLUDING DIRECTORS' EMOLUMENTS (CONTINUED)

(b) Directors' emoluments (Continued)

(viii) Information about loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors

There are no loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities with such directors for the financial year ended 31 December 2023 (2022: Nil).

(ix) Directors' material interests in transactions, arrangements or contracts

Except as disclosed in Note 35(b), no significant transactions, arrangements and contracts in relation to the Company's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time for the financial year ended 31 December 2023 (2022: Nil).

(c) Five highest paid individuals

The five individuals whose emoluments were the highest in the Company include 1 executive director and 1 non-executive director for the financial years ended 31 December 2023 (2022: 1 executive director and 3 non-executive directors), whose emoluments are reflected in the analysis presented above.

The emoluments paid or payable to the remaining 3 individuals for the financial years ended 31 December 2023 (2022: 1 individuals) are as follows:

	2023 **$**	2022 $
Wages, salaries and allowances	**353,569**	52,852
Discretionary bonuses	**42,240**	–
Retirement benefit costs – defined contribution plans	**6,547**	2,643
	402,356	55,495

	Number of individuals	
	2023	2022
Emolument band		
Nil – HK$1,000,000		
(equivalent to $169,000; 2022: $172,000)	**3**	1

For the financial year ended 31 December 2023, no emoluments were paid by the Group to the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2022: None).

13 FINANCE INCOME

	2023 **$**	2022 $
Interest income	**117,618**	25,551

14 INCOME TAX EXPENSE/(CREDIT)

The Company is incorporated in the Cayman Islands as an exempted company with limited liability under the Companies Act (as revised) of Cayman Islands and accordingly, is exempted from Cayman Islands income tax.

Singapore profits tax has been provided at the rate of 17% on the estimated assessable profit for the financial year (2022: 17%).

Hong Kong profits tax has been provided at the rate of 16.5% (2022: 16.5%) on the estimated assessable profits arising in Hong Kong during the year except for one subsidiary of the Group which is a qualifying entity under the two-tiered profits tax regime. The first HK$2,000,000 of assessable profits of this subsidiary is taxed at 8.25% and the remaining assessable profits are taxed at 16.5%.

The amount of income tax expense/(credit) charged to profit or loss represents:

	2023 **$**	2022 $
Current income tax		
– Charge for the year	**–**	374
– Over-provision in prior years	**–**	(1,535)
	–	(1,161)
Deferred tax (Note 21)	**172,000**	(184,000)
Income tax expense/(credit)	**172,000**	(185,161)

14 INCOME TAX EXPENSE/(CREDIT) (CONTINUED)

The tax on the Group's loss before tax differs from the theoretical amount as follows:

	2023 $	2022 $
Loss before tax	**(10,410,191)**	(2,054,729)
Tax calculated at domestic tax rate	**(1,769,732)**	(339,405)
Tax effect of:		
– Expenses not deductible for tax purposes	**1,404,590**	210,863
– Non-taxable income	**(94,253)**	(68,472)
– Singapore statutory income exemption	**–**	(17,425)
– Over provision in prior years	**–**	(1,535)
– Tax losses not recognised	**625,921**	–
– Others	**5,474**	30,813
Income tax expense/(credit)	**172,000**	(185,161)

15 LOSS PER SHARE

	2023	2022
Loss attributable to equity holders of the Company ($)	**10,582,191**	1,869,568
Weighted average number of ordinary shares in issue	**450,000,000**	450,000,000
Basic and diluted loss per share (Singapore cents)	**2.35**	0.42

The calculation of the basic loss per share is based on the loss for the year attributable to equity holders of the Company and the weighted average number of ordinary shares in issue.

Diluted loss per share are same as basic loss per share due to the absence of dilutive potential ordinary shares during the years ended 31 December 2023 and 2022.

16 INVESTMENT PROPERTIES

	2023 $	2022 $
Carrying amount at 1 January	**3,300,000**	3,000,000
Fair value gain (Note 10)	**440,000**	300,000
Carrying amount at 31 December	**3,740,000**	3,300,000

The following amounts are recognised in profit or loss:

	2023 $	2022 $
Rental income	**170,700**	138,200
Direct operating expenses arising from properties that generated rental income	**(22,638)**	(22,638)

The following table analyses the Group's investment properties that are measured subsequent to initial recognition at fair value, grouped into fair value hierarchy Level 3 based on the degree to which the inputs to fair value measurement is observable.

The fair value gain is recognised in the consolidated statement of comprehensive income.

	Fair value measurements using significant Unobservable inputs (Level 3)	
	2023 **$**	2022 $
At 31 December		
Recurring fair value measurements:		
– Investment properties	**3,740,000**	3,300,000

There was no transfer between Level 1, 2 and 3 during the financial year.

Valuation processes

The Group's investment properties were valued at 31 December 2023 by A Star Valuer Pte Ltd (2022: Edmund Tie & Company (SEA) Pte Ltd), an independent and qualified professional valuer not connected to the Group. The valuer holds a recognised and relevant professional qualification and has recent experience in valuing similar properties in similar location and categories of the investment properties being valued.

16 INVESTMENT PROPERTIES (CONTINUED)

Valuation technique

Valuation are based on comparison approach assuming sales of each of these properties in its existing state with the benefits of vacant procession. The valuation technique is based on comparison with recent transactions of comparable properties within the vicinity and elsewhere. By making reference to sales transactions as available in the relevant market, comparable properties in close proximity have been selected and adjustments have been made to account for the difference in factors in locations, tenure, property size, shape, design, layout, age and condition of buildings, availability of facilities, dates of transactions and the prevailing market conditions amongst other factors affecting its value. In estimating the fair value of all of the Group's investment properties, the highest and best use of these properties is their current use.

Information about fair value measurements using significant unobservable inputs (Level 3)

Description	Fair value at 31 December 2023	Valuation technique	Unobservable input	Range of unobservable inputs	Relationship of unobservable inputs to fair value
Industrial unit 1	$1,250,000 (2022: $1,100,000)	Comparison approach	Average selling price per square metre	$4,371 per square metre (2022: $3,850 per square metre)	The higher the unit rate, the higher the fair value
Industrial unit 2	$1,250,000 (2022: $1,100,000)	Comparison approach	Average selling price per square metre	$4,371 per square metre (2022: $3,850 per square metre)	The higher the unit rate, the higher the fair value
Industrial unit 3	$1,240,000 (2022: $1,100,000)	Comparison approach	Average selling price per square metre	$4,382 per square metre (2022: $3,890 per square metre)	The higher the unit rate, the higher the fair value

At the statement of financial position date, the details of the Group's investment properties are as follows:

Location	Description/existing use	Tenure
8 Kaki Bukit Avenue 4, #02-03/04/05, Premier @ Kaki Bukit, Singapore 415875	Workshop and office space	60 years leasehold from 15 December 2010

17 PROPERTY, PLANT AND EQUIPMENT

	Leasehold properties $	Lightings, renovation, furniture & fittings $	Machinery & motor vehicles $	Office, equipment, software and computers $	Total $
1 January 2022					
Cost	1,150,227	57,219	1,189,818	250,561	2,647,825
Accumulated depreciation	(690,090)	(48,811)	(820,386)	(229,516)	(1,788,803)
Net book amount	460,137	8,408	369,432	21,045	859,022
Year ended 31 December 2022					
Opening net book amount	460,137	8,408	369,432	21,045	859,022
Additions	–	3,980	560,428	–	564,408
Disposal	–	–	(262,434)	–	(262,434)
Depreciation	(42,574)	(3,495)	(83,871)	(11,985)	(141,925)
Closing net book amount	417,563	8,893	583,555	9,060	1,019,071
Year ended 31 December 2022 and 1 January 2023					
Cost	1,150,227	61,199	1,341,257	250,561	2,803,244
Accumulated depreciation	(732,664)	(52,306)	(757,702)	(241,501)	(1,784,173)
Net book amount	417,563	8,893	583,555	9,060	1,019,071
Year ended 31 December 2023					
Opening net book amount	417,563	8,893	583,555	9,060	1,019,071
Depreciation	(42,575)	(3,261)	(82,438)	(8,629)	(136,903)
Closing net book amount	374,988	5,632	501,117	431	882,168
Year ended 31 December 2023					
Cost	1,150,227	61,199	1,341,257	250,561	2,803,244
Accumulated depreciation	(775,239)	(55,567)	(840,140)	(250,130)	(1,921,076)
Net book amount	374,988	5,632	501,117	431	882,168

Depreciation expense of $14,341, $2,838 and $119,724 (2022: $81,017, $2,838 and $58,070) has been charged to cost of sales, selling and distribution expenses and administrative expenses, respectively, for the financial year ended 31 December 2023.

Banking facilities are secured on legal mortgage of the leasehold properties with carrying values totalling $374,988 as at 31 December 2023 (2022: $417,563) (Note 26).

18 INTANGIBLE ASSET

	Club membership $
Cost	
1 January 2022, 31 December 2022 and 1 January 2023	103,000
Addition	381,000
Year ended 31 December 2023	484,000
Amortisation	
1 January 2022	2,647
Amortisation charge for the year	5,293
Year ended 31 December 2022 and 1 January 2023	7,940
Amortisation charge for the year	14,408
Year ended 31 December 2022	22,348
Carrying value	
Year ended 31 December 2023	461,652
Year ended 31 December 2022	95,060

Club membership has finite useful lives and is stated at cost less accumulated amortisation and accumulated impairment losses. Amortisation is calculated using the straight-line method to allocate the cost over 17.5 years and 19.5 years.

19 LEASES

The Group leases an office space from third party for the purpose of back office operations and storage. The lease has a tenure of three years.

(a) Amounts recognised in the consolidated statement of financial position

The consolidated statement of financial position shows the following amounts relating to leases:

	2023 $	2022 $
Right-of-use asset		
Leasehold property	**44,529**	82,696
Lease liabilities		
Non-current liabilities	**6,797**	46,473
Current liabilities	**39,676**	37,839
	46,473	84,312

19 LEASES (CONTINUED)

(b) Amounts recognised in the consolidated statement of comprehensive income

	2023 $	2022 $
Depreciation charge of right-of-use asset		
Leasehold property	**38,167**	38,261
Interest expense included in finance cost	**3,188**	4,044
Expenses relating to short-term leases	**18,697**	23,488

The total cash outflow for leases during the financial year ended 31 December 2023 was $59,724 (2022: $64,666).

The Group leases office premise from third parties under non-cancellable operating lease agreement. There was no option for renewal of the above operating lease agreement.

20 INVESTMENTS IN ASSOCIATES

	2023 $	2022 $
Share of net assets	**17,526**	17,526
Goodwill on acquisition	**6,403,965**	6,403,965
	6,421,491	6,421,491
Less: Impairment loss	**(6,421,491)**	–
	–	6,421,491

Particulars of the associates is as follows:

Name	Place of registration/ incorporation and business	Percentage of ownership interest attributable to the Group		Proportion of voting power held		Principal activities
		2023 %	2022 %	2023 %	2022 %	
Ocean Dragon Group Limited and its subsidiary	Hong Kong	**49**	49	**49**	49	Provision of electric charging solutions

Note: During the year ended 31 December 2022, the Group acquired 49% equity of Ocean Dragon Group Limited and its subsidiary amounting to HK$35,000,000 (equivalents to $6,421,491). Ocean Dragon Group Limited and its subsidiary will prepare to engage the provision of electric charging solutions.

20 INVESTMENTS IN ASSOCIATES (CONTINUED)

Ocean Dragon Group Limited	**2023 $**	2022 $
Current assets	**990,667**	990,667
Current liabilities	**(954,899)**	(954,899)
Reconciliation to the Group's interest in associates		
Proportion of the Group's ownership	**49%**	49%
The Group's share of net assets of the associate	**17,526**	17,526
Goodwill on acquisition	**6,403,965**	6,403,965
Carrying amount of the investments	**6,421,491**	6,421,491

	2023 $	2022 $
Revenue	**–**	–
Loss for the period	**–**	(1,906)

21 DEFERRED TAX ASSET/(LIABILITY)

The analysis of deferred tax asset/(liability) is as follows:

	2023 $	2022 $
Deferred tax asset/(liability):		
– Deferred income tax liability	**–**	–
– Deferred income tax asset	**–**	172,000
	–	172,000

The net movements in the deferred income tax account are as follows:

	2023 $	2022 $
At 1 January	**172,000**	(12,000)
Charged to consolidated statement of profit or loss (Note 14)	**(172,000)**	184,000
At 31 December	**–**	172,000

21 DEFERRED TAX ASSET/(LIABILITY) (CONTINUED)

The movements in deferred income tax are as follows:

Deferred tax asset

	Tax loss $	Provision of warranty $	Lease liability $	Total $
At 1 January 2022	–	4,000	2,000	6,000
Charged to consolidated statement of profit or loss	172,000	(4,000)	(2,000)	166,000
At 31 December 2022	**172,000**	**–**	**–**	**172,000**
Credited to consolidated statement of profit or loss	**(172,000)**	**–**	**–**	**(172,000)**
At 31 December 2023	**–**	**–**	**–**	**–**

Deferred tax liability

	Accelerated tax depreciation $
At 1 January 2022	18,000
Credited to consolidated statement of profit or loss	(18,000)
At 31 December 2022 and 2023	**–**

At the ending of the reporting period, the Group has unused tax losses of approximately $3,677,454 (2022: $1,010,000) available for offset against future profits.

22 INVENTORIES

	2023 **$**	2022 $
Raw materials	**61,166**	281,779
Finished goods	**223,655**	347,966
	284,821	629,745

The cost of inventories included in cost of sales amounted to $7,450,926 for the financial year ended 31 December 2023 (2022: $14,168,055).

The Group has written off inventories included in cost of sales amounted to $31,435 in the financial year ended 31 December 2023 (2022: $33,577).

23 TRADE AND OTHER RECEIVABLES

	2023 **$**	2022 $
Trade receivables	**465,006**	142,224
Deposits, prepayment and other receivables:		
– Rental and other deposits	**6,269**	5,569
– Advance payment to suppliers	**262,890**	817,026
– Prepayment of operating expenses	**1,563**	63,072
– Other receivables	**171,551**	212,732
	442,273	1,098,399
	907,279	1,240,623

23 TRADE AND OTHER RECEIVABLES (CONTINUED)

The ageing analysis of the trade receivables based on invoice date is as follows:

	2023 **$**	2022 $
Unbilled revenue	**207,646**	48,775
1 to 30 days	**11,069**	89,051
31 to 60 days	**1,220**	2,793
61 to 90 days	**626**	696
Over 90 days	**244,445**	909
	465,006	142,224

Except for an amount of $239,000 trade receivables which aged over 90 days for which expected credit loss was assessed individually, the Group applies the IFRS 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for all trade receivables. No material loss allowance was recognised as at 31 December 2023 and 31 December 2022.

Further information about the impairment of trade and other receivables and the Group's exposure to credit risk can be found in Note 5(b).

24 FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2023 **$**	2022 $
Financial assets designated at financial assets at fair value through profit or loss		
SGD fixed rate USD-linked note	**–**	3,000,000
SGD fixed rate AUD-linked note	**–**	2,000,000
	–	5,000,000

The financial assets at fair value through profit or loss included SGD fixed rate USD-linked note and SGD fixed rate AUD-linked note issued by Bank.

These two SGD fixed rate USD-linked note and SGD fixed rate AUD-linked note were amounted to $2,000,000 and $3,000,000 and carried interest rates 3.3% and 3.1% respectively.

These notes involved the derivatives and client intended to trade for these notes. Hence, they were classified as financial assets at fair value through profit or loss.

They have therefore been classified as level 1 in the fair value hierarchy as the market values with observable inputs from the markets.

During the year ended 31 December 2023, these two SGD fixed rate USD-linked note and SGD fixed note AUD-linked note were fully settled.

25 CASH AND BANK BALANCES

	2023 **$**	2022 $
Cash and cash equivalents		
– Cash at banks	**8,315,884**	7,015,867
– Cash on hand	**1,460**	–
	8,317,344	7,015,867

The Group's cash and bank balances are denominated in the following currencies:

	2023 **$**	2022 $
HK$	**2,877,237**	3,349,877
S$	**5,033,723**	3,665,990
US$	**403,626**	–
JPY$	**2,758**	–
	8,317,344	7,015,867

26 BANKING FACILITIES

The Group's banking facilities are secured by the Group's leasehold properties with carrying values totalling $374,988 as at 31 December 2023 (2022: $417,563) (Note 17). As at 31 December 2023, the Group undrawn banking facilities amounted to $800,000 (2022: $1,400,000).

27 SHARE CAPITAL AND SHARE PREMIUM

The share capital of the Group as at 31 December 2023 represented the share capital of the Company.

	Number of ordinary shares	**Share capital** $	**Share premium** $
As at 1 January 2022, 31 December 2022 and 31 December 2023			
– Authorised	10,000,000,000	17,822,268	–
– Issued and fully paid	450,000,000	793,357	12,398,264

28 TRADE AND OTHER PAYABLES

	2023 $	2022 $
Trade payables	**158,179**	21,160
Other payables and accruals		
– Accrued operating expenses	**246,659**	136,171
– Accrued bonus	**598,624**	–
– Goods and services tax payables	**29,806**	33,663
– Others	**34,847**	30,561
	909,936	200,395
	1,068,115	221,555

The ageing analysis of the trade payables based on invoice date is as follows:

	2023 $	2022 $
1 to 30 days	**158,179**	21,160

29 CONTRACT LIABILITIES

Contract liabilities relate to advance consideration received from customers. Contract liabilities are recognised as revenue as (or when) the Company satisfies the performance obligations under its contracts.

The following table provides information about contract liabilities balances during the financial year:

	2023 $	2022 $
Trade receivables from contracts with customers	**–**	142,224
Contract liabilities	**244,322**	668,326
	244,322	810,550

In 2023, contract liabilities decreased (2022: increased) significantly due to the decrease in advance received from customers in relation to the sales of motor vehicles.

29 CONTRACT LIABILITIES (CONTINUED)

The following table shows how much of the revenue recognised relates to advance consideration received from customers and how much relates to performance obligations that were satisfied in prior periods.

	Contract liabilities $
For the year ended 31 December 2023	
Revenue recognised that was included in the contract liabilities at the beginning of the year	**668,326**
For the year ended 31 December 2022	
Revenue recognised that was included in the contract liabilities at the beginning of the year	180,600

30 FINANCIAL INSTRUMENTS BY CATEGORY

	2023 **$**	2022 $
Financial assets		
Financial assets at amortised cost		
– Trade and other receivables	**642,826**	360,525
– Cash and cash equivalents	**8,317,344**	7,015,867
Financial assets at fair value		
– Financial asset at fair value through profit or loss	**–**	5,000,000
Total	**8,960,170**	12,376,392
Financial liabilities		
Financial liabilities at amortised cost		
– Trade and other payables	**1,028,309**	177,892
– Lease liabilities	**46,473**	84,312
Total	**1,074,782**	262,204

31 NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

Reconciliation of liabilities arising from financing activities:

	Lease liabilities	
	2023	2022
	$	$
At 1 January	**84,312**	6,945
Non-cash changes:		
– Finance cost	**3,188**	4,044
– New lease	**–**	114,502
Cash flows:		
– Principal elements of payments	**(37,839)**	(37,135)
– Interest paid	**(3,188)**	(4,044)
At 31 December	**46,473**	84,312

32 PROVISION

Provision for warranty cost

The movement in provision for warranty cost during the year are as follows:

	2023	2022
	$	$
At 1 January	**28,969**	28,233
Provision utilised	**(78,423)**	(92,518)
Provision for warranty cost (Note 11)	**79,361**	93,254
At 31 December	**29,907**	28,969

33 DIVIDENDS

The board of directors did not recommend the payment of a final dividend for the years ended 31 December 2023 and 2022.

34 COMMITMENT

Non-cancellable operating lease – where the Group is a lessor

The Group has entered into commercial property leases on its investment properties. These non-cancellable leases have remaining lease terms of between one and two years. All leases include a clause to enable upward revision of the rental charge on an annual basis based on prevailing market conditions.

Future minimum rental undiscounted receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	2023 **$**	2022 $
Not later than 1 year	**147,200**	142,650
Later than 1 year and not later than 5 years	**55,650**	74,800
	202,850	217,450

35 RELATED PARTY TRANSACTIONS

For the purposes of this consolidated financial statements, parties are considered to be related to the Group if the party has the ability, directly or indirectly, to exercise significant influence over the Group in making financial and operating decisions. Related parties may be individuals (being members of key management personnel, significant shareholder and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

(a) In addition to the information disclosed elsewhere in the financial statement, the following set out the significant transactions carried out between the Group and its related parties in the ordinary course of business for the financial year ended 31 December 2023.

	2023 **$**	2022 $
Services fee charged	**138,118**	–

Note: The fees were paid for the major transactions in relation to Notes subscriptions and for investigation and documents preparation of investments in associates provided by Rainbow Capital (HK) Limited of which Mr. Choi Tan Yee is the shareholder.

The related party transactions conducted with Rainbow Capital (HK) Limited constitute connected transactions as defined in Chapter 14A of the Listing Rule exempt from the reporting, announcement and independent shareholders' approval requirements.

(b) Key management compensation

Key management includes executive directors of the Company. The compensation paid or payable to key management for employee services is disclosed Note 12(b).

36 PRINCIPAL SUBSIDIARIES OF THE COMPANY

The following is a list of the principal subsidiaries at 31 December 2023 and 31 December 2022:

Company name	Country/ place of incorporation/ establishment	Issued and paid-up capital	Principal activities/ place of operation	Equity interest attributable to the Group 2023 %	2022 %
Directly held by the Company					
TOMO Enterprises Limited	BVI	1 Ordinary Share totaling US$1	Investment holding/Singapore	**100**	100
Giant Alliance Investments Holdings Limited	BVI	1 Ordinary Share totaling US$1	Investment holding/Hong Kong	**100**	100
Easy Grand International Holdings Limited	BVI	1 Ordinary Share totaling US$1	Investment holding/Hong Kong	**100**	100
Indirectly held by the Company					
TOMO-CSE Autotrim Pte Ltd	Singapore	200,000 Ordinary Shares totaling $200,000	Engaged in the (i) design manufacture, supply and installation of passenger vehicle leather upholstery; (ii) supply and installation of vehicle electronic accessories; and (iii) supply automotive parts and motor vehicle/Singapore	**100**	100
TOMO Investment Limited	Hong Kong	1 Ordinary Share totaling HK$1	Investment holding/Hong Kong	**100**	100
TOMO-CSE Auto Development Limited	Hong Kong	1 Ordinary Share totaling HK$1	Vehicle trading/Hong Kong	**100**	100
Hong Kong Green Financial Services Institute Limited	Hong Kong	100 Ordinary Share totaling HK$100	Provision of professional services/ Hong Kong	**100**	100
TOMO SG Technology PTE Limited	Singapore	50,000 Ordinary Shares totaling S$50,000	Investing holding/Singapore	**100**	100
TOMO Culture PTE Limited	Singapore	50,000 Ordinary Shares totaling S$50,000	Investing holding/Singapore	**100**	100
Hongkong Sembo Convergence Technology Company Limited	Hong Kong	100 Ordinary Shares totaling HK$100	Provision of professional services/ Hong Kong	**100**	100

The above table lists the subsidiaries of the Group which, in the opinion of the directors of the Company, principally affected the results or assets and liabilities of the Group. To give details of other subsidiaries would, in the opinion of the directors of the Company, result in particulars of excessive length.

37 EVENT AFTER THE REPORTING PERIOD

The board of directors were informed that on 20 March 2024, Mr. Leung Ka Fai (the "Vendor"), as mortgagee under the equitable mortgage over the 50,000 issued shares of Billion Legend, representing the entire issued share capital of Billion Legend (the "Sale Shares") dated 9 June 2023 executed by Ms. Ma Xiaoqiu in favour of the Vendor as security for the loan facility in the principal amount of HK$40,000,000 granted by the Vendor (the "Share Mortgage") and by way of exercising his power of sale under the Share Mortgage, and Mr. Lu Yongde (the "Offeror") entered into the sale and purchase agreement dated 20 March 2024 entered into between the Vendor and the Offeror in respect of the sale and purchase of the Sale Shares, pursuant to which the Vendor agreed to sell, and the Offeror agreed to purchase, 50,000 Sale Shares, representing the entire issued share capital of Billion Legend as at 26 March 2024, for an aggregate consideration of HK$30,000,000 which was satisfied by the Offeror in full by his own financial resources. Details of which are set out in the joint announcements of the Company dated 26 March 2024.

38 STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Notes	2023 $	2022 $
Assets			
Non-current asset			
Investments in associates		**–**	6,421,491
Investments in subsidiaries		**4,958,631**	4,958,631
		4,958,631	11,380,122
Current assets			
Amounts due from subsidiaries		**2,771,441**	3,638,176
Trade and other receivables		**–**	42,660
Cash and cash equivalents		**2,204,788**	2,962,941
Total current assets		**4,976,229**	6,643,777
Total assets		**9,934,860**	18,023,899
Equity			
Equity attributable to owners of the Company			
Share capital		**793,357**	793,357
Share premium	38(a)	**12,398,264**	12,398,264
Other reserve	38(a)	**4,958,627**	4,958,627
Accumulated losses	38(a)	**(15,307,483)**	(7,231,729)
Total equity		**2,842,765**	10,918,519
Liability			
Current liabilities			
Other payables		**95,220**	108,505
Amounts due to subsidiaries		**6,996,875**	6,996,875
Total liabilities		**7,092,095**	7,105,380
Total equity and liabilities		**9,934,860**	18,023,899

Mr. Tsang Chun Ho Anthony
Director

Mr. Choi Tan Yee
Director

38 STATEMENT OF FINANCIAL POSITION OF THE COMPANY (CONTINUED)

(a) Reserve movement of the Company

	Share premium $	Other reserve $	Accumulated losses $	Total $
At 1 January 2022	12,398,264	4,958,627	(6,112,974)	11,243,917
Loss and total comprehensive loss for the financial year	–	–	(1,118,755)	(1,118,755)
At 31 December 2022	**12,398,264**	**4,958,627**	**(7,231,729)**	**10,125,162**
Loss and total comprehensive loss for the financial year	**–**	**–**	**(8,075,754)**	**(8,075,754)**
At 31 December 2023	**12,398,264**	**4,958,627**	**(15,307,483)**	**2,049,408**

Other reserve represents the difference between the nominal value of the shares issued and the net asset value of the subsidiaries of the Company upon the reorganisation in 2017.

39 APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved and authorised for issue by the board of directors on 28 March 2024.

FIVE YEARS FINANCIAL SUMMARY

RESULTS

	For the financial year ended 31 December				
	2019 $'000	2020 $'000	2021 $'000	2022 $'000	**2023** **$'000**
Revenue	16,487	6,185	9,710	16,340	**9,071**
Profit/(loss) before income tax	3,068	273	89	(2,055)	**(10,410)**
Income tax (expense)/credit	(829)	(100)	29	185	**(172)**
Profit/(loss) attributable to the owners of the Company for the financial year	2,239	173	118	(1,870)	**(10,582)**
Total comprehensive income/(expense) attributable to the owners of the Company for the financial year	2,239	173	118	(1,870)	**(10,582)**

ASSETS AND LIABILITIES

	As at 31 December				
	2019 $'000	2020 $'000	2021 $'000	2022 $'000	**2023** **$'000**
Total assets	27,896	26,811	26,338	24,977	**14,638**
Total liabilities	2,487	1,229	638	1,146	**1,389**
Net assets	25,409	25,582	25,700	23,831	**13,249**
Equity attributable to owners of the Company for the financial year	25,409	25,582	25,700	23,831	**13,249**

萬馬控股有限公司
TOMO Holdings Limited

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