冠轢控股有限公司

GUAN CHAO HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1872

2024

ANNUAL REPORT

Contents

Corporate Information

EXECUTIVE DIRECTORS

Mr. Tan Shuay Tarng Vincent
(Co-Chairman and Chief Executive Officer)
Mr. Zhang Xiaoyang *(Co-Chairman)* (appointed on 9 December 2024)
Ms. Ng Hui Bin Audrey
Ms. Beng Lee Ser Marisa
Mr. Jin Zhehui (appointed on 29 July 2024)

NON-EXECUTIVE DIRECTOR

Mr. Raymond Wong (resigned on 22 November 2024)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Chow Wing Tung
Mr. Tam Yat Kin Ken
Mr. Zhong Lili (appointed on 3 February 2025)
Mr. Hui Yan Kit (resigned on 3 February 2025)

AUDIT COMMITTEE

Mr. Chow Wing Tung *(Chairman)*
Mr. Tam Yat Kin Ken
Mr. Zhong Lili (appointed on 3 February 2025)
Mr. Hui Yan Kit (resigned on 3 February 2025)

REMUNERATION COMMITTEE

Mr. Zhong Lili (appointed on 3 February 2025)
Mr. Chow Wing Tung
Mr. Tam Yat Kin Ken
Mr. Hui Yan Kit (resigned on 3 February 2025)

NOMINATION COMMITTEE

Mr. Tam Yat Kin Ken *(Chairman)*
Mr. Chow Wing Tung
Mr. Zhong Lili (appointed on 3 February 2025)
Mr. Hui Yan Kit (resigned on 3 February 2025)

COMPLIANCE OFFICER

Mr. Tan Shuay Tarng Vincent

JOINT COMPANY SECRETARIES

Mr. Lui Wai Sing
Mr. Shum Ching Hei (appointed on 22 November 2024 and resigned on 13 March 2025)

AUTHORISED REPRESENTATIVES

Mr. Tan Shuay Tarng Vincent
Mr. Lui Wai Sing

AUDITOR

PricewaterhouseCoopers
Certified Public Accountants
Registered Public Interest Entity Auditor
22/F, Prince's Building
Central
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

24 Leng Kee Road
#01-02, Leng Kee Autopoint
Singapore 159096

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Room 5705, 57/F, The Center
99 Queen's Road Central
Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

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

Corporate Information

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

United Overseas Bank Limited
80 Raffles Place
UOB Plaza
Singapore 048624

Maybank Singapore Limited
200 Jalan Sultan #05-03
Textile Centre
Singapore 199018

COMPANY'S WEBSITE

www.guanchaoholdingsltd.com

STOCK CODE

1872

Chairman's Statement

Dear shareholders,

On behalf of the board of Directors (the "Board") of Guan Chao Holdings Limited (the "Company", together with its subsidiaries, the "Group"), it is my pleasure to present the annual report of the Group for the financial year ended 31 December 2024 ("FY2024").

PERFORMANCE REVIEW

The Group's revenue increased by approximately S$10.0 million from approximately S$180.9 million for the year ended 31 December 2023 ("FY2023") to approximately S$190.9 million for FY2024. The increase in revenue was primarily attributable to the increase in sales of motor vehicles amounting to approximately S$8.9 million. The Group's gross profit remained stable at approximately S$22.4 million for FY2023 and approximately S$21.3 million for FY2024. The overall gross profit margin decreased from approximately 12.4% for FY2023 to approximately 11.2% for FY2024.

The Group recorded a loss of approximately S$3.1 million for FY2024 as compared to a profit of approximately S$7.7 million for FY2023. Such decrease in profit for FY2024 was primarily due to the (i) decrease in other gains – net by approximately S$2.2 million; and (ii) increase in general and administrative expenses of approximately S$7.9 million.

OUTLOOK

Besides uncertainties in the outlook of the global economy in the past few years, the sales of motor vehicles have been also affected by the policies of the Singapore government to limit and tighten the Certificate of Entitlement ("COE") quota by only replacing the number of deregistered motor vehicles since 2019 and such downward trend is expected to continue in coming years.

Due to the present economic uncertainty, the Group expects a challenging outlook of its prospects for the financial year ahead. The Group will continue to exercise cost control, uphold quality service to customers and maintain good relationships with suppliers. At the same time, the Group will adopt a cautious approach in the upcoming year and will continue to focus on strengthening its position in the sales of motor vehicles business in Singapore and increasing its market share.

APPRECIATION

The Board would like to take this opportunity to express its gratitude to all shareholders, customers, suppliers, employees and other business partners of the Group for their continuous support. I would also like to take this opportunity to thank all of the management team and staff for their commitment and dedication to helping the Group and their efforts, diligence and contribution during the year.

On behalf of the Board

Mr. Tan Shuay Tarng Vincent
Co-Chairman and Executive Director

Hong Kong, 31 March 2025

Management Discussion and Analysis

BUSINESS REVIEW

The Group is principally engaged in selling new parallel-import motor vehicles and pre-owned motor vehicles, with the main business being the sales of brand new parallel-import motor vehicles in Singapore. Apart from the sales of motor vehicles, the Group also provides related services and products, such as (i) provision of motor vehicle financing services; (ii) provision of motor vehicle insurance agency services; and (iii) sales of motor vehicle spare parts and accessories.

During the year ended 31 December 2024, the Group sold 905 and 565 units of new motor vehicles and pre-owned motor vehicles, respectively, as compared with 770 and 360 units of new motor vehicles and pre-owned motor vehicles sold, respectively, for FY2023. Therefore, the revenue increased by approximately S$10.0 million, and such increase was mainly attributable to the increased demand from customers.

BUSINESS OUTLOOK

The progress of our business growth was slow due to economic recovery and the evident conservative consumption after the pandemic, global turbulence and complex international relations. It continues to pose a challenge on the Group's business and financial performance going forward. The management of the Group will continue to use its best endeavour to adopt appropriate business strategies by exercising effective cost control, upholding quality service to customers and maintaining good relationships with major suppliers and to strengthen its market position as the leading parallel-import dealer in Singapore.

FINANCIAL REVIEW

Revenue

The Group's revenue increased by approximately S$10.0 million or 5.5% from approximately S$180.9 million for FY2023 to approximately S$190.9 million for FY2024, which was mainly attributable to the increase in sales of motor vehicles amounting to approximately S$8.9 million or 5.3%.

Sales of motor vehicles

The sales of new motor vehicles increased by approximately S$6.3 million or 5.0%, which was mainly attributable to the increase in units of motor vehicles sold from 770 units for FY2023 to 905 units for FY2024 despite the decrease in average selling price of new motor vehicles sold from approximately S$164,000 for FY2023 to approximately S$147,000 for FY2024.

The sales of pre-owned motor vehicles increased by approximately S$2.6 million or 6.2%, which was mainly due to the increase in units of motor vehicles sold from 360 units for FY2023 to 565 units for FY2024 despite the decrease in average selling price of pre-owned motor vehicles sold from approximately S$116,000 for FY2023 to approximately S$78,000 for FY2024.

Motor vehicle financing services

The Group's revenue from motor vehicle financing services increased by approximately S$0.8 million or 12.7% from approximately S$6.3 million for FY2023 to approximately S$7.1 million for FY2024 respectively. The increase was mainly attributable to the increase of financing arrangements as a result of the increase in the sales of motor vehicles.

Insurance agency services

The Group's commission income from insurance companies for referral of customers varied depending on the insurance premium under the insurance policies. The Group's commission income from insurance companies remained stable for FY2023 and FY2024 which amounted to approximately S$1.0 million and S$0.9 million, respectively.

Leasing of motor vehicles

The income from leasing of motor vehicles increased by approximately S$0.4 million or 7.4% from approximately S$5.4 million for FY2023 to approximately S$5.8 million for FY2024. The increment was mainly attributable to an increase in motor vehicles with higher value being leased to corporate customers during FY2024 versus motor vehicles with lower value being leased to private hire drivers. The Group's number of motor vehicles being rented to customers was 151 units and 174 units as at 31 December 2023 and 2024, respectively.

Sales of spare parts and accessories

The income from sales of spare part and accessories remained stable at approximately S$22,000 for FY2023 and approximately S$19,000 for FY2024.

Cost of sales

The Group's cost of sales increased by approximately S$11.2 million or 7.1% from approximately S$158.4 million for FY2023 to approximately S$169.6 million for FY2024. The increase was mainly due to the increase in cost of motor vehicles (and related costs) sold in FY2024.

For FY2024, the cost of motor vehicles (and related costs) sold increased by approximately S$11.6 million or 7.6% from approximately S$153.4 million for FY2023 to approximately S$165.0 million for FY2024 and was in line with the increase in sales of motor vehicles.

Gross profit and gross profit margin

As a result of the foregoing, the Group's total gross profit remained stable at approximately S$22.4 million for FY2023 and approximately S$21.3 million for FY2024. The overall gross profit margin decreased from approximately 12.4% for FY2023 to approximately 11.2% for FY2024 which was mainly due to the decrease of profit margin from sales of motor vehicles business.

Gross profit and gross profit margin from sales of motor vehicles

The Group's gross profit from sales of motor vehicles decreased by approximately S$2.2 million, or 15.2% from approximately S$14.5 million for FY2023 to approximately S$12.3 million for FY2024, and the Group's gross profit margin for sales of motor vehicles was approximately 8.6% for FY2023 and approximately 7.0% for FY2024. The decrease in gross profit margin for sales of motor vehicles was mainly contributed to that the Group sold proportionally more Japanese brands motor vehicles which are normally sold at a lower margin as compared to European brands.

Gross profit and gross profit margin from motor vehicle financing services

The net interest spread for FY2024 increased by approximately 0.9% from approximately 5.1% for FY2023 to approximately 6.0% for FY2024, as a result of an increase of approximately 0.7% in the average yield on finance lease receivables and a decrease of approximately 0.2% in the average interest expense.

Gross profit and gross profit margin from leasing of motor vehicles

The Group's gross profit from leasing of motor vehicles remained stable at approximately S$0.7 million for FY2023 and approximately S$0.9 million for FY2024.

Gross profit and gross profit margin from sales of spare parts and accessories

The Group recorded a gross profit from sales of spare parts and accessories of approximately S$22,000 for FY2023 and approximately S$19,000 for FY2024.

Other income

The Group's other income remained stable at approximately S$0.4 million for FY2023 and approximately S$0.7 million for FY2024.

Other gains – net

The Group's other gains – net decreased by approximately S$2.1 million or 77.8% from net gains of approximately S$2.7 million for FY2023 to net gains of approximately S$0.6 million for FY2024 which was mainly due to the effect of (i) foreign exchange losses of approximately S$0.5 million for FY2023 to foreign exchange gains of approximately S$0.1 million for FY2024; (ii) the disposal of property, plant and equipment recorded from gain of approximately S$2.8 million for FY2023 to gain of approximately S$0.4 million for FY2024; and (iii) fair value gain on derivative instruments of approximately S$0.4 million for FY2023 to fair gain of approximately S$0.1 million for FY2024.

Selling and distribution expenses

The Group's selling and distribution expenses increased by approximately S$0.7 million or 21.2% from approximately S$3.3 million for FY2023 to approximately S$4.0 million for FY2024. The increase was mainly due to the increase in advertising and marketing expenses for FY2024.

General and administrative expenses

The Group's general and administrative expense increased by approximately S$7.9 million or 76.7% from approximately S$10.3 million for FY2023 to approximately S$18.2 million for FY2024. The increase was mainly attributable to the increase in employee benefit expense, forfeiture of trade deposit paid, impairment of goodwill in associate and provision of inventories write down.

Finance income and finance expenses

Finance income represents bank interest income. The Group had minimal finance income for FY2023 and FY2024.

The Group's finance expenses decreased from approximately S$3.1 million for FY2023 to S$2.9 million for FY2024. The decrease was mainly due to the decrease in interest expenses on block discounting financing of approximately S$0.2 million as a result of the decrease in average effective interest rate of approximately 4.1% for FY2023 to approximately 3.6% for FY2024.

Income tax credit/(expense)

The Group recorded income tax credit of S$0.3 million for FY2024 as compared to income tax expense of S$1.6 million for FY2023, which was mainly due to the decrease in taxable profit from the Group's operation in Singapore.

(Loss)/profit and total comprehensive (loss)/income for the year and net (loss)/profit margin

As a result of the foregoing, the Group recorded a loss of approximately S$3.1 million for FY2024 as compared to a profit of approximately S$7.7 million for FY2023 and the Group's net loss margin was approximately 1.6% for FY2024 as compared to a net profit margin of approximately 4.3% for FY2023. Such decrease in profit for FY2024 was primarily due to the (i) decrease in other gains – net by approximately S$2.2 million; and (ii) increase in general and administrative expenses of approximately S$7.9 million.

CAPITAL STRUCTURE

As at 31 December 2024, the capital structure of the Group consisted of borrowings and equity of the Group, comprising share capital, share premium, capital reserve, share based payment reserve and retained earnings.

LIQUIDITY AND FINANCIAL RESOURCES

During FY2024, the Group's working capital was financed by internal resources, borrowings and net proceeds from the subscription of new shares on 7 June 2024.

The Group's primary uses of cash are for purchases of motor vehicles for sale and leasing purposes and for funding of the Group's operations. The Group has financed its operations mainly by various forms of borrowings, including bank loans, borrowings against inventories, trust receipts, block discounting financing, hire purchase liabilities and term loan, etc.

LIQUIDITY RATIOS

As at 31 December 2024, the Group had cash and bank balances of approximately S$11.2 million (2023: approximately S$13.0 million). The Group's current ratio, debt to equity ratio and gearing ratio ratios are as follows:

	As at 31 December	
	2024	2023
Current ratio	**2.8**	2.6
Debt to equity ratio	**77.4%**	99.4%
Gearing ratio	**38.1%**	44.9%

Current ratio represents the current assets over current liabilities as at the end of the respective date.

Debt to equity ratio is determined by dividing total debt by total equity as at the end of the respective date. Total debt includes borrowings.

Gearing ratio equals net debt, which represents total debt net of cash and cash equivalents, over total capital as at the end of the respective date. Total capital includes total equity and net debt.

BORROWINGS AND PLEDGE OF ASSETS

As at 31 December 2024, the Group had borrowings of approximately S$55.3 million (2023: approximately S$71.6 million). Certain borrowings were secured by certain inventories, motor vehicles, finance lease receivables and corporate guarantee provide by the Company as disclosed in note 20 to the consolidated financial statements of this annual report.

The Group aims to maintain flexibility in funding by keeping sufficient bank balances, committed credit lines available and interest-bearing borrowings, which enable the Group to continue its business for the foreseeable future.

CAPITAL EXPENDITURE AND COMMITMENTS

During FY2024, the capital expenditures amounted to approximately S$4.9 million which was used for the purchases of property, plant and equipment in Singapore (2023: approximately S$11.8 million). The Group finances its capital expenditures primarily through cash generated from operating activities and bank borrowings.

As at 31 December 2024, the Group did not have material capital commitments (2023: nil).

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL

The Group did not have any significant investment, material acquisition and disposal of subsidiaries and affiliated companies during the year ended 31 December 2024.

FOREIGN EXCHANGE RISK

The Group is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity.

The Group is exposed to foreign exchange risk arising from various currency exposure, primarily with respect to Sterling pound, Japanese yen, Hong Kong dollars and United States dollars. The Group's exposure to other foreign exchange movements is not material. No hedging activities had been made by the Group during the year ended 31 December 2024.

CONTINGENT LIABILITIES

The Group did not have any significant contingent liabilities as at 31 December 2024 (2023: nil).

EMPLOYEE, EMPLOYEE REMUNERATION AND REMUNERATION POLICY

As at 31 December 2024, the Group employed a total of 108 employees (2023: 80 employees). Employee benefit expense (including directors' emoluments) of approximately S$11.5 million was incurred for the year ended 31 December 2024 (2023: S$9.4 million).

The remuneration package of the employees mainly includes salaries and allowances, sales commission and bonuses. The remuneration of the employees is determined by reference to prevailing market conditions and in accordance with the performance, qualification and experience of each individual employee. The Company has adopted a share option scheme to reward the employees for their contribution to the Group and to provide them with incentives to further contribute to the Group.

The Group also provides in-house trainings to the staff which are aimed at updating their product knowledge, as well as improving their technical skills.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

Save as disclosed in the prospectus in relation to the rights issue dated 22 November 2024 (the "Prospectus") and the plan for setting up the motor vehicle workshop as disclosed in the section headed "Use of Proceeds" of this annual report, the Group did not have future plans for material investments and capital assets as at 31 December 2024.

USE OF PROCEEDS

The total net proceeds raised from the listing (the "Net Proceeds") were approximately HK$52.9 million after deduction of underwriting fees and commissions and estimated expenses payable by the Group in connection with the Share Offer.

Set out below are details of the allocation of the Net Proceeds, the utilised and unutilised amounts of the Net Proceeds as at 31 December 2024:

	Approximate percentage of total amounts	Actual Net Proceeds	Planned utilised amounts as at 31 December 2024	Utilised amounts as at 31 December 2024	Unutilised amounts as at 31 December 2024
		HK$'000	HK$'000	HK$'000	HK$'000
Expanding the scale of the Group's motor vehicle hire purchase financing business	45.8%	24,230	24,230	24,230	–
Expanding the scale of the Group's pre-owned motor vehicle sales business	30.2%	15,974	15,974	15,974	–
Setting up a motor vehicle workshop	10.4%	5,499	5,499	1,677	3,822
Enhancing the Group's branding, sales and marketing efforts	7.7%	4,062	4,062	4,062	–
Working capital	5.9%	3,148	3,148	3,148	–
Total	100%	52,913	52,913	49,091	3,822

The reason for the under-utilisation of the Net Proceeds was caused by the delay of setting up a motor vehicle workshop. As set out in the annual report of the Group for the year ended 31 December 2019, it was intended that the Group will set up its own motor vehicle workshop and utilise the remaining proceeds of approximately HK$3.8 million by the financial year ended 31 December 2020. As Singapore's economy has been severely affected by the outbreak of COVID-19 since the 1st quarter of FY2020, the Directors were prudent for the business expansion and that the plan for setting up the motor vehicle workshop has been further delayed to 2025.

EQUITY FUND-RAISING ACTIVITIES OF THE COMPANY IN THE PAST 12 MONTHS

The Company has conducted the following equity fundraising activities in the past twelve months immediately prior to the date of this annual report:

Date of relevant announcements and circular	Events	Net proceeds	Intended use of Proceeds	Actual use of proceeds as at the date of this annual report
28 May 2024 and 7 June 2024	Subscription of new shares under general mandate	HK$11.24 million	Expand the Group's motor vehicle portfolio	Fully utilised as intended
12 July 2024, 24 September 2024, 22 November 2024, 13 December 2024 and 10 January 2025	Rights issue on the basis of four (4) rights shares for every one (1) share held on the record date	HK$170.64 million	(i) approximately HK$119.43 million used for the expansion of the Group's motor vehicle business network into Thailand;	(i) approximately HK$27.67 million has been utilised as intended;
			(ii) approximately HK$17.07 million used for the development of the Group's newly commenced anion exchange membrane (AEM) water electrolysis business;	(ii) approximately HK$17 million has been utilised as intended;
			(iii) approximately HK$17.07 million used to Group's sales and service network and marketing and enhance its brand awareness; and	(iii) not yet utilised; and
			(iv) the remaining portion of approximately HK$17.07 million will be used for the Group's general and corporate administrative purposes	(iv) fully utilised as intended

The Directors would like to highlight that the above unutilised net proceeds of approximately HK$108.9 million have been primarily allocated for the expansion of the Group's motor vehicle business in Thailand. It is anticipated that these funds will be fully utilized by the first half of 2025. Save as the above, the Company has not conducted any fundraising activities in the past twelve months immediately prior to the date of this annual report.

Biographies of Directors and Senior Management

DIRECTORS

Executive Directors

Mr. Tan Shuay Tarng Vincent (陳率堂先生) (formerly named as "Tan Swee Poh Vincent 陳瑞寶") ("Mr. Vincent Tan"), aged 61, is the founder and was appointed as a Director on 4 July 2017. He was re-designated as an executive Director and appointed as the Chairman and Chief Executive Officer on 12 January 2018. He was then re-designated as the Co-Chairman on 9 December 2024. He is also a director of all of the Company's subsidiaries. As Chief Executive Officer, Mr. Vincent Tan is responsible for the Group's overall management, strategy and business development, and has been instrumental in growing and expanding the Group.

Mr. Vincent Tan has over 30 years of experience in the motor vehicle industry in Singapore. Before establishing Vincar Trading as a sole proprietorship in October 1989, Mr. Vincent Tan was the sole proprietor of Hoon Soon Car Trading, which was principally engaged in the retail sales of motor vehicles from January 1988 to August 1993.

Mr. Vincent Tan was awarded a Diploma in Civil Engineering from the Singapore Polytechnic in May 1983. He then served in the Singapore Armed Forces as an infantry officer from June 1983 to December 1985.

Mr. Vincent Tan is the spouse of Ms. Beng Lee Ser Marisa, an executive Director of the Company, who is the step-sister of Ms. Ng Hui Bin Audrey, an executive Director of the Company. In addition, he is a director of Gatehouse Ventures Limited, a controlling shareholder of the Company.

Mr. Zhang Xiaoyang ("Mr. Zhang"), aged 37, was appointed as an executive Director and Co-Chairman on 9 December 2024. Mr. Zhang was graduated in June 2014 with a bachelor's degree in Mechanical Engineering from Nanyang Technological University, Republic of Singapore. Mr. Zhang possesses a strong background in business management, having previously held the role of sales manager at Lian Wang Trading Pte. Ltd., a reputable construction materials supplier in Singapore, from 2012 to 2016. During his tenure, Mr. Zhang concentrated on market expansion and operational management.

Since 2023, Mr. Zhang has been a manager at Congmeipaguo Pte. Ltd. In this capacity, Mr. Zhang is responsible for the comprehensive management of catering stores, the exploration of both domestic and international chain store markets, and the development of innovative brands within the catering industry.

Ms. Ng Hui Bin Audrey (黃慧敏女士) ("Ms. Ng"), aged 49, was appointed as a Director on 25 September 2017 and re-designated as an executive Director on 12 January 2018. She is also a senior manager of administration and operations department of the Group, since May 2011. As senior manager, she is responsible for supervising the administration team and providing support to the sales and logistics teams. Ms. Ng joined our Group as Assistant Administration Manager in March 2005 and has approximately 20 years of experience in performing administrative and office support duties.

Ms. Ng started her career in 1996 as a reservation clerk at Sedona Hotels International, a hospitality company in Singapore. Subsequently, she joined Singapore International Convention and Exhibition Centre as a sales administrator in 1997.

Ms. Ng was awarded a Diploma in Business Studies (Leisure & Travel Management) from the Ngee Ann Polytechnic, Singapore in August 1997.

Ms. Ng is the step-sister of Ms. Beng Lee Ser Marisa, who is the executive Director of the Company and the spouse of Mr. Vincent Tan, the Chairman and an executive Director of the Company.

Ms. Beng Lee Ser Marisa (孟禧臻女士) ("Mrs. Marisa Tan"), aged 51, was appointed as a Director on 6 July 2020. Mrs. Marisa Tan is also the Group's Chief Operating Officer. She has been with the Group since its inception, and is currently responsible for the Group's branding and marketing strategy and affairs. In addition, she oversees the Group's human resources and employee engagement matters. Previously, she was also involved in the management and implementation of the Group's operational and administrative processes.

Mrs. Marisa Tan is the spouse of Mr. Vincent Tan, the Chairman and an executive Director of the Company, and she is the step-sister of Ms. Ng, an executive Director of the Company.

Mr. Jin Zhehui (金哲輝先生) ("Mr. Jin"), aged 35, was appointed as an executive Director on 29 July 2024. Mr. Jin obtained his Diploma in Computer Engineering from the Singapore Polytechnic in 2012. Before joining the Group, he held various management positions in Singapore, and possesses extensive experiences in financial and project management. He also served as a co-founder in a fund management company in Singapore from 2018 to 2020.

Independent Non-Executive Directors

Mr. Chow Wing Tung (周永東先生) ("Mr. Chow"), aged 50, was appointed as an independent non- executive Director on 1 February 2019. Mr. Chow has over 20 years of experience in accounting, auditing and corporate finance.

Mr Chow is currently the financial controller of Synear Food International Limited ("Synear"). Synear and its subsidiaries engage in the manufacture and sales of quick freeze food products in the PRC and United States of America. From April 2005 to December 2024, Mr Chow was the financial controller of Synear Food Holdings Limited, a company engaged in the manufacture and sales of quick freeze food products in the PRC and whose shares were listed on the main board of Singapore Exchange Limited and has been voluntarily delisted since December 2013. From January 2004 to January 2005, Mr. Chow was the financial controller of China Paper Holdings Limited (SGX: C71), a company engaged in the manufacture and sales of paper and paper chemical products in the PRC and whose shares were listed on the main board of Singapore Exchange Limited and has been delisted since May 2021.

From June 2013 to March 2019, Mr. Chow was appointed as an independent non-executive director of China Bio Cassava Holdings Limited (currently known as Cloud Investment Holdings Limited) (stock code: 8129), a company principally engaging in the software products businesses, the shares of which was listed on GEM of the Stock Exchange and has been delisted since 26 March 2019. From May 2016 to November 2017, Mr. Chow was an independent non-executive Director of Chuan Holdings Limited (stock code: 1420), a company principally engaging in the business of provision of earthworks and related services and general construction in Singapore, the shares of which are listed on the Main Board. From November 2014 to May 2017, Mr. Chow was an independent non-executive Director of Jimei International Entertainment Group Limited (currently known as Starlight Culture Entertainment Group Limited) (stock code: 1159), a company primarily engaged in entertainment and gaming business, trading of chemical, energy conservation, and environmental protection products and media and culture business, the shares of which are listed on the Main Board.

Mr. Chow graduated from the University of Toronto with a Bachelor of Commerce degree in November 1997. Mr. Chow is a certified public accountant certified by the Washington State Board of Accountancy since 2001, a member of the American Institute of Certified Public Accountants since October 2001, a certified public accountant certified by the Hong Kong Institute of Certified Public Accountants since July 2003.

Biographies of Directors and Senior Management

Mr. Tam Yat Kin Ken (譚日健先生) ("Mr. Tam"), aged 47, was appointed as an independent non-executive Director on 1 February 2019. Mr. Tam has more than 15 years' experience in managing business development, project management and corporate transformations.

Mr. Tam is currently the managing director of KS Enterprises Hong Kong Limited. Prior to that, he served as the chief operating officer for DT International Holdings Limited.

Mr. Tam graduated from the University of British Columbia with a Bachelor of Applied Science degree and he holds a Master of Business Administration degree from the University of Cambridge. Mr. Tam is currently a full member of the Hong Kong Computer Society.

Mr. Zhong Lili (鍾立力先生) ("Mr. Zhong"), aged 42, was appointed as an independent non-executive Director on 3 February 2025. Mr. Zhong obtained a Master of Business Administration degree from Peking University's Guanghua School of Management in 2017. Mr. Zhong has over 14 years working experience in financial institutions and possesses an extensive experience in business management and customer development.

From 2022 to 2024, he served as a head of Shenzhen regional headquarters at Everbright Xinglong Trust Co., Ltd. In this capacity, Mr. Zhong is responsible for the daily operation and management, customer relations as well as risk management. From 2020 to 2022, he was a general manager of investment banking department at Nanchang Branch of China Everbright Bank. From 2017 to 2020, he worked as a business manager in the investment banking department at China Everbright Bank.

SENIOR MANAGEMENT

Ms. Koh Hui Kian (辜慧娟女士) ("Ms. Koh"), aged 50, is the Group's finance manager. She has been with the Group since 5 March 2018. Her main duties include financial and management reporting. She has more than 20 years' experience in the accounting sector.

Ms. Koh obtained her affiliate certificate from the Association of Chartered Certified Accountant in 2000. She is a member of the Institute of Singapore Chartered Accountants.

JOINT COMPANY SECRETARIES

Mr. Lui Wai Sing (呂偉勝先生) ("Mr. Lui"), aged 36, was appointed as company secretary of the Company on 12 January 2018 and re-designated as the joint company secretary on 22 November 2024.

Mr. Lui has over 7 years of working experience in the auditing field. Mr. Lui was admitted as a certified public accountant of the Hong Kong Institute of Certified Public Accountants in September 2013. He received a Bachelor of Business Administration from Lingnan University in October 2009.

Corporate Governance Report

The Company is committed to achieving and maintaining high standards of corporate governance to safeguard the interests of its shareholders and enhance its corporate value and accountability. The Directors recognize the importance of incorporating elements of good corporate governance in the management structures, internal control and risk management procedures of the Group so as to achieve effective accountability. The Company adopted all the code provisions in the Corporate Governance Code (the "CG Code") in Appendix 14 of the Rules Governing the Listing of Securities (the "Listing Rules") on the Stock Exchange as its own code on corporate governance practices.

CORPORATE GOVERNANCE CODE

During the year ended 31 December 2024, the Company has applied the principles of and complied with all the applicable code provisions set out from time to time in the CG Code set out in Appendix 14 to the Listing Rules, save and except for the following deviations from code provisions A.2.1 and C.2.5 of the CG Code.

Under code provision A.2.1 of the CG Code, the roles of chairman and chief executive shall be separated and shall not be performed by the same individual. Mr. Vincent Tan currently holds both positions. Throughout the business history, Mr. Vincent Tan, as a founder and the controlling shareholder of the Group, has held the key leadership position of the Group and has been deeply involved in the formulation of corporate strategies and management of business and operations of the Group. Taking into account the consistent leadership within the Group and in order to enable more effective and efficient overall strategic planning and continuation of the implementation of such plans, the Directors, including the independent non-executive Directors consider that Mr. Vincent Tan is the best candidate for both positions and the present arrangements are beneficial and in the interests of the Group and the shareholders as a whole.

Under code provision C.2.5 of the CG Code, the Group should have an internal audit function. The Company has no internal audit function because the Company has maintained an internal control system and its implementation has been considered effective by the audit committee and the Board. In addition, the audit committee has communicated with external auditor of the Company to understand if there is any material control deficiency. Nevertheless, the Company will review the need for one on an annual basis.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as contained in Appendix 10 to the Listing Rules as its own code of conduct governing the securities transactions by the Directors. Following a specific enquiry made by the Company on each of the Directors, all Directors have confirmed that they had complied with the Model Code during the reporting period (the "Period").

BOARD OF DIRECTORS

Responsibilities

The Board is primarily responsible for overseeing and supervising the management of the business affairs and the overall performance of the Group. The Board sets the Group's values and standards and ensures that the requisite financial and human resources support is in place for the Group to achieve its objectives. The functions performed by the Board include but are not limited to formulating the Group's business and investment plans and strategies, deciding all significant financial (including major capital expenditure) and operational issues, developing, monitoring and reviewing the Group's corporate governance practices and all other functions reserved to the Board under the articles of association of the Company (the "Articles of Association"). The Board has established Board committees and has delegated to these Board committees various responsibilities as set out in their respective terms of reference. The Board may from time to time delegate certain functions to management if and when considered appropriate. Management is mainly responsible for the execution of the business plans, strategies and policies adopted by the Board and other duties assigned to it from time to time.

The Directors have full access to information of the Group and are entitled to seek independent professional advice in appropriate circumstances at the Company's expense.

Composition

The Company is committed to holding the view that the Board should include a balanced composition of executive Directors and non-executive Directors (including independent non-executive Directors) so that there is a strong independent element on the Board, which can effectively exercise independent judgment.

As at the date of this report, the Board comprises the following eight Directors, of which the independent non-executive Directors in aggregate represent more than one-third of the Board members:

Executive Directors

Mr. Tan Shuay Tarng Vincent *(Co-Chairman and Chief Executive Officer)*
Mr. Zhang Xiaoyang *(Co-Chairman)* (appointed on 9 December 2024)
Ms. Ng Hui Bin Audrey
Ms. Beng Lee Ser Marisa
Mr. Jin Zhehui (appointed on 29 July 2024)

Non-Executive Director

Mr. Raymond Wong (resigned on 22 November 2024)

Independent Non-Executive Directors

Mr. Chow Wing Tung
Mr. Tam Yat Kin Ken
Mr. Zhong Lili (appointed on 3 February 2025)
Mr. Hui Yan Kit (resigned on 3 February 2025)

The biographies of each of the Directors and the relationship between the Board members are set out in the section headed "Biographies of Directors and Senior Management" of this annual report.

Throughout the Period, the Company had three independent non-executive Directors, meeting the requirements of the Listing Rules that the number of independent non-executive Directors must represent at least one-third of the Board members, and that at least one of the independent non-executive Directors has appropriate professional qualifications or accounting or related financial management expertise.

The Company has received an annual confirmation of independence in writing from each of the independent non-executive Directors pursuant to Rule 3.13 of the Listing Rules. Based on such confirmation, the Company considers that all the independent non-executive Directors are independent and have met the independence guidelines as set out in Rule 3.13 of the Listing Rules during the year ended 31 December 2024 and up to the date of this annual report.

Proper insurance coverage in respect of legal actions against the Directors' liabilities has been arranged by the Company.

The non-executive Director has been appointed for a fixed term and is subject to retirement by rotation and re-election at the Company's annual general meetings.

Directors' induction and continuing professional development

Pursuant to the code provision A.6.5 of the CG Code, all Directors should participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

Pursuant to the code provision A.6.1 of the CG Code, each newly appointed Director should be provided with necessary induction and information to ensure that he/she has a proper understanding of the Company's operations and businesses as well as his/her responsibilities under relevant statues, laws, rules and regulations. Prior to the listing of the Company, each of the aforesaid Directors have attended the training courses conducted by the legal adviser of the Company. The content of such training related to the duties of directors and on-going obligations of listed companies. During the period from the listing date of the Company (the "Listing Date") and up to the date of this annual report, the Directors were regularly briefed on the amendments to or updates on the relevant laws, rules and regulations.

The Directors are asked to submit a signed training record to the Company on an annual basis.

The attendance records of the Directors for the regular board meeting, audit committee ("Audit Committee") meeting, remuneration committee ("Remuneration Committee") meeting, nomination committee ("Nomination Committee") meeting and annual general meeting of the Company for the year are as follows:

	Board meeting	Audit Committee meeting	Remuneration Committee meeting	Nomination Committee meeting	General meetings
Executive Directors					
Mr. Tan Shuary Tarng Vincent	10/11	N/A	N/A	N/A	3/3
Ms. Ng Hui Bin Audrey	11/11	N/A	N/A	N/A	3/3
Ms. Beng Lee Ser Marisa	10/11	N/A	N/A	N/A	3/3
Mr. Jin Zhehui (appointed on 29 July 2024)	6/6	N/A	N/A	N/A	1/1
Non-Executive Director					
Mr. Raymond Wong (resigned on 22 November 2024)	9/10	N/A	N/A	N/A	3/3
Independent Non-Executive Directors					
Mr. Chow Wing Tung	9/11	2/2	2/3	2/3	1/3
Mr. Hui Yan Kit (resigned on 3 February 2025)	11/11	2/2	3/3	3/3	2/3
Mr. Tam Yat Kin Ken	11/11	2/2	3/3	3/3	2/3

BOARD COMMITTEES

The Company have established an Audit Committee, a Remuneration Committee and a Nomination Committee. Each committee operates in accordance with its terms of reference established by the Board. The functions of the three committees are summarised as follows:

Audit Committee

The Company established an Audit Committee on 1 February 2019 with written terms of reference in compliance with Rule 3.21 of the Listing Rules and paragraph C.3 of the CG Code. The Audit Committee consists of three independent non-executive Directors, namely, Mr. Chow Wing Tung, Mr. Tam Yat Kin Ken and Mr. Zhong Lili. Mr. Chow Wing Tung is the chairman of the Audit Committee.

The primary duties of the Audit Committee are to assist the Board in providing an independent view of the effectiveness of the Group's financial reporting process, internal control and risk management system, to oversee the audit process and to perform other duties and responsibilities as assigned by the Board.

During the year, the Audit Committee reviewed the interim and annual financial statements, results announcements and reports of the Group. The Audit Committee is of the opinion that the consolidated financial statements of the Group for the year ended 31 December 2024 comply with applicable accounting standards, the Listing Rules and that adequate disclosures have been made. There was no disagreement between the Board and the Audit Committee on the re-appointment of the auditor.

Remuneration Committee

The Company established a Remuneration Committee on 1 February 2019 with written terms of reference in compliance with paragraph B.1 of the CG Code. The Remuneration Committee consists of three independent non-executive Directors, namely Mr. Chow Wing Tung, Mr. Tam Yat Kin Ken and Mr. Zhong Lili. Mr. Zhong Lili is the chairman of the Remuneration Committee.

The primary duties of the Remuneration Committee include (but without limitation): (i) making recommendations to the Directors on the policy and structure for all remuneration of Directors and senior management and on the establishment of a formal and transparent procedure for developing policies on such remuneration; (ii) determining the terms of the specific remuneration package of the Directors and senior management; and (iii) reviewing and approving performance-based remuneration by reference to corporate goals and objectives resolved by the Directors from time to time.

Nomination Committee

The Company established a Nomination Committee on 1 February 2019 with written terms of reference in compliance with paragraph A.5 of the CG Code. The Nomination Committee consists of three independent non-executive Directors, namely, Mr. Chow Wing Tung, Mr. Tam Yat Kin Ken and Mr. Zhong Lili. Mr. Tam Yat Kin Ken is the chairman of the Nomination Committee.

The primary function of the Nomination Committee is to make recommendations to the Board to fill vacancies on the same.

Nomination criteria

When considering a candidate nominated for directorship or a director's re-appointment, the Nomination Committee shall have regard to the following factors:

- Diversity of the Board, including but not limited to gender, age, cultural, educational background, professional qualifications, skills, knowledge and industry experience of the candidate;

- Time commitment of the candidate. In this regard, the number and nature of offices held by the candidate in public companies or organizations, and other executive appointments or significant commitments will be considered;

- Potential/actual conflicts of interest that may arise if the candidate is selected;

- In the case of a proposed appointment of an independent non-executive Director, the independence of the candidate;

- In the case of a proposed re-appointment of an independent non-executive Director, the number of years he/she has already served the Company; and

- Other factors considered to be relevant by the nomination committee on a case by case basis.

Nomination procedure

To nominate director candidates, candidates would be identified by various methods and evaluated based on the approved selection criteria. Shortlisted candidates would be interviewed and their profiles would be reviewed, before making recommendations to the Board on the selected candidates.

The nomination policy also includes the Board succession plan to assess whether vacancies on the Board would be created or expected due to the Directors' resignation, retirement, death and other circumstances and to identify candidates in advance if necessary. The nomination policy will be reviewed on a regular basis.

DIVERSITY OF THE BOARD

The Group has adopted a board diversity policy which sets out the approach to achieve and maintain an appropriate balance of diversity perspectives of the Board that are relevant to the business growth. Pursuant to the board diversity policy, selection of Board candidates will be based on a range of diversity perspectives, including but not limited to gender, age, cultural and educational background, professional qualifications, skills, knowledge and industry experience. The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board.

As at the date of this annual report, the Board comprises eight Directors. Three of the Directors are INEDs and independent of management, thereby promoting critical review and control of the management process. The Board believes that gender diversity is a representing manifestation of Board diversity, among all other measurable objectives. While the Board has a majority of male composition, the Company has two female Directors achieving a female representation in the Board. The Board is of the view that the existing gender diversity in respect of the Board is sufficient, and that the nomination policy of the Company can ensure that there will be a pipeline of potential successors to the Board which continues the existing gender diversity in the Board. The Board is also characterised by significant diversity, whether considered in terms of professional background and skills.

As at 31 December 2024, the gender ratio of the Group's workforce was approximately 73.1% male to 26.9% female. The Company's hiring is merit-based and non-discriminatory. The Board is satisfied that the Company has achieved gender diversity in its workforce.

The Nomination Committee is responsible for ensuring the diversity of the Board. The Nomination Committee will review the board diversity policy from time to time to ensure its continued effectiveness.

COMPANY SECRETARY

The company secretary of the Company assists the Board by ensuring the Board policy and procedures are followed. The company secretary is also responsible for advising that Board on corporate governance matters.

The Company has appointed Mr. Lui Wai Sing ("Mr. Lui") as its company secretary. Mr. Lui has complied with all the required qualifications, experiences and training requirements under the Listing Rules. For the year ended 31 December 2024, Mr. Lui has complied with the Listing Rules by taking not less than 15 hours of relevant professional training. The biography of Mr. Lui is set out in the section headed "Biographical of Directors and Senior Management" of this annual report.

INDEPENDENT AUDITOR'S REMUNERATION

During the year ended 31 December 2024, PricewaterhouseCoopers was engaged as the Group's independent auditor. The remuneration paid/payable to PricewaterhouseCoopers in respect of audit services amounted to S$307,000 for the year ended 31 December 2024. No non-audit service was provided by PricewaterhouseCoopers during the year ended 31 December 2024.

REMUNERATION OF DIRECTORS AND SENIOR MANAGEMENT

Particulars of the Directors' remuneration and five highest paid individuals are set out in note 9 to the consolidated financial statements. The remunerations of the Directors are determined based on the market price and contribution made by such Directors for the Company. There has been no arrangement under which any Director has waived or agreed to waive any emoluments.

The remuneration of the senior management by band for the year ended 31 December 2024 is set out below:

Remuneration band	Number of individuals
Nil – HK$1,000,000	2

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for the preparation of the consolidated financial statements of the Group. The Directors were not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Company's ability to continue as a going concern. In addition, PricewaterhouseCoopers has stated in the independent auditor's report its reporting responsibilities on the Company's consolidated financial statements for the year ended 31 December 2024.

RISK MANAGEMENT AND INTERNAL CONTROL

The Board acknowledges its responsibility for maintaining a sound and effective risk management and internal control systems of the Group and reviewing their effectiveness annually in order to safeguard the interests of the shareholders and the assets of the Company against unauthorized use or disposition, ensuring maintenance of proper books and records for the provision of reliable financial information, and ensuring compliance with the relevant rules and regulations. Such risks include, amongst others, material risks relating to environmental, social and governance ("ESG"). The main features and the key elements of the risk management and internal control systems of the Company include the assessment and evaluation of risks, the development and continuous updating of responsive procedures, and the ongoing testing of internal control procedures to ensure their effectiveness. An ongoing risk assessment approach has been adopted by the Company for identifying and assessing the key inherent risks (including ESG risks) that affect the achievement of its objectives. The judgement of the risk is mainly determined in accordance with the likelihood of occurrence and consequence of occurrence of the risk. During the process of risk assessment, the Audit Committee of the Company is responsible for identifying the risks of the Group and deciding on the risk levels and the Board is responsible for assessing and determining the nature and extent of the risks that are acceptable to the Group when achieving its strategic objectives. After discussing and taking into consideration the risk response, the relevant departments and business units shall be assigned to implement the risk management solutions in accordance with their respective roles and responsibilities. The identified risk together with the risk response will be recorded and subject to the Board's oversight.

An outsourced internal audit team was engaged to perform a review on the major operating units of the Group in relation to the risk management and internal control systems of the Group, according to the scope of review agreed and directed by the Audit Committee of the Company covering the Group's material controls in financial, operational and compliance aspects. The review identified certain internal control weaknesses and risks. The internal audit team has reported to the Audit Committee of the Company.

The Group shall review the risk management and the internal control systems at least once a year to ensure their effectiveness.

The Group's risk management and internal control 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.

The procedures and internal controls of the Company for handling and dissemination of inside information includes conducting the affairs of the Company with close regard to the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission and the Listing Rules and reminding the Directors and employees of the Group regularly about due compliance with all polices regarding the inside information.

During the year, risk management and internal control systems have been reviewed by an engaged external professional adviser with the management of the Company and the Board had reviewed the effectiveness of the Group's risk management and internal control systems and considered that the Group's risk management and internal control systems are effective and adequate.

DISCLOSURE OF INSIDE INFORMATION

The Group acknowledges its responsibilities under the Securities and Futures Ordinance, Chapter 571 of the Laws of Hong Kong (the "SFO") and the Listing Rules and the overriding principle that inside information should be announced promptly when it is the subject of a decision. The procedures and internal controls for the handling and dissemination of inside information are as follows:

- the Group conducts its affairs with close regard to the disclosure requirement under the Listing Rules as well as the "Guidelines on Disclosure of Inside Information" published by the Securities and Futures Commission of Hong Kong in June 2012;
- the Group has implemented and disclosed its policy on fair disclosure by pursuing broad, non-exclusive distribution of information to the public through channels such as financial reporting, public announcements and the Company's website;
- the Group has strictly prohibited unauthorised use of confidential or inside information; and
- the Group has established and implemented procedures for responding to external enquiries about the Group's affairs, so that only the executive Directors and the company secretary are authorised to communicate with parties outside the Group.

DIRECTORS' INTERESTS IN COMPETING BUSINESS

None of the Directors had engaged in or had any interest in any business which competes or is likely to compete, either directly or indirectly, with the businesses of the Group during the year ended 31 December 2024.

DEED OF NON-COMPETITION

In accordance with the non-competition undertakings set out in the deed of non-competition dated 1 February 2019 (the "Deed of Non-Competition") executed by the controlling shareholders of the Company (the "Controlling Shareholders") in favour of the Company (for itself and as trustee for its subsidiaries), save for Mr. Tan Shuay Tarng Vincent's existing interests in Vincar Assets Pte. Ltd. and Wealth Assets Pte. Ltd., the Controlling Shareholders have undertaken to the Company that they shall not to either on his/its own or in conjunction with any body corporate, partnership, joint venture or other contractual agreement, whether directly or indirectly, whether for profit or not, carry on, participate in, hold, engage in, acquire or operate, or provide any form of assistance to any person, firm or company (except members of the Group) to conduct business which, directly or indirectly, competes or may compete with the business presently carried out on by the Company or any of the subsidiaries or any other business that may be carried on by any of them from time to time during the term of the Deed of Non-Competition, in Singapore, Hong Kong or such other places as the Company or any of the subsidiaries may conduct or carry on any business which competes or may in any aspect compete directly or indirectly with the business or which is similar to the business currently and may from time to time be engaged by the Group. Information in relation to Vincar Assets Pte. Ltd. and Wealth Assets Pte. Ltd. and the details of the Deed of Non-Competition was set out in the section headed "Relationship with Controlling Shareholders" of the Prospectus.

The Company has received an annual confirmation from each of the Controlling Shareholders confirming that he/it had complied with the non-competition undertakings during the year ended 31 December 2024 under the Deed of Non-Competition. The Controlling Shareholders also confirmed in the said annual confirmation that none of them had any interest in a business, other than business of the Group, which competes or is likely to compete, either directly or indirectly, with the business of the Group during the year ended 31 December 2024.

The independent non-executive Directors have reviewed and confirmed that they were not aware of any non-compliance of the non-competition undertakings under the Deed of Non-Competition by the Controlling Shareholders, and concurred that such undertakings had been duly enforced and complied with by the Controlling Shareholders during the year ended 31 December 2024.

WHISTLE-BLOWING MECHANISM

The Group educates all employees on anti-corruption awareness and encourages them to report any corruption or fraud activities. A "Whistle-blowing Policy" has been devised to set out procedures governing relevant complaints received by the Group. For further details, please refer to the ESG Report in this annual report.

ANTI-CORRUPTION POLICIES AND SYSTEMS

The Company has in place a "Code of Conduct and Ethical Guidelines" within all its employees, which all employees are required to comply. For further details, please refer to the ESG Report in this annual report.

SHAREHOLDERS' RIGHTS

Procedures for putting forward proposals at shareholders' meetings

There is no provision allowing shareholders to make proposals or move resolutions at the annual general meetings (the "AGM(s)") under the memorandum of association of the Company and the Articles of Association or the laws of the Cayman Islands. Shareholders who wish to make proposals or move a resolution may, however, convene an extraordinary general meeting (the "EGM") in accordance with the "Procedures for shareholders to convene an EGM" set out below.

Procedures for shareholders to convene an EGM

Any one or more shareholders holding at the date of deposit of the requisition not less than 10% of the paid up capital of the Company carrying the right of voting at general meetings of the Company (the "Eligible Shareholder(s)") shall at all times have the right, by written requisition to require an EGM to be called by the Board or the joint company secretaries for the transaction of any business specified in such requisition, including making proposals or moving a resolution at the EGM.

Eligible Shareholders who wish to convene an EGM for the purpose of making proposals or moving a resolution at the EGM must deposit a written requisition (the "Requisition") signed by the Eligible Shareholder(s) concerned at the principal place of business of the Company in Hong Kong for the attention of the company secretary.

The Requisition must state clearly the name of the Eligible Shareholder(s) concerned, his/her/their shareholding in the Company, the reason(s) to convene an EGM and the proposed agenda.

The Company will check the Requisition and the identity and shareholding of the Eligible Shareholder(s) will be verified with the Company's branch share registrar in Hong Kong. If the Requisition is found to be proper and in order, the company secretary will ask the Board to convene an EGM and/or include the proposal(s) made or the resolution(s) proposed by the Eligible Shareholder(s) at the EGM within 2 months after the deposit of the Requisition. On the contrary, if the Requisition has been verified as not in order, the Eligible Shareholder(s) concerned will be advised of the outcome and accordingly, the Board will not call for an EGM nor include the proposal(s) made or the resolution(s) proposed by the Eligible Shareholder(s) at the EGM.

If within 21 days of the deposit of the Requisition the Board fails to proceed to convene such meeting, the requisitionist(s) himself/herself/themselves may do so in the same manner, and all reasonable expenses incurred by the Eligible Shareholder(s) concerned as a result of the failure of the Board shall be reimbursed to the Eligible Shareholder(s) by the Company.

Procedures for shareholders to send enquiries to the board

Shareholders may send their enquiries and concerns to the Board by addressing them to the principal place of business of the Company in Hong Kong by post for the attention of the company secretary. Upon receipt of the enquiries, the company secretary will forward the communications relating to:

1. the matters within the Board's purview to the executive Directors;

2. the matters within a Board committee's area of responsibility to the chairman of the appropriate committee; and

3. ordinary business matters, such as suggestions, enquiries and client complaints to the appropriate management of the Company.

COMMUNICATION WITH THE SHAREHOLDERS

The Company has adopted a shareholders' communication policy with the objective of ensuring that the shareholders will have equal and timely access to information about the Company in order to enable the shareholders to exercise their rights in an informed manner and allow them to engage actively with the Company.

Information will be communicated to the shareholders mainly through the Company's financial reports, AGMs and other EGMs that may be convened as well as all the published disclosures submitted to the Stock Exchange.

CONSTITUTIONAL DOCUMENTS

The amended and restated memorandum and Articles of Association of the Company was adopted on 1 February 2019 and took effect from the Listing Date. There had been no significant change in the Company's constitutional documents since the Listing Date. The Company has posted its amended and restated memorandum and Articles of Association on the respective websites of the Stock Exchange and the Company.

Report of the Directors

The Directors are pleased to present their report together with the audited consolidated financial statement of the Group for the year ended 31 December 2024.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding. The activities of the subsidiaries are set out in note 25 to the consolidated financial statements.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2024 is set out in the section headed "Management Discussion and Analysis" of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

The following are the principal risks and uncertainties facing the Company as required to be disclosed pursuant to the Companies Ordinance (Chapter 622 of the laws of Hong Kong):

Business risk

Since the Group does not engage in the manufacturing of motor vehicles, the Group's sales of motor vehicles are dependent on the supply of motor vehicles from the suppliers. Further, the suppliers may encounter difficulties supplying motor vehicles to the Group or may run into financial difficulties due to factors which are beyond the Group's control. In such situations, if the suppliers attempt to increase their prices, alter payment terms and/or pass on their increased costs to the Group, reduce their supply of motor vehicles or cease operations, such actions would likely increase the costs, create challenges for the Group in meeting the Group's customers' expectations and may have a negative impact on the Group's reputation.

Inventory risk

The Group is exposed to higher risks of inventory obsolescence, a decline in inventory values and significant write-downs or write-offs if the Group fails to manage the inventory effectively and overstock unpopular motor vehicles.

Economic and political risk

Adverse changes in the economic and political environment and government policies may affect the Group's ability to execute its strategies.

Financial risk

The Group is exposed to financial risks related to foreign currency, interest rate, credit and liquidity in the normal course of business. For details of such financial risks, please refer to note 3.1 to the consolidated financial statements.

People risk

Loss of key management personnel may affect the Group's business, prospects and financial performance.

Report of the Directors

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2024 and financial position of the Group as at that date are set out in the section headed "Consolidated Statement of Comprehensive Income" and "Consolidated Statement of Financial Position" on pages 75 and 76 to 77 respectively of this annual report.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2024 (2023: Nil).

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group realises the importance of environmental protection in pursuing long-term sustainability. The Group makes its best effort in protecting the environment during its daily operation. In particular, the Group promotes the reuse and recycling of resources such as paper and the minimisation of electricity and water consumption as means of environmental protection. The Group is committed to improving environmental sustainability and will closely monitor the performance. During the year ended 31 December 2024, as far as the Board and the management are aware, there was no material breach of or non-compliance with the relevant environmental laws and regulations by the Group that has material impact on the business and operation of the Group.

Details of the Group's environmental policies and performance are set out in the Environmental, Social and Governance Report contained in this annual report.

COMPLIANCE WITH LAWS AND REGULATIONS

During the year ended 31 December 2024, as far as the Directors are aware, the Group did not have any non-compliance with relevant laws and regulations that is material in nature.

KEY RELATIONSHIP WITH EMPLOYEES, CUSTOMERS, SUPPLIERS AND OTHERS

Employees are remunerated equitably and competitively. Continuous training and development opportunities are provided to equip them to deliver their best performance and achieve corporate goals. The Group also provides a healthy and safe workplace for all employees.

The Group has enhanced communications with customers via various channels so as to provide excellent and quality customer services, with a focus on the customers' need and thus enhance customer satisfaction and loyalty. In addition, the Group also assigns designated personnel to maintain customers relationship, responding to the feedback and complaints from customers.

The Group has established strong cooperation relationship with a number of suppliers. The Group places emphasis on ongoing assessment and monitoring on the selection of suppliers in order to ensure compliance with the Group's commitment to quality and ethical conduct.

PROPERTY, PLANT AND EQUIPMENT

Details of movement in the property, plant and equipment of the Group during the year are set out in note 13 to the consolidated financial statements.

BANK BORROWINGS

Particulars of the bank borrowings of the Group as at 31 December 2024 are set out in the note 20 to the consolidated financial statements.

SHARE CAPITAL

Details of the Company issued share capital during the year are set out in note 22 to the consolidated financial statements.

RESERVES

Movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 78 of this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company's reserves available for distribution to equity holders of the Company comprising share premium less accumulated deficits, amounted to approximately S$5.8 million (2023: S$5.3 million).

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the last five financial years is set out on page 160 of this annual report.

MAJOR CUSTOMERS AND SUPPLIERS

For the year ended 31 December 2024, the aggregate purchases attributable to the Group's largest supplier and the five largest suppliers in aggregate accounted for approximately 11.6% and 20.0% respectively of the Group's total purchase cost of motor vehicles. Revenue attributable to the Group's largest customer and the five largest customers in aggregate accounted for approximately 3.3% and 6.3% respectively of the Group's total revenue for the year ended 31 December 2024.

To the best of the Directors' knowledge, none of the Directors, their close associates, nor any shareholder (which, to the best knowledge of the Directors, owned more than 5% of the Company's issued shares) had any material beneficial interest in the Group's five largest customers or suppliers.

DONATIONS

During the year ended 31 December 2024, the Group made charitable donations of approximately S$14,000 (2023: S$6,000).

Report of the Directors

DIRECTORS

The Directors during the financial year and up to the date of this report were:

Executive Directors

Mr. Tan Shuay Tarng Vincent
Mr. Zhang Xiaoyang (appointed on 9 December 2024)
Ms. Ng Hui Bin Audrey
Ms. Beng Lee Ser Marisa
Mr. Jin Zhehui (appointed on 29 July 2024)

Non-Executive Director

Mr. Raymond Wong (resigned on 22 November 2024)

Independent Non-Executive Directors

Mr. Chow Wing Tung
Mr. Tam Yat Kin Ken
Mr. Zhong Lili (appointed on 3 February 2025)
Mr. Hui Yan Kit (resigned on 3 February 2025)

Article 83(3) of the Articles of Association provides that any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until conclusion of the next following AGM of the Company and shall then be eligible for re-election.

Article 84 of the Articles of Association provides that (1) one-third of the Directors for the time being (or, if their number is a not multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation at each AGM, provided that every Director shall be subject to retirement by rotation at least once every three years; and (2) a retiring Director shall be eligible for re-election and shall continue to act as a Director throughout the meeting at which he retires. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election.

Each of Ms. Ng Hui Bin Audrey, Mr. Chow Wing Tung, Mr. Jin Zhehui, Mr. Zhang Xiaoyang and Mr. Zhong Lili will retire at the forthcoming AGM and all of them, being eligible, will offer themselves for re-election at the forthcoming AGM.

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

The biographies of the Directors and senior management of the Company are set out on pages 14 to 16 of this annual report.

INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company has received, from each of the independent non-executive Directors, a confirmation of their independence pursuant to Rule 3.13 of the Listing Rules. The Company considers that all of the independent non-executive Directors are independent.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company for a term of three years commencing on the Listing Date and will continue thereafter unless terminated by either party giving to the other not less than three months' notice in writing.

The non-executive Director has entered into a letter of appointment with the Company for a term of one year commencing on the Listing Date and will continue thereafter until terminated in accordance with the terms of the appointment letter.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company for a term of one year commencing on the Listing Date and will continue thereafter until terminated in accordance with the terms of the appointment letter.

Save as disclosed aforesaid, none of the Directors has entered into a service agreement or agreement for appointment with the Company or any of its subsidiaries other than the agreement expiring or determinable by the employer within one year without the payment of compensation (other than statutory compensation).

DIRECTORS' INTERESTS IN CONTRACTS

Save for the contracts described under the section headed "Related Party Transactions" as set out in note 23 to the consolidated financial statements, no transactions, arrangements and contracts of significance in relation to the Group's business to which the Company or any of its holding company or subsidiaries or fellow subsidiaries was a party and in which a Director and his/her connected party had a material interest, whether directly or indirectly, subsisted during or at end of the year.

CONTROLLING SHAREHOLDERS' INTEREST

Save for the contracts described under the section headed "Related Party Transactions" as set out in note 23 to the consolidated financial statements, no contracts of significance were entered into between the Company or any of its subsidiaries and any controlling shareholders or any of its subsidiaries or any contracts of significance for the provision of services to the Company or any of its subsidiaries by any controlling shareholders or any of its subsidiaries.

MANAGEMENT CONTRACTS

During the year ended 31 December 2024, the Company did not enter into or have any management and administration contracts (other than a contract of service with any Director or any person under the full-time employment of the Company) in respect of the whole or any substantial part of the business of the Company.

DIVIDEND POLICY

The Company has adopted a general annual dividend policy of declaring and paying dividends on an annual basis of not less than 15% of our distributable profit for any particular financial year. The Board has absolute discretion as to whether to declare any dividend for any year end and if any, the amount of dividend and the means of payment. Such discretion is subject to the applicable laws and regulations including the Companies Law of the Cayman Islands and the Articles of Association which also require the approval of the shareholders. The amount of any dividends to be declared and paid in the future will depend on, amongst other things, our results of operations, cash flows and financial conditions, operating and capital requirements and other relevant factors.

CONNECTED TRANSACTIONS

During the year, the Group entered into certain transactions with parties regarded as "related parties" under the applicable accounting standards. Details of the related party transactions entered into by the Group during the year are disclosed in note 23 to the consolidated financial statements. The related party transactions disclosed in note 23 were not regarded as connected transactions or were exempt from reporting, announcement and shareholders' approval requirements under the Listing Rules. The Group confirms that the Group has complied with the disclosure requirements in accordance with Chapter 14A of the Listing Rules.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the paragraph headed "Directors' and Chief Executives' Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and its Associated Corporations" below, at no time during the year was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares or underlying shares in, or debentures of, the Company or its associated corporations.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2024, the interests and short positions of the Directors and chief executives of the Company in the shares of the Company, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO), or which would be required, pursuant to Section 352 of the SFO, to be recorded in the register referred to therein, or which would be required to be notified to the Company and the Stock Exchange pursuant to the Model Code for as set out in Appendix 10 to the Listing Rules, were as follows:

Long positions in the shares of the Company

Name of director	Capacity/Nature of interest	Number of ordinary shares held/interested in (Note 1 & 6)	Number of share options (Note 1, 2 & 6)	Approximate percentage of shareholding in the Company
Mr. Vincent Tan	Interest in a controlled corporation (Note 3)	38,140,000 (L)	–	35.31%
	Beneficial owner	–	900,000 (L)	0.83%
	Interest of spouse (Note 4)	–	900,000 (L)	0.83%
Mrs. Marisa Tan	Interest of spouse (Note 5)	38,140,000 (L)	900,000 (L)	36.14%
	Beneficial owner	–	900,000 (L)	0.83%

Notes:

1. The Letter "L" denotes the person's long position in the relevant shares.

2. These represent the shares to be issued and allotted by the Company upon exercise of the options granted under the Share Option Scheme (as defined in the section headed "Share Option Scheme" of this annual report). Please also refer to section headed "Share Option Scheme" for more details.

3. All the issued shares of Gatehouse Ventures Limited ("Gatehouse Ventures") are legally and beneficially owned as to 100% by Mr. Vincent Tan. Accordingly, Mr. Vincent Tan is deemed to be interested in 38,140,000 shares held by Gatehouse Ventures by virtue of the SFO. Mr. Vincent Tan is a controlling shareholder and an executive Director of the Company.

4. Mr. Vincent Tan is the spouse of Mrs. Marisa Tan and is therefore deemed to be interested in all the shares and/or underlying shares that Mrs. Marisa Tan is interested in by virtue of the SFO.

5. Mrs. Marisa Tan is the spouse of Mr. Vincent Tan and is therefore deemed to be interested in all the shares and/or underlying shares that Mr. Vincent Tan is interested in via Gatehouse Ventures by virtue of the SFO.

6. The number of shares/share options was adjusted to reflect the effect of the Share Consolidation completed on 27 May 2024.

Save as disclosed above, as at 31 December 2024, none of the Directors nor chief executives of the Company had any interests or short positions in any shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register maintained by the Company pursuant to Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to be Model Code.

SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

So far is known to the Directors, as at 31 December 2024, the following persons/entities (not being a Director or the chief executive of the Company) had an interest or a short position in the shares or underlying shares of the Company which would be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and recorded in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Long positions in the shares of the Company

Name	**Capacity/Nature of interest**	**Number of ordinary shares held/interested in** (Note 1 & 5)	**Approximate percentage of shareholding in the Company**
Gatehouse Ventures	Beneficial owner (Note 2)	38,140,000 (L)	35.31%
Show Achieve Limited	Beneficial owner (Note 3)	11,280,000 (L)	10.44%
Mr. Tan Jun Wei Ethan	Beneficial owner (Note 4)	6,321,000 (L)	5.85%

Notes:

1. The Letter "L" denotes the person's long position in the relevant shares.

2. All the issued shares of Gatehouse Ventures are legally and beneficially owned as to 100% by Mr. Vincent Tan, the Co-Chairman and an executive Director of the Company.

3. All the issued shares of Show Achieve Limited are legally and beneficially owned as to 100% by Mr. Wu Bin.

4. Mr. Tan Jun Wei Ethan is the son of Mr. Tan Shuay Tarng Vincent, who is the Co-Chairman and an executive Director of the Company.

5. The number of shares was adjusted to reflect the effect of the Share Consolidation completed on 27 May 2024.

Save as disclosed above, as at 31 December 2024, no other interests or short positions in the shares or underlying shares of the Company which would be required to be notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company's listed securities during the year ended 31 December 2024.

PRE-EMPTIVE RIGHTS

There are no provisions for 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.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to shareholders by reason of their holding of the Company's securities.

SHARE OPTION SCHEME

The Company has adopted the share option scheme (the "Share Option Scheme") on 1 February 2019. The purpose of the Share Option Scheme is to enable the Company to grant options to eligible persons as incentives or rewards for their contribution or potential contribution to the Group and to recruit and retain high calibre eligible persons and attract human resources that are valuable to the Group. The principal terms of the Share Option Scheme are summarised in the section headed "Share Option Scheme" in Appendix IV to the Prospectus.

Details of the movements of share options granted, exercised, cancelled or lapsed under the Share Option Scheme during the year ended 31 December 2024 are as follows:

Grantees	Date of Grant	Exercise price of share options (Note)	Closing price of the shares on the date of grant (Note)	Outstanding as at 1 January 2024 (Note)	Granted during the year	Outstanding as at 31 December 2024 (Note)
Directors						
Mr. Vincent Tan	8 April 2020	HK$1.460	HK$1.430	900,000	–	900,000
Ms. Ng Hui Bin Audrey	8 April 2020	HK$1.460	HK$1.430	900,000	–	900,000
Mrs. Marisa Tan (appointed as executive Director on 6 July 2020)	8 April 2020	HK$1.460	HK$1.430	900,000	–	900,000
Mr. Khung Poh Sun (resigned as executive Director on 6 July 2020)	8 April 2020	HK$1.460	HK$1.430	900,000	–	900,000
Mr. Raymond Wong (resigned as non-executive Director on 22 November 2024)	8 April 2020	HK$1.460	HK$1.430	900,000	–	900,000
Mr. Chow Wing Tung	8 April 2020	HK$1.460	HK$1.430	900,000	–	900,000
Mr. Hui Yan Kit (resigned as independent non-executive Director on 3 February 2025)	8 April 2020	HK$1.460	HK$1.430	900,000	–	900,000
Mr. Tam Yat Kin Ken	8 April 2020	HK$1.460	HK$1.430	900,000	–	900,000
Sub-total				7,200,000	–	7,200,000
Employee	8 April 2020	HK$1.460	HK$1.430	900,000	–	900,000
Other eligible participant*	8 April 2020	HK$1.460	HK$1.430	900,000	–	900,000
Total				9,000,000	–	9,000,000

* The joint company secretary of the Company, namely Mr. Lui Wai Sing.

Note: Adjusted to reflect the effect of the Share Consolidation completion on 27 May 2024.

(1) Purpose

The purpose of this Share Option Scheme is to enable the Board to grant options to selected eligible persons as incentives or rewards for their contribution or potential contribution to the Group and to recruit and retain high calibre eligible persons and attract human resources that are valuable to the Group.

(2) Eligible person

Eligible persons means (i) any employee or proposed employee (whether full time or part time employee, including any director) of any member of the Group or any invested entity; and (ii) any supplier of goods or services, any customer, any person or entity that provides research, development or other technological support, any shareholder or other participants who contribute to the development and growth of the Group or any invested entity.

(3) Total number of shares available for issue

The total number of shares in respect of which options may be granted under this Share Option Scheme and any other share option schemes shall not in aggregate exceed 9,000,000 shares, being 1.7% of the total number of shares in issue as at the date of this annual report.

(4) Total maximum entitlement of each eligible person

No option shall be granted to any eligible person if any further grant of options would result in the shares issued and to be issued upon exercise of all options granted and to be granted to such person (including exercised, cancelled and outstanding options) in the 12-month period up to and including such further grant would exceed 1% of the total number of shares in issue from time to time.

(5) Option period and payment on acceptance of the option

Options granted must be taken up within 21 days of the date of grant, upon payment of HK$1 on acceptance of the offer. Options may be exercised at any time during a period commencing on or after the date on which the option is accepted and granted and expiring on a date to be notified by the Board to each grantee which shall not be more than 10 years from the date on which the option is accepted and granted.

(6) Minimum period for which an option must be held before it can be exercised

No minimum period for which an option must be held before it can be exercised unless otherwise determined by the Board at the time of grant.

(7) Ranking of shares

The shares to be allotted and issued upon the exercise of an option shall be subject to the Company's constitutional documents for the time being in force and shall rank pari passu in all respects with the fully-paid shares in issue of the Company as at the date of allotment and will entitle the holders to participate in all dividends or other distributions declared or recommended or resolved to be paid or made in respect of a record date falling on or after the date of allotment.

(8) Subscription price of shares

The subscription price shall be such price as determined on the date of grant by the Board, and shall be at least the highest of:

(a) the closing price of the shares as stated in the Stock Exchange's daily quotations sheet on the date of grant;

(b) the average closing price of the shares as stated in the Stock Exchange's daily quotations sheets for the five trading days immediately preceding the date of grant; and

(c) the nominal value of a share on the offer date.

(9) Period of the Share Option Scheme

Subject to earlier termination by the Company in general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of ten years commencing on the date of adoption of the Share Option Scheme, after which period no further option shall be granted. All options granted and accepted and remaining unexercised immediately prior to expiry of the Share Option Scheme shall continue to be valid and exercisable in accordance with the terms of the Share Option Scheme.

As at 31 December 2024, there were 9,000,000 share options granted by the Company under the Scheme which were valid and outstanding, representing approximately 1.7% of the issued share capital of the Company as at the date of this report. The share options are exercisable for a period of ten years from 8 April 2020 (the "Option Period") and expiring at the close of business on the last day of the Option Period or at the expiry of the Share Option Scheme, whichever is earlier. The share options have vested on 8 April 2020.

No share options were granted, exercised, cancelled or lapsed under the Share Option Scheme during the year ended 31 December 2024.

CORPORATE GOVERNANCE

Information on the corporate governance practices adopted by the Company are set out in the section headed "Corporate Governance Report" on pages 17 to 27 of this annual report.

CLOSURE OF THE REGISTER OF MEMBERS

The forthcoming AGM is scheduled to be held on Wednesday, 21 May 2025. For determining the entitlement to attend and vote at the AGM, the register of members of the Company will be closed from Friday, 16 May 2025 to Wednesday, 21 May 2025, both days inclusive, during which period no transfer of shares of the Company will be registered. In order to attend and vote at the AGM, all share transfer documents accompanied by the relevant share certificates must be lodged with the share registrar of the Company 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 Thursday, 15 May 2025.

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Company has maintained a sufficient minimum public float under the Listing Rules during the year ended 31 December 2024 and up to the date of this annual report.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association and the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company from and against all actions, costs, charges, losses, damages and expenses which they or any of them, may incur or sustain by or by reason of any act done, concurred in or omitted in or about the execution of their duties. Such permitted indemnity provision has been in force during the year ended 31 December 2024. The Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

EVENT AFTER THE REPORTING PERIOD

On 13 January 2025, the Company allotted and issued 431,906,081 shares on the basis of four (4) rights share for every one (1) share at HK$0.40 per rights share, details of which are set out in the prospectus of the Company dated 22 November 2024 and announcement of the Company dated 13 December 2024. As at the date of this report, the total number of issued shares of the Company increased from 108,000,000 to 539,906,081.

On 17 January 2025, the Company and its wholly owned subsidiary of the Company, entered into the investment agreement with Reabon Technology Co., Limited in relation to, among other things, the establishment of the joint venture. Throughout the year, the Group has been proactively identifying and exploring potential projects to diversify its investment portfolio and enhance future returns. Prior to finalising the Investment Agreement, the Directors acknowledged the significant role of lithium niobate in advancing optical and mobile phone communications. Moreover, the ongoing revolution in Artificial Intelligence (AI) is significantly increasing the demand for computing power, positing optical communication as a fundamental element in supporting these innovative networks. The Directors are confident that entering into the Investment Agreement will provide a strategic opportunity to establish a foothold in the industry, which is expected to yield significant financial returns for the Group. For details, please refer to the Company's announcements dated 17 January 2025 and 14 February 2025.

On 17 March 2025, the Company entered into the placing agreement with the placing agent (the "Placing Agent"), pursuant to which the Company agreed to place through the Placing Agent up to a maximum of 21,600,000 placing shares to not less than six placees at the placing price of HK$0.73 per placing share (the "Placing"). As at the date of this report, the Placing is yet to be completed and is expected to be completed by early April. For details, please refer to the Company's announcements dated 17 March 2025.

Save as disclosed above, the Directors are not aware of any other significant event which had material effect on the Group subsequent to 31 December 2024 and up to the date of this annual report.

AUDITOR

The consolidated financial statements have been audited by PricewaterhouseCoopers, who will retire at the conclusion of the forthcoming AGM, and, being eligible, offer themselves for re-appointment. A resolution will be proposed at the forthcoming AGM to re-appoint PricewaterhouseCoopers as the auditor. There has been no change in the Company's auditor since the Listing Date.

By Order of the Board

Tan Shuay Tarng Vincent
Co-Chairman and Executive Director

Hong Kong, 31 March 2025

Environmental, Social and Governance Report

INTRODUCTION AND APPROACH TO ENVIRONMENTAL, SOCIAL AND GOVERNANCE

This Environmental, Social and Governance Report (the "ESG Report") summarises the environmental, social and governance ("ESG") initiatives, plans and performances of Guan Chao Holdings Limited (the "Company"), together with its subsidiaries (the "Group") and demonstrates its commitment to sustainability development.

The Group adheres to the ESG management principles of the sustainable development philosophy and is committed to effectively and responsibly handling the ESG issues of the Group as a core part of the Group's business strategy. The Group believes this is the key to its continued success.

The ESG Governance Structure

The Group has established the ESG Taskforce (the "Taskforce"). The Taskforce comprises core members from different departments of the Group, and is responsible for collecting relevant information and data on the Group's ESG aspects which are confirmed by respective department heads for preparing the ESG Report. The Taskforce assists in identifying and evaluating the Group's ESG risks and the effectiveness of the internal control mechanisms. The Taskforce also examines and evaluates the Group's performances in different ESG aspects such as environment, health and safety, labour standards and product responsibilities. It reports to the board of directors (the "Board") at meetings at least once every year on its findings and recommendations. The Board assumes full responsibility for the Group's ESG strategies and reporting as well as for overseeing and managing the Group's ESG-related issues, including strategies, direction and policies. The Board sets up a general direction for the Group's ESG strategies, ensuring the effectiveness in the control of ESG risks and internal control mechanisms. In order to better manage the Group's ESG performance, related issues and potential risks, the Board holds meetings annually to evaluate and determine ESG-related risks and opportunities of the Group, as well as to review the Group's performance with the Taskforce's reports against ESG-related targets. The Group believes that such targets as well as environmental protection measures can enhance its employees' awareness on environmental protection and in turn enhance the Group's ESG performance. The members of the Board possess knowledge and experience required for overseeing the ESG issues. Where appropriate, external advisors would be engaged to provide expertise and professional advice for the ESG management process.

REPORTING FRAMEWORK

The ESG Report has been prepared in compliance with all applicable provisions set out in the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") as set out in Appendix C2 of the Rules Governing the Listing of Securities of the Stock Exchange of Hong Kong Limited ("HKEX"). For the Group's corporate governance practices, please refer to the section "Corporate Governance Report" contained in the Group's Annual Report 2024.

The Group attaches great importance to ensuring the application of materiality, quantitative, and consistency reporting principles during the preparation for this ESG Report:

Materiality: Materiality assessment was conducted to identify material issues, thereby adopting the confirmed material issues as the focus for the preparation of the ESG Report. The materiality of issues was reviewed and confirmed by the Board and Taskforce. For further details, please refer to the sections headed "Stakeholder Engagement" and "Materiality Assessment".

Quantitative: The standards and methodologies used in the calculation of key performance indicators ("KPIs") data, as well as the applicable assumptions were supplemented by explanatory notes.

Consistency: Unless otherwise stated, the preparation approach of this ESG Report was consistent with the year ended 31 December 2023 ("2023") for comparison. If there are any changes in the scope of disclosure and calculation methodologies that may affect comparison with previous reports, explanations will be provided to the corresponding data.

REPORTING SCOPE

The ESG Report covers the Group's ESG performance in selling of new imported and pre-owned cars in Singapore, which is consistent with the reporting scope of previous ESG report, and represents the major source of the Group's revenue. Unless specified otherwise, the Group's KPIs in environmental and social areas are collected through the Group's operation control mechanism. The Group will continue to expand the scope of disclosure in the future after the Group's data collection system is more matured and the sustainable development work is enhanced.

REPORTING PERIOD

The ESG Report describes the ESG activities, challenges and measures taken by the Group during the year ended 31 December 2024 ("2024").

CONFIRMATION AND APPROVAL

This ESG Report was reviewed, confirmed and approved by the Board.

STAKEHOLDER ENGAGEMENT

The Group communicates with and supports stakeholders through a two-way model in order to achieve mutual growth. Therefore, the Group values stakeholders' opinions to its operation business and ESG issues. In order to better understand and address stakeholders' concerns, the Group communicates with its key stakeholders, including but not limited to investors and shareholders, customers, suppliers, employees, government or regulatory bodies, as well as the media, non-governmental organisations ("NGOs") and the public through different channels. With regard to the Group's usual practice, the Group shares the latest information through email, telephone, site visits, meetings and so on.

Through different stakeholder engagements and communication channels, the Group will take account of stakeholders' expectation in formulating operational strategies and ESG measures. The Group is committed to improving its ESG performance through collaboration with its stakeholders, creating greater value for its society and the country continuously. The stakeholder engagements and communication channels are as follows:

Key stakeholders	Communication channels	Expectations
Investors and shareholders	• Annual general meeting • Financial reports • Announcements and circulars • Website	• Performance • Development strategy • Operational prospects • Information and activities updates
Customers	• Customer support hotline and email • Customer satisfaction survey	• Product quality • Product ethics • Service quality • Personal information protection
Suppliers	• Regular assessment of suppliers' performance	• Environmental and social risks management • Fair and open procurement
Employees	• Means for employees to express opinions (e.g., opinion form, suggestion box, etc.) • Regular performance reviews • Trainings, seminars and briefing sections • Intranet	• Working environment • Employees' benefit • Career development • Company activities • Company's reputation
Government or regulatory bodies	• Compliance advisor	• Compliance with laws and regulations • Contribution to society
Media, NGOs and the public	• Community activities and partner programs • ESG reports	• Green operation • Product ethics • Corporate social responsibility • Business compliance

MATERIALITY ASSESSMENT

The management and staff of the Group's respective major operations have participated in the preparation of the ESG Report to assist the Group in reviewing its operations and identifying relevant ESG issues, and assessed the importance of related issues to its businesses and stakeholders. Based on the assessed significant ESG issues, a data collection questionnaire was prepared to collect information from relevant departments and business units of the Group.

The following table is a summary of the Group's material ESG issues included in this ESG Report:

A. Environmental		**Low**	**Medium**	**High**
A1. Emissions	Exhaust Gas Emissions		✓	
	Greenhouse Gas ("GHG") Emissions			✓
	Sewage Discharge	✓		
	Waste Management	✓		
A2. Use of Resources	Energy Consumption			✓
	Water Management		✓	
A3. The Environment and Natural Resources	Indoor Air Quality Management			✓
	Environmental Education	✓		
A4. Climate Change	Climate Change		✓	

B. Social		**Low**	**Medium**	**High**
B1. Employment	Recruitment, Promotion and Dismissal		✓	
	Remuneration			✓
	Equal Opportunities			✓
B2. Health and Safety	Safety Measures		✓	
	Occupational Health and Safety Management and Training		✓	
B3. Development and Training	Development and Training		✓	
B4. Labour Standards	Prevention Measures of Child Labour and Forced Labour			✓
B5. Supply Chain Management	Supply Chain Management			✓
	Fair and Open Procurement		✓	
B6. Product Responsibility	Quality Control			✓
	Customer Services and Complaints Handling			✓
	Privacy Protection			✓
	Protection of Intellectual Property Rights		✓	
	Advertising and Labelling			✓
B7. Anti-corruption	Anti-corruption Policies and Systems			✓
	Conflict of Interest			✓
B8. Community Investment	Corporate Social Responsibility and Community Participation			✓

The Group confirmed that it has established appropriate and effective management policies and internal control systems for ESG issues and confirmed that the disclosed contents are in compliance with the requirements of the ESG Reporting Guide.

CONTACT US

The Group welcomes stakeholders to provide their opinions and suggestions. Stakeholders can provide valuable advice in respect of the ESG Report or the Group's performances in sustainable development by emailing to guanchaoholdings@vincar.com.sg.

A. ENVIRONMENTAL

A1. Emissions

The Group adheres to good environmental management, striving to protect the environment to fulfil the corporate social responsibility. The Group supports the national strategy in environmental protection and selling new parallel-import motor vehicles and pre-owned motor vehicles with compliance to laws and regulations. The Group advocates the philosophy of "Energy conservation and emission reduction", implements a variety of environmental protection policies and measures amongst the Group's operations, and implements ISO14001:2015 Environmental Management System ("EMS").

The Group has established an accountability system for environmental protection and actively adopts environmental protection measures to cut down the environmental impacts generated in its operation.

In 2024, the Group was not aware of any material non-compliance with local laws and regulations in relation to exhaust gas and GHG emissions, discharges into water and land, and the generation of hazardous and non-hazardous wastes that would have a significant impact on the Group, including but not limited to the "Environmental Protection and Management Act", the "Environmental Public Health Act", and the "Environmental Public Health (General Waste Collection) Regulations".

Exhaust Gas Emissions

Due to the Group's business nature, it pays attention to the relevant air emissions generated at its operations. The Group strives to mitigate the exhaust gas and GHG generated from its operation process as much as possible. The Group's major sources of exhaust gas emissions are combustion of diesel and petrol from vehicles. In 2024, the amount of sulphur oxides generated from vehicles exhaust was approximately 0.95 kg[1] (2023: 0.49 kg[1]), which is equivalent to approximately 0.0088 kg/employee[1, 2] (2023: approximately 0.0061 kg/employee[1]). In the year ended 31 December 2021 ("2021"), the Group targeted to gradually reduce its exhaust gas emissions intensity (approximately 0.0068 kg/employee) over the next 5 years and the progress has been on track. In order to achieve the target, measures taken to reduce emissions from transportation are specified in the paragraph headed "GHG Emissions".

GHG Emissions

The principal GHG emissions of the Group are generated from fuel consumption by vehicles (Scope 1) and purchased electricity (Scope 2). The GHG emissions intensity has decreased by about 2.04% from approximately 2.44 tCO_2e/employee in 2023 to approximately 2.39 tCO_2e/employee in 2024. The decrease in GHG emissions intensity was mainly due to the effectiveness of the Group's energy-saving measures which reduced the amount of fuel and electricity consumption. The GHG emissions performance of the Group was as follows:

Indicator[3]	**Unit**	**2024**	2023[1]
Direct GHG emissions (Scope 1)			
• Petrol and diesel consumption	tCO_2e	168.95	87.80
Energy indirect GHG emissions (Scope 2)			
• Purchased electricity	tCO_2e	89.59	107.05
Total GHG emissions (Scope 1 and 2)	**tCO_2e**	**258.54**	**194.85**
GHG emissions intensity[2]	tCO_2e/employee	2.39	2.44

Notes:

(1) The calculation method of exhaust gas emissions is based on "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by HKEX. As the Group cannot obtain the record of vehicle mileage, only sulphur oxides emissions are disclosed in the ESG Report. To ensure accuracy, figures in 2023 were updated after internal data review.

(2) As at 31 December 2024, the total number of employees of the Group was 108 (as at 31 December 2023: 80). The data is also used for calculating other intensity data.

(3) GHG emission data is presented in terms of carbon dioxide equivalent and are based on, 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, the latest electricity grid emission factor issued by the Energy Market Authority of Singapore, "How to prepare an ESG Report – Appendix 2: Reporting Guidance on Environmental KPIs" issued by the HKEX and the global warming potential in the "Fifth Assessment Report" and the "Sixth Assessment Report" issued by Intergovernmental Panel on Climate Change.

In response to the growing concerns about climate change, the Group has also set a target in 2021 to gradually reduce its GHG emissions intensity (approximately 2.23 tCO_2e/employee) over the next 5 years and the progress has not been achieved.

Consumption of petrol and diesel by vehicle for transportation was the major source of direct GHG emissions of the Group. The Group has formulated policies and implemented various emission reduction measures to reduce emissions from the source. Specific measures taken to reduce transportation are as follows:

- Advocate using telephone or video meetings instead of physical meetings;
- For necessary business trips, encourage employees to choose public transportation under normal circumstances; and
- Prioritise local suppliers.

To reduce energy indirect GHG emissions, the Group actively adopts electricity conservation and energy-saving measures, including strict control of air conditioning usage. Details are described under the section headed "Energy Consumption".

Through the implementation of these measures, the Group has raised its employees' awareness on emission reduction.

Sewage Discharge

The Group has developed an environmental operational control system, monitoring sewage produced in office and showrooms to comply with relevant laws and regulations and meet local government sewage discharge standards. Sewage is discharged into the municipal sewage pipe network system of the government and shall not be discharged directly into the streams or farmland. The Group's operations are not subject to substantial water use. The water supply and sewage of the properties of the principal office of the Group is fully controlled by the building management division of the property. The sewage discharged by the Group is considered as water consumed. The data on water consumption and corresponding water-saving initiatives are described under "Water Management" in aspect A2.

Waste Management

The Group identifies, classifies, stores and disposes of waste in a unified manner. In the office and showrooms, the Group has set up a unified recycling box, designated staff responsible for waste management to timely dispose of waste, and maintained environmental sanitation around the collection box. The Group has taken specific measures for handling the following categories of solid waste:

Non-hazardous Waste

The non-hazardous waste produced by the Group mainly consist of paper. The non-hazardous waste intensity has decreased by about 15.38% from approximately 0.009 tonnes/employees in 2023 to approximately 0.008 tonnes/employee in 2024, which was mainly due to the effectiveness of the Group's paper-saving measures. The non-hazardous waste disposal (i.e. paper) performance of the Group was as follows:

Type of non-hazardous waste	**Unit**	**2024**	2023
Paper	tonnes	0.83	0.73
Total non-hazardous waste	**tonnes**	**0.83**	**0.73**
Non-hazardous waste intensity[4]	tonnes/employee	0.008	0.009

Note:

(4) The number of the decimal place of the intensity was updated to 3 to enhance the data comparability.

The Group has set a target in 2021 of reducing the non-hazardous waste intensity (approximately 0.011 tonnes/employee) gradually over the next 5 years and the progress has been on track.

To achieve the target, the specific waste reduction measures are as follows:

- Implement a recycling and reuse programme for paper which encourages using double-sided printing to reduce the amount of paper consumed;

- Classify other recyclable and non-recyclable waste and set up collection bins to recycle the waste; and

- Increase the recycling rate of recyclable waste to achieve reutilisation.

Through the implementation of these measures, the Group has raised its employees' awareness on waste reduction.

Hazardous Waste

Due to the Group's business nature, it did not generate hazardous waste in 2024 (2023: nil). The Group has established guidelines of governing the management and disposal of hazardous waste. In case there are any hazardous waste produced, the Group must engage a qualified chemical waste collector to handle such waste, which is compliant with the relevant environmental regulations and rules.

A2. Use of Resources

The Group actively implements relevant environment protection policies and EMS, upholds and promotes the principle of effective use of resources, and evaluate the potential environmental impacts by real-time monitoring its business operations. Through the 4Rs principles, namely, "Reduce", "Reuse", "Recycle" and "Replace", and relevant policies, green office is promoted in order to minimise the environmental impact by its operation. The employees of the Group follow these principles, and consciously reduce the consumption of electricity, paper and water resources. For example, the Group's employees work together to implement a paperless office by sending documents in electronic form whenever possible, in order to reduce the amount of paper consumption.

In the sales of new parallel-import motor vehicles and pre-owned motor vehicles, the Group promotes green marketing which complies with the national requirements to gradually achieve non-toxicity, non-hazardous substances, no wastewater and no exhaust gas emissions. The Group manages the use of water, electricity and fuel resources by collecting monthly usage statistics and standardizing the operation processes for major energy-consuming equipment for effective utilisation of energy.

In addition, in order to achieve environmentally sustainable development, the Group conducts environmental education and training for its employees and promotes practical advice on environmentally friendly lifestyles to enhance employees' awareness of environmental protection. The Group also promotes green travel and raises employees' awareness of emission reduction and carbon reduction.

Energy Consumption

The source of the Group's energy consumption are direct consumption of petrol and diesel and indirect consumption of purchased electricity. The energy consumption intensity has increased by about 8.61% from approximately 7,213.98 kWh/employee in 2023 to approximately 7,835.31 kWh/employee in 2024. The decrease in energy consumption intensity was mainly due to the effectiveness of the Group's energy-saving measures which reduced the amount of fuel and electricity consumption. The energy consumption performance of the Group was as follows:

Types of energy	Unit	2024	2023[5]
Direct energy consumption	**kWh**	**628,757.46**	**320,289.44**
Petrol	kWh	615,716.41	305,998.91
Diesel	kWh	13,041.05	14,290.53
Indirect energy consumption	**kWh**	**217,456.00**	**256,829.00**
Electricity	kWh	217,456.00	256,829.00
Total energy consumption	**kWh**	**846,213.46**	**577,118.44**
Energy consumption intensity	kWh/employee	7,835.31	7,213.98

Note:

(5) To ensure accuracy, figures in 2023 were updated after internal data review.

During 2021, the Group has set a target of reducing its energy consumption intensity (approximately 6,957.56 kWh/employee) gradually over the next 5 years and the progress has not been achieved.

Besides the measures to reduce transportation as detailed under "GHG Emissions", the Group proactively implements the mission of energy conservation and emission reduction by establishing rules and regulations to achieve the goal of saving electricity and using electricity efficiently. The specific measures are as follows:

- Use energy-saving light bulbs and all departments implement the principle of "Management by the on-duty staff" in order to foster good habits in terms of turning lights off after use;
- Unplug electrical appliances which are not in use for a long time to save standby power;
- Strictly control temperature of air conditioning to prevent excessive energy consumption, extend the life of air conditioning units and reduce the need to repair or dispose of electrical appliances; and
- Maintain the temperature in showrooms at reasonable level to avoid the malfunction of electrical appliances because of high temperature.

Through the above measures, the Group's has raised its employees' awareness on energy conservation.

Water Management

The Group's water consumption intensity has decreased by approximately 53.57% from approximately 1.40 m^3/employee in 2023 to approximately 0.65 m^3/employee in 2024. The increase in water consumption was mainly due to increased handwashing of staff and disinfection of workplace for sanitary purpose after resumption of normal business operation from work-from-home arrangement. The water consumption performance of the Group was as follows:

Indicator	Unit	2024	2023
Water consumption	**m^3**	**70.4**	**111.90**
Water consumption intensity	m^3/employee	0.65	1.40

To reaffirm the Group's commitment to water conservation, the Group has set a target in 2021 of reducing the water consumption intensity (approximately 0.99 m^3/employee) gradually over the next 5 years and the progress has not been achieved.

The Group encourages all employees and customers to develop the habit of conscious water use to reduce water consumption in the office. The Group continued to increase water conservation propaganda and posted water-saving slogans in the washrooms and staff lounges to encourage employees to save water.

Through the above measures, the Group has raised its employees' awareness on water-saving. Due to the Group's business nature, it does not have issue in sourcing water that is fit for purpose.

Use of Packaging Materials

Due to the Group's business nature, the Group does not generate packaging materials in the selling process except minimal usage of the packaging materials for car parts, so its daily operation does not produce significant amount of packaging materials.

A3. The Environment and Natural Resources

The Group pursues the best practices for environment protection and focuses on the Group's business impacts on the environment and natural resources. In addition to complying with relevant environmental laws and international standards for protecting the natural environment, the Group has also implemented a number of environmental protection policies and measures to reduce its environmental impact.

Environmental Education

The Group conducts environmental education and training for its employees from time to time, and regularly provides environmentally friendly and energy-saving tips and educational materials to its employees to enhance their environmental awareness.

Indoor Air Quality Management

Apart from education and training, the Group also puts emphasis on indoor air quality. The Group has strict control over air quality management, especially pollution caused by smoking. The Group prohibits anyone from smoking in the office and showrooms, and sets the entire operation areas as smoke-free areas with good air ventilation maintained. The Group also designs special outdoor smoking areas for employees and prohibits smoking in indoor public areas. The Group has also installed air purifiers or other devices for removing odor to maintain good air ventilation and indoor air quality.

A4. Climate Change

Climate change poses escalating risks and challenges to the global economy, and such risks may inevitably spread to the field. The Group recognises the importance of identifying and mitigating any significant impacts brought by climate change. Pursuant to the recommendations from Task Force on Climate-Related Financial Disclosures ("TCFD") established by the Financial Stability Board, the management of the Group has evaluated and recognised the impact of climate-related risks on the Group's business and corresponding opportunities. Based upon the evaluation, the Group has integrated climate risks into its enterprise risk management process to manage and review climate-related risks and seize relevant opportunities. With reference to the risk categorisation by TCFD, the identified climate-related risks of the Group and corresponding actions taken to manage them are as follows:

Physical Risks

The increased frequency and severity of extreme weather events such as extreme cold or heat, storms and heavy rains could halt operations of the Group's facilities, and obstruct and injure our employees on the road or during their work. These events could disrupt supply chains, interrupt business operations, and damage the Group's assets, which may negatively impact the Group's revenue and increase the costs of repairment. As a countermeasure, the Group has formulated "Business Continuity Plans for Emergencies" so that loss can be reduced or avoided when extreme weather events affect the Group's operating sites. The Group will identify these risks and prioritise those that may have a significant impact to take precautionary measures in the first place.

Transition Risks

In light of the global vision of decarbonisation as well as the increasing degree of attention on environmental protection, increase in strictness of regulations on vehicles and changes in customer preference were expected. For instance, the European Commission has developed stricter European emissions standards ("Euro 7") for cars, vans, lorries and buses, and it will be in force in the near future. In addition, majority of market research conducted by different major organisation and institutions suggest that there's a significant shift in consumers' preference towards electric vehicle purchase. The aforementioned factors may in turn lead to an increasing demand of electric vehicles and thus lowering the demand of vehicles purchased by the Group, which may negatively impact the Group's revenue and its competitiveness. As a remedy, the Group will closely monitor the changes in the business environment and policy, and capitalise on the opportunities arising from the increase in demand for electric vehicles in Singapore, stimulate the sales and engage suitable suppliers prior to the commencement of Euro 7. With the aim of pursuing a sustainable business model, the Group will also adjust and formulate appropriate business strategies as well as diversify the Group's business where appropriate.

B. Social

B1. Employment

Employees are the core of the Group's greatest and most valuable assets and competitive advantages, providing the Group with the driving force for continuous innovation. The Group respects the principle of "Everyone is equal" and adheres to the people-oriented approach, standardising employment management to respect and protect the legitimate interests of every employee. At the same time, the Group strives to ensure its employees' occupational health and safety, monitor working hours, strengthen democratic management, and protect employee's interests to show its respect to employees and unleash their enthusiasm, initiative and creativity for building a harmonious employment relationship.

In 2023, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group, including but not limited to the "Employment Act" of Singapore.

As at 31 December 2024, the Group had a total of 108 (as at 31 December 2023: 80) employees within the reporting scope. Employees' breakdown by gender, age group, employment type and geographical region are as follows:

Indicators	As at 31 December 2024	As at 31 December 2023
By Gender		
Male	79	59
Female	29	21
By Age Group		
30 or below	33	21
31–40	35	24
41–50	26	21
51 or above	14	14
By Employment Type		
Full-time employees	108	80
Part-time employees	–	–
By Geographical Region		
Hong Kong	6	–
Singapore	102	80
Total	108	80

During 2023, a total of 42 (2022: 25) employees in Singapore left the Group. The employee turnover rate[6] by gender, age group, and geographical region are as follows:

Indicators	2024	2023
By Gender		
Male	18%	18%
Female	40%	40%
By Age Group		
30 or below	52%	26%
31–40	47%	25%
41–50	21%	23%
51 or above	57%	23%
By Geographical Region		
Hong Kong	33%	–
Singapore	44%	24%
Total	44%	24%

Note:

(6) Employee turnover rate = number of employee turnovers by category ÷ average number of employees by category (average of number at the beginning and the end of year) × 100%.

Recruitment, Promotion and Dismissal

Based on merit selection against the job criteria, the Group applies robust and transparent recruitment processes, and recruits individuals based on their suitability for the position and potential to fulfil the Group's current and future labour demand.

The Group believes that promoting its internal staff will strengthen the working morale within the Group. The Human Resources Department will circulate the internal job posting through emails or notice so that all staff will be notified of new vacancies. If the staff is eligible for the new opening, he or she will be internally transferred or promoted. A fair and equal opportunity will be given to both internal staff and other candidates.

Any appointment, promotion or termination of employment contract should be based on reasonable, lawful grounds and internal policies, such as the "Sales Staff Handbook". The Group strictly prohibits any kind of unfair or illegitimate dismissals. For those who have poor working performance or constantly make mistakes, the Group would warn them verbally before issuing a warning letter. For those who remain untamed despite making the same mistakes repeatedly, the Group would dismiss the person according to relevant laws in Singapore.

Remuneration

A satisfactory and rewarding remuneration package could reduce employee turnover rate for the Group, and lessen the pressure on recruiting and training new staff. It is also a commitment of the Group to reward its existing staff members who contribute towards the Group's growth and success. The Group's competitive remuneration packages include holidays, annual leave, medical scheme, dental scheme, group insurance, mandatory provident fund, year-end double pay, discretionary bonus, etc.

Equal Opportunities

The Group strictly complies with national and local standards by adopting a fair, impartial and open recruitment process and develops relevant system files to eliminate discrimination in the recruitment processes. Employees face no discrimination regardless of race, religion, colour, gender, physical or mental disability, age, place of origin, marital status, and sexual orientation and thus allowing them to enjoy fair treatment in every aspect including recruitment, salary, training and promotion. Both male and female employees receive the same remuneration with the same job duties. The Group also endeavors to attract professionals with diverse background to join the Group.

B2. Health and Safety

The Group highly recognises the importance of health and safety of its employees. The Group commits to providing employees with a healthy, safe and comfortable working environment by establishing relevant policies, and strives to eliminate potential health and safety hazards at the workplace.

Safety Measures

The Group has always focused on standardising the management system to regulate its occupational health and safety management. The Group acquires risk management capability in managing terror incidents with implementing risk management plan to tackle against terror incidents. All workplaces covered under the "Workplace Safety and Health Act" ("WSHA") are required to conduct risk management for every work activity and process carried out at their workplaces. The Group's professional safety supervisors also regularly monitor and evaluate safety measures, and will carry out corrective measures immediately to prevent accidents.

In 2024, the Group was not aware of any material non-compliance with health and safety-related laws and regulations that would have a significant impact on the Group, including but not limited to the WSHA and the "Work Injury Compensation Act" of Singapore. The Group did not have any records on lost days due to work injury during 2024 (2023: nil), nor any work-related fatalities in each of the past four years (including 2024).

Occupational Safety and Health Training

The Group creates a good working environment for employees, strengthens safety in workplace, and guarantees the operational safety of motor vehicles. The Group provides employees with safety education and trainings, allowing them to have the knowledge of workplace safety and be familiar with relevant workplace safety regulations and operating procedures.

Operational Health and Safety Management

In order to prevent occupational diseases and injuries, the Group allows employees to have full awareness on the factors causing occupational diseases, potential consequence of occupational hazards and protective measures. The Group conducts internal reviews on an annual basis to keep employees informed of the important content according to WSHA. In addition, the Group provides employees with occupational health and safety trainings and evaluates the effectiveness of trainings through drills annually. To improve the training programs, the Group consults employees' opinion by survey and collects their suggestions through email. The Group also arranges occupational body check for employees and establishes occupational health records.

Fire Safety Management

The Group attaches great importance to fire safety in the office and showrooms, designs and constructs office and showrooms in accordance with national engineering building fire control standards, and has formulated fire safety work measures and established fire control systems. Fire-fighting facilities, including fire sprinkler systems, fire extinguishers, fire hoses, etc., are installed in office and showrooms, and are regularly maintained by external professional companies. "No smoke and fire" signs are posted on prominent positions in the gates and showrooms. Motor vehicles are required to park at designated locations. In addition, the Group strengthens the monitoring of key locations (such as transformers and power distribution rooms) to reduce fire hazards. The Group also regularly organises fire safety training and emergency drills for employees to raise their awareness of fire protection. The above policies and procedures are regularly reviewed to ensure their effectiveness.

B3. Development and Training

The Group has established a long-term employee development mechanism, continuously providing job skills courses that satisfy the needs of employees. The purpose is to enhance their work performance and to have a smoother promotion path. Through a diversified training model, the Group meets the diverse needs of employees at all levels, enhancing staff's skills, helping the Group to achieve sustainable development, and promoting individual employee growth and development.

Training Management and Courses

The Group actively supports the mentoring of junior and new employees by experienced staff to help new employees adapt to the Group. During the guidance process, experienced employees can also be inspired by new ideas and enhance their abilities and knowledge. The Group also encourages employees to participate in external training on their own, and will subsidise employees to obtain professional qualifications related to the business of the Group.

All the sales personnel of the Group will hold product training meetings regularly to inform employees about the product knowledge and selling process to facilitate the smooth operation of the Group's selling of motor vehicles business. The Group entrusts instructors of professional organisations or arranges business leaders at all levels within the Group to conduct training for employees. The training content may include presentation of a brand new parallel-imported motor vehicles, declaration of national catalogue processes and details, diagnosis of new financial regulations, team building brainstorming method, etc..

New recruits will receive on-the-job training to help them adapt to the work environment and perform their duties as quickly as possible. The Group also trains key personnel such as front-line sales persons, environmental and safety management personnel and quality inspectors.

The Group also attaches great importance to safety workplace training to protect the personal safety of employees. The relevant policies and training have been described in detail in aspect B2 "Health and Safety".

During 2024, approximately 14.81%[7] (2023: approximately 16.25%) of employees were trained, with the average training hours of approximately 10.25 hours (2023: approximately 0.73 hours) per employee[8]. The breakdown of employees trained and the average training hours per employee by gender and employee category are as follows:

	2024		2023	
	Breakdown of employees trained (%)[9]	**Average training hours per employee (hours)[8]**	Breakdown of employees trained (%)[9]	Average training hours per employee (hours)[8]
By Gender				
Male	**81.25**	**11.61**	30.77	0.14
Female	**18.75**	**4.67**	69.23	2.38
By Employee Category				
Management	**00.00**	**0.00**	23.08	8.00
General staff	**100.00**	**10.25**	76.92	0.44

Notes:

(7) Total percentage of employees trained = total number of employees trained during the year ÷ total number of employees as at the end of the year × 100%. Figures in 2023 were supplemented for comparison.

(8) Average training hours per employee = number of training hours by category during the year ÷ number of employees by category as at the end of the year. Figures in 2023 were supplemented for comparison.

(9) Breakdown of employees trained = number of employees trained by category ÷ total number of employees trained × 100%.

B4. Labour Standards

The Group complies with the International Labour Organization's ("ILO") Convention and Ministry of Manpower ("MOM") in Singapore. No employee will be compelled to work against his or her will through force or intimidation of any form or subjected to corporal punishment or coercion of any type related to work.

In 2024, 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 in the Group, including but not limited to the "Employment Act" of Singapore.

Preventive Measures of Child Labour and Forced Labour

The Group strictly prohibits the use of any child and forced labour by its operations in Singapore. The Group has established related policies to avoid child and forced labour, a well-established recruitment process including examining the candidate's background as well as a formal reporting process to address any exceptions. The Group's recruitment post stipulates that only employees over the age of 18 will be recruited and all new employees are required to provide true and accurate personal information. The recruiters will stringently verify their information, including body check results, academic certificates, identity card and account information. The Human Resources Department will also eliminate job applicants under the age of 18. If there is any violation case of child labour is confirmed, the Group would terminate the employment contract immediately, and may refer the case to relevant statutory bodies in light of the actual situation.

The Group respects human rights and promises that all employees should be protected by the Group and should not be forced to work by employees of any class. In addition, employees work overtime on a voluntary basis, and the Group promises not to force employees to work overtime to avoid violating labour standards and effectively safeguarding employee rights. The Group will not collect deposits from new recruits or seize their identity documents. The Human Resources Department also regularly checks the working hour record and will investigate immediately if overworking is discovered. The Group also prohibits punitive measures, management methods and behaviors such as abusive, corporal punishment, violence, mental stress, sexual harassment (including inappropriate language, posture and physical contact), sexual abuse, etc. for any reason.

B5. Supply Chain Management

Apart from the trends of imported motor vehicles and its requirements, the Group also attaches great importance to the management of potential environmental and social risks in the supply chain. The Group has established a rigorous and standardised procurement system and supplier selection process, and has imposed environmental and social risk control requirements on suppliers.

The Group mainly procures motor vehicles from local and overseas suppliers who are mainly wholesalers generally sourcing directly from the motor vehicle manufacturers in Japan and Europe. The Group's suppliers also include individual or corporate customers who trade-in their used cars with the Group at the same time as they purchase new motor vehicles from the Group.

During 2024, the Group had engaged 16 (2023: 20) major suppliers, of which 14 are located in Singapore, 1 is located in Japan, and 1 is located in Mainland China (2023: 17 were located in Singapore, 1 was located in Hong Kong, 1 was located in Malaysia and 1 was located in Mainland China), all of which are engaged and managed under the established procedures described as follows.

The Group has implemented a well-managed procurement system and a rigorous supplier selection process to ensure the quality of its products. In addition, all suppliers are monitored and assessed by the Group regularly. In order to deliver the best service for its customers, the Group takes into account the following:

- The reliability of such suppliers and its working relationship with them;
- The price of the motor vehicles offered by such suppliers; and
- The assessment on whether such suppliers are well-established.

The Group engages new suppliers for small orders in order to pre-assess whether their supply of motor vehicles conforms to the Group's standards and requirements.

In addition, the Group takes measures to assess whether suppliers act in compliance with relevant laws and regulations and other required standards for health, safety, forced labour and child labour, and to examine suppliers' awareness of these aspects in order to reduce the social risk of the Group's supply chain.

Fair and Open Procurement

The Group's procurement procedures strictly abide by the established principles of fairness, transparency and value-for-money ("VFM") and related regulations, making procurement on an open, fair and impartial basis without any discrimination against any particular supplier. Employees and other individuals who share common interest with the relevant supplier will not be allowed to participate in the relevant procurement activities.

The Group also concerns about the integrity of suppliers, and will only select suppliers who have a good track record in the past and do not have any serious violations or ethical violations. The Group has zero tolerance for bribery and corruption, and it is strictly forbidden for suppliers and partners to obtain procurement contracts or partnerships through any form of transfer of benefits.

With the rising concerns regarding environmental matters in society, the Group recognises the importance of embedding environmental and social risks consideration of our supply chain into our management processes. To ensure the quality and safety of the services provided by our suppliers are maintained at a high standard, the Group conducts reviews and evaluations on the suppliers on a regular basis. If any of the suppliers' service quality is considered unsatisfactory for a period of time, the Group will remove the non-compliant supplier from the list of approved suppliers.

In addition to the service quality, factors such as market reputation, customer service quality, trial service performance and whether or not their products and services are environmentally preferable are also key elements considered when evaluating the suppliers. All else being equal, the Group will give priorities to suppliers which promote environmentally preferable products and services. The above policies and procedures are regularly reviewed to ensure their effectiveness.

B6. Product Responsibility

The Group attaches great importance to product quality and corporate reputation, and actively monitors the quality of products and services through internal controls and relevant mechanism, and strictly monitors the compliance of products sold. The Group also maintains communication with its customers and provides after-sales service to ensure understanding and meeting customer needs and expectations, and continuously improves its products and services by understanding customer satisfaction level.

In 2024, the Group was not aware of any material non-compliance with laws and regulations concerning health and safety, advertising, labelling and privacy matters relating to products and services that would have a significant impact on the Group, including but not limited to the "Sale of Goods Act", the "Supply of Goods and Consumer Protection (Fair Trading) Act" and the "Personal Data Protection Act" of Singapore.

Quality Control

The Group implements strict quality control, its quality standards are formulated with reference to applicable Singapore standards, a comprehensive quality control system is established, and the Certificate of Conformity ("COC") for the exported motor vehicles or Completion Inspection Certificate ("CIC") for the new motor vehicles are obtained. The Group also has to undergo an emission and fuel economy test at the Vicom Emissions Test Laboratory ("VETL") to ascertain their fuel economy and carbon dioxide figures at the point of importation.

The registration process of imported motor vehicles into Singapore is rigorous, and they must pass the registration and technical requirements of the Land Transport Authority. After the registration is completed, the quality manager of the Group reviews the registration document. Only products that meet the requirements can be sold, and motor vehicles that fail to be registered will be prohibited from being imported into Singapore according to the relevant procedures.

During 2024, there was no product sold or shipped subject to recall for safety and health reasons (2023: nil).

Customer Services and Complaints Handling

The Group provides quality service experience to consumers through standardised service quality, humanised service process and standardised service management. Prior to the delivery of motor vehicles to customers, the Group's staff will generally carry out a predelivery inspection exercise by conducting a thorough check on each motor vehicle. After determining that the condition of the motor vehicle is satisfactory, the Group will then deliver the motor vehicles to its customers. Pursuant to the terms of the Group's sales agreement for new parallel-import motor vehicles, the Group provides its customers with warranties which are set out in a service booklet provided to them. After-sales services will be provided to customers to address their enquiries. If there is a problem with the product, the Group will actively approach the customer for possible product recycling.

Any customer complaints will first be handled by the Group's trained sales staff. If the complaint cannot be resolved at the first instance, the matter will be escalated to the Group's senior management. The Sales Department continuously tracks the feedback from customers in order to increase customer satisfaction.

To implement excellent customer service, the Group has set up a "Complaint Handling Mechanism", and all issues are followed-up and dealt with by the sales team to allow customers to have channels to submit complaints and successfully resolve any issues. The Group also conducts customer satisfaction surveys to allow it to analyze the level of customer satisfaction and make improvements.

During 2024, the Group was not aware of any material written complaint (2023: nil).

Privacy Protection

The Group cautiously manages customer files to avoid leakage of customer privacy, and requires relevant business personnel to sign the "Confidentiality Agreement" when they join the Group to strengthen the protection of the Group's business secrets. The above policies and procedures are regularly reviewed to ensure their effectiveness.

Protection of Intellectual Property Rights

The Group is committed to maintaining and safeguarding intellectual property rights, and has different practices to ensure that intellectual property rights are respected. Conventions include not buying pirated products, conducting monthly internal audits, checking whether employees have downloaded pirated software privately, not using photos that are not authorised by the third-party manufacturers, and verifying whether the photos used by the Group are copyrighted once a month. In addition, the Group will not adopt designs that are not authorised by the third-party manufacturers, and will check whether the designs belong to the Group every six months. The Group promises that all propaganda or product designs of the Group do not involve plagiarism, and requires all employees to have a sense of intellectual property rights and keep their designs confidential.

Service Quality

The Group has established relevant procedures to ensure that the products and services it provides comply with relevant regulations and laws. The Group is committed to providing clear and balanced information to its clients. Product features, use terms and conditions, and any associated risks are clearly communicated by the Group's licensed employees through emails and telephones (with recording function) to its clients, so that clients can make an informed decision. Clients that are interested in the Group's services are required to sign a client agreement, acknowledging the related terms and conditions along with the associated risks.

Advertising and Labelling

Based on the business nature of the Group, the Group only conducts limited publicity activities. Therefore, the business operations of the Group do not involve material advertising and labelling related risks.

B7. Anti-corruption

Anti-corruption Policies and Systems

The Group believes that a corporate culture with integrity is the key to its continued success. The Group has zero tolerance against any form of bribery, extortion, fraud or money laundering. In all circumstances, the Group requires employees to adhere to the highest level of business ethics and professional conduct while carrying out business. This drives the Group to work with its employees to build a prudent and transparent business. Internally, the Group's staff are required to comply with the "Code of Conduct and Ethical Guidelines", and relevant policies of conflict of interests, anti-competition and anti-corruption. During 2024, there was no any concluded legal cases regarding corrupt practices brought against the Group or its employees (2023: nil).

Whistle-blowing Mechanism

The Group educates all employees on anti-corruption awareness and encourages them to report any corruption or fraud activities. A "Whistle-blowing Policy" has been devised to set out procedures governing relevant complaints received by the Group. We promptly conduct inspections and take necessary measures while protecting the identity of the whistle-blower to prevent any conflict of interest or behaviors that will bring harm to the Group and the stakeholders. The above policies and procedures are regularly reviewed to ensure their effectiveness.

In 2024, the Group was not aware of any material non-compliance with the relevant laws and regulations of bribery, extortion, fraud and money laundering that would have a significant impact on the Group, including but not limited to the "Prevention of Corruption Act", the "Penal Code" and the "Official Secrets Act" of Singapore.

In addition, the Group circulates relevant guidelines on anti-money laundering and counter-terrorist financing to the Board and relevant staff at least annually, which familiarise them with their corresponding role and responsibility regarding anti-corruption and business ethics under applicable laws and regulations. In 2024, the Directors engaged in self-learning on anti-corruption-related information through e-learning courses and relevant reading materials to enhance their knowledge and understanding of anti-corruption practices.

Conflict of Interest

As part of the Group, employees have the responsibility to protect the Group's interest and avoid situations that may present a potential or actual conflict between their own interests and the Group's interests. They should not take any advantage of their position in gaining personal benefits. The Group encourages its employees to raise complaints about misconduct and malpractice directly to the Directors of the Group.

B8. Community Investment

Corporate Social Responsibility

The Group believes in shouldering the responsibility of contributing to society while having economic development. As a responsible corporation, the Group has followed relevant guidelines of community investment and fulfilled its social responsibilities by actively cooperating with charitable organisations, organising social activities for the purpose of public welfare and charity, and establishing a good public image. The focus of the Group's community investment includes but not limited to environmental protection and social services.

Community Participation

The Group is committed to serving the community through community participation and contribution. The Group incorporates environmental, manpower needs, education and culture into community-based discussions to support relevant activities.

Corporate Social Responsibility Education

The Group strives to foster employees' sense of social responsibility and encourages employees to participate in social welfare activities during their work and leisure time to make greater contributions to the community. The Group also arranges activities like environmental protection, donation and social services for employees. The Group believes that by participating in the community activities, the civic awareness of its employees can be enhanced, and positive values can be established.

The Group encourages employees to participate in charity events, volunteer works, and environmental protection activities in order to make contributions to its society. The Group believes that through personally participating in these activities that contribute to the community, its employees could build positive values and become socially responsible citizens.

During 2024, the Group made charitable donation of approximately S$14,000 (2023: S$6,000). A donation of S$14,000 (2023: S$,1000) was made to Fo Guang Shan (Singapore), an organisation dedicated to promoting education, Buddhist culture, social welfare services and social togetherness in Singapore. In 2023 S$5,000 (2024: Nil) was donated to the POSB Passion Kids Fund which supports children in the community through activities and programmes aimed at enhancing social capital and community development.

THE ESG REPORTING GUIDE CONTENT INDEX OF THE HKEX

Mandatory Disclosure Requirements	Section
Governance Structure	Introduction and Approach to Environmental, Social and Governance – The ESG Governance Structure
Reporting Principles	Reporting Framework
Reporting Boundary	Reporting Scope

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
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 Exhaust Gas and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions – Exhaust Gas Emissions
KPI A1.2	GHG emissions in total (in tonnes) and intensity.	Emissions – GHG Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity.	Emissions – Waste Management
KPI A1.4	Total non-hazardous waste produced (in tonnes) and intensity.	Emissions – Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Emissions – Exhaust Gas Emissions, GHG Emissions
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

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources – Energy Consumption
KPI A2.2	Water consumption in total and intensity.	Use of Resources – Water Management
KPI A2.3	Description of energy use efficiency initiatives and results achieved.	Use of Resources – Energy Consumption
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Use of Resources – Water Management
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Use of Resources – Use of Packaging Materials (Not applicable – Explained)
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact 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 – Environmental Education, Indoor Air Quality Management
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

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
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, antidiscrimination, and other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type, 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.	Health and Safety – Safety Measures
KPI B2.2	Lost days due to work injury.	Health and Safety – Safety Measures
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety – Safety Measures, Occupational Safety and Health Training, Operational Health and Safety Management, Fire Safety Management

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	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 – Training Management and Courses
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training – Training Management and Courses
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
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards – Preventive Measures of Child Labour and Forced Labour
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards – Preventive Measures of Child Labour and Forced Labour
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, how they are implemented and monitored.	Supply Chain Management
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 – Fair and Open 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 – Fair and Open Procurement

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
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 provided 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 – Quality Control
KPI B6.2	Number of products and service-related complaints received and how they are dealt with.	Product Responsibility – Customer Services and Complaints Handling
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 – Quality Control
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 – Anti-corruption Policies and Systems
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption – Whistle-blowing Mechanism
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption – Whistle-blowing Mechanism

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
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 – Community Participation
KPI B8.2	Resources contributed (e.g., money or time) to the focus area.	Community Investment – Corporate Social Responsibility Education

Independent Auditor's Report

羅兵咸永道

To the shareholders of Guan Chao Holdings Limited
(incorporated in the Cayman Islands with limited liability)

Opinion

What we have audited

The consolidated financial statements of Guan Chao Holdings Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 75 to 159, comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the consolidated statement of comprehensive income for the year then ended;
- the consolidated statement of changes in equity for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, comprising material accounting policy information and other explanatory information.

Our opinion

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2024, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, 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.

The key audit matter identified in our audit is related to revenue recognition on sales of motor vehicles.

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition on sales of motor vehicles	
Refer to Note 5 to the consolidated financial statements and the accounting policy as set out in Note 2.1.18 to the consolidated financial statements. The operating revenue of Guan Chao Holdings Limited is mainly from the sales of motor vehicles. In 2024, the Group recorded revenue from operations of S$190.9 million in the consolidated financial statements, which mainly included revenue from the sales of motor vehicles of S$177.0 million. Revenue recognition on sales of motor vehicles is identified as a key audit matter because of its financial significance to the consolidated financial statements and is one of the key performance indicators of the Group. Accordingly, there may be risks of material misstatements related to revenue recognition.	Our procedures in relation to revenue recognition on sales of motor vehicles included the following: – Understood, evaluated and validated the design and operating effectiveness of the internal controls and processes of revenue recognition on sales of motor vehicles; – Performed analytical review on revenue by motor vehicle brand to identify significant or unusual fluctuations in revenue; – Performed testing of revenue, on a sample basis, by inspecting relevant supporting documents including sale agreements and vehicle delivery acknowledgement notes; – Checked on a sample basis whether there was any significant reversal of revenue or sales return after the financial year end; – Assessed, on a sample basis, whether specific revenue transactions around the end of the reporting period had been recognised in the appropriate period by comparing the transactions selected with relevant underlying documentation, including sale agreements and vehicle delivery acknowledgement notes.

Other Information

The directors of the Company are responsible for the other information. The other information comprises all of 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. We have nothing to report in this regard.

Responsibilities of Directors and the Audit Committee 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 IFRS Accounting Standards 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 Audit Committee is responsible 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. We report our opinion solely to you, as a body, 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 judgment 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.

- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee 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 the Audit Committee 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 the Audit Committee, 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 describe 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 Lam Chun Yee, Johnny.

PricewaterhouseCoopers
Certified Public Accountants
Hong Kong, 31 March 2025

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2024

	Note	Year ended 31 December 2024 S$'000	2023 S$'000
Revenue	5	190,894	180,878
Cost of sales	8	(169,594)	(158,442)
Gross profit		21,300	22,436
Other income	6(a)	653	354
Other gains – net	6(b)	580	2,742
Selling and distribution expenses	8	(4,019)	(3,266)
General and administrative expenses	8	(18,243)	(10,308)
Impairment of receivables		(785)	(127)
Operating (loss)/profit		(514)	11,831
Finance income	7	142	179
Finance expenses	7	(2,926)	(3,099)
Finance expenses – net		(2,784)	(2,920)
Share of profit of a joint venture	26	209	449
Share of loss of associates	27	(249)	(17)
(Loss)/profit before income tax		(3,338)	9,343
Income tax credit/(expense)	10(a)	270	(1,600)
(Loss)/profit for the year and total comprehensive (loss)/income for the year		(3,068)	7,743
(Loss)/profit for the year and total comprehensive (loss)/income for the year			
Equity holders of the Company		(3,240)	7,754
Non-controlling interest	25(a)(i)	172	(11)
		(3,068)	7,743
			(restated)
(Losses)/earnings per share for (loss)/profit attributable to equity holders of the Company for the year (expressed in Singapore cents per share)			
– Basic	12(a)	(3.2)	8.6
– Diluted	12(b)	(3.2)	8.6

The above consolidated statement of comprehensive income should be read in conjunction with the accompanying notes.

Consolidated Statement of Financial Position

As at 31 December 2024

	Note	2024 S$'000	2023 S$'000
		As at 31 December	
ASSETS			
Non-current assets			
Property, plant and equipment	13	**29,850**	33,576
Financial assets at fair value through other comprehensive income	14	**100**	100
Deferred income tax assets	10(b)	**–**	301
Finance lease receivables	18	**28,130**	37,908
Investment in a joint venture	26	**1,369**	1,160
Investments in associates	27	**464**	2,197
		59,913	75,242
Current assets			
Inventories	15	**38,939**	36,730
Trade and other receivables and prepayments	16	**19,732**	19,926
Finance lease receivables	18	**7,969**	9,066
Cash and bank balances	17	**11,200**	12,975
		77,840	78,697
Total assets		**137,753**	153,939
EQUITY			
Capital and reserves attributable to owners of the Company			
Share capital	22	**1,855**	1,550
Share premium	22	**13,514**	11,864
Capital reserve	22	**3,494**	3,494
Share based payment reserve		**1,440**	1,440
Retained earnings		**50,557**	53,258
		70,860	71,606
Non-controlling interest	25(a)(i)	**561**	389
Total equity		**71,421**	71,995

Consolidated Statement of Financial Position

As at 31 December 2024

	Note	As at 31 December 2024 S$'000	2023 S$'000
LIABILITIES			
Non-current liabilities			
Borrowings	20	37,461	51,466
Contract liabilities	19	562	–
Deferred income tax liabilities	10(b)	189	–
		38,212	51,466
Current liabilities			
Trade and other payables and provision for warranty	19	10,310	8,073
Borrowings	20	17,790	20,110
Derivative financial instruments	21	–	87
Income tax liabilities		20	2,208
		28,120	30,478
Total liabilities		66,332	81,944
Total equity and liabilities		137,753	153,939

The consolidated financial statements on pages 75 to 159 were approved and authorised for issue by the Board of Directors on 31 March 2025 and were signed on its behalf.

Mr. Tan Shuay Tarng Vincent
Director

Ms. Ng Hui Bin Audrey
Director

The above consolidated statement of financial position should be read in conjunction with the accompanying notes.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2024

	Note	Share capital S$'000	Share premium S$'000	Capital reserve S$'000 (Note 22)	Share based payment reserve S$'000	Retained earnings S$'000	Non-controlling interest S$'000	Total equity S$'000
		Attributable to owners of the Company						
Balance at 1 January 2023		1,550	11,864	3,494	1,440	45,504	–	63,852
Capital contribution by a non-controlling interest	25(a)(ii)	–	–	–	–	–	400	400
Profit/(loss) and total comprehensive income/(loss) for the year		–	–	–	–	7,754	(11)	7,743
Balance at 31 December 2023		1,550	11,864	3,494	1,440	53,258	389	71,995

	Note	**Share capital S$'000**	**Share premium S$'000**	**Capital reserve S$'000 (Note 22)**	**Share based payment reserve S$'000**	**Retained earnings S$'000**	**Non-controlling interest S$'000**	**Total equity S$'000**
		Attributable to owners of the Company						
Balance at 1 January 2024		**1,550**	**11,864**	**3,494**	**1,440**	**53,258**	**389**	**71,995**
Issue of new shares under general mandate	22(b)	**305**	**1,650**	**–**	**–**	**–**	**–**	**1,955**
Gain on disposal of financial assets at fair value through other comprehensive income	24(a)	**–**	**–**	**–**	**–**	**539**	**–**	**539**
(Loss)/profit and total comprehensive (loss)/income for the year		**–**	**–**	**–**	**–**	**(3,240)**	**172**	**(3,068)**
Balance at 31 December 2024		**1,855**	**13,514**	**3,494**	**1,440**	**50,557**	**561**	**71,421**

The above consolidated statement of changes in equity should be read in conjunction with the accompanying notes.

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Note	Year ended 31 December 2024 S$'000	2023 S$'000
Cash flows from operating activities			
(Loss)/profit before income tax		**(3,338)**	9,343
Adjustments for:			
Depreciation expense	13	**5,573**	4,477
Impairment of property, plant and equipment	13	**64**	–
Gain on disposal of property, plant and equipment	6(b)	**(441)**	(2,794)
Gain on disposal of right-of-use assets	6(b)	**(1)**	(4)
Finance expenses	7	**2,926**	3,099
Finance income	7	**(142)**	(179)
Impairment of goodwill from investment in an associate	27	**1,484**	–
Provision for inventories write down	15	**1,269**	38
Impairment of receivables		**785**	127
Forfeiture of trade deposits paid	8	**2,178**	214
Share of loss of associates	27	**249**	17
Share of profit of a joint venture	26	**(209)**	(449)
Loss on deemed disposal of a joint venture	26	**–**	5
Fair value gain on derivative financial instruments, net	6(b)	**(87)**	(416)
		10,310	13,478
Changes in working capital:			
Inventories		**(3,478)**	10,094
Finance lease receivables		**10,951**	(3,146)
Trade and other receivables		**(2,846)**	4,355
Trade and other payables and provision for warranty		**2,799**	(7,515)
Cash generated from operations		**17,736**	17,266
Interest received		**144**	179
Income tax paid		**(1,429)**	(1,200)
Net cash generated from operating activities		**16,451**	16,245

Consolidated Statement of Cash Flows

For the year ended 31 December 2024

	Note	Year ended 31 December 2024 S$'000	2023 S$'000
Cash flows from investing activities			
Purchase of property, plant and equipment	13	**(4,878)**	(11,753)
Proceeds from disposal of property, plant and equipment	24(a)	**4,914**	9,319
Proceed from disposal of financial assets at fair value through other comprehensive income	24(a)	**639**	–
Payments for financial assets at fair value through other comprehensive income	14	**(100)**	–
Investment in associate		**–**	(5)
Net cash generate from/(used in) investing activities		**575**	(2,439)
Cash flows from financing activities			
Proceeds from borrowings	24(b)	**24,110**	47,986
Repayment of borrowings	24(b)	**(40,698)**	(50,701)
Issuance of new shares	22(b)	**1,955**	–
Transaction with non-controlling interest	25(a)(ii)	**–**	400
Principal elements of lease liabilities	24(b)	**(1,242)**	(942)
Interest elements of lease liabilities	24(b)	**(85)**	(102)
Interest paid	24(b)	**(2,841)**	(2,997)
Net cash used in financing activities		**(18,801)**	(6,356)
Net (decrease)/increase in cash and cash equivalents		**(1,775)**	7,450
Cash and cash equivalents at beginning of year		**12,975**	5,525
Cash and cash equivalents at end of year	17	**11,200**	12,975

The above consolidated statement of cash flows should be read in conjunction with the accompanying notes.

1 General information

The Company was incorporated in the Cayman Islands with the name of Guan Chao Holdings Limited (the "Company") on 4 July 2017 as an exempted company with limited liability under the Companies Law (Cap. 22, Law 3 of 1961 as consolidated and revised) of the Cayman Islands. The address of the Company's registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands.

The Company is an investment holding company. The principal activities of the Company and its subsidiaries (together, the "Group") are sale of new parallel-import motor vehicles and pre-owned motor vehicles, provision of motor vehicle financing services and motor vehicle insurance agency services, sale of motor vehicle spare parts and accessories, and provision of motor vehicle leasing services.

The Company's ordinary shares were listed on the Main Board of the Stock Exchange of Hong Kong Limited on 28 February 2019.

The consolidated financial statements are presented in thousands of units of Singapore Dollar ("S$'000") unless otherwise stated. The consolidated financial statements have been approved for issue by the Board of Directors on 31 March 2025.

2.1 Summary of material accounting policies

2.1.1 Basis of preparation

The consolidated financial statements of the Company have been prepared in accordance with IFRS Accounting Standards issued by the International Accounting Standards Board (the "IASB") and disclosure requirements of the Hong Kong Companies Ordinance Cap. 622. The consolidated financial statements have been prepared under the historical cost convention except for the financial assets at fair value through other comprehensive income and derivative financial instruments which are measured at fair values.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Group's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in Note 4. The material accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

2.1 Summary of material accounting policies (Continued)

2.1.1 Basis of preparation (Continued)

(i) Amended standards and interpretation adopted by the Group

The following amended standards and interpretation have been adopted by the Group for the first time for the financial year beginning on or after 1 January 2024:

HKAS 1 (Amendments)	Classification of Liabilities as Current or Non-current
HKAS 1 (Amendments)	Non-current Liabilities with Covenants
HKFRS 16 (Amendments)	Lease Liability in a Sale and Leaseback
Hong Kong Interpretation 5 (Revised)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause
HKAS 7 and HKFRS 7 (Amendments)	Supplier Finance Arrangements

The adoption of the amended standards and interpretation does not have any material impact on the Group's consolidated financial statements for the current period.

(ii) New and amended standards and interpretation not yet adopted by the Group

The following new and amended standards and interpretation have been issued but are not effective for the financial year beginning on 1 January 2024 and have not been early adopted by the Group:

		Effective for annual periods beginning on or after
HKAS 21 and HKFRS 1 (Amendments)	Lack of Exchangeability	1 January 2025
HKFRS 9 and HKFRS 7 (Amendments)	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
HKFRS 18	Presentation and Disclosure in Financial Statements	1 January 2027
HKFRS 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Hong Kong Interpretation 5 (Amendments)	Presentation of Financial Statements – Classification by the Borrower of a Term Loan that Contains a Repayment on Demand Clause	1 January 2027
HKFRS 10 and HKAS 28 (Amendments)	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	To be determined

The Group is currently assessing the impact of these new and amended standards and interpretation on the Group's financial position and performance and plans to adopt these new and amended standards and interpretation when they become effective.

2.1 Summary of material accounting policies (Continued)

2.1.2 Principles of consolidation and equity accounting

(a) Subsidiaries

Subsidiaries are entities (including a structured entity) over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

Non-controlling interests in the results and equity of subsidiaries shown separately in the consolidated statement of comprehensive income, consolidated statement of changes in equity, and consolidated statement of financial position respectively.

Intra-group transactions, balances, unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the transferred asset. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

(b) Associates and a joint venture

Investments in a joint venture and an associate are accounted for using the equity method, after initially being recognised at cost in the consolidated statement of financial position.

Under the equity method of accounting, the investments are initially recognised at cost and adjusted thereafter to recognise the Group's share of the post-acquisition profits or losses of the investee in profit or loss, and the Group's share of movements in other comprehensive income of the investee in other comprehensive income. Dividends received or receivable from joint venture or associate are recognised as a reduction in the carrying amount of the investment.

Where the Group's share of losses in an equity-accounted investment equals or exceeds its interest in the entity, including any other unsecured long-term receivables, the Group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the other entity.

Unrealised gains on transactions between the Group and the joint venture and associate are eliminated to the extent of the Group's interest in these entities. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of equity-accounted investees have been changed where necessary to ensure consistency with the policies adopted by the Group.

The carrying amount of equity-accounted investment is tested for impairment in accordance with the policy described in Note 2.1.6.

2.1 Summary of material accounting policies (Continued)

2.1.2 Principles of consolidation and equity accounting (Continued)

(c) Separate financial statements

Investments in subsidiaries are accounted for at cost less impairment. Cost includes direct attributable costs of investment. The results of subsidiaries are accounted for by the Company on the basis of dividend received and receivable.

Impairment testing of the investments in subsidiaries is required upon receiving a dividend from these investments if the dividend exceeds the total comprehensive income of the subsidiary in the period the dividend is declared or if the carrying amount of the investment in the separate financial statement exceeds the carrying amount in the consolidated financial statements of the investee's net assets including goodwill.

2.1.3 Foreign currency translation

(a) Functional and presentation currency

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in Singapore dollar ("S$"), which is the Company's functional and the Group's presentation currency.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currencies") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions or valuation where items are re-measured. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the consolidated statement of comprehensive income.

(c) Group companies

The results and financial position of all the group entities (none of which has the currency of a hyper-inflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;

(ii) income and expenses for each statement of comprehensive income are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the rate on the dates of the transactions); and all resulting currency translation differences are recognised in other comprehensive income.

2.1 Summary of material accounting policies (Continued)

2.1.4 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker (the "CODM"). The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Company's executive directors (the "Executive Directors"), who make strategic decisions.

2.1.5 Property, plant and equipment

All property, plant and equipment is stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to consolidated statement of comprehensive income during the financial period in which they are incurred.

Depreciation is calculated using the straight-line method to allocate their cost, net of their residual values, over their estimated useful lives, as follows:

Workshop and office equipment	3 years
Motor vehicles	5–10 years
Leasehold improvements	Shorter of remaining lease term or 3 years
Computers and software	1–3 years
Furniture and fittings	3 years
Leasehold properties	25–27 years
Right-of-use assets	Remaining lease term

Assets under construction are not depreciated until they have been placed in used.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount (Note 2.1.6).

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within "other gains – net" in the consolidated statement of comprehensive income.

2.1 Summary of material accounting policies (Continued)

2.1.6 Impairment of non-financial assets

Property, plant and equipment, right-of-use assets, investments in a joint venture and an associate are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered an impairment are reviewed for possible reversal of the impairment at each reporting date.

An impairment loss for an asset is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of accumulated depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in the consolidated statement of comprehensive income.

2.1.7 Trade and other receivables

Trade receivables are amounts due from customers for goods sold or services performed in the ordinary course of business. They are generally due for settlement within 30 days and therefore all classified as current.

Trade and other receivables are recognised initially at the amount of consideration that is unconditional unless they contain significant financing components, when they are recognised at fair value. The Group holds the trade and other receivables with the objective of collecting the contractual cash flows and therefore measures them subsequently at amortised cost using the effective interest method. See Note 16 for further information about the Group's accounting for trade receivables and Note 2.1.9 for a description of the Group's impairment policies.

2.1 Summary of material accounting policies (Continued)

2.1.8 Financial instruments

(a) *Classification*

The Group is required to classify its financial assets in the following categories:

- those to be measured at amortised cost;
- those to be measured through other comprehensive income ("FVOCI"); and
- those to be measured at fair value through profit or loss ("FVPL").

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in equity instruments that are not held for trading, this will depend on whether the Group has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Group reclassifies debt instruments when and only when its business model for managing those assets change.

(b) *Recognition and measurement*

Regular way purchases and sales of financial assets are recognised on trade-date, the date on which the Group commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction cost of financial assets carried at fair value through profit or loss are expensed in the consolidated statement of comprehensive income.

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset.

2.1 Summary of material accounting policies (Continued)

2.1.8 Financial instruments (Continued)

(b) Recognition and measurement (Continued)

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Interest income from these financial assets is included in finance income using the effective interest rate method. Any gain or loss arising on derecognition is recognised directly in profit or loss and presented in other gains – net together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the consolidated statement of comprehensive income.

(i) The Group subsequently measures all its equity investments at their fair values. Equity instruments are classified as FVPL with movements in their fair values recognised in profit or loss in the period in which the changes arise and presented in "other gains – net", except for those equity securities which are not held for trading. The Group has elected to recognise the changes in fair value of equity investments not held for trading in other comprehensive income as these are strategic investments and the Company considered this to be more relevant. Movement in fair values of investments classified as FVOCI are presented as "fair value gain/(loss)" in other comprehensive income. Dividends from equity investments are recognised in profit or loss as "dividend income".

On disposal, the differences between the carrying amount and sales proceed is recognised in profit or loss if there was no election made to recognise fair value changes in other comprehensive income. If there was an election made, any difference between the carrying amount and the sale proceed amount would be recognised in other comprehensive income and transferred to retained earnings along with the amount previously recognised in other comprehensive income relating to that asset.

2.1.9 Impairment of financial assets

The Group's financial assets measured at amortised cost are subject to IFRS 9 expected credit loss model. The Group assesses on a forward-looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 3.1(d) set out the details how the Group determines whether there has been a significant increase in credit risk.

For trade receivables and finance lease receivables, the Group applies the simplified approach permitted by IFRS 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables. The provision matrix is determined based on historical observed default rates over the expected life of trade and finance lease receivables with similar credit risk characteristics and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

Impairment on other receivables is measured as either 12-month expected credit losses or lifetime expected credit losses, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivables has occurred since initial recognition, then impairment is measured as lifetime expected credit losses.

2.1 Summary of material accounting policies (Continued)

2.1.10 Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the specific identification method and includes all costs in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.1.11 Cash and cash equivalents

For the purpose of presentation in the consolidated statement of cash flows, cash and cash equivalents include cash in hand and deposits held with banks which are subject to an insignificant risk of change in value.

2.1.12 Share capital

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.

2.1.13 Trade and other payables

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Trade and other payables are presented as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). If not, they are presented as non-current liabilities.

Trade and other payables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method.

2.1.14 Borrowings

Borrowings are initially recognised at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in the consolidated statement of comprehensive income over the period of the borrowings using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the end of the reporting period.

Borrowings are removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as finance costs.

All borrowing costs are recognised in consolidated statement of comprehensive income in the period in which they are incurred.

2.1 Summary of material accounting policies (Continued)

2.1.15 Current and deferred income tax

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

(a) Current income tax

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the Company and its subsidiaries and joint venture operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation and considers whether it is probable that a taxation authority will accept an uncertain tax treatment. The Group measures its tax balances either based on the most likely amount or the expected value, depending on which method provides a better prediction of the resolution of the uncertainty.

(b) Deferred income tax

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the consolidated financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax liabilities and assets are not recognised for temporary differences between the carrying amount and tax bases of investments in foreign operations where the company is able to control the timing of the reversal of the temporary differences and it is probable that the differences will not reverse in the foreseeable future.

2.1 Summary of material accounting policies (Continued)

2.1.15 Current and deferred income tax (Continued)

(c) Offsetting

Deferred tax assets and liabilities are offset where there is a legally enforceable right to offset current tax assets and liabilities and where the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

2.1.16 Employee benefits

(a) 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. The Group has no further payment obligations once the contributions have been paid. The Group's contributions to defined contribution plans are recognised in the reporting period to which they relate.

(b) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

(c) Provision for bonus plans

Bonus payments to employees are discretionary to management. Bonus payments are recognised in consolidated statement of comprehensive income in the period when the Group has formally announced the bonus payments to employees.

2.1 Summary of material accounting policies (Continued)

2.1.16 Employee benefits (Continued)

(d) Employee options

The fair value of option granted under the Company's Share Option Scheme is recognised as an employee benefits expense with a corresponding increase in equity. The total amount to be expensed is determined by reference to the fair value of the option granted which excludes the impact of any service and non-market performance vesting conditions (e.g. remaining as an employee of the entity over a specified time period). Detailed information in relation to the Share Option Scheme is set out in Note 9.

At the end of each period, the entity revised its estimates of the number of options that are expected to vest based on the non-market vesting and service conditions. It recognises the impact to the revision to the original estimates, if any, in profit or loss with a corresponding adjustment to equity

The Share Option Scheme shall be subject to the administration of the Board. When the options are exercised, the Group issue the appropriate number of shares to eligible persons. The proceeds received net of any directly attributable transaction costs are credited directly to equity.

The proceeds received net of any directly attributable transactions are credited directly to equity.

2.1.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognised for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to passage of time is recognised as finance expense.

The Group recognises an estimated liability that falls due under warranty terms offered on sale of new cars. The provision is calculated based on the past history of repairs.

2.1 Summary of material accounting policies (Continued)

2.1.18 Revenue from contract with customers

Revenue is measured at the fair value of the consideration received or receivable, and represents amounts receivable for goods/services supplied, stated net of discounts, returns and value added taxes. Depending on the terms of the contract and the laws that apply to the contract, revenue may be recognised over time or at a point in time. The Group recognises revenue when specific criteria have been met for each of the Group's activities as described below.

Revenue from sale of car spare parts/accessories and direct sale of motor vehicle are recognised upon transfer of control to customer which generally coincides with the time when car spare parts/accessories and motor vehicles are delivered and accepted by the customers. Payment of the transaction price is due immediately when the customer purchases the car spare parts/accessories and motor vehicle. Revenue excludes goods and services tax and motor vehicles registration fees and is arrived at after the deduction of trade discounts.

Revenue from sale of motor vehicle under finance lease arrangement and hire purchase arrangement are recognised upon transfer of control to customer which generally coincides with the time when the motor vehicles are delivered and accepted by the customers. The corresponding leased asset is recognised as finance lease receivable on the consolidated statement of financial position (Note 2.1.19(b)).

The Group offers vehicle servicing to customers upon purchase of certain vehicles. A portion of the revenue from the sale of these certain vehicles is attributable to the vehicle servicing. It is estimated based on the fair value of the service. It is recognised as deferred revenue that is classified within "trade and other payables and provision for warranty" and "Contract liabilities" presented on the balance sheet. Deferred revenue will be recognised as revenue when vehicles services are rendered in the respective years.

A contract asset Is the Group's right to consideration in exchange for goods or services that the Group has transferred to a customer, and it should be presented separately. Incremental cost of obtaining a contract is capitalised if the Group expects to recover those costs, unless the amortisation period for such costs would be one year or less. Costs that will be incurred regardless of whether the contract is obtained are expensed as they are incurred. Contract assets are assessed for impairment under the same approach adopted for impairment assessment of financial assets carried at amortised cost. Vehicle salesperson's commission is recognised at the same point in time with the recognition of the sale of the related motor vehicle.

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 the 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.

Rental income from leasing of motor vehicles is recognised on a straight-line basis in accordance with the terms of the operating leases.

2.1 Summary of material accounting policies (Continued)

2.1.18 Revenue from contract with customers (Continued)

Interest income from finance lease arrangement is recognised on a time-proportion basis using the effective interest method.

Finance and insurance commission income is recognised upon the effective commencement date of the customers' qualifying loan and insurance policies.

A contract liability is the Group's obligation to render the goods or services to a customer for which the Group has received consideration from the customer. The Group presented contract liabilities as other payables in the consolidated statement of financial position.

Contract liabilities have been included under trade and other payables and provision for warranty (Note 19).

The transaction price allocated to the performance obligations that are unsatisfied, or partially unsatisfied, has not been disclosed, as substantially all the Group's contracts have a duration of 1 year or less.

The Group provides warranties for new motor vehicles. These warranties do not require services to be rendered but only an assurance that the motor vehicles meet agreed-upon specifications. These warranties are separately accounted for as disclosed in Note 2.1.17.

2.1.19 Leases

(a) Assets leased to the Group

The Group leases various office equipment, office premises and showrooms. Lease contracts are typically made for fixed periods of less than 1 year to 5 years. Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenants.

Contracts may contain both lease and non-lease components. The Group allocates the consideration in the contract to the lease and non-lease components based on their relative stand-alone prices. However, for leases of real estate for which the Group is a lessee, it has elected not to separate lease and non-lease components and instead accounts for these as a single lease component.

Assets and liabilities arising from a lease are initially measured on a present value basis. Lease liabilities include the net present value of the fixed payments (including in-substance fixed payments), less any lease incentives receivable.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be readily determined, which is generally the case for leases in the Group, the lessee's incremental borrowing rate is used, being the rate that the individual lessee would have to pay to borrow the funds necessary to obtain an asset of similar value to the right-of-use asset in a similar economic environment with similar terms, security and conditions.

2.1 Summary of material accounting policies (Continued)

2.1.19 Leases (Continued)

(a) *Assets leased to the Group* (Continued)

Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Right-of-use assets are measured at cost comprising the following:

- the amount of the initial measurement of lease liability
- any lease payments made at or before the commencement date less any lease incentives received; and
- any initial direct costs

The right-of-use assets is depreciated over the shorter of the asset's useful life and the lease term on a straight-line basis.

Payments associated with short-term leases and leases of low-value assets are recognised on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less.

Extension options are included in a number of property leases in the Group. These terms are used to maximise operational flexibility in terms of managing contracts. All extension options held are exercisable only by the Group and not by the respective lessor. The Group considers all facts and circumstances that create an economic incentive to exercise an extension option in determining the lease term. Extension option is included in lease term only if the Group, as lessee, is reasonably certain to exercise the extension option. The assessment is reviewed if a significant event or a significant change in circumstances occurs which affects the assessment and within control of the Group as lessee.

The Group as a lessee applying the practical expedient would generally account for a forgiveness or waiver of lease payments as a variable lease payment not depends on index or rate, and make a corresponding adjustment to the lease liability to derecognise the part of the lease liability that has been forgiven or waived.

(b) *Assets leased out by the Group*

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. A lease is classified as an operating lease if it does not transfer substantially all the risks and rewards incidental to ownership of an underlying asset. Where the Group leases out assets under operating leases, the assets are included in the consolidated statement of financial position according to their nature and, where applicable, are depreciated in accordance with the Group's depreciation policies.

2.2 Other potentially material accounting policies

2.2.1 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the consolidated statement of financial position when there is a legally enforceable right to offset the recognised amounts, and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.2.2 Derivative financial instruments

A derivative financial instrument for which no hedge accounting is applied is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. Changes in its fair value are recognised in profit or loss. The Group does not apply hedge accounting for its derivative financial instruments.

2.2.3 Earnings per share

(i) Basic earnings per share

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company, excluding any costs of servicing equity other than ordinary shares

- by the weighted average number of ordinary shares outstanding during the financial year, adjusted for bonus elements in ordinary shares issued during the year and excluding treasury shares.

(ii) Diluted earnings per share

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after-income tax effect of interest and other financing costs associated with dilutive potential ordinary shares, and

- the weighted average number of additional ordinary shares that would have been outstanding assuming the conversion of all dilutive potential ordinary shares.

2.2.4 Dividend distribution

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

Dividend proposed or declared after the reporting period but before the consolidated financial statements are authorised for issue, are disclosed as a non-adjusting event and are not recognised as a liability.

2.2 Other potentially material accounting policies (Continued)

2.2.5 Government grants

Grants from the government are recognised at their fair value where there is a reasonable assurance that the grant will be received and the Group will comply with all attached conditions.

Government grants relating to costs are deferred and recognised in the consolidated statement of comprehensive income over the period necessary to match them with the costs that they are intended to compensate.

3 Financial risk management

3.1 Financial risk factors

The Group's activities expose it to a variety of financial risks: market risk (foreign exchange risk and interest rate risk), price risk, credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner. Because of the simplicity of the financial structure and the current operations of the Group, no hedging activities are undertaken by management.

(a) Foreign exchange risk

The Group is exposed to foreign exchange risk arising from foreign currency transactions. Foreign exchange risk arises from future commercial transactions and recognised assets and liabilities denominated in a currency that is not the functional currency of the relevant group entity. The Group is exposed to foreign exchange risk arising from various currency exposures, primarily with respect to Sterling pound ("GBP") and Japanese Yen ("JPY"), Hong Kong dollar ("HK$") and United States dollar ("US$").

Should S$ be strengthened/weakened by 5% (2023: 5%) for the year ended 31 December 2024 against HK$, with all other variables held constant, the impact of the loss for the year and the equity for the year ended 31 December 2024 would have been approximately S$33,000 lower/higher (2023: profit for the year and the equity for the year would have been approximately S$4,100 higher/lower) as a result of foreign exchanges gains/losses on HK$ denominated net monetary liabilities.

Should S$ be strengthened/weakened by 5% (2023: 5%) for the year ended 31 December 2024 against GBP, with all other variables held constant, the impact of the loss for the year and the equity for the year ended 31 December 2024 would have been approximately S$1,000 lower/higher (2023: profit for the year and the equity for the year would have been approximately S$2,000 higher/lower) as a result of foreign exchanges losses/gains on GBP denominated net monetary assets.

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(a) Foreign exchange risk (Continued)

Should S$ be strengthened/weakened by 5% (2023: 5%) for the year ended 31 December 2024 against JPY, with all other variables held constant, the impact of the loss for the year and the equity for the year ended 31 December 2024 would have been approximately S$4,000 lower/higher (2023: profit for the year and the equity for the year would have been approximately S$59,000 higher/lower).

Should S$ be strengthened/weakened by 5% (2023: 5%) for the year ended 31 December 2024 against US$, with all other variables held constant, the impact of the loss for the year and the equity for the year ended 31 December 2024 would have been approximately S$170,000 lower/higher (2023: profit for the year and the equity for the year would have been approximately S$145,000 higher/lower) as a result of foreign exchanges losses/gains on US$ denominated net monetary assets.

The Group's exposure to other foreign exchange movements is not material.

(b) Interest rate risk

The Group's interest rate risk arises from borrowings. Borrowings obtained at variable rates expose the Group to cash flow interest rate risk. Borrowings obtained at fixed rates expose the Group to fair value interest rate risk. Details of the Group's borrowings have been disclosed in Note 20 to the consolidated financial statements.

The Group's interest-bearing assets comprise of finance lease receivables and cash and cash equivalents. Finance lease receivables are at fixed rates and subject to fair value interest rate risk. Details of the Group's finance lease receivables have been disclosed in Note 18 to the consolidated financial statements. Effects of interest rate changes on cash and cash equivalents are not significant.

If the interest rates had been higher/lower by 100 basis points (2023: 100 basis points) with all other variables including tax rate being held constant, the loss after tax would have been higher/lower by approximately $139,000 (2023: profit after tax would have been lower/higher by approximately $204,000) profit after tax would have been lower/higher by S$139,000 (2023: S$204,000) as a result of higher/lower interest expense on these borrowings (net of finance lease receivables).

(c) Price risk

The Group's exposure to price risk arises from investments held by the Group and classified in the consolidated statement of financial position as fair value through other comprehensive income (Note 14) and derivative financial instruments (Note 21). The Directors are of the view that the price risk is not material and no sensitivity analysis is disclosed.

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(d) Credit risk

The credit risk of the Group mainly arises from cash and cash equivalents, trade and other receivables and finance lease receivables. The carrying amounts of these balances represent the Group's maximum exposure to credit risk in relation to financial assets.

For banks and financial institutions, only independent parties with high credit rating are accepted. As at 31 December 2024 and 2023, all bank balances were held at reputable financial institutions with sound credit ratings.

For the trade and other receivables, management makes periodic collective assessments as well as individual assessment on the recoverability of trade and other receivables based on historical settlement records and past experience.

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables from third parties and finance lease receivables. The Group has no significant concentration of credit risk and the Group has policies in place to ensure that sale of motor vehicles and parts are made to corporate customers with an appropriate credit history and finance lease arrangement is entered with credit worthy customers.

The Group has credit policy to monitor the level of credit risk. In general, the credit record and credit period for each customer or debtor are regularly assessed, based on the customer's or debtor's financial condition, their credit records and other factors such as current market condition. Management overall considers the shared credit risk characteristic and the days past due of the trade and other receivables to measure the expected credit loss.

Management, considered among other factors (including forward looking information), analysed historical pattern and concluded that the expected average credit loss for trade receivables for Vincar Pte. Ltd. and Vincar Leasing & Rental Pte. Ltd. were 1% and 5% (2023: 1% and 4%) respectively. On that basis, the provision for loss allowances as at 31 December 2024 for trade receivables and other receivables were S$38,000 and S$875,000 (2023: S$40,000 and S$53,000) respectively and the reversal of loss allowance expense for trade receivables of S$2,000 (2023: loss allowance expense of S$1,000) and the loss allowance expense for other receivables of S$705,000 (2023: S$9,000) were recognised in the consolidated statement of comprehensive income for the year ended 31 December 2024 respectively. Certain impaired finance lease receivables are included in other receivables (see paragraphs below).

The Group will monitor debtors with long outstanding balances and will engage in enforcement activities to recover the receivables due. Where recoveries are made, these are recognised in consolidated statement of comprehensive income. The Group closely monitors trade receivables balances more than one year.

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(d) Credit risk (Continued)

Those trade receivables, due more than one year, with financial difficulties, declining credit standing and poor historical payment pattern will be considered as default. The Group will write off these unrecovered receivables after all possible means of debt recovery activities.

For customers who purchased the motor vehicles under finance lease arrangement, the Group has policies in place to review their credit worthiness and charged a market interest rate based on their credit worthiness. Management monitors the scheduled instalment pattern and credit worthiness of the customers closely. In the event, the Group notices the deterioration of credit worthiness and default settlement of 2 months contractual instalments, the Group will repossess the vehicle up for sale. The Group will pursue any shortfall through legal means. These shortfall balances will be reclassified as part of “other receivables” with an equivalent amount as part of “provision for impairment of other receivables”. In addition, the management, considered among other factors and analysed historical pattern. While historical default cases range from 0% to 3% (2023: 0% to 1%) of the total finance lease receivables balances, the expected credit loss rate is close to zero given that the Group has historically recovered all amount owing via the proceeds from the sale of vehicle and other legal means. The provision for loss allowance as at 31 December 2024 for finance lease receivables was S$41,000 (2023: S$117,000) and the loss allowance expense for finance lease receivables of S$41,000 (2023: S$117,000) was recognised in the consolidated statement of comprehensive income for the year ended 31 December 2024.

In determining the 12-month or lifetime expected credit loss for other receivables, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical payment experience and the corresponding historical credit loss rates, and adjusted for forward-looking macroeconomic data such as Singapore GDP growth and unemployment rate etc. In assessing whether the credit risk on these receivables have increased significantly since initial recognition, the Group compares the risk of a default occurring on these receivables as at the reporting date with the risk of a default occurring on these receivables as at the date of initial recognition. Management would re-assess these factors periodically for any deterioration or improvement indications to determine if credit risk from these receivables has increase or decrease significantly since initial recognition and revise the credit loss rate accordingly.

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 events including but not limited to significant financial difficulty of the borrower or a breach of contract, such as a default or past due event.

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(e) Liquidity risk

The Group's policy is to maintain sufficient cash to meet its liquidity and working capital requirements.

The Group monitors and maintains a level of cash balances deemed adequate by the management to finance the Group operations and mitigate the effects of fluctuation of cash flows.

Management monitors rolling forecasts of the Group's liquidity reserve which comprises cash and bank balances (Note 17), borrowings (Note 20) and undrawn borrowing facilities (Note 20) on the basis of expected cash flows. As the Group relies on borrowings as a source of liquidity, the management monitors regularly and closely the utilisation of borrowings (drawn and undrawn) and ensures compliance with loan covenants. The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer terms.

The table below analyses cash outflow of financial liabilities of the Group into relevant maturity groupings based on the remaining period at the end of the reporting period to the contractual maturity date. Block discounting financing and hire purchase liabilities which can be recalled on demand at the bank's sole discretion are presented within "Repayable on demand", with the assumption that lenders invoked their unconditional rights to demand immediate repayment except, as at 31 December 2024 and 2023, the Group had received confirmation letters from its major bank confirming waiver of its rights to demand immediate repayment of the certain block discounting financing and hire purchase facilities granted to the Group for a period of 12 months from 31 December 2024 and 2023. The maturity analysis for other bank borrowings is prepared based on the contractual scheduled repayment dates. The amounts disclosed in the table were the contractual undiscounted cash flows and the earliest date the Group can be required to pay.

3 Financial risk management (Continued)

3.1 Financial risk factors (Continued)

(e) Liquidity risk (Continued)

	Within 1 year S$'000	Between 1 and 2 years S$'000	Between 2 and 5 years S$'000	After 5 years S$'000	Total S$'000	Carrying value S$'000
Group						
At 31 December 2024						
Block discounting financing and interest expense	9,363	8,624	17,509	1,055	36,551	33,182
Lease liabilities and interest expense	532	476	139	–	1,147	1,090
Hire purchase liabilities and interest expense	157	151	160	3	471	16,685
Other borrowings and interest expense	4,312	–	–	–	4,312	4,294
Trade and other payables	6,516	–	–	–	6,516	6,516
	20,880	9,251	17,808	1,058	48,997	61,767
At 31 December 2023						
Block discounting financing and interest expense	11,165	10,343	24,203	3,831	49,542	44,578
Lease liabilities and interest expense	850	–	–	–	850	827
Hire purchase liabilities and interest expense	6,462	5,819	9,356	1,822	23,459	21,983
Other borrowings and interest expense	3,624	614	–	–	4,238	4,188
Gross-settled derivative financial instruments						
– (inflow)	(110,090)	–	–	–	(110,090)	(66)
– outflow	116,698	–	–	–	116,698	153
Trade and other payables	4,021	–	–	–	4,021	4,021
	32,730	16,776	33,559	5,653	88,718	75,684

3.2 Capital risk management

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern, comply with externally imposed capital requirements and maintain an optimal capital structure so as to maximise shareholder value. Management regards capital of the Group to comprise the total equity and net debt of the Group.

Vincar Pte. Ltd. and Vincar Leasing and Rental Pte. Ltd., both subsidiaries of the Company, are required by its principal banker to maintain a tangible net worth (i.e. paid up capital plus retained earnings) of S$25,000,000 and S$2,000,000 (2023: S$25,000,000 and S$2,000,000) as at 31 December 2024 respectively. Accordingly, the Group's strategy to capital management is to maintain its and its subsidiaries' equity within the stipulated requirements.

3 Financial risk management (Continued)

3.2 Capital risk management (Continued)

EV Hub Pte. Ltd., a subsidiary of the Company, are required by its principal banker to maintain an Adjusted Gearing Ratio ("AGR") of not more than 5 times. AGR is the ratio between total liabilities to adjusted tangible net worth. Adjusted tangible net worth is defined as the sum of (i) total equity and (ii) amount due from directors/shareholders less goodwill and deferred liabilities.

Accordingly, the Group's strategy to capital management is to maintain its and its subsidiaries' equity within the stipulated requirements. As at 31 December 2024 and 2023, Vincar Pte. Ltd., Vincar Lease and Rental Pte. Ltd. and EV Hub met all the covenants required by its principal banker.

In order to maintain or achieve an optimal capital structure, the Group may adjust the amount of dividend payment, return capital to shareholders, issue new shares, obtain new borrowings or sell assets to reduce borrowings.

There were no changes to the Group's approach to capital management as at 31 December 2024 and 2023.

	As at 31 December	
	2024	2023
	S$'000	S$'000
Borrowings (Note 20)	**55,251**	71,576
Less: Cash and bank balances (Note 17)	**(11,200)**	(12,975)
Net debt	**44,051**	58,601
Total equity (excluding non-controlling interest)	**70,860**	71,606
Total capital	**114,911**	130,207
Gearing ratio	**38%**	45%

The gearing ratio decreased from 45% to 38% as a result of the lower borrowings.

3 Financial risk management (Continued)

3.3 Fair value estimation

(i) Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are recognised and measured at fair value in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Group has classified its financial instruments into the three levels prescribed under the accounting standards. An explanation of each level follows underneath the table.

The following table presents the Group's assets and liabilities that are measured at fair value as at 31 December 2024 (2023: the following table presents the Group's assets and liabilities that are measured at fair value).

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Total S$'000
31 December 2024				
Assets				
Financial assets at fair value through other comprehensive income (Note 14)	**–**	**–**	**100**	**100**
31 December 2023				
Assets				
Financial assets at fair value through other comprehensive income (Note 14)	–	–	100	100
Liabilities				
Derivative financial instruments (Note 21)	–	(87)	–	(87)

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

(i) Fair value hierarchy (Continued)

There were no transfers between the fair value hierarchies during the year.

The Group's policy is to recognise transfers into and transfers out of fair value hierarchy levels as at the end of the reporting period.

Level 1: The fair value of financial instruments traded in active markets (such as publicly traded derivatives, and trading and equity securities) is based on quoted market prices at the end of the reporting period. The quoted market price used for financial assets held by the Group is the current bid price. These instruments are included in level 1.

Level 2: The fair value of financial instruments that are not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities.

(ii) Valuation technique used to determine fair values

Specific valuation techniques used to value financial instruments include:

- for forward currency forwards – the present value of the future cash flows based on forward exchange rates at the reporting date;
- for currency options – option pricing models; and
- for unlisted equity fund – based on net asset value of underlying investments

(iii) Fair value measurements using significant unobservable input (level 3)

The changes in financial asset at fair value through other comprehensive income in level 3 instrument is disclosed in Note 14.

3 Financial risk management (Continued)

3.3 Fair value estimation (Continued)

(iv) Valuation techniques and inputs used in Level 3 fair value measurements

Description	Fair value at 31 December 2024 and 2023 S$'000	Unobservable input	Relationship of unobservable inputs to fair value
Unlisted equity fund managed by a professional fund manager	100	Net asset value of underlying investments by unlisted fund	The higher the net asset value of underlying investments, the higher the fair value of the unlisted fund.

3.4 Offsetting financial assets and financial liabilities

There were no material offsetting, enforceable master netting arrangement and similar agreements as at 31 December 2024 and 2023.

4 Critical accounting estimates and judgments

Estimates and judgments 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) Net realisable value of inventories

As set out in accounting policy (Note 2.1.10), motor vehicles held as inventories for sale are reviewed for their net realisable value periodically. Management determines the net realisable value of the motor vehicles against recent/subsequent sales records or indicative market price obtained through independent vehicle price research. Management will adjust the carrying amounts to the realisable value when they are different to those previously estimated net of cost for sales.

The carrying amounts of inventories as at 31 December 2024 and 2023 are disclosed in the consolidated statement of financial position.

(b) Useful lives of property, plant and equipment

The Group's management determines the estimated useful lives for those motor vehicles used for short term operating leases based on the Group's intention to derive the future economic benefits from the expected level of usage of those motor vehicles over short term operating leases arrangement. Actual useful lives may differ from estimated useful lives. Periodic review could result in a change in depreciable lives and therefore depreciation expenses in the future periods.

4 Critical accounting estimates and judgments (Continued)

(c) Determination of the lease term

In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated).

For leases of showrooms and offices, the following factors are normally the most relevant:

– If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).

– If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).

– Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

All extension options in showrooms have been included in the lease liability, because the Group would incur significant cost or business disruption to replace the assets and expect to fulfil the renewal terms and conditions.

The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects this assessment, and that is within the control of the lessee.

5 Revenue and segment information

The Executive Directors of the Company, who are the CODM of the Group, review the Group's internal reporting in order to assess performance and allocate resources. Management has determined the operating segments based on reports reviewed by the Executive Directors of the Company that are used to make strategic decisions, which are:

– Sales of motor vehicles and provision of related services;

– Rental income from operating lease of motor vehicles; and

– Sales of spare parts and accessories.

5 Revenue and segment information (Continued)

Revenue, which is also the Group's turnover, represents amounts received and receivable from the operation in Singapore. An analysis of revenue is as follows:

	Year ended 31 December	
	2024	2023
	S$'000	S$'000
Sale of motor vehicles*	**177,003**	168,133
Motor vehicles financing related services		
– Finance commission income	**3,321**	2,457
– Insurance commission income	**942**	1,032
Sale of spare parts and accessories	**19**	22
Revenue from contracts with customers under IFRS 15 recognised at point in time	**181,285**	171,644
Motor vehicles financing related services		
– Interest income from finance lease arrangements	**3,813**	3,820
Rental income from operating lease of motor vehicles	**5,796**	5,414
Revenue from operating and finance lease arrangements under IFRS 16	**9,609**	9,234
	190,894	180,878

* Include direct sale of motor vehicles and sale of motor vehicles under finance lease arrangements.

The Group has revenue related contract liabilities (receipts in advance from customers) as at the end of each of the year as disclosed in Note 19. Receipts in advance from customers as at the end of each of the year will be recognised as revenue in the next year of sales.

5 Revenue and segment information (Continued)

Segment revenue and results

For the year ended 31 December 2024

	Sales of motor vehicles and provision of related services S$'000	Rental income from operating leases of motor vehicles S$'000	Sales of spare parts and accessories S$'000	Consolidated S$'000
Segment revenue				
Total sales and rental income	180,099	6,106	19	186,224
Inter-segment sales	(3,096)	(310)	–	(3,406)
External sales and rental income	177,003	5,796	19	182,818
Finance commission income	3,321	–	–	3,321
Insurance commission income	942	–	–	942
Interest income from finance lease arrangement	3,813	–	–	3,813
	185,079	5,796	19	190,894
Segment expenses				
Cost of sales	(165,113)	(4,481)	–	(169,594)
Segment (loss)/profit	(1,869)	1,348	7	(514)
Finance expenses – net	(1,941)	(843)	–	(2,784)
Share of profit of a joint venture				209
Share of loss of associates				(249)
Loss before income tax				(3,338)
Income tax credit				270
Loss for the year				(3,068)
Impairment of goodwill	(1,484)	–	–	(1,484)

5 Revenue and segment information (Continued)

Segment revenue and results (Continued)

For the year ended 31 December 2023

	Sales of motor vehicles and provision of related services S$'000	Rental income from operating leases of motor vehicles S$'000	Sales of spare parts and accessories S$'000	Consolidated S$'000
Segment revenue				
Total sales and rental income	178,013	5,513	22	183,548
Inter-segment sales	(9,880)	(99)	–	(9,979)
External sales and rental income	168,133	5,414	22	173,569
Finance commission income	2,457	–	–	2,457
Insurance commission income	1,032	–	–	1,032
Interest income from finance lease arrangement	3,820	–	–	3,820
	175,442	5,414	22	180,878
Segment expenses				
Cost of sales	(153,677)	(4,765)	–	(158,442)
Segment profit	9,762	2,067	2	11,831
Finance expenses – net	(2,143)	(777)	–	(2,920)
Share of profit of joint ventures				449
Share of loss of associates				(17)
Profit before income tax				9,343
Income tax expense				(1,600)
Profit for the year				7,743

Inter-segment transactions are conducted at terms mutually agreed among group companies.

5 Revenue and segment information (Continued)

Segment assets and liabilities

	Sales of motor vehicles and provision of related services S$'000	Rental income from operating leases of motor vehicles S$'000	Unallocated S$'000	Consolidated S$'000
As at 31 December 2024				
Segment assets	**110,004**	**25,357**	**2,392**	**137,753**
Segment liabilities	**45,917**	**17,636**	**2,779**	**66,332**
Capital expenditure	**1,664**	**3,214**	**–**	**4,878**
As at 31 December 2023				
Segment assets	122,379	30,797	763	153,939
Segment liabilities	56,780	22,769	2,395	81,944
Capital expenditure	1,346	10,407	–	11,753

Unallocated segment assets represent deferred income tax assets and other corporate assets. Unallocated segment liabilities represent income tax liabilities and other corporate liabilities. Capital expenditure comprises additions to property, plant and equipment.

Geographical information

Over 99% (2023: 97%) of revenue of the Group were generated from external customers located in Singapore and 92% (2023: 99%) of the assets of the Group were located in Singapore. Accordingly, no geographical segment analysis is presented.

Major customers

None of single external customer accounted for more than 10% of the Group's revenue during the years ended 31 December 2024 and 2023.

6 Other income and gains, net

(a) Other income

	Year ended 31 December	
	2024	2023
	S$'000	S$'000
Government grants (Note)	**262**	114
Income from deposit forfeiture	**59**	–
Sale of workshop accessories	**17**	1
Others	**315**	239
	653	354

Note:

Government grants mainly arose from Wage Credit Scheme ("WCS"), Senior Employment Credit ("SEC") and Jobs Growth Incentive ("JGI").

WCS was introduced by the Singapore government to help businesses which may face rising wage cost in a tight labour market. WCS payouts will allow businesses to free up resources to make investments in productivity and to share the productivity gains with their employees.

SEC was introduced by the Singapore government to support employers as well as to raise employability of older low-wage Singaporeans.

The JGI is a scheme to help enterprises to retain and hire local employees. Under the JGI, employers will receive cash grants in relation to the gross monthly wages of eligible employees. The remaining amounts are mainly made up by the WCS and SEC.

(b) Other gains – net

	Year ended 31 December	
	2024	2023
	S$'000	S$'000
Foreign exchange gains/(losses), net	**51**	(467)
Gain on disposal of property, plant and equipment (excluding right-of-use assets) (Note 24(a))	**441**	2,794
Gain on disposal of right-of-use assets (Note 13)	**1**	4
Loss on deemed disposal of joint venture (Note 26)	**–**	(5)
Fair value gain on derivative instruments, net	**87**	416
	580	2,742

7 Finance expenses – net

	Year ended 31 December	
	2024 S$'000	2023 S$'000
Finance income		
Interest income on late payment (Note)	–	34
Bank interest income	142	145
	142	179
Finance expenses		
Interest expenses on bank loans	(249)	(236)
Interest expenses on block discounting financing	(1,746)	(1,985)
Interest expenses on lease liabilities (Note 13)	(85)	(102)
Interest expenses on hire purchase liabilities	(846)	(776)
	(2,926)	(3,099)
Finance expenses – net	(2,784)	(2,920)

Note: Interest income on late payment relates to interest imposed on customers for late payment of its overdue balances.

8 Material profit and loss items

Expenses included in cost of sales, selling and distribution, and general and administrative expenses are analysed as follows:

	Year ended 31 December	
	2024	2023
	S$'000	S$'000
Cost of inventories sold (Note 15)	**164,708**	154,503
Provision of inventories write down (Note 15)	**1,269**	38
Impairment of property, plant and equipment (Note 13)	**64**	–
Impairment of goodwill in associate (Note 27)	**1,484**	–
Auditor's remunerations for audit services		
– current year	**307**	261
Depreciation expense on property, plant and equipment (excluding right-of-use assets) (Note 13)	**4,439**	3,516
Depreciation expense on right-of-use assets (Note 13)	**1,134**	961
Employee benefit expense (Note 9)	**11,468**	9,396
Rental expenses relating to short-term leases (Note 13)	**689**	671
Advertising and marketing expenses	**1,158**	320
Sales commission to external parties	**378**	729
Travelling and entertainment expenses	**238**	162
Legal and professional fees	**906**	303
Bank charges	**258**	145
Forfeiture of trade deposit paid	**2,178**	214
Insurance	**77**	52
Office expenses	**275**	199
Donations	**14**	6
Other operating expenses	**812**	540
	191,856	172,016

9 Employee benefit expense (including directors' emoluments)

	Year ended 31 December	
	2024	2023
	S$'000	S$'000
Wages and salaries	**10,074**	8,291
Employer's contribution to defined contribution plans	**915**	760
Other staff benefits	**479**	345
	11,468	9,396

9 Employee benefit expense (including directors' emoluments) (Continued)

Directors' emoluments

The remuneration of the directors for each of the years ended 31 December 2024 and 2023 is as follows:

Year ended 31 December 2024

	Fees S$'000	Salaries and allowances S$'000	Bonuses S$'000	Employer's contribution to Central Provident Fund S$'000	Equity-settled share-based payment S$'000	Total S$'000
Executive directors						
Mr. Tan Shuay Tarng Vincent	31	1,800	450	11	–	2,292
Ms. Ng Hui Bin Audrey	31	69	8	13	–	121
Ms. Beng Lee Ser Marisa	31	750	240	16	–	1,037
Mr. Zhang Xiaoyang	9	–	–	–	–	9
Mr. Jin Zhehui	44	–	–	–	–	44
	146	2,619	698	40	–	3,503
Non-executive director						
Mr. Raymond Wong	28	–	–	–	–	28
Independent non-executive directors						
Mr. Chow Wing Tung	31	–	–	–	–	31
Mr. Hui Yan Kit	31	–	–	–	–	31
Mr. Tam Yat Kit Ken	31	–	–	–	–	31
	93	–	–	–	–	93

9 Employee benefit expense (including directors' emoluments) (Continued)

Directors' emoluments (Continued)

Year ended 31 December 2023

	Fees S$'000	Salaries and allowances S$'000	Bonuses S$'000	Employer's contribution to Central Provident Fund S$'000	Equity-settled share-based payment S$'000	Total S$'000
Executive directors						
Mr. Tan Shuay Tarng Vincent	31	1,800	150	14	–	1,995
Ms. Ng Hui Bin Audrey	31	69	3	12	–	115
Ms. Beng Lee Ser Marisa	31	600	50	18	–	699
	93	2,469	203	44	–	2,809
Non-executive director						
Mr. Raymond Wong	31	–	–	–	–	31
Independent non-executive directors						
Mr. Chow Wing Tung	31	–	–	–	–	31
Mr. Hui Yan Kit	31	–	–	–	–	31
Mr. Tam Yat Kit Ken	31	–	–	–	–	31
	93	–	–	–	–	93

(a) Director's retirement benefits

The directors did not receive or will not receive any retirement benefits in respect of their other services in connection with the management of the affairs of the Company or its subsidiaries undertaking during the year ended 31 December 2024 (2023: Nil).

(b) Director's termination benefits

The directors did not receive or will not receive any termination benefits during the year ended 31 December 2024 (2023: Nil).

(c) Consideration provided to third parties for making available director's services

The Company did not pay consideration to any third parties for making available directors' services during the year ended 31 December 2024 (2023: Nil).

9 Employee benefit expense (including directors' emoluments) (Continued)

Directors' emoluments (Continued)

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

There are no loans, quasi-loans and other dealing arrangements in favour of directors, corporate bodies controlled by and entities connected with such directors during the year ended 31 December 2024 (2023: Nil).

Five highest paid individuals

The five individuals whose emoluments were the highest in the Group include two directors for the year ended 31 December 2024 (2023: two), whose emoluments are reflected in the analysis presented above. The emoluments paid/payable to the remaining three individuals for the year ended 31 December 2024 (2023: three) are as follows:

	Year ended 31 December	
	2024	2023
	S$'000	S$'000
Wages and salaries	**783**	642
Employer's contribution to defined contribution plans	**50**	58
	833	700

The emoluments of these three highest paid individuals fell within the following bands:

	Number of individuals Year ended 31 December	
	2024	2023
Emolument band		
Nil – HK$1,000,000	**–**	1
HK$1,000,001 – HK$1,500,000	**2**	1
HK$1,500,000 – HK$2,000,000	**1**	1
	3	3

9 Employee benefit expense (including directors' emoluments) (Continued)

Share Option Plan

The establishment of the share option scheme (the "Share Option Scheme") was approved by board of directors on 1 February 2019. The Share Option Scheme is designed to enable the Company to grant options to eligible persons as incentives or rewards for their contribution or potential contribution to the Group and to recruit and retain high calibre eligible persons and attract human resources that are valuable to the Group. Options are granted under the plan for no consideration and carry no dividends or voting rights.

The exercise price of the options is determined by the management was based on the highest of:

(a) the closing price of the shares on the date of grant as stated in the Hong Kong Stock Exchange;

(b) the average closing price of the shares as stated in the Hong Kong Stock Exchange 5 trading days before the date of grant; and

(c) the nominal value of the share on the offer date.

Set out below are summaries of options granted under the plan:

	2024		2023	
	Average exercise price per share option (Note a)	Number of options (Note a)	Average exercise price per share option	Number of options
As at 1 January	HK$1.46	9,000,000	HK$0.146	90,000,000
As at 31 December	HK$1.46	9,000,000	HK$0.146	90,000,000
Vested and exercisable at 31 December	HK$1.46	9,000,000	HK$0.146	90,000,000

Note a: Adjusted to reflect the effect of the Share Consolidation completed on 27 May 2024 (Note 22(a)).

No options were granted, exercised or expired during the year ended 31 December 2024 (2023: Nil).

9 Employee benefit expense (including directors' emoluments) (Continued)

Share Option Plan (Continued)

Share options outstanding at the end of the year have the following expiry date and exercise prices:

Grant Date	Expiry date	Exercise price (Note a)	Share options 31 December 2024 (Note a)	Share options 31 December 2023
8 April 2020	8 April 2030	HK$1.46	**9,000,000**	90,000,000
Weighted average remaining contractual life of options outstanding at end of year			**5.3 years**	6.3 years

10 Income taxes

(a) Income tax expense

Singapore statutory income tax has been provided at the rate of 17% on the estimated assessable profit during the year ended 31 December 2024 (2023: 17%).

The amounts of income tax (credit)/expense (credited)/charged to the consolidated statement of comprehensive income represent:

	Year ended 31 December	
	2024 S$'000	2023 S$'000
Singapore profits tax		
– Current tax expense	**19**	1,871
Over-provision in prior years	**(325)**	(115)
Deferred tax expense/(credit) (Note 10(b))	**36**	(156)
Total tax (credit)/expense for the year	**(270)**	1,600

10 Income taxes (Continued)

(a) Income tax expense (Continued)

The tax on the Group's (loss)/profit before income tax differs from the theoretical amount that would arise using the tax rate of Singapore as follows:

	Year ended 31 December	
	2024	2023
	S$'000	S$'000
(Loss)/profit before income tax	**(3,338)**	9,343
Share of profit of a joint venture, net of tax	**(209)**	(449)
Share of loss of associates, net of tax	**249**	17
(Loss)/profit before income tax and share of profit/loss from associates and a joint venture	**(3,298)**	8,911
Tax at the statutory tax rate of 17% (2023: 17%)	**(561)**	1,515
Statutory income tax exemption	**(30)**	(35)
Income not subjected to tax	**–**	(2)
Expenses not deductible for tax	**540**	315
Deferred tax benefit not recognised	**136**	–
Over-provision of tax in prior years	**(325)**	(115)
Tax rebate	**(19)**	(80)
Others	**(11)**	2
Income tax (credit)/expense	**(270)**	1,600

(b) Deferred income tax

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority.

The net movement on the deferred income tax account is as follows:

	Year ended 31 December	
	2024	2023
	S$'000	S$'000
Beginning of the year	**301**	145
(Charged)/credited to profit or loss (Note 10(a))	**(36)**	156
Under-provision in prior years	**(454)**	–
End of the year	**(189)**	301

10 Income taxes (Continued)

(b) Deferred income tax (Continued)

Movement in deferred income tax assets and liabilities without taking into consideration the offsetting of balances within the same tax jurisdiction is as follows:

Deferred income tax assets

	Unrealised profit S$'000	Lease liabilities S$'000	Provisions S$'000	Total S$'000
At 1 January 2023	175	284	264	723
(Charged)/credited to profit or loss	(150)	(144)	66	(228)
At 31 December 2023 and 1 January 2024	25	140	330	495
(Charged)/credited to profit or loss	(12)	43	–	31
At 31 December 2024	13	183	330	526

Deferred income tax liabilities

	Accelerated tax depreciation S$'000	Right-of-use assets S$'000	Total S$'000
At 1 January 2023	(329)	(249)	(578)
Credited to profit or loss	255	129	384
At 31 December 2023 and 1 January 2024	(74)	(120)	(194)
Charged to profit or loss	(463)	(58)	(521)
At 31 December 2024	(537)	(178)	(715)

At balance sheet date, the Group has unrecognised tax losses of approximately $800,000 (2023: Nil) arising from one of its subsidiaries which can be carried forward and used to offset against future taxable profits subject to meeting certain statutory requirements. These utilised tax losses a does not have any expiry date.

11 Dividends

The Company has neither declared nor paid any dividends since its incorporation.

12 Basic and diluted (losses)/earnings per share

(a) Basic (losses)/earnings per share

Basic (losses)/earnings per share is calculated by dividing the (loss)/profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the years ended 31 December 2024 and 2023.

	Year ended 31 December	
	2024	2023 (restated)
(Loss)/profit attributable to equity holders of the Company (S$'000)	**(3,240)**	7,754
Weight average number of ordinary shares in issue ('000)	**100,230**	90,000*
Basic (losses)/earnings per share in Singapore cents	**(3.2)**	8.6

* restated arising from share consolidation mentioned in Note 22(a)

(b) Diluted (losses)/earnings per share

2024 and 2023

There were one type of potential dilutive ordinary shares outstanding for the year ended 31 December 2024 and 2023. The Company's share options (Note 9) are not included in the calculation of the diluted (losses)/earnings per share because the average market price of the Company's shares during the year is less than the assumed exercise price of the share options, the potential ordinary shares were not included in the calculation of the diluted (losses)/earnings per share as their inclusion would be have no dilutive impact. Hence the diluted (losses)/earnings per share is the same as basic (losses)/earnings per share.

13 Property, plant and equipment

	Office and workshop equipment S$'000	Motor vehicles S$'000	Leasehold improvements S$'000	Computers and software S$'000	Leasehold properties S$'000	Right-of-use assets S$'000	Furniture and fittings S$'000	Assets under construction S$'000	Total S$'000
Year ended 31 December 2024									
Opening net book amount	55	29,566	15	459	1,663	704	43	1,071	33,576
Transfers	-	-	814	48	-	-	-	(862)	-
Additions	200	4,307	132	30	-	1,512	122	87	6,390
Disposals (Note 24(a))	(4)	(4,449)	(2)	(5)	-	(6)	(6)	(7)	(4,479)
Impairment (Note 8)	-	(64)	-	-	-	-	-	-	(64)
Depreciation (Note 8)	(51)	(3,704)	(263)	(251)	(140)	(1,134)	(30)	-	(5,573)
Closing net booking amount	200	25,656	696	281	1,523	1,076	129	289	29,850
At 31 December 2024									
Cost	309	33,982	1,016	773	3,688	1,394	174	289	41,625
Accumulated depreciation	(109)	(8,262)	(320)	(492)	(2,165)	(318)	(45)	-	(11,711)
Accumulated impairment	-	(64)	-	-	-	-	-	-	(64)
Net book amount	200	25,656	696	281	1,523	1,076	129	289	29,850

13 Property, plant and equipment (Continued)

	Office equipment S$'000	Motor vehicles S$'000	Leasehold improvements S$'000	Computers and software S$'000	Leasehold properties S$'000	Right-of-use assets S$'000	Furniture and fittings S$'000	Assets under construction S$'000	Total S$'000
Year ended 31 December 2023									
Opening net book amount	59	28,853	38	128	1,803	1,465	19	360	32,725
Transfers	–	–	–	127	–	–	–	(127)	–
Additions	30	10,503	21	323	–	341	38	838	12,094
Disposals (Note 24(a))	(4)	(6,505)	(14)	(2)	–	(241)	–	–	(6,766)
Depreciation (Note 8)	(30)	(3,285)	(30)	(117)	(140)	(861)	(14)	–	(4,477)
Closing net booking amount	55	29,566	15	459	1,663	704	43	1,071	33,576
At 31 December 2023									
Cost	424	34,942	1,502	1,028	3,688	2,080	485	1,071	45,220
Accumulated depreciation	(369)	(5,376)	(1,487)	(569)	(2,025)	(1,376)	(442)	–	(11,644)
Net book amount	55	29,566	15	459	1,663	704	43	1,071	33,576

Depreciation expenses were charged to the following categories in the consolidated statement of comprehensive income:

	Year ended 31 December	
	2024 S$'000	2023 S$'000
Cost of sales	**3,575**	3,153
General and administrative expenses	**1,998**	1,324
	5,573	4,477

As at 31 December 2024, the carrying amount of motor vehicles amounting to S$23,204,000 (2023: S$28,397,000) were pledged for hire purchase financing (Note 20(d)).

13 Property, plant and equipment (Continued)

Right-of-use assets

Right-of-use assets comprised of leased office equipment, office spaces and showrooms.

Amount recognised in the consolidated statement of comprehensive income

		Year ended 31 December	
		2024	2023
	Note	**S$'000**	S$'000
Interest expense on lease liabilities	7	**85**	102
Expense relating to short-term leases	8	**689**	671
Depreciation on right-of-use assets	8	**1,134**	861
Gain on disposal of right-of-use assets	6(b)	**1**	4

The total cash outflow for leases in 31 December 2024 was S$2,016,000 (2023: S$1,715,000) (including short-term leases).

The Group's leasing activities and how these are accounted for

The Group leases various offices, office equipment and showroom. Rental contracts are typically fixed period of 1 year to 5 years, but may have extension and termination options as described below.

Lease terms are negotiated on an individual basis and contain a wide range of different terms and conditions. The lease agreements do not impose any covenant other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

Extension and termination options are included in showroom across the Group. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operation. The Group negotiates extension and termination options to optimise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination are exercisable only by the Group and not by the lessor.

14 Financial assets at fair value through other comprehensive income

Movement in financial assets at fair value through profit or loss

	As at 31 December		
	2024		2023
	S$'000	S$'000	S$'000
Name of unlisted equity fund	ICH Gemini Global Fund III	ICH Gemini Global Fund	ICH Gemini Global Fund
Beginning of financial year	–	100	–
Addition	100	–	100
Disposal (Note 24(a))	–	(100)	–
End of financial year	100	–	100

The instruments are measured at fair value through other comprehensive income as they are not held for trading purposes.

15 Inventories

	As at 31 December	
	2024	2023
	S$'000	S$'000
Current		
Finished goods at cost		
– Motor vehicles	39,958	36,610
– Others	359	229
Less: Provision for inventories write down	(1,378)	(109)
Total	38,939	36,730

As at 31 December 2024, inventories of S$1,525,000 (2023: Nil) were pledged for the borrowings against inventories (Note 20(a)).

The cost of inventories recognised as expense and included in "cost of sales" amounted to S$165,977,000 for the year ended 31 December 2024 (2023: S$154,541,000) which included provision for inventories write down of S$1,269,000 (2023: S$38,000).

16 Trade and other receivables and prepayments

	As at 31 December	
	2024	2023
	S$'000	S$'000
Current		
Trade receivables	**7,385**	7,623
Less: provision for impairment of trade receivables	**(38)**	(40)
Trade receivables – net	**7,347**	7,583
Prepayments	**7,658**	9,895
Amounts due from a joint venture	**14**	655
Amount due from a director	**186**	–
Amount due from associates	**370**	–
Amount due from related parties	**588**	360
Other receivables	**4,444**	1,486
Less: provision for impairment of other receivables	**(875)**	(53)
Other receivables – net	**3,569**	1,433
	19,732	19,926

Trade receivables mainly include outstanding balances from customers arising from sale of motor vehicles and sale of spare parts and accessories. For the sale of motor vehicles, all customers are generally required to make payment at the point of transaction and no credit period is granted to these customers. The Group may, however, at times grant credit period to certain customers based on (i) size of order; (ii) the Group's relationship with the customers; and (iii) the Group's assessment of the reputation and credit worthiness of the customers and may impose interest on overdue balances.

Prepayments mainly include advances to various suppliers for purchase of inventory and prepayment for purchase of Certificates of Entitlement.

The amounts due from a director, a joint venture, associates and related parties are unsecured, interest-free, and repayable on demand.

Included in other receivable, there were:

- S$Nil (2023: S$740,000) receivables from other car dealers. This amount was secured, bears an average interest rate of 10% and repayable within 3 months as at 31 December 2023.
- S$1,300,000 (2023: S$Nil) relates to a receivable that is secured, bears an interest of 1.25% to 2% per month and repayable within 12 months.
- S$1,169,000 (2023: S$Nil) relates to a receivable that is unsecured, bears an interest of 4.5% per annum and repayable within 12 months.

16 Trade and other receivables and prepayments (Continued)

As at 31 December 2024 and 2023, the ageing analysis of the trade receivables (net of provision for impairment) based on invoice date are as follows:

	As at 31 December	
	2024	2023
	S$'000	S$'000
Up to 3 months	**7,284**	6,778
3 to 4 months	**6**	68
4 months to 1 year	**57**	720
More than 1 year	**–**	17
	7,347	7,583

Movements in the provision for impairment of trade receivables are as follows:

	As at 31 December	
	2024	2023
	S$'000	S$'000
As at 1 January	**40**	39
Provision for impairment of trade receivables	**(2)**	1
As at 31 December	**38**	40

Movements in the provision for impairment of other receivables are as follows:

	As at 31 December	
	2024	2023
	S$'000	S$'000
As at 1 January	**53**	108
Reclassification from provision for impairment for lease liabilities (Note 18)	**117**	–
Provision for impairment of other receivables	**705**	9
Bad debts recovered	**–**	(64)
As at 31 December	**875**	53

16 Trade and other receivables and prepayments (Continued)

The carrying amounts of the Group's trade and other receivables are considered to be the same as their fair values due to short-term in nature and are denominated in the following currencies:

	As at 31 December	
	2024	2023
	S$'000	S$'000
S$	6,282	6,525
HK$	40	3
CNY	225	44
USD	5,527	3,459
	12,074	10,031

17 Cash and bank balances

Cash and bank balances are denominated in the following currencies:

	As at 31 December	
	2024	2023
	S$'000	S$'000
S$	10,736	11,395
HK$	286	79
USD	42	36
GBP	20	20
JPY	88	1,417
EUR	28	28
	11,200	12,975

18 Finance lease receivables

The Group sells motor vehicles to third parties under finance leases arrangements. The weighted-average effective interest rate of the finance lease receivables as at 31 December 2024 and 2023 is 6.79% and 6.73% per annum, respectively.

At 31 December 2024 and 2023, the Group has gross receivables under finance lease as follows:

As at 31 December 2024

	Gross receivable less impairment S$'000	**Unearned income S$'000**	**Net finance lease receivables S$'000**
Within 1 year	**10,143**	**2,174**	**7,969**
After 1 year but within 5 years	**29,427**	**3,545**	**25,882**
After 5 years	**2,381**	**133**	**2,248**
	41,951	**5,852**	**36,099**

As at 31 December 2023

	Gross receivable less impairment S$'000	Unearned income S$'000	Net finance lease receivables S$'000
Within 1 year	11,952	2,886	9,066
After 1 year but within 5 years	37,739	5,417	32,322
After 5 years	5,863	277	5,586
	55,554	8,580	46,974

As at 31 December 2024 and 2023, the block discounting financing (Note 20(c)) were secured by the finance lease receivables.

Movements in the provision for impairment of third parties – finance lease receivables are as follows:

	As at 31 December	
	2024 S$'000	2023 S$'000
As at 1 January	**117**	–
Reclassification to provision for impairment for other receivables (Note 16)	**(117)**	–
Provision for impairment of finance lease receivables	**41**	117
As at 31 December	**41**	117

19 Trade and other payables and provision for warranty

	As at 31 December	
	2024	2023
	S$'000	S$'000
Current		
Trade payables (Note a)	**630**	917
Other payables	**575**	898
Amounts due to a joint venture	**1**	61
Amounts due to associates	**178**	–
Amounts due to related parties	**1,715**	–
Contract liabilities (Note c)	**2,825**	3,340
Accrued operating expenses	**3,417**	2,145
Provision for warranty (Note b)	**969**	712
	10,310	8,073
Non current		
Contract liabilities (Note c)	**562**	–

The amounts due to a joint venture, associates and related parties are unsecured, interest-free, and repayable on demand.

Contract liabilities comprises of deferred revenue and advance payment from customer.

19 Trade and other payables and provision for warranty (Continued)

(a) Trade payables

An ageing analysis of the trade payables as at 31 December 2024 and 2023, based on the invoice date, is as follows:

	As at 31 December	
	2024	2023
	S$'000	S$'000
Within 1 month	**467**	545
1 to 4 months	**29**	23
4 months to 1 year	**134**	349
	630	917

Trade payables are unsecured and non-interest bearing. The Group is able to negotiate to extend the repayment period with the suppliers based on mutual agreement.

(b) Provision for warranty

Movement in provision for warranty is as follows:

	As at 31 December	
	2024	2023
	S$'000	S$'000
As at 1 January	**712**	498
Provision for the year	**456**	422
Provision utilised	**(199)**	(208)
As at 31 December	**969**	712

19 Trade and other payables and provision for warranty (Continued)

(c) Contract liabilities

Contract liabilities comprise advance payment from customers.

(i) Revenue recognised in relation to contract liabilities

The following table shows how much of the revenue recognised in the current reporting period relates to carried-forward contract liabilities and how much relates to performance obligations that were satisfied in a prior year:

	As at 31 December	
	2024	2023
	S$'000	S$'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year		
Sales of motor vehicles	**3,340**	8,335

Contract liabilities

Management expects that the transaction price allocated to unsatisfied performance obligation as at 31 December 2024 and 2023 may be recognised as revenue in the next reporting period as follows:

	31 December	
	2024	2023
	S$'000	S$'000
2024	**–**	3,340
2025	**2,825**	–
2026	**113**	–
2027	**113**	–
2028	**112**	–
2029	**112**	–
2030	**112**	–
Total	**3,387**	3,340

(ii) Significant changes in contract liabilities

The decrease was mainly due to lower pre-orders of vehicles from customers. The decrease is partially offset by a new contractual obligation to provide vehicle servicing over a period of 6 years arsing from sale of a brand vehicle in 2024.

19 Trade and other payables and provision for warranty (Continued)

(c) Contract liabilities (Continued)

(iii) Unsatisfied performance obligations

As at 31 December 2024, certain performance obligations not yet satisfied by the Group were from contracts with original expected duration of less than one year. Therefore, as permitted by the relevant practical expedient under IFRS 15, the transaction price allocated to these unsatisfied performance obligations was not disclosed.

The carrying amounts of the Group's trade and other payables are denominated in the following currencies:

	As at 31 December	
	2024	2023
	S$'000	S$'000
S$	**6,088**	3,810
GBP	**406**	22
HK$	**–**	181
USD	**22**	5
CNY	**–**	3
	6,516	4,021

The carrying amounts of the trade and other payables approximate to their fair values.

20 Borrowings

	As at 31 December	
	2024 S$'000	2023 S$'000
Non-current		
Block discounting financing (Note c)	25,126	35,136
Hire purchase liabilities (Note d)	11,739	15,720
Lease liabilities	596	–
Term loan (Note e)	–	610
	37,461	51,466
Current		
Borrowings against inventories (Note a)	1,525	–
Term bills (Note b)	–	2,547
Block discounting financing (Note c)	8,056	9,442
Lease liabilities	494	827
Hire purchase liabilities (Note d)	4,946	6,263
Term loan (Note e)	610	1,031
Short term loan (Note f)	2,159	–
	17,790	20,110
	55,251	71,576

Notes:

(a) Borrowings against inventories were secured by certain inventories (Note 15) and corporate guarantee provided by the Company.

(b) Term bills financing were secured by corporate guarantee provided by the Company.

(c) Block discounting financing were secured by certain portion of the finance lease receivables (Note 18) and corporate guarantee provided by the Company. Block discounting financing contains a repayable on demand clause. However, prior to the year end, the Group had received a confirmation letter from a bank waiving its rights to demand immediate repayment for a period of 12 months from 31 December 2024 and 2023. Therefore, the Group classified certain portion of the block discounting as at 31 December 2024 and 2023 as non-current.

(d) Hire purchase liabilities were bank loans secured by motor vehicles (Note 13) and corporate guarantee by the Company.

(e) Term loan was secured by corporate guarantee provided by the Company.

(f) Short term loan is unsecured, bears an interest of 4.5% per annum and repayable within 12 months.

20 Borrowings (Continued)

Interest rates on all borrowings are fixed.

The fair values of current borrowings at fixed interest rates approximate their carrying amounts.

The average effective interest rate per annum as at 31 December 2024 and 2023 is set out as follows:

	As at 31 December	
	2024	2023
	%	%
Term bills	**–**	*
Block discounting financing	**3.6**	4.1
Lease liabilities	**5.3**	5.1
Hire purchase liabilities	**2.1**	4.9
Borrowings against inventories	**4.6**	–
Term loan	**3.8**	3.8
Short term loan	**4.5**	–

* Interest rate is less than 1%

The expected contractual undiscounted cash outflows of borrowings, including interest payments and excluding the impact of netting agreement is disclosed in Note 3.1(e).

The carrying amounts of the Group's borrowings are denominated in S$ and approximate to their fair values.

As at 31 December 2024 and 2023, the Group has unutilised committed banking facilities of approximately S$77,000,000 and S$62,000,000 respectively.

21 Derivative financial instruments

In 2023, the Group entered into derivative financial instruments comprise of the United State Dollar/Singapore Dollar and Japanese Yen/Singapore Dollar currency forwards, United State Dollar/Singapore Dollar currency options and Singapore Dollar/Japanese Yen currency options used to manage the exposure from purchases of inventory. These derivative financial instruments have maturity periods of less than 1 year.

	Notional amount S$'000	Asset S$'000	Fair value liability S$'000
31 December 2023			
Derivatives not held for hedging:			
– Currency options	6,208	–	(70)
– Currency forwards	400	–	(17)
Total – current	–	(87)	(87)

22 Share capital, share premium and capital reserve

	Share capital		
	Number of ordinary shares	Nominal value of ordinary shares S$'000	Share premium S$'000
Authorised:			
As at 1 January 2023, 31 December 2023 and 1 January 2024	10,000,000,000	17,207	–
Share Consolidation (as defined below) (Note a)	(9,000,000,000)	–	–
As at 31 December 2024	1,000,000,000	17,207	–
Issued and fully paid:			
Ordinary shares			
As at 1 January 2023, 31 December 2023 and 1 January 2024	900,000,000	1,550	11,864
Share Consolidation (as defined below) (Note a)	(810,000,000)	–	–
Subscription of new shares (Note b)	18,000,000	305	1,650
As at 31 December 2024	108,000,000	1,855	13,514

22 Share capital, share premium and capital reserve (Continued)

Notes:

(a) On 23 May 2024, an ordinary resolution has been passed by the shareholders of the Company for a share consolidation pursuant to which every ten (10) issued and unissued existing shares of HK$0.01 each will be consolidated into one (1) consolidated share of HK$0.10 each (the "Share Consolidation"). The Share Consolidation was completed on 27 May 2024. Details of the Share Consolidation are set out in the Company's circular dated 5 May 2024.

(b) On 7 June 2024, the Company issued 18,000,000 new shares of par value of HK$0.10 each to an independent third party under general mandate at a subscription price of HK$0.63 per share. The total new shares of par value and share premium on the issue of shares amounting to HK$1,800,000 and HK$$9,540,000, equivalent to approximately S$305,000 and S$1,650,000, were credited to the Company's share capital and share premium account, respectively.

Capital reserve of S$3,494,000 (2023: S$3,494,000) represented the combined share capital of Vincar Pte. Ltd., Vincar Leasing and Rental Pte. Ltd. and Autoart Motorsports Pte. Ltd. before the Reorganisation from 2017 to 2019.

23 Related party transactions

(a) Transactions with related parties

Parties are considered to be related to the Group if the key management personnel or shareholders of the Group has the ability, directly or indirectly, to control or jointly control the party or exercise significant influence over the party in making financial and operating decisions.

During the year ended 31 December 2024 and 2023, the related parties that had transactions with the Group are as follows:

Name of related parties	Relationships with the Group
Tan Shuay Tarng Vincent	Ultimate controlling party of the Group.
Beng Lee Ser, Marisa	Spouse of the ultimate controlling party of the Group, Mr. Vincent Tan.
Tan Cheng Wei, Ernest	Son of the ultimate controlling party of the Group, Mr. Vincent Tan.
Vincar Assets Pte. Ltd.	Company which Mr. Vincent Tan has significant influence in.
Autumn Silver Investments Ltd.	Company which Beng Lee Ser, Marisa has significant influence in.
Victoria Land Limited	Company which Beng Lee Ser, Marisa has significant influence in.
Wealth Assets Pte. Ltd.	Company which Vincar Assets Pte. Ltd. has non-controlling shareholding.

23 Related party transactions (Continued)

(a) Transactions with related parties (Continued)

Name of related parties	Relationships with the Group
Ng Hui Bin Audrey	Executive Director and the sister-in-law of the ultimate controlling party of the Group, Mr. Vincent Tan.
Leng Kee Autopoint Pte. Ltd.	Company which Mr. Vincent Tan has financial interest in.
Komoco Pre-owned Pte. Ltd.	A joint venture company of Vincar Pte. Ltd..
Vincar (LK) Pte. Ltd.	An associate company of Vincar Pte. Ltd..
Singapore Electric Vehicles Pte. Ltd.	An indirect associated company of Vincar Pte. Ltd..
SEV Commercial Pte. Ltd.	An associate company of Vincar EV Pte. Ltd..
SEV Trading Pte. Ltd.	An indirect associated company of Vincar Pte. Ltd..
Neta Auto Pte. Ltd.	A subsidiary of Vincar Pte. Ltd..
EV Hub Pte. Ltd.	A subsidiary of Vincar Pte. Ltd..
Emmalex Investment Pte. Ltd.	Company which Mr. Raymond Wong has financial interest in.
Rwong Law Corporation	Company which Mr. Raymond Wong has financial interest in.
Autosprint (LK) Pte. Ltd.	Company which Mr. Vincent Tan has financial interest in.

In addition to those disclosed elsewhere in the consolidated financial statements, the following transactions were carried out with related parties:

Transactions	Year ended 31 December	
	2024	2023
	S$'000	S$'000
Rental paid/payable to related parties		
– Autumn Silver Investments Ltd.	**(60)**	(60)
– Victoria Land Limited	**–**	(49)
– Wealth Asset Pte. Ltd.	**(900)**	(780)
– Vincar (LK) Pte. Ltd.	**(99)**	–
– Mr. Vincent Tan & Beng Lee Ser, Marisa	**–**	(56)
	(1,059)	(945)

23 Related party transactions (Continued)

(a) Transactions with related parties (Continued)

Transactions	Year ended 31 December 2024 S$'000	2023 S$'000
Payments on behalf of related parties		
– Beng Lee Ser, Marisa	93	382
– Tan Cheng Wei, Ernest	55	–
– Ng Hui Bin Audrey and spouse	8	–
– Komoco Pre-owned Pte. Ltd.	207	265
– SEV Commercial Pte. Ltd.	27	250
– SEV Trading Pte. Ltd.	–	56
– Vincar (LK) Pte. Ltd.	–	60
– EV Hub Pte. Ltd.	–	11
– Neta Auto Pte. Ltd.	–	51
– Wealth Asset Pte. Ltd.	–	360
	390	1,435
Payments on behalf by related parties		
– Wealth Asset Pte. Ltd.	(4)	–
– Beng Lee Ser, Marisa	(294)	(382)
– Mr. Vincent Tan	(100)	(128)
– Ng Hui Bin Audrey	(13)	(13)
– Tan Cheng Wei, Ernest	(67)	–
– Singapore Electric Vehicles Pte. Ltd.	–	(13)
	(478)	(536)
Receipts on behalf of related parties		
– Komoco Pre-owned Pte. Ltd.	(61)	(921)
– SEV Commercial Pte. Ltd.	(235)	(405)
– SEV Trading Pte. Ltd.	(626)	–
	(922)	(1,326)

23 Related party transactions (Continued)

(a) Transactions with related parties (Continued)

Transactions	Year ended 31 December 2024 S$'000	2023 S$'000
Sales to related parties		
– Beng Lee Ser, Marisa	–	661
– Ng Hui Bin Audrey's father	–	3
– Tan Cheng Wei, Ernest	1	–
– Vincar (LK) Pte. Ltd.	11	–
– Komoco Pre-owned Pte. Ltd.	61	–
– Singapore Electric Vehicles Pte. Ltd.	871	839
– SEV Commercial Pte. Ltd.	1,197	3,274
– SEV Trading Pte. Ltd.	6,210	212
– Emmalex Investment Pte. Ltd.	15	21
	8,366	5,010
Purchases from related parties		
– Wealth Asset Pte. Ltd.	139	–
– Komoco Pre-owned Pte. Ltd.	220	51
– Vincar (LK) Pte. Ltd.	147	–
– SEV Commercial Pte. Ltd.	–	13
– Autosprint (LK) Pte. Ltd.	556	612
– Rwong Law Corporation	5	2
	1,067	678
Downpayment made to related parties		
– Singapore Electric Vehicles Pte. Ltd.	860	624
– SEV Holdings Pte. Ltd.	1,050	–
	1,910	624

23 Related party transactions (Continued)

(b) Key management compensation

Key management personnel of the Group are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. The directors of the Group are considered as key management personnel of the Group.

Compensation of key management personnel of the Group, including directors' remuneration, is disclosed in Note 9 to the consolidated financial statements.

24 Notes to the consolidated statement of cash flows

(a) In the consolidated statement of cash flows, proceeds from sale of property, plant and equipment and financial assets at fair value through other comprehensive income comprise:

	As at 31 December	
	2024	2023
	S$'000	S$'000
Net carrying amount of property, plant and equipment (excluding right-of-use assets) (Note 13)	**4,473**	6,525
Gain on disposal of property, plant and equipment (Note 6(b))	**441**	2,794
Proceeds from disposal of property, plant and equipment	**4,914**	9,319
Net carrying amount of financial assets at fair value through other comprehensive income (Note 14)	**100**	–
Gain on disposal of financial assets at fair value through other comprehensive income	**539**	–
Proceeds from disposal of financial assets at fair value through other comprehensive income	**639**	–

24 Notes to the consolidated statement of cash flows (Continued)

(b) Cash flow information – financing activities

This section sets out the reconciliation of liabilities arising from financing activities for the years ended 31 December 2024 and 2023.

	Block discounting financing and hire purchase liabilities S$'000	Interest payable S$'000	Bank borrowings S$'000	Lease liabilities S$'000	Total S$'000
As at 1 January 2023	59,710	–	13,754	1,673	75,137
Non-cash movements					
– Interest expense	–	2,997	–	102	3,099
– Addition of lease liabilities	–	–	–	341	341
– Disposal of lease liabilities	–	–	–	(245)	(245)
Cash flows	6,851	(2,997)	(9,566)	(1,044)	(6,756)
As at 31 December 2023	66,561	–	4,188	827	71,576
As at 1 January 2024	**66,561**	**–**	**4,188**	**827**	**71,576**
Non-cash movements					
– Interest expense	**–**	**2,841**	**–**	**85**	**2,926**
– Addition of lease liabilities	**–**	**–**	**–**	**1,512**	**1,512**
– Disposal of lease liabilities	**–**	**–**	**–**	**(7)**	**(7)**
Cash flows	**(16,694)**	**(2,841)**	**106**	**(1,327)**	**(20,756)**
As at 31 December 2024	**49,867**	**–**	**4,294**	**1,090**	**55,251**

25 Investment in subsidiaries/amount due from a subsidiary

(a) Investment in subsidiaries

Details of unlisted subsidiaries are as follows:

Name of subsidiaries	Date of incorporation	Country of operation/ incorporation	Principal activities	Issued and paid up capital	Effective interest held As at 31 December 2024	2023
Directly held by the Company						
Solution Lion Limited	12 May 2017	British Virgin Islands	Investment holding company	S$2,294	100%	100%
SEV New Energy Company Limited	7 June 2024	British Virgin Islands	Investment holding company	US$10,000	100%	–
AlphaMind AI Ltd.	18 December 2024	British Virgin Islands	Investment holding company	US$10,000	100%	–
Indirectly held by the Company						
Vincar Pte. Ltd.	18 December 2003	Singapore	Sale of parallel-import motor vehicles and pre-owned motor vehicles and provision of motor vehicle financing services and motor insurance agency services	S$1,000	100%	100%
Vincar Leasing and Rental Pte. Ltd.	23 May 2014	Singapore	Leasing of motor vehicles	S$100	100%	100%
Vincar EV Pte. Ltd.	7 October 2021	Singapore	Investment holding company	S$200	100%	100%
Neta Auto Pte. Ltd.	2 January 2023	Singapore	Sale of motor vehicles	S$400	100%	100%
SEV Technology (H.K.) Company Limited	25 June 2024	Hong Kong	Investment holding company	HK$10,000	100%	–
EV Hub Pte. Ltd.	15 August 2023	Singapore	Sale of motor vehicles	S$1,000	60%	60%

25 Investment in subsidiaries/amount due from a subsidiary (Continued)

(a) Investment in subsidiaries (Continued)

In 2023, Vincar Pte. Ltd. incorporated Neta Auto Pte. Ltd. and EV Hub Pte. Ltd..

In 2024, Solution Lion Limited incorporated SEV New Energy Company Limited, SEV Technology (H.K.) Company Limited and AlphaMind AI Ltd. On 13 December 2024, Solution Lion Limited transferred all the shares in SEV Technology (H.K.) Company Limited to SEV New Energy Company Limited.

(i) Non-controlling interest

Summarised financial information of subsidiaries with material non-controlling interests

Set out below are the summarised financial information for the subsidiary of the Group as at 31 December 2024 and 2023 that has non-controlling interests that is material to the Group. These are presented before inter-company eliminations.

Summarised statement of financial position

	EV Hub Pte. Ltd. 31 December	
	2024	2023
	S$'000	S$'000
Current		
Assets	**9,053**	624
Liabilities	**(8,887)**	(96)
Total current net assets	**166**	528
Non-current		
Assets	**2,399**	445
Liabilities	**(1,163)**	–
Total non-current net assets	**1,236**	445
Net assets	**1,402**	973
Accumulated NCI	**561**	389

25 Investment in subsidiaries/amount due from a subsidiary (Continued)

(a) Investment in subsidiaries (Continued)

(i) Non-controlling interest (Continued)

Summarised financial information of subsidiaries with material non-controlling interests (Continued)

Summarised statement of comprehensive income

	EV Hub Pte. Ltd. For the year ended 31 December	
	2024	2023
	S$'000	S$'000
Revenue	**44,872**	–
Profit/(loss) before income tax	**492**	(27)
Income tax expense	**(62)**	–
Profit/(loss) and comprehensive income/(loss) after income tax	**430**	(27)
Total profit/(loss) and comprehensive income/(loss) allocated to non-controlling interests	**172**	(11)

Summarised statement of cash flows

	EV Hub Pte. Ltd. For the year ended 31 December	
	2024	2023
	S$'000	S$'000
Net cash generated from/(used in) operating activities	**417**	(39)
Net cash used in investing activities	**(2,415)**	(444)
Net cash generated from financing activities	**2,392**	1,000

25 Investment in subsidiaries/amount due from a subsidiary (Continued)

(a) Investment in subsidiaries (Continued)

(ii) Transaction with non-controlling interest

2023

The Group holds 60% of the equity share capital of EV Hub Pte. Ltd. The remaining 40% of the issued shares of EV Hub Pte. Ltd. was held by a non-controlling. The effect of on the equity attributable to the owners of the Company during the 2023 is summarised as follows:

EV Hub Pte. Ltd.	2023 S$'000
Equity investments at cost	–
Capital contribution by Vincar Pte. Ltd.	600
Capital contribution by non-controlling party	400
Total paid-up share capital of subsidiary	1,000

(b) The amount due from a subsidiary is denominated in HK$, unsecured, interest-free and repayable on demand.

26 Investment in a joint venture

	31 December	
	2024 S$'000	2023 S$'000
At beginning of the year	**1,160**	948
Share of profit till deemed disposal date*	**–**	205
Capital injection	**–**	5
Net assets transferred to associates (Note 27)	**–**	(237)
Loss on deemed disposal	**–**	(5)
Share of results	**209**	244
At end of the year	**1,369**	1,160

* In 27 May 2023, due to the change in the board composition and shareholding of SEV Commercial Pte. Ltd., the management reclassified the investment from a joint venture to an associate (Note 27).

26 Investment in a joint venture (Continued)

Set out below are the joint venture under the equity method of the Group as at 31 December 2024 which, in the opinion of the directors is material to the Group.

Name of entity	Place of business/ country of incorporation	% of ownership interest 31 December 2024	2023
Komoco Pre-owned Pte. Ltd.	Singapore	50%	50%

Komoco Pre-owned Pte. Ltd. is principally engaging in the trading of vehicles.

The Group has no further commitments to provide funding to its joint venture and has no contingent liabilities relating to the joint venture.

Summarised financial information for the joint venture

Set out below is the summarised financial information for Komoco Pre-owned Pte. Ltd. and SEV Commercial Pte. Ltd.

Summarised statement of financial position

	Komoco Pre-owned Pte. Ltd. 31 December	
	2024 S$'000	2023 S$'000
ASSETS		
Non-current assets	16	23
Current assets		
– Cash and cash equivalents	1,801	729
– Other financial assets	1,021	3,084
	2,822	3,813
Total assets	2,838	3,836
LIABILITIES		
Current liabilities		
– Financial liabilities	100	1,516
Total liabilities	100	1,516
Net assets	2,738	2,320

26 Investment in a joint venture (Continued)

Summarised financial information for the joint venture (Continued)

Summarised statement of comprehensive income

	Komoco Pre-owned Pte. Ltd. For the year ended 31 December		SEV Commercial Pte. Ltd.
			Period ended
	2024	2023	26 May 2023
	S$'000	S$'000	S$'000
Revenue	**19,757**	13,527	4,041
Cost of sales	**(19,329)**	(12,902)	(3,517)
Gross profit	**428**	625	524
Expenses			
Includes:			
– General and administrative expenses	**(164)**	(295)	(115)
– Depreciation expense	**(7)**	(7)	–
Other gains	**193**	197	1
Profit before tax	**450**	520	410
Income tax expense	**(32)**	(32)	–
Profit and total comprehensive income for the year	**418**	488	410
Group's share in %	**50%**	50%	50%
Share of profit of a joint venture	**209**	244	205

The information above reflects the amounts presented in the financial statements of the joint venture (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the joint venture.

26 Investment in a joint venture (Continued)

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in the joint venture, is as follows:

	Komoco Pre-owned Pte. Ltd. 31 December	
	2024 S$'000	2023 S$'000
Opening net assets	**2,320**	1,832
Profit for the year	**418**	488
Closing net assets	**2,738**	2,320
Group's share in %	**50%**	50%
Group's share of net assets	**1,369**	1,160
Carrying amount	**1,369**	1,160

Reconciliation on loss on deemed disposal	SEV Commercial Pte. Ltd. 26 May 2023 S$'000
Opening net assets at deemed disposal date	65
Profit up till deemed disposal date	410
Closing net assets, 26 May 2023	475
Share of net assets at date of deemed disposal in %	49%
Group's share of net assets prior to deemed disposal	237
Group's share of net assets at date of deemed disposal	232
Loss on deemed disposal	5

27 Investment in associates

	31 December 2024 S$'000	2023 S$'000
At beginning of the year	**2,197**	1,977
Share of results	**(249)**	(17)
Net assets transferred from joint venture (Note 26)	**–**	237
Impairment of goodwill	**(1,484)**	–
At end of the year	**464**	2,197

Set out below are the associates under the equity method of the Group as at 31 December 2024 which, in the opinion of the directors is material to the Group.

Name of entity	Place of business/ country of incorporation	% of ownership interest 31 December 2024	2023
SEV Holdings Pte. Ltd.	Singapore	**20%**	20%
SEV Commercial Pte. Ltd.	Singapore	**49%**	49%
Vincar (LK) Pte. Ltd.	Singapore	**49%**	49%

SEV Holdings Pte. Ltd. and SEV Commercial Pte. Ltd. are principally engaging in the retail sale, rental and leasing of motor vehicles.

Vincar (LK) Pte. Ltd. is principally engages in the retail sale of motor vehicles but is a dormant company during the financial year.

The Group has no further commitments to provide funding to its associates and has no contingent liabilities relating to the associates.

27 Investment in associates (Continued)

Summarised financial information for associates

The summarised financial information of associated companies not adjusted for the preparation ownership interest held by the Group is as follows:

Summarised statement of financial position

	SEV Holdings Pte. Ltd. and its subsidiaries 31 December	
	2024 S$'000	2023 S$'000
ASSETS		
Current assets	3,152	23,261
Non-current assets	32,102	37,329
Total assets	35,254	60,590
LIABILITIES		
Current liabilities	11,129	57,995
Non-current liabilities	22,597	–
Total liabilities	33,726	57,995
Net assets	1,528	2,595

	SEV Commercial Pte. Ltd. 31 December	
	2024 S$'000	2023 S$'000
ASSETS		
Current assets	331	469
Non-current assets	–	–
Total assets	331	469
LIABILITIES		
Current liabilities	26	75
Total liabilities	26	75
Net assets	305	394

27 Investment in associates (Continued)

Summarised financial information for associates (Continued)

Summarised statement of financial position (Continued)

	Vincar (LK) Pte. Ltd. 31 December	
	2024 S$'000	2023 S$'000
ASSETS		
Current assets	434	3
Non-current assets	–	61
Total assets	434	64
LIABILITIES		
Current liabilities	395	89
Total liabilities	395	89
Net asset/(liabilities)	39	(25)

Summarised statement of comprehensive income

	SEV Holdings Pte. Ltd. and its subsidiaries For the year ended 31 December	
	2024 S$'000	2023 S$'000
Revenue	8,073	13,296
(Loss)/profit before tax	(1,167)	131
Income tax expense	–	–
(Loss)/profit and total comprehensive (loss)/income for the year	(1,167)	131
Group's share in %	20%	20%
Share of (loss)/profit of an associate	(233)	26

27 Investment in associates (Continued)

Summarised financial information for associates (Continued)

Summarised statement of comprehensive income (Continued)

	SEV Commercial Pte. Ltd. For the year ended 31 December	
	2024	2023
	S$'000	S$'000
Revenue	**796**	475
Loss before tax	**(52)**	(89)
Income tax expense	**(19)**	–
Loss and total comprehensive loss for the year	**(71)**	(89)
Group's share in %	**49%**	49%
Share of loss of an associate	**(35)**	(43)

	Vincar (LK) Pte. Ltd. For the year ended 31 December	
	2024	2023
	S$'000	S$'000
Revenue	**278**	–
Profit/(loss) before tax	**66**	(26)
Income tax expense	**–**	–
Profit/(loss) and total comprehensive income/(loss) for the year	**66**	(26)
Group's share in %	**49%**	49%
Share of loss of an associate	**32**	(13)
Less: Investment in associate	**–**	(*)
Unrecognised share of loss in prior year	**(13)**	–
Net share of profit of an associate	**19**	–
Unrecognised share of loss	**–**	(13)

* Amount is less than S$1,000

27 Investment in associates (Continued)

Summarised financial information for associates (Continued)

Summarised statement of comprehensive income *(Continued)*

The information above reflects the amounts presented in the financial statements of the associates (and not the Group's share of those amounts), adjusted for differences in accounting policies between the Group and the associates.

Reconciliation of summarised financial information

Reconciliation of the summarised financial information presented to the carrying amount of the Group's interest in associates, is as follows:

	SEV Holdings Pte. Ltd. and its subsidiaries 31 December	
	2024	2023
	S$'000	S$'000
Opening net assets	**2,595**	2,464
(Loss)/profit for the year	**(1,167)**	131
Closing net assets	**1,428**	2,595
Group's share in %	**20%**	20%
Group's share of net assets	**285**	519
Goodwill	**–**	1,484
Carrying amount	**285**	2,003

S$1,484,000 (2023: S$Nil) impairment of goodwill in investment in SEV Holdings Pte. Ltd. and its subsidiaries was due to deteriorating financial performance and projection of lower trading activities.

	SEV Commercial Pte. Ltd. 31 December 2023 S$'000
Opening net assets, 27 May 2023	475
Group's share in %	50%
Group's share of net assets	237
Capital injection	5
Loss on deemed disposal	(5)
Share of loss from 27 May – 31 December 2023	(43)
Closing net assets and carrying amount	194

27 Investment in associates (Continued)

Reconciliation of summarised financial information (Continued)

	SEV Commercial Pte. Ltd. 31 December 2024 S$'000
Opening net assets	396
Loss for the year	(71)
Closing net assets	325
Group's share in %	49%
Group's share of net assets	159
Carrying amount	159

	Vincar (LK) Pte. Ltd. 31 December	
	2024 S$'000	2023 S$'000
Opening net assets	(26)	–
Capital injection	–	*
Profit/(loss) for the year	67	(26)
Closing net asset/(liabilities)	41	(26)
Group's share in %	49%	49%
Group's share of net asset/(liabilities)	20	(13)
Less: Unrecognised share of prior year loss	–	13
Carrying amount	20	–

* Amount is less than S$1,000

28 Balance sheet and reserve movement of the Company

(a) Financial position of the Company

	Note	As at 31 December 2024 S$'000	2023 S$'000
ASSETS			
Non-current assets			
Investment in subsidiaries	25(a)	**2,321**	2,294
Property, plant and equipment		**5**	–
		2,326	2,294
Current assets			
Trade and other receivables		**1,212**	3
Amount due from a subsidiary	25(b)	**7,429**	6,057
Cash and bank balances		**186**	69
		8,827	6,129
Total assets		**11,153**	8,423
EQUITY AND LIABILITIES			
Capital and reserves attributable to owners of the Company			
Share capital	22	**1,855**	1,550
Share premium	22	**13,514**	11,864
Share based payment reserve	28(b)	**1,440**	1,440
Accumulated losses	28(b)	**(7,753)**	(6,612)
Total equity		**9,056**	8,242
LIABILITIES			
Current liabilities			
Trade and other payables		**498**	181
Amount due to a director		**1,599**	–
Total liabilities		**2,097**	181
Total equity and liabilities		**11,153**	8,423

The statement of financial position of the Company was approved and authorised for issue by the Board of Directors on 31 March 2025 and was signed on its behalf.

Mr. Tan Shuay Tarng Vincent
Director

Ms. Ng Hui Bin Audrey
Director

The above statement of financial position of the Company should be read in conjunction with the accompanying notes.

28 Balance sheet and reserve movement of the Company (Continued)

(b) Reserve movement of the Company

	Share based payment reserve S$'000	Accumulated losses S$'000
At 1 January 2023	1,440	(5,963)
Loss and total comprehensive loss for the year	–	(649)
At 31 December 2023 and 1 January 2024	**1,440**	**(6,612)**
Loss and total comprehensive loss for the year	**–**	**(1,141)**
At 31 December 2024	**1,440**	**(7,753)**

29 Commitments

Operating lease commitments – as lessor

The future minimum rentals receivable under non-cancellable operating leases of motor vehicles of the Group as at 31 December 2024 and 2023 are as follows:

	As at 31 December	
	2024 S$'000	2023 S$'000
Within 1 year	**3,729**	4,572
After 1 year but within 5 years	**2,301**	3,323
After 5 years	**6**	211
	6,036	8,106

30 Contingent liabilities

The Group did not have any significant contingent liabilities as at 31 December 2024 and 2023.

31 Financial instruments by category

The categories of financial instruments as at the end of the financial year are as follows:

	As at 31 December	
	2024	2023
	S$'000	S$'000
Financial assets at amortised costs		
Trade and other receivables (excluding prepayments)	12,074	10,031
Cash and bank balances	11,200	12,975
Financial liabilities at amortised costs		
Borrowings	(55,251)	(71,576)
Trade and other payables (excluding non-financial liabilities)	(6,516)	(4,021)
Financial liabilities at fair value		
Derivative financial liabilities	–	(87)

The carrying amounts of current financial assets and current financial liabilities approximate their fair values due to their short-term nature.

The fair values of finance lease receivables and lease liabilities, as computed based on cash flows discounted at the expected market borrowing rates, approximate the carrying amounts stated in the consolidated financial statements.

32 Subsequent events

On 13 January 2025, the Company allotted and issued 431,906,081 shares on the basis of four (4) rights share for every one (1) share at HK$0.40 per rights share, details of which are set out in the prospectus of the Company dated 22 November 2024 and announcement of the Company dated 13 December 2024. As at the date of this annual report, the total number of issued shares of the Company increased from 108,000,000 to 539,906,081.

On 17 January 2025, the Company and its wholly owned subsidiary of the Company, entered into the investment agreement with Reabon Technology Co., Limited in relation to, among other things, the establishment of the joint venture. For details, please refer to the Company's announcements dated 17 January 2025 and 14 February 2025.

Save as disclosed above, there is no other significant event affecting the Group which have occurred since 31 December 2024 and up to the date of this annual report.

Financial Summary

For the year ended 31 December 2024

Results

	Year ended 31 December				
	2024	2023	2022	2021	2020
	S$'000	S$'000	S$'000	S$'000	S$'000
Revenue	**190,894**	180,878	179,086	246,443	160,872
Gross profit	**21,300**	22,436	23,749	28,363	18,409
(Loss)/profit before income tax	**(3,338)**	9,343	6,234	12,442	4,106
(Loss)/profit and total comprehensive (loss)/income for the year	**(3,068)**	7,743	5,024	9,986	3,250

Assets and liabilities

	As at 31 December				
	2024	2023	2022	2021	2020
	S$'000	S$'000	S$'000	S$'000	S$'000
Total assets	**137,753**	153,939	156,960	114,768	110,566
Total liabilities	**66,332**	81,944	93,108	55,920	61,724
Total equity	**71,421**	71,995	63,852	58,848	48,842