OMNI DEVICES

HOME CONTROL INTERNATIONAL LIMITED

(incorporated in the Cayman Islands with limited liability)
Stock Code : 1747

2024 ANNUAL REPORT

Contents

Corporate Information

BOARD OF DIRECTORS

Executive Director

Mr. Kwok Hoong SIU *(Chief Executive Officer)*
(appointed with effect from 1 April 2024)

Mr. Alain PERROT *(redesignated to non-executive Director with effect from 1 April 2024)*

Non-executive Directors

Mr. Alain PERROT *(Chairman of the Board)*
Mr. Wei ZHOU
Mr. Ewing FANG

Independent Non-executive Directors

Ms. Keet Yee LAI
Mr. Werner Peter VAN ECK
Dr. Shou Kang CHEN

AUDIT COMMITTEE

Dr. Shou Kang CHEN *(Chairman)*
Mr. Werner Peter VAN ECK
Ms. Keet Yee LAI

REMUNERATION COMMITTEE

Dr. Shou Kang CHEN *(Chairman)*
Mr. Werner Peter VAN ECK
Mr. Wei ZHOU

NOMINATION COMMITTEE

Mr. Werner Peter VAN ECK *(Chairman)*
Mr. Alain PERROT
Ms. Keet Yee LAI

COMPANY SECRETARY

Ms. Sum Yi TSUI *ACG, HKACG*

AUTHORISED REPRESENTATIVES

Mr. Wei ZHOU
Ms. Sum Yi TSUI

REGISTERED OFFICE

Sertus Chambers, Governors Square
Suite #5-204, 23 Lime Tree Bay Avenue
P.O. Box 2547
Grand Cayman, KY1-1104
Cayman Islands

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

1 Paya Lebar Link
PLQ1 #04-01 (Office 448)
Singapore 408533

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

Room 1901, 19/F, Lee Garden One
33 Hysan Avenue, Causeway Bay, Hong Kong

CAYMAN ISLANDS PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Sertus Incorporations (Cayman) Limited
Sertus Chambers, Governors Square
Suite #5-204, 23 Lime Tree Bay Avenue
P.O. Box 2547
Grand Cayman, KY1-1104
Cayman Islands

HONG KONG SHARE REGISTRAR

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

PRINCIPAL BANK

Citibank N.A. Singapore Branch
8 Marina View
#17-01 Asia Square Tower 1
Singapore 018960

LEGAL ADVISERS TO THE COMPANY

As to Hong Kong law

Haiwen & Partners LLP
Suites 1101-1104, 11/F
One Exchange Square
8 Connaught Place
Central
Hong Kong

AUDITOR

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Recognised Public Interest Entity Auditor
7 Straits View, Marina One East Tower,
Level 12, Singapore 018936

STOCK CODE

1747

COMPANY'S WEBSITE

www.omnidevices.com

Chairman's Statement

Dear Shareholders,

On behalf of the board (the "Board") of directors (the "Directors") of Home Control International Limited (the "Company" together with its subsidiaries the "Group" or "Home Control"), I present to you our sixth annual report. The Group's revenue for the year ended 31 December 2024 came in at approximately US$107.5 million, representing an increase of approximately 6.4% from approximately US$101.0 million for the year ended 31 December 2023.

MEETING THE CHALLENGE

In line with the market expectation, and with the automation and improved cost management measures adopted by the Group as set out in the Company's annual report 2023, coupled with a product mix with higher margins, as well as greater efficiency and material savings, and without taking into account the effect of non-recurring restructuring and severance costs of approximately US$1.1 million incurred to optimise the cost structure and non-recurring provision of impairment of financial assets at amortised cost of approximately US$3.2 million, the Group has turned in an adjusted net profit (non-IFRSs measure) of approximately US$6.8 million for the year ended 31 December 2024 as compared to adjusted net profit (non-IFRSs measure) of approximately US$0.9 million for the year ended 31 December 2023.

Revenue in the North America region increased approximately 22.0% year-on-year to approximately US$42.5 million.

Our sales for Europe increased by approximately 32.9% to approximately US$43.3 million in 2024.

LOOKING FORWARD

The Company fundamentals remain as strong as ever. Our operational excellence, long a pillar of Home Control's, has been further bolstered by our new state-of-the-art factory in Hunan, China. This new digital automated production site has started mass production according to plan and is running at its planned capacity.

Outside China, our industrial setup in India has run in smoothly serving the domestic customers. We continue to mitigate the tariff imposes on China origin imports to USA through our industrial setup in Cambodia, with plan to expand the facility within the same region for the growing demands not only from USA customers but also other customers who look beyond China as their supply origin.

In the near-term, we are expanding our sales force into several adjacent spaces of the business, while continuously improving our supply chain for our existing business. We also continue to invest in R&D, particularly innovations in the areas of sustainability, Internet of Things, and other new business segments.

Alain PERROT
Chairman
28 March 2025

Management Discussion and Analysis

OVERVIEW

The Group is a globally leading home control solution provider headquartered in Singapore with worldwide presence in North America, Europe, Asia and Latin America. Originally established as the home control division of Philips prior to the acquisition of the entire stake of Home Control Singapore Pte. Ltd. by the Company from Philips in April 2015, the Group has been operating in this industry for over 30 years. Under the brand "Omni Remotes", the Group develops and offers high quality and bespoke remote controls for a vast array of pay television (TV) operators and consumer electronics brands. The products are shipped to over 40 countries, with a blue-chip customer base that includes AT&T Services Inc. in North America, Sky CP Limited, British Telecommunications PLC, Vodafone Group Services Limited, and Liberty Global Services B.V. in Europe, as well as Reliance Retail Limited, Bharti Airtel Limited, and Hisense Electric Co., Ltd. in Asia.

Mr Kwok Hoong SIU
CEO

The Group maintains a strong focus on innovation, with over 200 invention patents and owning one of the most comprehensive Infrared (IR) and code databases in the world. Simple Setup, its intelligent multi-device control solution, has been deployed to dozens of customers in the pay television (TV) operator and consumer electronics domains since its inception. In addition, its sustainability portfolio, including solar and ultra-low power platforms, has received broad industry recognition and commercial interest.

The Company continues to invest in various remote control technologies, including in the areas of sustainability, advanced sensors, as well as targeted solutions for vertical segments.

The Company has updated its "Omni Remotes" brand to "Omni Devices" at the end of 2024 to reflect its ambition for new businesses and to extend its competence of end to end design and manufacturing of high volume low cost products beyond the traditional remote control domain.

BUSINESS REVIEW

The Group's revenue for the year ended 31 December 2024 came in at approximately US$107.5 million, representing a slight increase of approximately 6.4% from approximately US$101.0 million for the year ended 31 December 2023.

In line with the market expectation, and with the automation and improved cost management measures adopted by the Group as set out in the Company's annual report 2023, coupled with a product mix with higher margins, as well as greater efficiency and material savings, and without taking into account the non-recurring restructuring costs of approximately US$1.1 million incurred related to further optimising the cost structure and non-recurring provision of impairment of financial assets at amortised cost of approximately US$3.2 million, the Group has turned in an adjusted net profit (non-IFRS measure) of approximately US$6.8 million for the year ended 31 December 2024 as compared to an adjusted net profit (non-IFRS measure) of approximately US$0.9 million for the year ended 31 December 2023.*(Note)*

Note: To supplement the consolidated financial statements of the Group prepared in accordance with the International Financial Reporting Standards ("IFRS") issued by International Accounting Standards Board ("IASB"), certain additional non-IFRS measures (in terms of adjusted net profit) have been presented in this report. These unaudited non-IFRS measures should be considered in addition to, not as a substitute for, measures of the Group's financial performance prepared in accordance with the IFRS. These non-IFRS measures could provide additional information to investors and others in understanding and evaluating the consolidated financial statements of operations of the Group in the same manner as they help the management compare the financial results across accounting periods and with those of other peer companies. In addition, these non-IFRS measures may be defined differently from similar terms used by other companies.

The adjusted net profit ("Adjusted Net Profit (non-IFRS measure)") eliminates the effect of the non-recurring (1) restructuring and severance costs incurred related to optimising the cost structure so as to maintain competitiveness of the Group in the current business environment; and (2) provision for impairment loss of financial asset at amortised cost (see Note 17 to the consolidated financial statements). The term of Adjusted Net Profit (non-IFRS measure) is not defined under the IFRS. The use of Adjusted Net Profit (non-IFRS measure) has material limitations as an analytical tool, as it does not include all items that impact the profit/loss for the relevant periods. The effects of items eliminated from the Adjusted Net Profit (non-IFRS measure) are significant components in understanding and assessing the operating and financial performance of the Group.

PROSPECT AND OUTLOOK

The instability of the political and economic situation arising from conflicts in Russia-Ukraine and the Middle East region, as well as the changes of US policy on global trade will post uncertainty to the business. These factors may impede customer resumptions of new projects and consumer acquisitions. It is difficult to estimate the full impact given the dynamic nature of these circumstances. The Group will pay continuous attention to the situation, adhere to government measures and recommendations, continue to mitigate foreseeable risks with all sites and subsidiaries, and endeavor to operate with minimal impact on any function serving the business and the customers.

While the Group will continue to take steps in cost management, fresh resources will be channeled into research & development, sales force expansion to diversify into several adjacent spaces of the business, as well as improvements of its supply chain to support the existing business and the ongoing diversification. Its new digital automated production site located in the Hunan province of China has started mass production according to plan and is running at the planned capacity. The Group has mitigation plans in place if and when the global political situation evolves to materially impact the freedom of trades within our business.

FINANCIAL REVIEW

Revenue

Revenue of the Group for the year ended 31 December 2024 increased by approximately 6.4% (approximately US$6.4 million) compared to the year ended 31 December 2023 mainly due to the increase in revenue for Europe and North America regions, partially offset by a decrease in revenue for Asia and Latin America regions.

The following table sets forth the breakdown of revenue of the Group by the geographical location of customers for the years ended 31 December 2024 and 31 December 2023, respectively.

	2024		2023		Year-on-year Change	
	US$'000	% of Revenue	US$'000	% of Revenue	US$'000	%
North America	**42,515**	**39.6%**	34,836	34.5%	7,679	22.0%
Europe	**43,317**	**40.3%**	32,605	32.3%	10,712	32.9%
Asia	**13,986**	**13.0%**	22,969	22.7%	(8,983)	(39.1%)
Latin America	**7,634**	**7.1%**	10,598	10.5%	(2,964)	(28.0%)
Total	**107,452**	**100%**	101,008	100%	6,444	6.4%

Cost of sales

The cost of sales of the Group mainly consisted of components including finished goods from ODM (original design manufacturing), outsourcing and overheads. The cost of sales amounted to approximately US$76.6 million and approximately US$77.7 million for the year ended 31 December 2024 and the year ended 31 December 2023, respectively, representing approximately 71.3% and approximately 76.9% of the total revenue for the corresponding years.

The following table sets forth the breakdown of the cost of sales for the year ended 31 December 2024 and the year ended 31 December 2023, respectively.

	2024		2023	
	US$'000	%	US$'000	%
Cost of components	**64,076**	**83.7%**	65,110	83.8%
Outsourcing	**10,351**	**13.5%**	9,819	12.6%
Overheads	**2,174**	**2.8%**	2,768	3.6%
	76,601	**100.0%**	77,697	100.0%

Gross profit

Gross profit increased by approximately US$7.5 million from approximately US$23.3 million for the year ended 31 December 2023 to approximately US$30.9 million for the year ended 31 December 2024. Gross profit has increased mainly due to increase in revenue and better product mix with higher margins.

Other income

Other income increased from approximately US$0.2 million for the year ended 31 December 2023 to approximately US$0.3 million for the year ended 31 December 2024. The increase was primarily because of the increase of approximately US$0.1 million in government grants for the year ended 31 December 2024.

Selling and distribution expenses

Selling and distribution expenses increased from approximately US$6.4 million for the year ended 31 December 2023 to approximately US$7.3 million for the year ended 31 December 2024. The increase in selling and distribution expenses was mainly due to approximately US$0.4 million increase in distribution expenses, approximately US$0.3 million increase in professional fees, approximately US$0.1 million increase in salaries and wages and approximately US$0.1 million increase in commission expenses.

Administrative expenses

Administrative expenses was approximately US$12.0 million for the year ended 31 December 2024 and 31 December 2023, respectively.

Reversal of/(provision for) impairment loss

Provision for impairment loss increased by approximately US$3.0 million for the year ended 31 December 2024. This increase was mainly because of the approximately US$3.2 million provision for impairment of the unlisted investment at amortised cost, partially offset by decrease of approximately US$0.1 million due to the reversal of specific doubtful debt provision for trade receivables.

Other expenses

Other expenses decreased from approximately US$4.3 million for the year ended 31 December 2023 to approximately US$3.6 million for the year ended 31 December 2024. The approximately US$0.7 million decrease was mainly due to approximately US$1.4 million decrease in restructuring expenses, partially offset by approximately US$0.4 million increase in legal expenses and approximately US$0.2 million increase in sample and model making costs.

Finance costs – net

Comparing to the year ended 31 December 2023, finance cost incurred during the year ended 31 December 2024 decreased by approximately US$1.3 million. The decrease was mainly because of the approximately US$0.7 million decrease in interest on bank loans and approximately US$0.5 million decrease in modification loss on other receivables.

Profit/(Loss) before tax

Profit before tax for the year ended 31 December 2024 was approximately US$4.2 million, as compared to a loss before tax of approximately US$1.6 million for the year ended 31 December 2023. This was mainly due to the net impact of the changes of the profit and loss items stated above.

Income tax expense

The Group's income tax expense increased from approximately US$0.1 million for the year ended 31 December 2023 to approximately US$1.7 million for the year ended 31 December 2024. The income tax expense for the year ended 31 December 2024 was higher mainly due to an increase in profit before tax.

Profit/(Loss) for the year

As a result of the above, the Group recorded a profit after tax of approximately US$2.5 million for the year ended 31 December 2024, representing an increase of approximately US$4.1 million from the loss after tax for the year ended 31 December 2023 of approximately US$1.6 million.

Earnings/(Loss) per Share

The basic earnings/(loss) per share for the year ended 31 December 2024 is US0.49 cents (year ended 31 December 2023: US(0.32) cents). Diluted earnings per share for financial years 2024 and 2023 are the same as basic earnings per share as there were no potentially dilutive ordinary shares.

LIQUIDITY AND CAPITAL RESOURCES

As at 31 December 2024, the Group had cash and cash equivalents of approximately US$19.4 million. The Board is of the opinion that the financial position of the Group is healthy, and the Group has sufficient resources to support its operations and meet its foreseeable capital expenditures.

Cash flow

The following table sets forth a summary of our cash flows of the Group as at 31 December 2024 and 31 December 2023, respectively:

	2024 US$'000	2023 US$'000
Net cash from operating activities	**14,212**	14,069
Net cash used in investing activities	**(928)**	(724)
Net cash used in financing activities	**(10,391)**	(11,853)
Net increase in cash and cash equivalents	**2,893**	1,492
Cash and cash equivalents at beginning of the year	**16,872**	15,317
Effects of exchange rate changes on cash and cash equivalents	**(322)**	63
Cash and cash equivalents at end of the year	**19,443**	16,872

Net cash flow from operating activities

The Group generates cash from operating activities primarily from sales of goods. Cash flows from operating activities reflects profit before taxation for the year adjusted for (i) non-cash item such as depreciation of property, plant and equipment, and amortization of intangible assets and other items, which lead to the operating profit before changes in working capital; and (ii) effects of cash flows arising from changes in working capital, including changes in inventories, trade and other receivables and trade and other payables and other items, which lead to cash generated from operations; and (iii) income tax paid, which result in net cash from operating activities.

For the year ended 31 December 2024, the Group's net cash generated from operating activities was approximately US$14.2 million, primarily reflected (i) cash generated before working capital changes of approximately US$10.6 million; (ii) decrease in trade receivables of approximately US$3.0 million; (iii) increase in other payables and accruals of approximately US$2.2 million; and (iv) increase in trade payables of approximately US$0.9 million, (v) decrease in prepayments and other receivables of approximately US$0.6 million; partially offset by (i) increase in inventories of approximately US$2.6 million and (ii) approximately US$0.5 million in net income tax paid.

Net cash flow used in investing activities

Cash flow used in investing activities mainly relates to purchase of property, plant and equipment. For the year ended 31 December 2024, the Group's net cash used in investing activities of approximately US$0.9 million was primarily attributable to purchases of property, plant and equipment.

Net cash flow used in financing activities

Cash flows used in financing activities mainly includes repayment of interest-bearing bank loans. For the year ended 31 December 2024, the Group's net cash flow used in financing activities was approximately US$10.4 million, mainly attributable to approximately US$8.9 million repayment of interest bearing bank loans, approximately US$1.0 million interest paid, and approximately US$0.5 million repayment of lease obligations.

NET CURRENT ASSETS

The Group's net current assets decreased by approximately US$7.6 million from approximately US$21.9 million as at 31 December 2023 to approximately US$14.3 million as at 31 December 2024. The decrease was primarily due to (i) a decrease in financial asset at amortised cost of approximately US$3.2 million, (ii) a decrease in trade receivables of approximately US$2.7 million, (iii) an increase in trade payables of approximately US$0.9 million, (iv) an increase in other payables and accruals of approximately US$2.2 million, (v) an increase in interest-bearing loans of approximately US$2.3 million, and (vi) an increase in tax payable of approximately US$1.2 million; which were partially offset by (i) an increase in inventories of approximately US$2.2 million, and (ii) an increase in cash and cash equivalents of approximately US$2.6 million.

CAPITAL EXPENDITURE

The Group's capital expenditure consisted of purchase costs relating to property, plant and equipment. For the year ended 31 December 2024, the Group's capital expenditure amounted to approximately US$0.9 million (2023: US$0.8 million) for the acquisition of property, plant and equipment. The Group funded such capital expenditure primarily with cash generated from operating activities.

Capital and investment commitments

As at 31 December 2024, the Group did not have any capital and investment expenditure contracted for as at the end of the year but not recognised in the consolidated financial statements.

BANK LOANS AND CONTINGENT LIABILITIES

Bank loans

The Group's bank loans primarily consisted of short-term trade financing from bank. As at 31 December 2024, the Group had approximately US$6.2 million (2023: US$3.8 million) and US$nil (2023: US$11.2 million) from short and long-term bank loans, respectively.

As at 31 December 2024, there was a floating charge over bank accounts of Home Control Singapore Pte. Ltd. amounting to approximately US$12.0 million (2023: US$11.0 million) to secure the Group's bank loans.

Contingent liabilities

As at 31 December 2024, the Group did not have any contingent liabilities and guarantees.

Gearing ratio

Gearing ratio equals total debt divided by the adjusted total assets at the end of the year. Total debt includes all interest-bearing bank loans and lease liabilities. Adjusted total assets excludes goodwill. The gearing ratios as at 31 December 2024 and 31 December 2023 are approximately 11.2% and approximately 25.1%, respectively.

CAPITAL STRUCTURE AND TREASURY POLICIES

The business activities of the Group are mainly financed by the share capital, interest-bearing bank loans and cash generated from the operating activities. As at 31 December 2024, the interest-bearing bank loans which were denominated in USD, at floating contractual interest rate, and maturing in 2025 was US$6.2 million (as at 31 December 2023: US$15.0 million). For details of the interest rates and maturity profile, please refer to note 24 in the "Notes to the Consolidated Financial Statements". No additional share of the Company (the "Shares") was issued during the year ended 31 December 2024. Details of the movements in the Company's share capital are set out in note 29 in the "Notes to the Consolidated Financial Statements". The Board will continue to follow a prudent policy in managing the Group's financial resources such as cash with the objective of maintaining a strong and healthy liquidity position to ensure that the Group is placed to seize future growth opportunities as and when such opportunities appear. At present, the Group does not intend to seek to hedge its exposure to foreign exchange fluctuations when the interest-bearing bank loans are denominated in United States Dollar ("US$") and majority of the cash maintained by the Group is denominated in USD despite also denominated in various other currencies including Euro, Singapore Dollar, Renminbi ("RMB"), British Pound Sterling and HKD. For details, please refer to the section headed "Foreign Exchange Risk Management" in this report below. However, the management of the Group constantly monitors the economic situation and the Group's foreign exchange risk profile and will consider appropriate hedging measures in the future should the need arise.

EMPLOYEES AND REMUNERATION POLICIES

As at 31 December 2024, the Group had 144 employees (31 December 2023: 150 employees). The employees benefit expense incurred during the year ended 31 December 2024 was approximately US$12.4 million (2023: US$12.6 million). As required by the applicable laws and regulations, the Group participates in various employee social security plans for its employees that are administered by local government. The Group's remuneration policy rewards employees and Directors based on individual's performance, demonstrated capabilities, involvement, market comparable information and the performance of the Group. The Group improves the professional skills and management level of its employees through internal and external training. To ensure that the Group attracts and retains competent staff, remuneration packages are reviewed on a regular basis. Performance bonuses are offered to qualified employees based on individual and the Group's performance. The Group did not experience any material labour disputes during the year ended 31 December 2024. The Company adopted a stock option plan of the Company as approved by the Board on 1 May 2015 as incentive for eligible employees. As at 1 May 2022, the Scheme was terminated upon the expiry of the Scheme period. No new options were granted and exercised thereunder during the year ended 31 December 2024. As at 1 May 2022, all options granted and accepted prior to such termination and not yet exercised under the Scheme were lapsed in accordance with the terms of the Scheme. The Company adopted the Share Award Scheme on 20 August 2020 in order to recognise the contributions of such Selected Grantees and in driving the continuous business operation and development of the Group. The Share Award Scheme shall terminate on the earlier of (i) the tenth (10th) anniversary date of the 20 August 2020; and (ii) such date of early termination as determined by the Board provided that such termination shall not affect any subsisting rights of any Selected Grantees under the Share Award Scheme. On 5 October 2020, the Board has resolved to award a total of not more than 5,016,337 Award Shares, representing approximately 1.00% of the total issued Shares as at the date of this report, to ten Selected Grantees pursuant to the Share Award Scheme. On 5 October 2022, 2,508,166 Award Shares were vested and the Board has resolved to allot and issue a total of 2,508,166 new Shares, representing approximately 0.50% of the total issued Shares as at the date of this report of which (a) 1,191,379 new Shares were allotted and issued to four connected Selected Grantees (being Mr. Alain PERROT, Chairman of the Board and the then executive Director (and currently a non-executive Director), and three other connected Selected Grantees who are directors of certain subsidiaries of the Company) pursuant to specific mandate; and (b) 1,316,787 new Shares were allotted and issued to six non-connected Selected Grantees pursuant to general mandate. On 5 October 2023, 2,508,171 Award Shares were vested and the Board has resolved to allot and issue a total of 2,508,171 new Shares, representing approximately 0.50% of the total issued Shares as at the date of this report of which (a) 1,191,381 new Shares were allotted and issued to four connected Selected Grantees (being Mr. Alain PERROT, Chairman of the Board and the then executive Director (and currently a non-executive Director), and three other connected Selected Grantees who are directors of certain subsidiaries of the Company) pursuant to specific mandate; and (b) 1,316,790 new Shares were allotted and issued to six non-connected Selected Grantees pursuant to general mandate. As at 31 December 2024, all 5,016,337 Award Shares granted under the Share Award Scheme have been vested and no new Share Awards have been granted during the year. Accordingly, no Award Shares remain outstanding and unvested as at 31 December 2024. The details of the Share Award Scheme are disclosed in the announcements of the Company dated 20 August 2020, 5 October 2020 and 12 November 2020; and the circular of the Company dated 27 October 2020.

FUTURE PLANS FOR MATERIAL INVESTMENTS AND CAPITAL ASSETS

The Group did not have other plans for material investments or capital assets as at 31 December 2024.

MATERIAL INVESTMENTS, ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES AND ASSOCIATED COMPANIES

There were no other significant investments (including any investment in an investee company with a value of 5 per cent or more of the Company's total assets as at 31 December 2024) held, no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2024.

CHARGE ON GROUP ASSETS

As at 31 December 2024, there was a floating charge over bank accounts of Home Control Singapore Pte. Ltd. amounting to approximately US$12.0 million (2023: US$11.0 million) to secure the Group's bank loans. Save as disclosed in this report, as at 31 December 2024, none of the Group's assets were pledged .

FOREIGN EXCHANGE RISK MANAGEMENT

The functional currency of the Group is U.S. Dollar. The sales of the Group are mainly denominated in USD while purchases are mainly denominated in USD or RMB. In addition, the Group has its headquarters in Singapore and operating subsidiaries in the U.S., Belgium, the PRC and Brazil, of which overheads are settled in local currencies and therefore the Group is exposed to foreign exchange risks. Fluctuations in foreign exchange rates may be caused by various factors such as change in government policies, change in domestic and international economic and political conditions, and is always unpredictable. The Group had not entered into any agreements to hedge its exchange rate exposure, as the Group's results of operations has generally been partially mitigated by the natural offset of foreign currency receivables with foreign currency payables. Going forward, the Group expects that exchange rates of SGD, RMB and US$ will continue to fluctuate. Changes in the foreign exchange rates between the Group's functional currencies and reporting currency may have an adverse impact on the Group's finance costs, sales and product margins, and may reduce the value of, and dividends payable on, the Shares. The Group's business and financial position may be materially and adversely affected. The management of the Group will continue to monitor the Group's foreign currency exchange exposure and will take prudent measures to minimise that currency exchange risk.

OFF-BALANCE SHEET COMMITMENTS AND ARRANGEMENTS

As of the date of this report, the Group had not entered into any off-balance sheet transactions.

Directors and Senior Management

DIRECTORS

Executive director

Mr. Kwok Hoong SIU (蕭國雄), aged 57, is the chief executive officer and executive Director of the Company. Mr. Siu has been appointed as chief operating officer and the head of marketing and innovation of the Group responsible for leading the research and development and product marketing teams of the Group to generate innovations, intellectual properties and support the sales team in pre-sales marketing and commercial negotiation activities. Mr. Siu joined the Group in September 1999.

Mr. Siu obtained a bachelor's degree in engineering from National University of Singapore in July 1991.

Save as disclosed above, Mr. Siu has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies in the past three years.

Non-Executive directors

Mr. Alain PERROT, aged 68, is the non-executive Director of the Company and has been serving as chairman of the Board and a member of the Nomination Committee each since 18 March 2022. Mr. Perrot stepped down from his role as the chief executive officer of the Company and has been redesignated from an executive Director to a non-executive Director with effect from 1 April 2024. Mr. Perrot is responsible for advising on the overall strategic planning of the Group. Mr. Perrot joined the Group in May 2015 and has been a director of Home Control Singapore Pte. Ltd., Home Control Europe NV and the Company since September 2015, May 2015 and November 2015, respectively.

Prior to joining the Company, from April 2012 to December 2013, Mr. Perrot was the chief commercial officer and a director of TP Vision Holding BV, a company then owned by Philips and TPV Technology Limited ("TPV"), a monitor and TV manufacturer listed on both The Stock Exchange of Hong Kong Limited (the "Stock Exchange") (stock code: 903) and Singapore Exchange Limited (stock code: T18), and principally engaged in TV business under the Philips brand. Mr. Perrot worked as the general manager of the branded TV business unit and vice president of TPV, from November 2010 to April 2012. Mr. Perrot served various positions within Philips group from October 1979 to September 2009 and worked as the chief executive officer of Philips Lighting Asia Pacific Region from January 2008 to September 2009.

Mr. Perrot obtained an engineering master degree in aeronautics and space from École Nationale Supe´rieure de l'Ae´ronautique et de l'Espace in August 1979.

Save as disclosed above, Mr. Perrot has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies in the past three years.

Mr. Wei ZHOU

Mr. Wei ZHOU (周巍), aged 41, is a non-executive Director and a member of the remuneration committee of the Company. Mr. Zhou is responsible for advising on the overall strategic planning of the Group. Mr. Zhou joined the Company in July 2022.

Mr. Zhou is currently a managing director of Morgan Stanley Asia Limited. Mr. Zhou joined Morgan Stanley Asia Limited in July 2008 and focuses on private equity transactions in the PRC. Mr. Zhou has been a director of China Kang Fu International Leasing Co. Ltd. (NEEQ: 833499) since November 2015.

Mr. Zhou received his bachelor of engineering in chemical engineering in 2006 and his master's degree in business administration in 2008 from Tsinghua University.

Save as disclosed above, Mr. Zhou has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies in the past three years.

Mr. Ewing FANG (方又圓), aged 33, is a non-executive Director of the Company. Mr. Fang is responsible for advising on the overall strategic planning of the Group. Mr. Fang joined the Company in October 2023.

He is currently the Vice President of Morgan Stanley focusing on private equity transactions in the PRC and has ten years of experience in this industry. Mr. Fang is currently serving as a director of Home Control Singapore Pte. Ltd. and HCIL Master Option Limited, each a direct wholly-owned subsidiary of the Company.

Mr. Fang obtained his Bachelor of Arts in Financial Economics from Columbia University in 2014.

Save as disclosed above, Mr. Fang has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies in the past three years.

Independent non-executive directors

Mr. Werner Peter VAN ECK, aged 57, is an independent non-executive Director of the Company, a member of the audit committee and the remuneration Committee of the Company and a chairman of the nomination committee of the Company. Mr. Van Eck is responsible for supervising and providing independent advice to the Board. Mr. Van Eck joined the Group in July 2015 and has been a director of Home Control Singapore Pte. Ltd. and the Company since November 2015 and July 2015, respectively.

Mr. Van Eck took over Micro Elektronische Producten B.V., a company principally engaged in the engineering activities and related technical consultancy businesses, in July 2015 and has worked as the chief executive officer of Micro Elektronische Producten B.V. since June 2015. He worked as the chief sales and marketing officer of WOOX Innovations Netherlands B.V., a company then owned by Philips and principally engaged in the development and marketing of Philips branded audio and video products, from October 2013 to October 2014. Prior to that, Mr. Van Eck worked in other companies within Philips group from December 1994 to September 2013.

Mr. Van Eck obtained a master's degree in business and economics from the Erasmus University of Rotterdam in December 1991.

Although Mr. Van Eck has previous directorships in the Company and Home Control Singapore Pte. Ltd., the Board considers Mr. Van Eck to be independent under the Listing Rules for the following reasons:

(a) the Company has received from Mr. Van Eck the confirmation of his independence according to Rule 3.13 of the Listing Rules:

(b) since his appointment as a Director in July 2015, Mr. Van Eck has performed independent non-executive role, including attending meetings of the Board and providing strategic advice and guidance, comments and opinions as to business matters of the Company, and has not participated in day-to-day management or operation of the Group;

(c) Mr. Van Eck has no interests in the shares of the Company and is independent from, and are not related to, any Directors, senior management or substantial or Controlling Shareholders of the Company; and

(d) taking into account the independent nature of the roles and duties of Mr. Van Eck since his appointment and his industry experience, professional knowledge, management capabilities and knowledge of the Group's business, the Directors believes that the continuous appointment of Mr. Van Eck as an independent non-executive Director will help for the benefit of the Company and the Shareholders as a whole, in particular, the independent Shareholders.

Saved as disclosed above, Mr. Van Eck has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies in the past three years.

Dr. Shou Kang CHEN (陳壽康), aged 63, is an independent non-executive director of the Company and a chairman of the audit committee and the remuneration committee of the Company. Dr. Chen is responsible for supervising and providing independent advice to the Board. Dr. Chen joined the Company in October 2019.

Dr. Chen worked as the chief financial officer and senior vice president of King Yuan Electronics Co., Ltd. (京元電子股份有限公司), a company principally engaged in the business of design, manufacturing and selling, testing and assembly service of integrated circuits and listed on the Taiwan Stock Exchange (stock code: 2449), from May 2018 to August 2019. Dr. Chen worked as the chief financial officer and the vice president of the finance and accounting management centre of ChipMOS TECHNOLOGIES INC. (南茂科技股份有限公司) ("ChipMOS Taiwan"), a company principally engaged in providing testing and assembly services for liquid crystal display and other display panel driver semiconductors and advanced memory and logic/mixed-signal products in Taiwan and listed on Taiwan Stock Exchange (stock code: 8150) and the NASDAQ Stock Market (stock code: IMOS), from October 2002 to October 2017. Prior to that, Dr. Chen served as the chief financial officer and a director of ChipMOS TECHNOLOGIES (Bermuda) LTD., the then holding company of ChipMOS Taiwan and listed on the NASDAQ Stock Market prior to its merger with and into ChipMOS Taiwan in October 2016, from October 2002 to October 2016 and June 2005 to October 2016, respectively.

Dr. Chen obtained a Ph.D. degree in material science, a master's degree in material science from the graduate school of mining, metallurgy and material science and a bachelor's degree in mining and petroleum engineering from National Cheng Kung University (國立成功大學) in Taiwan in January 1994, June 1986 and June 1983, respectively.

Saved as disclosed above, Dr. Chen has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies in the past three years.

Ms. Keet Yee LAI, aged 59, is an independent non-executive Director and a member of the audit committee and the nomination committee of the Company. She is responsible for supervising and providing independent advice to the Board. Ms. Lai joined the Group in February 2023.

She was the Senior Vice President of Philips Electronics Singapore Pte Ltd up till August 2024. Ms. Lai joined the Philips Group (being Koninklijke Philips Electronics N.V. and its affiliated companies) from May 2001 till August 2024 and developed her career in the consumer electronics, domestic appliances and healthcare industries.

Ms. Lai has been a council member of Singapore National Employers Federation (SNEF) since 2018 and its deputy treasurer since 2022. She has also been a council member of National Integration Council, Singapore since 2020. She has been a board member and the chair of finance committee of Tripartite Alliance Limited since 2021. Ms Lai retired from the Singapore National Employers Federation (SNEF) Council, the National Integration Council and the Tripartite Alliance Limited Board of Directors in July 2024. Ms Lai Joined Singapore National Employers Federation (SNEF) as their Chief Compliance Officer on 1 January 2025.

Ms Lai has been a board member of Spectra Secondary School since 2020.

Ms. Lai received her bachelor degree in accountancy from National University of Singapore in 1987 and her master's degree in business administration from University of Dubuque, Iowa, the United States in 1989.

Saved as disclosed above, Ms. Lai has no other relationship with any other Directors, senior management, substantial and controlling Shareholders (as defined in the Listing Rules) and has not held any position with the Company, or any other member of the Group, nor has any directorships in other listed companies in the past three years.

SENIOR MANAGEMENT

Mr. Jean Paul L. ABRAMS, aged 62, is the head of sales of the Group. Mr. Abrams is responsible for sales activities in Europe and leading the sales teams in Europe and Latin America. Mr. Abrams joined the Group in January 1995 and has 30 years of experience with the Group. Prior to joining the Group, Mr. Abrams served various positions in Philips group from May 1987 to December 1994. Mr. Abrams obtained a bachelor's degree in economic sciences from Limburg Business School in Diepenbeek, Belgium in September 1983 and a master's degree in applied economic sciences from Catholic University of Leuven in March 1987, respectively.

Save as disclosed above, Mr. Abrams has no other relationship (including financial, business, family or other material/relevant relationship(s)) with any Directors, any other senior management, substantial and controlling Shareholders (as defined in the Listing Rules).

Ms. Guat Beng NG (黃月明), aged 59, is the global financial controller of the Group. Ms. Ng is responsible for supervising the compliance of the Group's financial practices, monitoring cash flow, accounts and other financial transactions and overseeing finance teams in day-to-day accounting and finance operations. Ms. Ng joined Philips in January 2003 and the Group in January 2010 and has 15 years of experience with the Group. Ms. Ng also serves as a director of HCS (Suzhou) Limited, 蘇州歐之電子有限公司 (Home Control Solutions (Suzhou) Limited*) and Home Control Europe NV. Ms. Ng obtained a master's degree of business administration from Schulich School of Business of York University in Toronto, Canada in June 2001.

Save as disclosed above, Ms. Ng has no other relationship (including financial, business, family or other material/relevant relationship(s)) with any Directors, any other senior management, substantial and controlling Shareholders (as defined in the Listing Rules).

None of our senior management has been a director of any listed company in the past three years.

* *For identification purpose only*

COMPANY SECRETARY

Ms. Sum Yi TSUI (徐心兒) was appointed as the company secretary of the Company on 14 July 2020. Ms. Tsui is currently a senior manager in corporate services team of Vistra Corporate Services (HK) Limited. She has over fourteen years of experience in providing company secretarial and compliance services to private and listed companies. Ms. Tsui obtained a bachelor of business administration degree in corporate administration and a master of corporate governance degree from Hong Kong Metropolitan University (formerly known as The Open University of Hong Kong). Ms. Tsui is an associate member of The Hong Kong Chartered Governance Institute (formerly known as The Hong Kong Institute of Chartered secretaries) and an associate member of The Chartered Governance Institute in United Kingdom.

Report of the Directors

The Board is pleased to present this report together with the audited consolidated financial statements of the Group for the year ended 31 December 2024 (the "Year").

GLOBAL OFFERING

The Company was incorporated in the Cayman Islands on 24 December 2014 as an exempted company with limited liability. The Company's shares were listed on the Main Board of the Stock Exchange (stock code: 1747) on 14 November 2019 (the "Listing Date"). For details of the relevant use of proceeds, please see the section headed "Use of Proceeds from Listing" of this report.

PRINCIPAL ACTIVITIES

The principal activity of the Company in the course of the Year is investment holding. The principal activities of the Group are sales and technical sales support of remote control products and research and development. Details of the principal activities of each of the subsidiaries of the Company in the course of the Year are set out in note 1 in the "Notes to Consolidated Financial Statements".

BUSINESS REVIEW AND FUTURE PROSPECTS

The business review and future prospects of the Group for the Year are set out in the section headed "Management Discussion and Analysis" of this report. The discussion forms part of this directors' report.

RELATIONSHIP WITH STAKEHOLDERS

The Group recognises that employees, customers and business partners are key to its success and sustainable development. The Group is committed to establishing a close and caring relationship with its employees, providing quality products and satisfactory services to its customers and enhancing long-term cooperation with its business partners.

Employees

The Group understands that its employees are one of the most important and valuable assets. The Group supports diverse workforce and inclusion where all employees are treated fairly and respectfully, have equal access to opportunities and resources, and fair contribution and participation of all employees. The Group provides a fair and safe workplace, promotes diversity to its staff, and provides competitive remuneration and benefits and career development opportunities based on their merits and performance. The Group also puts ongoing efforts to provide adequate internal and external training and development resources to the employees so that they can keep abreast of the latest development of the market and the industry and, at the same time, improve their skills, performance and self fulfilment in their positions.

Customers

The Group understands that it is important to maintain good relationship with customers and provide the quality products and services in a way that satisfies the needs and requirements of the customers, in order to maintain its brand competitiveness. The Group has developed business relationship with most of the major customers for 6 years to over 17 years. The Group enhances the relationship by continuous interaction with customers to gain insight on the changing market demand for the products and review customers' feedback regularly so that the Group can respond proactively to market demand.

Suppliers

The Group has established stable and long-term relationship with its major components and manufacturing suppliers. The Group has established business relationship with majority of its major suppliers for up to 15 years. The Group imposes stringent standards on the selection of its suppliers and manufacturing partners as part of its supply chain management.

PRINCIPAL RISKS AND UNCERTAINTIES FACING THE COMPANY

The Group's financial conditions, business results and operations and prospects may be affected by various risks and uncertainties, some of which are external causes and some are inherent to the business. The following are the key risks and uncertainties identified by the Group. The Board is aware that there may be other risks and uncertainties which are not known to the Group or which may not be material now but could turn out to be material in the future.

Business risk

These risks can be categorised into (i) risks relating to its business; (ii) risks relating to the industry; (iii) risks relating to conducting business in different countries; and (iv) risks relating to conducting business in the PRC. The Directors believe that the following are some of the major risks that may have a material adverse effect on the Group:

- The world-wide business presence exposes the Group to various legal, economic and political risks of different geographical markets.

- Any termination, interruption or modification of its business relationship with any of the major customers, whether due to underperformance of the major customers or any other reason, may materially and adversely affects the sales and profitability of the Group.

- The Group may fail to anticipate technology innovation and successfully develop and market new products on time, or at all, which would materially and adversely affect its business, financial position and prospects.

- Any material increase in the prices of components or loss of major suppliers may materially and adversely affect the business and financial position of the Group.

- The financial condition and results of operations of the Group would adversely affect the impairment of goodwill.

Financial risk

The financial risk management of the Group is set out in note 3 in the "Notes to Consolidated Financial Statements".

SUBSIDIARIES

The information of the Company's principal subsidiaries are set out in note 1 in the "Notes to Consolidated Financial statements".

USE OF PROCEEDS FROM LISTING

Reference is made to the Company's announcement dated 25 February 2025 in relation to, among other things, the change in use of the IPO Proceeds (as defined below) (the "Change in UOP Announcement").

The shares of the Company were listed on the Main Board of the Stock Exchange on the Listing Date and the net proceeds raised from this initial public offering after deducting underwriting fees and other related listing expenses amounted to approximately HK$84.93 million (equivalent to approximately US$10.83 million) (the "IPO Proceeds").

As disclosed in the Change in UOP Announcement, the subscription of a treasury management principal protected product in the amount of HK$38,000,000 was settled through a deposit account in the name of the Company maintained with financial intermediary acting as the custodian in November 2019. Accordingly, the planned use and actual use of the IPO Proceeds as at 31 December 2024 were as follows:

	Planned use of IPO Proceeds (adjusted on a pro rata basis on the actual net proceeds) *HK$' million*	Planned use of IPO Proceeds (adjusted on a pro rata basis on the actual net proceeds) *US$' million*	Partial redemption for Treasury Management Principal Protected Product (Investment Product) and channelled towards working capital and general corporate purpose for year ended 31 December 2022 *US$' million*	Unutilised IPO Proceeds as at beginning of the financial year i.e. 1 January 2024 *US$' million*	Proceeds utilised during the year ended 31 December 2024 *US$' million*	Utilised IPO Proceeds up to 31 December 2024 *US$' million*	Unutilised as at 31 December 2024 *US$' million*	Expected timeline for the unutilised IPO Proceeds
Strategic investments or acquisitions in the over-the-top ("OTT") system and/or smart home security products	0	0		0	0	0	–	Originally allocated funds not utilised due to prolonged outbreak of Covid-19, the economic environment had been unstable and has hindered business discussions.
Repayment of bank borrowing	21.12	2.69		0	–	2.69	–	–
R&D and develop the products for OTT segment and extend product lines in smart home products	0	0		0	0	0	–	Originally allocated funds not utilised due to prolonged outbreak of Covid-19, the economic environment had been unstable and has hindered business discussions.
Expansion of professional sales force to support business expansion	13.8	1.76		1.21	0.41	0.96	0.80	The unutilised IPO Proceeds are expected to be fully utilised by 31 December 2026.

	Planned use of IPO Proceeds (adjusted on a pro rata basis on the actual net proceeds) *HK$' million*	Planned use of IPO Proceeds (adjusted on a pro rata basis on the actual net proceeds) *US$' million*	Partial redemption for Treasury Management Principal Protected Product (Investment Product) and channelled towards working capital and general corporate purpose for year ended 31 December 2022 *US$' million*	Unutilised IPO Proceeds as at beginning of the financial year i.e. 1 January 2024 *US$' million*	Proceeds utilised during the year ended 31 December 2024 *US$' million*	Utilised IPO Proceeds up to 31 December 2024 *US$' million*	Unutilised as at 31 December 2024 *US$' million*	Expected timeline for the unutilised IPO Proceeds
Strengthen the supply chain management and investment by extending beyond the PRC	6.57	0.84		0	–	0.84	–	–
Working capital and general corporate purposes	5.44	0.70	1.63	2.33	–	–	2.33	The unutilised IPO Proceeds are expected to be fully utilised by 31 December 2027. Note that partial redemption of the Investment Product should be channelled towards this category instead.
Subscription for the Investment Product	38.00	4.84	-1.63	–	–	3.21	–	–
	84.93	10.83	0.00	3.54	0.41	7.70	3.13	

Based on the Directors' best estimation and assumption of future market conditions, the unutilised IPO Proceeds are expected to be fully utilised by 31 December 2027.

The Directors expect that the use of IPO Proceeds can bring further improvements to the Group's overall business performance.

The Directors will constantly evaluate the Group's business strategies and specific needs from time to time. Further announcement will be made if there are any additional changes on the use of proceeds as and when appropriate.

The business objectives, future plans and planned use of proceeds as stated above were based on the best estimation and assumption of future market conditions made by the Group while the proceeds might be applied based on the actual development of the Group's business and the industry.

RESULTS AND APPROPRIATIONS

The Group's results for the Year and the financial position of the Group and of the Company as at 31 December 2024 are set out in the consolidated financial statements.

FINAL DIVIDEND

US0.25 cents per share, equivalent to approximately HK1.93 cents per share was proposed in respect of the financial year ended 31 December 2024 (2023: nil). The Board is not aware of any shareholders who have waived or agreed to waive any dividends. The proposed final dividend, if approved by the Shareholders at the forthcoming annual general meeting, will be payable on or around Friday, 22 August 2025.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in the Group's property, plant and equipment during the year are set out in note 14 in the "Notes to Consolidated Financial Statements".

BANK LOANS

Particulars of bank loans of the Group as at 31 December 2024 are set out in note 24 in the "Notes to Consolidated Financial Statements".

SHARE CAPITAL

Details of the share capital movement of and shares issued by the Company during the year are set out in note 29 in the "Notes to Consolidated Financial Statements".

RESERVES

Details of movements in the reserves of the Group during the year are set out in the Consolidated Statement of Changes in Equity of this report.

DISTRIBUTABLE RESERVES

As at 31 December 2024, the Company had no retained profit available for distribution to shareholders of the Company. However, in accordance with the laws of the Cayman Islands, the share premium of approximately US$8,013,000 (2023: approximately US$8,013,000), is available for distribution to shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as and when they fall due in the ordinary course of business. The share premium may also be distributed in the form of fully paid bonus shares.

DONATION

As part of our commitment to sustainability, our Company contributed S$600 to the Plant-A-Tree Programme, organized by the Garden City Fund, to support biodiversity conservation, and enhance our green spaces. Contributions to the programme help cover the cost of tree planting and site preparation, with any surplus funding directed towards community and capacity-building initiatives such as education, research, outreach, and value-added features. These efforts strengthen our connection with nature, reinforcing the Company's belief in the importance of preserving biodiversity conservation, and we are honored to contribute to this cause.

CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS OF SIGNIFICANCE

No contract of significance between the Company or any of its subsidiaries and the controlling shareholder of the Company or any of its subsidiaries or any contracts of significance for the provision of services to the Company or any of its subsidiaries by the controlling shareholder of the Company or any of its subsidiaries subsisted at the end of the Year or at any time during the Year.

EQUITY-LINKED AGREEMENTS

Save as disclosed under the section headed "Share Award Scheme" below, no equity linked agreements that will or may result in the Company issuing shares or that require the Company to enter into any agreements that will or may result in the Company issuing shares were entered into by the Company during the Year or subsisted at the end of the Year.

CONVERTIBLE SECURITIES, OPTIONS, WARRANTS OR SIMILAR RIGHTS

For the year ended 31 December 2024, no other convertible securities, options, warrants or similar rights were issued or granted by the Company or any of its subsidiaries or were exercised. As at 31 December 2024, save as disclosed under the section headed "Share Award Scheme" below, no convertible securities, options, warrants or similar rights remained outstanding. There has been no issue for cash of equity securities (including sale of treasury shares) by the Company during the Reporting Period.

DEBENTURE ISSUED

No debenture was issued by the Company during the Year.

CONVERTIBLE BONDS

No convertible bond was issued by the Company during the Year.

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 (including treasury shares, if any) for the year ended 31 December 2024. The Company did not have any treasury shares (as defined under the Listing Rules) as at 31 December 2024.

ISSUE OF SHARES

As at 31 December 2024, the Company had 506,650,000 issued Shares (31 December 2023: 506,650,000 issued Shares). No additional Share was issued during the year ended 31 December 2024.

SHARE AWARD SCHEME

The Company adopted the Share Award Scheme on 20 August 2020 (the "Adoption Date").

Any full-time employee, director or senior management of the Company or other members of the Group are eligible to participate in the Share Award Scheme.

The purpose of the Share Award Scheme is to (i) align the interests of eligible participants directly to those of the Shareholders through ownership of Shares; (ii) recognize the contributions made by the selected grantees (the "Selected Grantees") and to give incentives thereto in order to retain them for the continual operation and development of the Group; and (iii) attract high-calibre employees for further development of the Group. Subject to any early termination as may be determined by the Board in accordance with the terms of the Share Award Scheme, the Share Award Scheme shall be effective for ten (10) years commencing from the Adoption Date. As at the date of this report, the remaining life of the Share Award Scheme was approximately five years and four months.

The Board shall not make any further award under the Share Award Scheme which will result in the number of Shares awarded by the Board thereunder representing in excess of 1.5% of the total issued Shares as at the Adoption Date or result in a breach of the public float of the Company falling below the minimum level required in the Listing Rules upon issuance of the Awarded Shares. On the basis of a total of 501,633,663 Shares in issue as at the Adoption Date, the maximum number of Shares permitted to be issued under the Share Award Scheme is 7,524,504 Shares, which represents approximately (but not more than) 1.50% of the total issued Shares as at the Adoption Date and represents approximately 1.49% of the total issued Shares as at the date of this report.

On 5 October 2020, the Board has resolved to award a total of not more than 5,016,337 award shares (the "Award Shares"), representing approximately 1.00% of the total issued Shares as at the date of the grant, at nil consideration under the Share Award Scheme of which (a) 2,382,760 Award Shares are granted to four connected Selected Grantees (being Mr. Alain Perrot, Chairman of the Board, an executive Director and Chief Executive Officer of the Company, and three other connected Selected Grantees who are directors of certain subsidiaries of the Company) by way of the proposed allotment and issue of new Shares pursuant to specific mandate; and (b) not more than 2,633,577 Award Shares are granted to six non-connected Selected Grantees by way of the proposed allotted and issued of new Shares pursuant to general mandate.

Pursuant to the Share Award Scheme, no amount is payable on application or acceptance of the Award Shares and no purchase price is payable for the Award Shares awarded, which is determined by the Board in its absolute discretion after taking into account that the purposes of the Share Award Scheme, as detailed above, are to incentivize and retain selected grantees, and attract talents to join the Group. As such, for those Award Shares awarded pursuant to the rules of the Share Award Scheme, the purchase price for Award Shares under the Share Award Scheme is nil.

At the extraordinary general meeting of the Company held on 12 November 2020, ordinary resolutions were passed in relation to the grant of Award Shares to the connected Selected Grantees and the grant of specific mandate to the Directors regarding the issue and allotment of 2,382,760 Award Shares to the connected Selected Grantees.

50% of the total Award Shares shall be vested on the second anniversary of the date of grant; and 50% of the total Award Shares shall be vested on the third anniversary of the date of grant. There is no other performance target required except the eligible participant remains as an employee of the Group during the vesting period.

On 5 October 2022, 2,508,166 Award Shares were vested and the Board has resolved to allot and issue a total of 2,508,166 new Shares to satisfy the grant of the Award Shares to the ten Selected Grantees on 5 October 2020 pursuant to the Share Award Scheme.

On 5 October 2023, 2,508,171 Award Shares were vested and the Board has resolved to allot and issue a total of 2,508,171 new Shares, representing approximately 0.50% of the total issued Shares as enlarged by such allotment and issue, to satisfy the grant of the Award Shares to the ten Selected Grantees on 5 October 2020 pursuant to the Share Award Scheme. As at 31 December 2023, a total of 5,016,337 Shares have been allotted and issued to the ten Selected Grantees pursuant to the Share Award Scheme.

As at 1 January 2024, there were 2,508,167 Award Shares available for grant under the Share Award Scheme. During the Year, no Share Awards were granted, and accordingly as at 31 December 2024, there were 2,508,167 Award Shares available for grant under the Share Award Scheme. As at the date of this report, the total number of Shares available for issue under the Share Award Scheme is 2,508,167 Shares (representing approximately 0.5% of the total issued Shares as at the date of this report), of which 2,508,167 Shares are available for issue in case of further grant of 2,508,167 Share Awards (representing approximately 0.5% of the total issued Shares as at the date of this report). There is no maximum entitlement for each eligible participant under the rules of the Share Award Scheme and as at the date of this report, no Selected Grantee has been granted Award Shares exceeding 1% of the issued share capital of the Company.

As at 31 December 2024, all 5,016,337 Award Shares granted under the Share Award Scheme have been vested (prior to the year ended 31 December 2024) and no new Share Awards have been granted (and accordingly no Award Shares have been vested) during the year ended 31 December 2024. Accordingly, no Award Shares remain outstanding and unvested as at 31 December 2024. There was also no cancellation, forfeiture, expiration or lapse of Award Shares during the year ended 31 December 2024. Details of the relevant Selected grantees under the Share Award Scheme are as follows:

			Number of Award Shares				
Name of Grantees	Relationship with the Group	Date of Grant	Outstanding as at 1 January 2024	Granted during the Year[2]	Vested during the Year[1][3]	Cancelled/ lapsed during the Year	Outstanding as at 31 December 2024
Alain PERROT	Chairman of the Board, Executive Director and Chief Executive Officer	5 October 2020	–	–	–	–	–
Jean Paul L. ABRAMS	Director of a subsidiary of the Company	5 October 2020	–	–	–	–	–
Guat Beng NG (黃月明)	Director of certain subsidiaries of the Company	5 October 2020	–	–	–	–	–
Yuechun ZHU (朱閱春)	Director of certain subsidiaries of the Company	5 October 2020	–	–	–	–	–
Six non-connected selected grantees	Full-time employees of the Group	5 October 2020	–	–	–	–	–
Total			–	–	–	–	–

For further details of the Share Award Scheme, please refer to the announcements of the Company dated 20 August 2020, 5 October 2020 and 12 November 2020; and the circular of the Company dated 27 October 2020.

DIRECTORS

The Directors who held office during the Year and up to the date of this report were:

Executive Director

Mr. Kwok Hoong SIU *(Chief Executive Officer)* (appointed with effect from 1 April 2024)

Mr. Alain PERROT (redesignated to non-executive Director with effect from 1 April 2024)

Non-Executive Directors

Mr. Alain PERROT *(Chairman of the Board)*

Mr. Wei ZHOU

Mr. Ewing FANG

Independent Non-Executive Directors

Ms. Keet Yee LAI

Mr. Werner Peter VAN ECK

Dr. Shou Kang CHEN

In accordance with the articles of association of the Company (the "Articles"), any Director appointed by the Board to fill a casual vacancy in the Board or as an additional member of the Board shall hold office only until the first annual general meeting after his/her appointment and shall then be eligible for re-election at such meeting. In addition, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. The Company at the general meeting at which a Director retires may fill the vacated office. Accordingly, Mr. Werner Peter VAN ECK, Dr. Shou Kang CHEN and Ms. Keet Yee LAI shall retire from office by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

The Company believes that the current Board composition is well-balanced and of a diverse mix (including gender diversity) appropriate for the business of the Company.

BIOGRAPHICAL DETAILS OF DIRECTORS AND SENIOR MANAGEMENT

Biographical details of the Directors and Senior management of the Group are set out in the section headed "Directors and Senior Management" in this report.

DIRECTORS' SERVICE CONTRACTS AND LETTERS OF APPOINTMENT

The Executive Director has entered into a service contract with the Company for a term of one year, commencing from the date of the service contract and renewable automatically thereafter for successive terms of one year each until terminated by not less than three months' notice in writing served by either party on the other.

Each of the non-executive Directors and independent non-executive Directors has signed a letter of appointment with the Company for a term of one year commencing from the date of the respective letters of appointment and renewable automatically thereafter for successive terms of one year each until terminated in accordance with the terms of the letter of appointment.

None of the Directors, or Directors proposed for re-election at the forthcoming annual general meeting has or is proposed to enter into a service contract with any member of the Group other than contracts expiring or determinable by the Group within one year without the payment of compensation (other than statutory compensation).

INDEPENDENT NON-EXECUTIVE DIRECTORS

The Company currently has three independent non-executive Directors, which meets the minimum requirement of the Listing Rules that the number of independent non-executive directors must represent at least one-third of the Board.

The Company has received a written confirmation of independence pursuant to Rule 3.13 of the Listing Rules from each of the independent non-executive Directors, and considers them to be independent.

DIRECTORS' MATERIAL INTERESTS IN CONTRACTS

No transactions, arrangements or contracts of significance, to which the Company, its parent company, its subsidiaries or its fellow subsidiaries, was a party and in which a Director at any time during the Year or an entity connected with a Director at any time during the Year had any material interest, whether directly or indirectly, was entered into or subsisted at the end of the Year or at any time during the Year.

MANAGEMENT CONTRACTS

No contracts concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or in existence during the Year, other than service contracts with the Directors and other persons engaged in the full-time employment of the Company.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed under the section headed "Share Award Scheme" of this report, at no time during the Year or at the end of the Year was the Company, or any of its holding companies or subsidiaries, or any of its fellow subsidiaries, a party to any arrangement to enable the Directors or chief executive of the Company or their respective associates (as defined under the Listing Rules) to have any right to subscribe for securities of the Company or any of its associated corporations as defined in the Securities and Futures Ordinance (Chapter 571 of the laws of Hong Kong) (the "SFO"), or to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate.

DIRECTORS' INTERESTS IN A COMPETING BUSINESS

During the Year and up to the date of this report, none of the Directors and directors of the Company's subsidiaries or their respective associates had any interests in any businesses, apart from the Group's business, which compete or are likely to compete either directly or indirectly, with the businesses of the Company and its subsidiaries as required to be disclosed pursuant to the Listing Rules.

CHANGE IN THE DIRECTORS' INFORMATION PURSUANT TO RULE 13.51B OF THE LISTING RULES

The change in Directors' information as required to be disclosed pursuant to Rule 13.51B(1) of the Listing Rules is set out below:

– Mr. SIU Kwok Hoong ("Mr. Siu") has been appointed as an executive Director and the CEO, each with effect from 1 April 2024. Mr. Siu has entered into a service contract with the Company for a term of one year and renewable automatically thereafter for successive terms of one year each commencing from the date next after the expiry of the then current term of office, subject to provisions of the articles of association of the Company and the Listing Rules. Mr. Siu is not entitled to any remuneration and benefits as an executive Director but will receive an annual remuneration of S$292,500.00 for his appointment as the CEO with reference to his duties, responsibility and expected time commitment to the Company's affairs.

– Mr. Alain PERROT ("Mr. Perrot") has stepped down from his role as the CEO, and has been redesignated from an executive Director to a non-executive Director, each with effect from 1 April 2024. Mr. Perrot has entered into a service contract with the Company for a term of one year and renewable automatically thereafter for successive terms of one year each commencing from the date next after the expiry of the then current term of office, subject to provisions of the articles of association of the Company and the Listing Rules. Mr. Perrot is entitled to an annual remuneration of US$50,000.00 with reference to his duties, responsibility and expected time commitment to the Company's affairs and shall be subject to review.

For further details of Mr. Siu's appointment and Mr. Perrot's redesignation, please refer to the announcement of the Company dated 5 March 2024.

Save as disclosed above, there is no other information required to be disclosed under Rule 13.51B(1) of the Listing Rules.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles, the Directors, auditor and other officers of the Company shall be indemnified out of the assets of the Company against all losses and liabilities incurred or sustained by him as a Director, auditor or other officer of the Company. A permitted indemnity provision for the benefit of the Directors and officers of the Company is currently and was/is in force throughout the Year and as at the date of this report. The Company has taken out and maintained Directors' and officers' liability insurance throughout the Year, which provides appropriate cover for certain legal actions (if any) brought against its Directors and officers.

DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2024, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares or debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code for Securities Transactions by Directors of Listed Issuers (the "Model Code") as set out in Appendix C3 to the Listing Rules, were as follows:

(i) Interest in the Shares

Name of Director	Nature of interest	Number of Shares or underlying Shares *(Note 1)*	Approximate percentage of interest in the Company *(Note 1)*
Alain PERROT	Beneficial Owner	1,254,084 (L)	0.25%
Kwok Hoong SIU	Beneficial Owner	501,634 (L)	0.1%

Note:

1. As at 31 December 2024, the Company issued 506,650,000 Shares. The letter (L) denotes the entity's long position in the relevant Shares.

(ii) Interest in associated corporation

Name of Director	Name of associated corporation	Nature of interest	Number of shares interested (Note 1)	Approximate percentage of interest in the associated corporation
Alain PERROT (Note 2)	Omni Remotes do Brasil Ltda	Beneficial owner	100	1%
	NHPEA IV Home Control Netherlands B.V. ("NHPEA")	N/A (Note 2)	N/A(Note 2)	N/A(Note 2)

Notes:

(1) All interests stated are long positions.

(2) Mr. Alain PERROT's interest in NHPEA is a cash-settled derivative interest in NHPEA by way of an agreement between him and Morgan Stanley Private Equity Asia IV, L.L.C..

Save as disclosed above, as at 31 December 2024, none of the Directors or chief executive of the Company had any interest or short position in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the SFO) as recorded in the register required to be kept by the Company pursuant to section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to the Model Code.

SUBSTANTIAL SHAREHOLDERS INTERESTS AND SHORT POSITIONS IN SHARES OR UNDERLYING SHARES

As at 31 December 2024, to the best knowledge of the Directors, the following persons (other than the Directors or the chief executive of the Company) had interests or short positions of the issued share capital of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO, or otherwise notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part xv of the SFO:

Name of Shareholders	Nature of interest	Number of Shares or underlying Shares (Note 1)	Approximate percentage of shareholding (Note 1)
Morgan Stanley	Interest of controlled corporation	375,000,000 (L) *(Notes 2 and 3)*	74.02%
MS Holdings Incorporate	Interest of controlled corporation	375,000,000 (L) *(Notes 2 and 3)*	74.02%
Morgan Stanley Private Equity Asia IV, Inc.	Interest of controlled corporation	375,000,000 (L) *(Notes 2 and 3)*	74.02%
Morgan Stanley Private Equity Asia IV, L.L.C.	Interest of controlled corporation	375,000,000 (L) *(Notes 2 and 3)*	74.02%
North Haven Private Equity Asia IV, L.P.	Interest of controlled corporation	375,000,000 (L) *(Notes 2 and 3)*	74.02%
North Haven Private Equity Asia IV Holdings Limited	Interest of controlled corporation	375,000,000 (L) *(Notes 2 and 3)*	74.02%
NHPEA IV Holding Cooperatief U.A.	Interest of controlled corporation	375,000,000 (L) *(Notes 2 and 3)*	74.02%
NHPEA	Beneficial Owner	375,000,000 (L) *(Notes 2 and 3)*	74.02%

Notes.

1. As at 31 December 2024, the Company issued 506,650,000 Shares. The letter (L) denotes the entity's long position in the relevant shares.

2. Such 375,000,000 Shares belong to the same batch of Shares.

3. Pursuant to Section 336 of the SFO, if certain conditions are met, the shareholders of the Company are required to submit a disclosure of interest notice. In the event of changes in the shareholding of the Shareholders in the Company, the Shareholders will not be required to notify the Company and the Stock Exchange unless certain conditions are met Therefore, the latest shareholding of the Shareholders in the Company may be different from the shareholding submitted to the Stock Exchange.

Save as disclosed above, as at 31 December 2024, the Directors are not aware of any other persons (other than the Directors or chief executive of the Company) who had interests or short positions in the shares or underlying shares of the Company as recorded in the register required to be kept by the Company under section 336 of the SFO, or otherwise notified to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part xv of the SFO.

CONNECTED TRANSACTIONS AND CONTINUING CONNECTED TRANSACTIONS

The Company had not entered into any non-exempt connected transaction or continuing connected transaction during the year, which is required to be disclosed under the Listing Rules.

RELATED PARTY TRANSACTIONS

Details of related party transactions of the Group during the Year are set out in note 32 in the "Notes to Consolidated Financial Statements". Each of the related party transactions during the Year constitutes a connected transaction or continuing connected transaction but is fully exempted and not subject to any of the disclosure requirements under Chapter 14A of the Listing Rules.

MAJOR CUSTOMERS AND SUPPLIERS

During the Year, sales to the Group's five largest customers combined accounted for approximately 55.5% of the total sales of the Group and the sales to the largest customer included therein amounted to approximately 21.3% of the total sales of the Group for the Year.

During the Year, purchases from the Group's five largest suppliers combined accounted for approximately 41.7% of the total purchases of the Group for the Year and the purchases from the largest supplier included therein amounted to approximately 14.4% of the total purchase of the Group for the Year.

None of the Directors, or any of their close associate(s) or any shareholders of the Company (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital (excluding treasury shares, if any)) had any beneficial interest in the Group's five largest customers or five largest suppliers at any time during the Year.

EMPLOYEES, REMUNERATION POLICY

A remuneration committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance of the directors and senior management and comparable market practices.

As at 31 December 2024, the Group had 144 employees (31 December 2023: 150 employees). The employees benefit expense incurred during the year ended 31 December 2024 was approximately US$12.4 million (2023: US$12.6 million). As required by the applicable laws and regulations, the Group participates in various employee social security plans for its employees that are administered by local government. The Group's remuneration policy rewards employees and Directors based on individual's performance, demonstrated capabilities, involvement, market comparable information and the performance of the Group. The Group improves the professional skills and management level of its employees through internal and external training. To ensure that the Group attracts and retains competent staff, remuneration packages are reviewed on a regular basis. Performance bonuses are offered to qualified employees based on individual and the Group's performance. The Group did not experience any material labour disputes during the year ended 31 December 2024. The Company adopted the Scheme on 1 May 2015 as incentive for eligible employees. As at the date of this report, the Scheme was terminated upon the expiry of the Scheme period. No new options were granted and exercised thereunder during the year ended 31 December 2024. As at the date of this report, all options granted and accepted prior to such termination and not yet exercised under the Scheme were lapsed in accordance with the terms of the Scheme. The Company adopted the Share Award Scheme on 20 August 2020 in order to recognise the contributions of such Selected Grantees and in driving the continuous business operation and development of the Group. On 5 October 2020, the Board has resolved to award a total of not more than 5,016,337 Award Shares, representing approximately 1.00% of the total issued Shares as at the date of this report, to ten Selected Grantees pursuant to the Share Award Scheme. Details of the Share Award Scheme can be found in the section headed "Share Award Scheme" in this report.

REMUNERATION OF DIRECTORS AND FIVE HIGHEST PAID INDIVIDUALS

Details of the emoluments of the Directors and five highest paid individuals during the Year are set out in notes 9 and 10 in the "Notes to Consolidated Financial Statements".

During the Year, none of the Directors and the chief executive officer of the Company waived or agreed to waive his/her emoluments, and no emoluments were paid by the Group to any of the Directors or the chief executive officer of the Company as inducement to join or upon joining the Group, or as compensation for loss of office except for the termination benefit of US$250,000 that was paid to Alain PERROT as compensation for his loss of office due to retirement for the financial year ended 31 December 2024.

RETIREMENT BENEFIT SCHEMES

Details of the retirement benefit schemes operated by the Group are set out in note 2.19 in the "Notes to Consolidated Financial Statements".

MATERIAL LITIGATION AND ARBITRATION

During the Year, the Company was not engaged in any litigation or arbitration of material importance.

PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro-rata basis to its existing shareholders.

PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, as at the latest practicable date prior to the issue of this report, the Company has maintained sufficient public float as prescribed under the Listing Rules.

TAX RELIEF AND EXEMPTION

The Company is not aware of any tax relief and exemption available to the shareholders of the Company by reason of their holding of the Company's securities. If the Company's shareholders are unsure about the taxation implications of purchasing, holdings, disposing of, dealing in, or the exercise of any rights in relation to the shares, they are advised to consult an expert.

ANNUAL GENERAL MEETING

The forthcoming annual general meeting of the Company will be held on Friday, 20 June 2025 (the "AGM").

CLOSURE OF REGISTER OF MEMBERS

For ascertaining Shareholders' right to attend and vote at the AGM

The register of members of the Company will be closed from Monday, 16 June 2025 to Friday, 20 June 2025 (both days inclusive), during which period no transfer of Shares will be effected. In order to qualify for attending and voting at the AGM, all transfers of Shares accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Friday, 13 June 2025.

For ascertaining Shareholders' entitlement to the proposed final dividend

The register of members of the Company will be closed from Friday, 27 June 2025 to Thursday, 3 July 2025 (both days inclusive), during which period no transfer of shares will be effected. In order to qualify for the proposed final dividend, all transfers of shares accompanied by the relevant share certificates must be lodged with the Hong Kong share registrar of the Company, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong for registration no later than 4:30 p.m. on Thursday, 26 June 2025.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance practices. Further information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report contained in this report.

ENVIRONMENTAL POLICY AND PERFORMANCE

The Group is committed to fulfilling social responsibility, supporting environmental sustainability and achieving sustainable growth. The Group is committed to maintaining sustainable working practices and pays close attention to ensure all resources are efficiently utilised. The Directors are not aware of any material non-compliance with the environmental laws and regulations during the Year. Further information on the Group's environmental policy and performance will be set out in the Environmental, social and Governance Report to be published on the same date as this report.

COMPLIANCE WITH RELEVANT LAWS AND REGULATIONS

During the Year, as far as the Company is aware, there was no material breach of or non-compliance with applicable laws and regulations by the Group that has a significant impact on the business and operations of the Group.

AUDITOR

The consolidated financial statements of the Group for the year ended 31 December 2024 have been audited by PricewaterhouseCoopers LLP, who will retire at the AGM and, being eligible, offers itself for re-appointment at the AGM. A resolution to re-appoint PricewaterhouseCoopers LLP as the auditor of the Company and to authorise the Directors to fix its remuneration will be proposed at the AGM.

Change of auditor in the past three years

The consolidated financial statements of the Group for the years ended 31 December 2019 and 2020 were audited by Ernst & Young. Ernst & Young retired as the auditor of the Company with effect from the conclusion of the annual general meeting held on 25 June 2021. The consolidated financial statements of the Group for the years ended 31 December 2021 and 2022 were audited by PricewaterhouseCoopers ("**PwC HK**"). PwC HK retired as the auditor of the Company with effect from 14 November 2023 as PwC HK was informed by the Board of Directors of the Company that it has decided to propose the appointment of PricewaterhouseCoopers LLP of Singapore ("**PwC SG**") as the auditor of the Company. The appointment of PwC SG took effect on 14 November 2023.

DISCLOSURE PURSUANT TO RULE 13.18 OF THE LISTING RULES

To gradually diversify the Group's lending relationships and to partially replace the existing loan facilities obtained prior to the Listing ("Existing Loan Facilities") with new loan facilities that offer lower borrowing cost and more flexible terms for a listed company, on 8 July 2020, the Company as borrower entered into a new facility agreement ("2020 Facility Agreement") with a bank (the "Bank") as lender in relation to facilities of up to US$6,000,000 (or its equivalent amount in other currencies) (the "2020 New Facility"). The original maturity date of the 2020 New Facility is 30 June 2021, which has been extended to 31 August 2024 by the Bank. Other than that, all terms and conditions under the 2020 Facility Agreement remain unchanged. The purpose of the 2020 New Facility is for general working capital purposes.

Pursuant to the 2020 Facility Agreement, the Company undertakes, among others, that the Controlling Shareholder shall maintain not less than 70% ownership of the Company. A breach of such undertaking will constitute an event of default under the 2020 Facility Agreement and all amounts (including principal and interest accrued thereon) due and owing by the Company to the Bank under the 2020 Facility Agreement shall become immediately due and payable by the Company without further demand.

As at 31 December 2024, there was no outstanding loan balance under the 2020 Facility Agreement.

On 23 February 2021, Home Control Singapore Pte. Ltd. (the "Borrower"), a wholly-owned subsidiary of the Company, as borrower entered into a new facility agreement ("2021 Facility Agreement") with a global bank (the "Lender") in relation to a term loan facility in the aggregate amount of US$24,450,000 (the "2021 New Facility"). The 2021 New Facility has a term of 60 months from its utilization date. The purpose of the 2021 New Facility is to fully replace the Existing Loan Facilities with the 2021 New Facility that offer lower borrowing cost and more flexible terms for the subsidiary of a listed company.

As at 31 December 2024, US$6,250,000 remained outstanding under the 2021 Facility Agreement.

Pursuant to the 2021 Facility Agreement, a specific performance covenant is imposed on the Controlling Shareholder to hold at least 51% of the voting Shares of the Company.

Save as disclosed above, for the year ended 31 December 2024, there was no other loan agreement of the Company with covenants relating to specific performance of the controlling shareholders of the Company.

LOAN ARRANGEMENTS GRANTED TO ENTITIES

For the year ended 31 December 2024, the Group did not grant any loan to any entity which is subject to disclosure requirements under Rule 13.13 and Rule 13.20 of the Listing Rules.

PLEDGE OF SHARES BY CONTROLLING SHAREHOLDERS

For the year ended 31 December 2024, there was no pledge of Shares by the controlling shareholders of the Company.

BREACH OF LOAN AGREEMENTS

For the year ended 31 December 2024, there was no breach of the loan agreements by the Company in which the loan involved would have a significant impact on the business operations of the Company.

FINANCIAL ASSISTANCE AND GUARANTEES TO AFFILIATED COMPANIES

For the year ended 31 December 2024, there was no financial assistance or guarantee to affiliated companies by the Company which is subject to disclosure requirements under Rule 13.16 and Rule 13.22 of the Listing Rules.

GUARANTEE REGARDING THE FINANCIAL PERFORMANCE OF A COMPANY OR BUSINESS ACQUIRED

For the year ended 31 December 2024, there was no guarantee regarding the financial performance of a company or business acquired which is subject to disclosure requirements under Rule 14.36B and/or Rule 14A.63 of the Listing Rules.

IMPORTANT EVENTS AFTER THE YEAR

The Company is not aware of any important event that might affect the Group subsequent to the end of the Year.

On behalf of the Board
HOME CONTROL INTERNATIONAL LIMITED
Alain PERROT
Chairman
Hong Kong
28 March 2025

Corporate Governance Report

The Board is pleased to present this Corporate Governance Report in the Company's annual report for the year ended 31 December 2024 (the "Reporting Period").

CORPORATE GOVERNANCE PRACTICES

The Group is committed to the establishment of good corporate governance practices and procedures with a view to being a transparent and responsible organization which is open and accountable to the shareholders of the Company (the "Shareholders"). The Board strives for adhering to the principles of corporate governance and has adopted sound corporate governance practices to meet the legal and commercial standards, focusing on areas such as internal control, fair disclosure and accountability to all Shareholders to ensure the transparency and accountability of all operations of the Company. The Company believes that effective corporate governance is an essential factor to create more value for its Shareholders.

Mission

The mission at Home Control is to provide cutting-edge remote control solutions that enable its customers to take control of their homes and simplify their lives. The Group is committed to delivering the highest quality products and services, and to continuously innovating and improving its offerings to meet the evolving needs of its customers.

The Directors believe in making home automation accessible and easy to use for everyone. The remote control products of the Group are designed to be user-friendly, intuitive, and highly functional, allowing its customers to control their devices and systems with ease and convenience.

At the same time, the Group is committed to reducing its environmental impact and promoting sustainability in everything it does. The Group strives to use eco-friendly materials and processes, and to continuously improve its environmental performance.

The ultimate goal of the Group is to become the leading provider of remote control solutions for the home, and to build long-lasting relationships with its customers based on trust, innovation, and exceptional service. The Group is dedicated to empowering its customers to live more comfortable and convenient lives, and to making a positive impact on the world through its sustainable practices and initiatives.

Purpose

At Home Control, the purpose is to simplify and improve the lives of its customers by providing innovative and user friendly remote control solutions for their homes. The Group aims to be a trusted partner in the home automation industry, empowering its customers to take control of their homes and devices with ease and convenience.

Values

1. Innovation: The Group is committed to constantly innovating and improving its products to meet the evolving needs of its customers. The Group strives to be at the forefront of home automation technology, always exploring new and creative ways to enhance the functionality and convenience of its remote control solutions.

2. Customer satisfaction: The Group put its customers first and is dedicated to providing exceptional service and support. The Group listens carefully to their needs and concerns and work tirelessly to ensure their satisfaction with its products and services.

3. Sustainability: The Group is committed to reducing its environmental impact and promoting sustainability in everything it does. The Group uses eco-friendly materials and processes and continuously improve its environmental performance.

4. Quality: The Group believes in delivering products of the highest quality that are reliable and durable. The Group has strict quality control processes in place to ensure that its products meet or exceed its customers' expectations.

Strategies

1. Expand product offerings: The Group plans to continue to innovate and expand its product offerings to meet the evolving needs of its customers in the home automation industry. This will include exploring new technologies and partnerships to enhance its remote control solutions.

2. Enhance customer experience: The Group will continue to prioritize customer satisfaction by providing exceptional service and support. This includes investing in customer support resources and tools to ensure that its customers have a seamless experience with its products.

3. Focus on sustainability: The Group will continue to prioritize sustainability in its business practices by using eco-friendly materials and processes and minimizing its environmental impact.

4. Strengthen quality control: The Group will continue to improve its quality control processes to ensure that its products meet the highest standards of quality and reliability. This includes investing in testing and certification processes to ensure that its products perform as expected and meet regulatory requirements.

Company Culture

The company culture of the Group is founded on four core values: customer first, innovation, ownership, and speed. These values guide everything the Group does, from how the Group approaches its work to how it interacts with each other and its customers.

At the heart of its culture is a commitment to putting the customer first. The Directors believe that by truly understanding the customers' needs and providing exceptional service and support, the Group can build long-lasting relationships and create loyal customers who will return to the Group from time to time repeatedly.

Innovation is another key value that defines the culture of the Group. The Group encourages its employees to think outside the box and to come up with new and innovative ideas that can help us stay ahead of the competition. The Directors believe that by fostering a culture of creativity and curiosity, the Group can continue to develop cutting-edge products and services that meet the evolving needs of its customers.

Ownership is also a central value in the culture of the Group. The Directors believe that each and every employee has a stake in the success of the Company, and the Group encourages everyone to take ownership of their work and to take pride in what they do. The Group empowers its employees to make decisions and to take action, knowing that they have the support and trust of their colleagues and leadership.

Finally, speed is a value that the Group holds dear. The Group understands that in today's fast-paced business world, agility and responsiveness are essential to success. The Group strives to be nimble and efficient in its approach, always looking for ways to streamline its processes and to get things done quickly and effectively.

Overall, its company culture is defined by a commitment to putting the customer first, fostering a culture of innovation and creativity, encouraging ownership and empowerment, and embracing speed and agility. The Directors believe that by living these values every day, the Group can achieve its mission of delivering exceptional products and services to its customers, while also creating a positive and fulfilling work environment for its employees.

Therefore, the Group is committed to conducting its business in accordance with internationally accepted standards of good corporate governance. The Directors believe that each individual at Home Control has a responsibility to comply with the laws and regulations of the countries the Group operates in, and this commitment extends into the way the Group conducts business with its partners. The Group pursues mutually beneficial long term relationships with partners who are committed to acting fairly, with integrity and in line with its sustainability objectives. Given the long established business of the Group for almost 32 years and the profitability of the Group amid the development of COVID situation in 2021 and 2022, the Group believes the current business model is sustainable for a long term.

The Board will continue to review and improve the corporate governance practices of the Group from time to time to ensure that the Group is led by an effective Board in order to optimise return for Shareholders. The Company has adopted a corporate governance policy with provisions no less exacting than the Corporate Governance Code (the "Corporate Governance Code") as set out in Appendix C1 to the Rules Governing the Listing of Securities on the Main Board of the Stock Exchange (the "Listing Rules") and complied with all the applicable code provisions set out in Part 2 of the Corporate Governance Code throughout the year ended 31 December 2024 except for the deviation from code provision C.2.1 as detailed below.

Code provision C.2.1 of the Corporate Governance Code stipulates that the roles of chairman and chief executive should be separate and should not be performed by the same individual. Under the Company structure up to and until 31 March 2024, Mr. Alain PERROT was the chairman of the Board (the "Chairman") and the chief executive officer (the "CEO"). The Board believed that vesting the roles of both the Chairman and the CEO in the same person can facilitate the execution of the Group's business strategies and boost effectiveness of its operation. Therefore, the Board considered that the deviation from the code provision C.2.1 of the Corporate Governance Code was acceptable in such circumstance. In addition, at the relevant time, apart from Mr. Alain PERROT being the executive Director, the Board comprised two non-executive Directors and three independent non-executive Directors, and was appropriately structured with balance of power to provide sufficient checks to protect the interests of the Company and the Shareholders. Following the resignation of Mr. Alain PERROT from his role as the CEO and the appointment of Mr. Kwok Hoong SIU as the executive Director and the CEO with effect from 1 April 2024, the Company has fully complied with the requirements as set out in the code provision C.2.1 of the Corporate Governance Code. For details, please refer to the announcement of the Company dated 5 March 2024.

MODEL CODE FOR SECURITIES TRANSACTIONS

The Company has adopted the Model Code as its own code of conduct regarding securities transactions by Directors and the relevant employees. Upon specific enquiry with all Directors, all Directors confirmed that they had complied with the required standard set out in the Model Code during the year ended 31 December 2024.

BOARD OF DIRECTORS

As at the date of this report, the Board comprises one executive Director, three non-executive Directors and three independent non-executive Directors.

The composition of the Board is as follows:

Executive Director:	Mr. Kwok Hoong SIU *(Chief Executive Officer)* (appointed with effect from 1 April 2024)
	Mr. Alain PERROT (redesignated to non-executive Director with effect from 1 April 2024)
Non-executive Directors:	Mr. Alain PERROT *(Chairman of the Board)*
	Mr. Wei ZHOU
	Mr. Ewing FANG
Independent Non-Executive Directors:	Ms. Keet Yee LAI
	Mr. Werner Peter VAN ECK
	Dr. Shou Kang CHEN

The biographical details of the Directors are set out in the section headed "Directors and Senior Management" of this report. Save as disclosed under the aforementioned heading, there are no other financial, business, family or other material/relevant relationship(s) among the members of the Board and in particular, between the Chairman and the Chief Executive Officer of the Company.

Mr. Kwok Hoong SIU has attended training sessions and obtained legal advice from a firm of solicitors qualified to advise on Hong Kong law with regards to the requirements under the Listing Rules that are applicable to him/her as a director of the Company and the possible consequences of making a false declaration or giving false information to the Stock Exchange in compliance with the Listing Rules on 18 March 2024. Mr. Kwok Hoong SIU has confirmed his understanding of the information provided by the legal adviser.

During the Year, the Board has at all times met the requirements of (i) Rules 3.10(1) and (2) of the Listing Rules relating to the appointment of at least three independent non-executive directors with at least one independent non-executive director possessing appropriate professional qualifications, or accounting or related financial management expertise; and (ii) Rule 3.10A of the Listing Rules relating to the appointment of independent non-executive Directors that represents at least one-third of the Board.

The Board believes there is sufficient independence element in the Board to safeguard the interest of its shareholders.

Each of the current independent non-executive Directors has given an annual confirmation of his independence pursuant to Rule 3.13 of the Listing Rules to the Company. As disclosed under the section headed "Directors" of "Directors and Senior Management" of this report, although Mr. Werner Peter VAN ECK has previous directorships in the Company and Home Control Singapore Pte. Ltd., taking into account the reasons (a)-(d) set out in his biography in the section headed "Directors and Senior Management" in this report, the Board considers Mr. Werner Peter VAN ECK to be independent. The Nomination Committee and the Board have assessed the independence of each of the independent non-executive Directors and are satisfied that they have the required character, integrity and experience to fulfil the role of an independent non-executive director and consider each of them to be independent under Rule 3.13 of the Listing Rules.

ATTENDANCE RECORD OF DIRECTORS

The attendance record of each Director at Board meetings, Audit Committee meetings, Remuneration Committee meeting, Nomination Committee meeting and general meeting during the Year is set out below:

	Number of meetings attended/Number of meetings				
	Board Meeting	Audit Committee Meeting	Remuneration Committee Meeting	Nomination Committee Meeting	General Meeting
Executive Director					
Mr. Kwok Hoong SIU[(1)]	3/3	2/2[(2)]	–	–	1/1
Non-executive Directors					
Mr. Wei ZHOU	2/4	–	0/1	–	0/1
Mr. Ewing FANG	3/4	–	–	–	0/1
Mr. Alain PERROT	4/4	2/2[(2)]	1/1[(2)]	1/1	1/1
Independent non-executive Directors					
Mr. Werner Peter VAN ECK	4/4	2/2	1/1	1/1	1/1
Dr. Shou Kang CHEN	4/4	2/2	1/1	–	1/1
Ms. Keet Yee LAI	4/4	2/2	–	1/1	1/1

Notes:

(1) Mr. Kwok Hoong SIU was appointed as an executive Director with effect from 1 April 2024.

(2) Attended committee meetings as a non-member.

RESPONSIBILITIES OF THE BOARD

The Board is responsible for leadership and control of the Group and be collectively responsible for promoting the success of the Group by directing and supervising the Group's affairs. The Board is ultimately accountable for the Group's activities, strategies and financial performance, including developing, reviewing development plan and budget; monitoring financial statement and operating performance, corporate governance policies and practices on compliance with legal and regulatory requirements; developing, reviewing and monitoring the code of conduct and General Business Principles manual applicable to employees and management; reviewing the Group's compliance with the Model Code and disclosure in this Report; reviewing the effectiveness of the internal control system; supervising and managing management's performance of the Group, management training and development; and setting the Group's values and standards. The Board delegates the day-to-day management, administration and operation of the Group to the Company's management. The delegated functions are reviewed by the Board periodically to ensure that they accommodate the needs of the Group. The Board gives clear directions to the management team as to their powers of management, and circumstances in which the management team should report back.

DIRECTORS' INDUCTION AND PROFESSIONAL DEVELOPMENT

On appointment to the Board, each Director receives a comprehensive, formal and tailored induction package covering key guidelines and documents relevant to their roles, responsibilities and ongoing obligations, materials of business operations, policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities under the Listing Rules and other relevant regulatory requirements.

To ensure that Directors' contribution to the Board or committees remains informed, the Directors are regularly updated and apprised of the amendments to or updates on the relevant laws, rules, regulations and guidelines, particularly the effects of such new or amended laws, rules, regulations and guidelines on directors specifically, and the Company and the Group generally.

On an ongoing basis, Directors are encouraged to keep up-to-date on all matters relevant to the Group and to attend briefings, seminars and relevant training courses as appropriate. The Directors are requested to provide the Company with their respective training records pursuant to the new requirement of the Code on continuous professional development.

During the Year, Mr. Kwok Hoong SIU, Mr. Alain PERROT, Mr. Wei ZHOU, Mr. Ewing FANG, Mr. Werner Peter VAN ECK, Dr. Shau Kang CHEN and Ms. Keet Yee LAI participated in the training which included reading regulatory updates or information relevant to the Group or its business during the year ended 31 December 2024.

CORPORATE GOVERNANCE FUNCTIONS

The Board is responsible for the corporate governance function. Pursuant to the terms of reference of Audit Committee, part of such duties were delegated to the Audit Committee, and the Audit Committee is responsible for performing the corporate governance functions such as developing and reviewing the Company's policies, practices on corporate governance, training and development of Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements and reviewing Company's compliance with the Code.

During the Year, the Board (i) developed and reviewed the Company's corporate governance policies and practices, and made recommendations to the Board; (ii) reviewed and monitored the training and continuous professional development of the Directors and senior management; (iii) reviewed and monitored the Company's policies and practices on compliance with legal and regulatory requirements; and (iv) reviewed and monitored the compliance of the Model Code, and the Company's compliance with the Code and disclosure in this Corporate Governance Report.

The Board held meetings from time to time whenever necessary. At least 14 days' notice of regular Board meetings will be given to all Directors and they can include matters for discussion in the agenda as they think fit. The agenda accompanying Board papers are sent to all Directors at least 3 days before the date of a Board meeting in order to allow sufficient time for the Directors to review the documents.

Minutes of each Board meeting are circulated to all Directors for their perusal and comments prior to confirmation of the minutes. The Board also ensures that it is supplied in a timely manner with all necessary information in a form and of a quality appropriate to enable it to discharge its duties.

Every Board member has full access to the advice and services of the company secretary with a view to ensuring that Board procedures, and all applicable rules and regulations are followed and they are also entitled to have full access to Board papers and related materials so that they are able to make an informed decision and to discharge their duties and responsibilities.

DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for preparing the financial statements of the Company for the year ended 31 December 2024.

DIVIDEND POLICY

The Board has approved and adopted a dividend policy on 14 October 2019 (the "Dividend Policy"). It is the policy of the Board, in considering the payment of dividends, to allow shareholders of the Company to participate in the Company's profits whilst retaining adequate reserves for the Group's future growth.

Under the Dividend Policy, 30% of the Company's annual distributable profits are expected to be distributed as dividends in the future. The declaration of dividends is subject to the discretion of the Board and the approval of the shareholders of the Company, and the Company may change the Dividend Policy or distribution ratio in the future. There is no assurance that the Company will be able to distribute dividends of such amounts or any amounts in every year or any year in the future.

The Board may recommend a payment of dividends in the future after taking into account the Group's operations and earnings, capital requirements and surplus, general financial condition, contractual restrictions, capital expenditure and future development requirements, shareholders' interest and other factors which the Board may deem relevant at such time.

Any declaration and payment as well as the amount of the dividends will be subject to the constitutional documents and the Companies Law of the Cayman Islands, including the approval of the shareholders of the Company. Any future declarations of dividends may or may not reflect the historical declarations of dividends of the Group and will be at the absolute discretion of the Board.

Any distributable profits that are not distributed in any given year will be retained and available for distribution in subsequent years. To the extent profits are distributed as dividends, such portion of profits will not be available to be reinvested in its operations.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

Code provision B.2.2 of the Code stipulates that every director, including those appointed for a specific term, should be subject to retirement by rotation at least once every three years.

The Executive Director is appointed for a term of one year, and renewable automatically thereafter for successive terms of one year each until terminated by not less than three months' notice in writing served by either party on the other.

Each of the non-executive Directors, including independent non-executive Directors, is appointed for a term of one year and renewable automatically thereafter for successive terms of one year each commencing from the date next after the expiry of the then current term of office until terminated in accordance with the terms of their letters of appointment.

Save as disclosed above, none of the Directors has or is proposed to enter into a service contract with any member of the Group other than contracts expiring or determinable by the Company within one year without the payment of compensation (other than statutory compensation).

In accordance with the Articles, any Director appointed by the Board to fill a casual vacancy in the Board or as an additional member of the Board shall hold office only until the next following annual general meeting and shall then be eligible for re-election at such meeting. In addition, at each annual general meeting one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

BOARD COMMITTEES

The Board has established three committees, namely, the audit committee, the remuneration committee and the nomination committee for overseeing particular aspects of the Company's affairs. Each of these committees is established with defined written terms of reference. The terms of reference of the Board committees are available for viewing on the websites of the Company and the Stock Exchange.

AUDIT COMMITTEE

As at the date of this report, the Audit Committee has three members, namely Dr. Shou Kang CHEN, Mr. Werner Peter VAN ECK and Ms. Keet Yee LAI, all being independent non-executive Directors. The chairman of the Audit Committee is Dr. Shou Kang CHEN.

The primary responsibilities of the Audit Committee are:

- to provide the Directors with an independent review of the effectiveness of the financial reporting process, internal control and risk management system of the Group
- to oversee the audit process
- to ensure the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, financial reporting functions, as well as those relating to the Group's ESG performance and reporting
- to review the changes, since the last annual review, in the nature and extent of significant risks (including ESG risks), and the issuer's ability to respond to changes in its business and the external environment
- to review the scope and quality of management's ongoing monitoring of risks (including ESG risks) and of the internal control systems, and the work of its internal audit function and other assurance providers
- to review the extent and frequency of communication of monitoring results to the board (or board committee(s)) which enables it to assess control of the Group and the effectiveness of risk management

- to review significant control failings or weaknesses that have been identified during the period, and the extent to which they have resulted in unforeseen outcomes or contingencies that have had, could have had, or may in the future have, a material impact on the Group's financial performance or condition

- to review the effectiveness of the Group's processes for financial reporting and compliance of the Listing Rules

- to perform other duties and responsibilities as assigned by the Directors

During the Year, the Audit Committee has reviewed the unaudited consolidated financial statements of the Group for the six months ended 30 June 2024 and the audited consolidated financial statements of the Group for the year ended 31 December 2024 and has met with the independent auditor, PwC SG. The Audit Committee has also discussed matters with respect to the accounting policies and practices adopted by the Company and internal control with senior management members of the Company. The Audit Committee reviewed the Company's policies and practices on corporate governance. The Audit Committee has conducted review of the risk management and internal control systems, and the effectiveness of the issuer's internal audit function. Please see the disclosure the section headed "Internal Control and Risk Management" of this report for further information.

The Audit Committee has adopted its terms of reference in compliance with code provisions set out in the Code. According to the terms of reference of the Audit Committee, meeting of the Audit Committee shall be held at least twice a year and members of the Audit Committee should also meet with the external auditor at least twice a year. During the Year, 2 meetings of the Audit Committee were held.

For the year ended 31 December 2024, the Board had no disagreement with the Audit Committee's view on the selection, appointment, resignation or dismissal of the external auditor.

REMUNERATION COMMITTEE

As at the date of this report, the remuneration committee of the Company (the "Remuneration Committee") consists of three members, including two independent non-executive Directors, namely Dr. Shou Kang CHEN and Mr. Werner Peter VAN ECK and a non-executive Director, Mr. Wei ZHOU. The chairman of the Remuneration Committee is Dr. Shou Kang CHEN.

The Remuneration Committee has adopted its terms of reference in compliance with code provisions set out in the Code. The principal responsibilities of the Remuneration Committee include (i) making recommendations to the Board on the Company's policy and structure for all Directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; (ii) making recommendations to the Board on the remuneration packages for individual executive Directors and senior management of the Company; (iii) making recommendations to the Board on the remuneration of the non-executive Directors; and (iv) reviewing and recommending the management's remuneration proposals with reference to the Board's corporate goals and objectives.

The Group's remuneration policy rewards employees and Directors based on individual's performance, demonstrated capabilities, involvement, market comparable information and the performance of the Group. To ensure that the Group attracts and retains competent staff, remuneration packages are reviewed on a regular basis. Performance bonuses are offered to qualified employees based on individual and the Groups performance. The Company adopted the Scheme on 1 May 2015 as incentive for eligible employees. The Company adopted the Share Award Scheme on 20 August 2020 in order to recognise the contributions of such Selected Grantees and in driving the continuous business operation and development of the Group. For details of the remuneration policy, please refer to the section headed "Employees, Remuneration Policy" of the Report of the Directors of this Report.

During the Year, the Remuneration Committee meeting reviewed, assessed and considered (i) the policy and structure for the remuneration of the Directors and senior management; (ii) the performance and the remuneration of the Directors and senior management; and (iii) material matters relating to the Share Award Scheme (including any potential grant of Share Awards). The Remuneration Committee also reviewed and approved the terms of the Directors' service contracts and letters of appointment.

According to the terms of reference of the Remuneration Committee, meeting of the Remuneration Committee shall be held at least once a year. During the Year, 1 meeting of the Remuneration Committee was held.

Details of the remuneration payable to each Director of the Company for the year ended 31 December 2024 are set out in note 9 in the "Notes to Consolidated Financial Statements".

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

Remuneration to the senior management by bands HK$	Number of Senior management
Nil to HK$1,000,000	–
HK$1,000,001 to HK$1,500,000	1
HK$1,500,001 to HK$2,000,000	1
HK$2,000,001 to HK$2,500,000	1
HK$2,500,001 to HK$3,000,000	–
HK$3,000,001 to HK$3,500,000	1
Total	4

NOMINATION COMMITTEE

As at the date of this report, the Nomination Committee has three members, including two independent non-executive Directors, namely Ms. Keet Yee LAI and Mr. Werner Peter VAN ECK and a non-executive Director, Mr. Alain PERROT. The chairman of the Nomination Committee is Mr. Werner Peter VAN ECK.

The roles and functions of the Nomination Committee include reviewing the structure, size and composition of the Board at least annually, making recommendations on any proposed changes to the Board to complement the Company's corporate strategy, identifying individuals suitably qualified to become members of the Board and selecting individuals nominated for directorship (if necessary), assessing the independence of the independent non-executive Directors and making recommendations to the Board on the appointment or re-appointment of Directors and succession planning for Directors, in particular the Chairman and the Chief Executive Officer of the Company.

During the Year, the Nomination Committee reviewed and considered (i) the Board structure, size, composition and Board diversity (including skills, knowledge and experience etc.); (ii) the effectiveness of the Company's board diversity policy; (iii) the independence of independent non-executive Directors; (iv) the retirement and re-nomination of Directors for re-election at the forthcoming annual general meeting of the Company; and (v) the sufficiency of time and contributions made to the Group that are commensurate with their role and board responsibilities by the Directors.

The Nomination Committee has adopted its terms of reference in compliance with code provisions set out in the Code. According to the terms of reference of the Nomination Committee, meeting of the Nomination Committee shall be held at least once a year. During the Year, 1 meeting of the Nomination Committee was held.

Nomination Policy

The Company has also adopted a nomination policy (the "Nomination Policy") which sets out the details of the key selection criteria and nomination procedures for the Nomination Committee in making recommendations to the Board on the appointment of Directors, and succession planning for Directors. In order to achieve and/or maintain gender diversity, the Nomination Committee will propose a pipeline of potential successors to the Board to achieve gender diversity.

Selection Criteria

The factors listed below would be used as reference by the Nomination Committee in assessing the suitability of a proposed candidate:

(a) reputation for integrity;

(b) accomplishment and experience in the business in which the Company is engaged in;

(c) commitment in respect of available time and relevant interest;

(d) diversity in all its aspects, including but not limited to race, gender, age, educational background, professional experience, skills and length of service;

(e) qualifications which include professional qualifications, skills, knowledge and experience that are relevant to the Company's business and corporate strategy;

(f) the number of existing directorships and other commitments that may demand the attention of the candidate;

(g) requirement for the Board to have independent non-executive directors in accordance with the Listing Rules;

(h) whether the candidates would be considered independent with reference to the independence guidelines set out in the Listing Rules;

(i) Board diversity policy of the Company and any measurable objectives adopted by the Nomination Committee for achieving diversity on the Board;

(j) such other perspectives appropriate to the Company's business; and

(k) any other relevant factors as may be determined by the Nomination Committee or the Board from time to time.

Nomination Procedures for a new Director

Subject to the provisions in the Articles and the Listing Rules, if the Board recognises the need for an additional Director or a member of senior management, the following procedure will be followed:

(1) The Nomination Committee and/or Board will identify potential candidates based on the criteria as set out in the selection criteria, possibly with assistance from external agencies and/or advisors;

(2) The Nomination Committee and/or the company secretary of the Company will then provide the Board with the biographical details and details of the relationship between the candidate and the Company and/or Directors, directorships held, skills and experience, other positions which involve significant time commitment and any other particulars required by the Listing Rules, the Companies Law of the Cayman Islands and other regulatory requirements for any candidate for appointment to the Board;

(3) The Nomination Committee would then make recommendation to the Board on the proposed candidate(s) and the terms and conditions of the appointment;

(4) The Nomination Committee should ensure that the proposed candidate(s) will enhance the diversity of the Board, being particularly mindful of gender balance;

(5) In the case of the appointment of an independent non-executive Director, the Nomination Committee and/or the Board should obtain all information in relation to the proposed Director to allow the Board to adequately assess the independence of the Director in accordance with the factors set out in Rules 3.08, 3.09 and 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time; and

(6) The Board will then deliberate and decide on the appointment based upon the recommendation of the Nomination Committee.

Re-election of Director at General Meeting

(1) The Nomination Committee and/or the Board should review the overall contribution and service to the Company of the retiring Director and his/her level of participation and performance on the Board. Where a retiring Director, being eligible, offers himself/herself for re-election, and the Board considers appropriate, the Board shall recommend such retiring Director to stand for re-election at a general meeting.

(2) If an independent non-executive Director is subject to the re-election, the Nomination Committee and/or the Board will also assess and consider whether the independent non-executive Director will continue to satisfy the independence requirements as set out in the Listing Rules, including in the case where an independent non-executive Director has served more than nine years, such Director's further appointment should be subject to a separate resolution to be approved by shareholders as required under the Code. The Nomination Committee and/or the Board should then make recommendation to shareholders of the Company in respect of the proposed re-election of Director at the general meeting.

(3) The appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board shall be made in accordance with the Articles and other applicable rules and regulations.

Annual Assessment of Board Independence

The Company recognises that Board independence is key to good corporate governance. The Company has in place effective mechanisms that underpin an independent Board and independent views.

As a good corporate governance policy, every member of the Nomination Committee abstained from assessing his/her own independence. The Nomination Committee affirmed that all independent non-executive Directors continued to demonstrate strong independence in judgment and were free from any business or other relationship which could interfere with their ability to discharge their duties effectively, and they therefore all remained independent.

The Nomination Committee reviewed on an annual basis and considered that the following key features or mechanisms under the Board's structure are effective in ensuring independent views and input are provided to the Board:

Board and Committees' Structure	• Since Listing, the Company has been steered by the Board, comprising a majority of non-executive Directors. During the Reporting Period, Mr. Kwok Hoong SIU is the only executive Director on the Board and all the remaining 6 Directors are not related to each other and any members of the senior management of the Group.
	• All Board committees are chaired by independent non-executive Directors and comprised of a majority of independent non-executive Directors, the Nomination Committee was comprised of Mr. Werner Peter van Eck (an independent non-executive Director), Mr. Alain Perrot (a non-executive Director) and Ms. Keet Yee LAI Eck (an independent non-executive Director).
	• The remuneration of independent non-executive Directors are subject to a regular review to maintain competitiveness and commensurate with their responsibilities and workload.
	• The independent non-executive Directors have consistently demonstrated strong commitment and ability to devote sufficient time to discharge their responsibilities.
	• The Company has established channels through formal and informal means whereby independent non-executive Directors can express their views in an open manner, and in a confidential manner, should such circumstances arise.
Independent Non-executive Directors' Tenure	• Where an independent non-executive Director has served more than nine years, such Director's further appointment should be subject to a separate resolution to be approved by shareholders in compliance with the Code.

Independent Non-executive Directors' Interests in the Shares	•	During the Reporting Period, only 1 of the non-executive Directors holds Shares, and participates in the Share Award Scheme.
Directors' Interest in Transactions	•	Directors are requested to declare their direct or indirect interests, if any, in proposals or transactions to be considered by the Board at the Board meetings and abstain from voting, where appropriate.
External Advice	•	External independent professional advice is available to all Directors, including independent non-executive Directors.

BOARD DIVERSITY POLICY

The Company has adopted a board diversity policy with the aim of achieving diversity on the Board. The Company recognises and embraces the benefits of having a diverse Board to enhance its operating results and quality of its performance. Selection of candidates will be based on a range of diversity perspectives and measurable objectives which will be reviewed regularly. The measurable objectives include gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service. The ultimate decision will be based on merits and contribution that the selected candidates will bring to the Board. Furthermore, pursuant to code provision B.1.3 of the Code, the Board should review the implementation and effectiveness of the issuer's policy on board diversity on an annual basis. The Nomination Committee has performed the above duties in terms of selection of candidates and reviewed the implementation and effectiveness of the Company's Board diversity policy during the Year.

Pursuant to Rule 13.92 of the Listing Rules, the Stock Exchange will not consider diversity to be achieved for a single gender board. As at the date of this report, the Board comprises seven Directors, including one female Director. There are three independent non-executive Directors on the Board which help promote critical review and control of the management process. Based on the foregoing, the Nomination Committee considers that the current Board is sufficiently diversified in terms of its gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

Gender Diversity

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

	Female	Male
Board	14%	86%
	1	6
Senior Management	50%	50%
	1	1
Other employees	39%	61%
	55	86
Overall workforce	38%	62%
	57	93

The Board had targeted to achieve and had achieved at least one female Director, 50% (1) of female senior management and 39% (55) of female employees of the Group during the Year and considers that the above current gender diversity is satisfactory. The Board will endeavour to maintain at least 1 female representation on the Board and take opportunities to increase the proportion of female members over time as and when suitable candidates are identified.

During the Year, the Board was not aware of any mitigating factors or circumstances which make achieving gender diversity across the workforce (including senior management) more challenging or less relevant.

For details on the gender ratio of the Group together with relevant data, please refer to the 2024 Sustainability Report, to be published on the same date as this report.

The Company has been taking, and will continue to take steps to promote gender diversity at the Board and management levels. To achieve diversity at workforce level, the Group has set out the following targets and policies:

(a) the Group is committed to providing career development opportunities to its female staff. Since Listing, the Group has deployed resources in training senior female staff who have long and relevant experience in the Group's business, including but not limited to accounting and finance, operation and research and development. The Directors believe that this policy could develop a pipeline of potential successor and provide required manpower resources to achieve gender diversity in the Board.

(b) the Group has put in place appropriate recruitment and selection practices such that a diverse range of candidates are considered.

FINANCIAL REPORTING SYSTEM, RISK MANAGEMENT AND INTERNAL CONTROL SYSTEM

Financial Reporting

The management provides such explanation and information to the Board and reports regularly to the Board on financial position and prospects of the business of the Company so as to enable the Board to make an informed assessment of the financial and other information put before the Board for approval.

The Directors acknowledge their responsibilities (as set out in the Independent Auditor's Report of this report) for preparing the consolidated financial statements of the Group that give a true and fair view of the state of affairs of the Group. The Board was not aware of any material uncertainties relating to events or conditions that might cast significant doubt upon the Group's ability to continue as a going concern and the Board has prepared the consolidated financial statements on a going concern basis. The responsibility of the external auditor is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the shareholders of the Company.

Internal Control and Risk Management

The Board is responsible for the oversight of the Group's risk management and internal control systems. Such systems are designed to manage rather than to eliminate the risks that will adversely hinder the Group from achieving its business objectives, and can only provide reasonable, but not absolute assurance against material misstatement or loss.

The Board, with the assistance of the Audit Committee, reviews the Group's risk management and internal control systems over its business operations annually. The review includes major financial, operational, compliance and IT controls. Given the size, nature and complexity of the business of the Group, the Board has assessed the need to appoint an external independent professional firm to assist with the internal audit function for the Group. For the year ended 31 December 2024, the Company has appointed a professional firm to assist the Group in reviewing the risk management and internal controls systems for the Year.

The key components of the Group's risk management and internal control systems are as follows:

Control	The Board believes that good corporate governance reflects the culture of an organization which is more significant than any written procedures. The Company aims at all times to act ethically and with integrity, and to instill this behaviour in all its employees by having good tone at the top. The Company is committed to developing and maintaining high professional and ethical standards. These are reflected in the rigorous selection process and career development plans for all employees. The organisation prides itself on being a long-term employer which instills in individuals, as they progress through the Group, a thorough understanding of the Company's ways of thinking and acting. Channels of communication are clearly established, allowing employees a means of communicating their views upwards with a willingness on the part of more senior personnel to listen. Employees are aware that, whenever the unexpected occurs, attention should be given not only to the event itself, but also to determining the cause. Employees are encouraged (and instructed as to how) to report control deficiencies or suspicions of impropriety to those who are in a position to take necessary action. The Company has a whistleblowing policy and system for employees and those who deal with the Group to raise concerns, in confidence and with anonymity, where desired, about actual or suspected cases of impropriety in any matter related to the Group. The Company has an anti-corruption policy and system which sets out the Company's policy and systems that promote and support compliance with applicable anti-bribery and corruption laws and regulations.

Risk Assessment

The Board of Directors and the management each have a responsibility to identify and analyse the risks underlying the achievement of business objectives, and to determine how such risks should be managed and mitigated. The Board has adopted the three lines of defence model of risk governance. The first line manages risks. The second line oversees the management of risks. The third line assesses the effectiveness of risk controls. The model is designed to ensure that the Board has assurance as to the effectiveness of risk management in the Group's businesses and that conflicts of interest are minimised.

Management Structure

The Group has a clear organisational structure that, to the extent required, delegates the day-to-day responsibility for the design, documentation and implementation of procedures and monitoring of risk. Individuals appreciate where they will be held accountable in this process. A control self-assessment process requires the management in each material business unit to assess, through the use of detailed questionnaires, the adequacy and effectiveness of risk management and internal controls over the reliability of financial reporting, the effectiveness and efficiency of operations and compliance with applicable laws and regulations. This process and its results are reviewed by the Audit Committee.

Control and Review

The control environment comprises policies and procedures intended to ensure that relevant management directives are carried out and actions that may be needed to address risks are taken. These may include approvals and verifications, reviews, safeguarding of assets and segregation of duties. Control activities can be divided into operations, financial reporting and compliance, although there may, on occasion, be some overlap between them.

The Company has in place effective processes and systems for the identification, recording and reporting of operational, financial and compliance related information in a form and time frame intended to ensure that staff carry out their designated responsibilities.

The Board has, through the Audit Committee, conducted review of the adequacy and effectiveness of the risk management and internal control systems of the Group for the Year, with the assistance of the professional firm, to ensure the adequacy of resources, staff qualifications and experience, training programmes and budget of the Group's accounting, financial reporting functions, as well as those relating to the Group's ESG performance and reporting. The review report, with examination results (including the identification of major risks in operation) and relevant improvement recommendations were duly reported to the Audit Committee and the Board. This allows the Audit Committee and the Board to assess the key risks and controls of the Group and the effectiveness of the risk management system, including any material failings or weaknesses in the internal control system (if any), and to take appropriate actions to remedy any of these failings or weaknesses in a timely manner. All remedial actions will be regularly followed up where necessary to ensure that the failings and weaknesses have been duly addressed. The Company has received a confirmation from management on the effectiveness of the issuer's risk management and internal control systems. The Board considers that the risk management and internal control systems are effective and adequate and that the Group has complied with the code provisions relating to risk management and internal control systems.

The professional firm has assisted in the enterprise risk assessment process by facilitating a risk refresher workshop in 2022 to validate the Group's risk inventory. Enterprise risks are categorised into 5 categories: i) Strategic; ii) Compliance; iii) Financial; iv) Operational; and v) Technological, and the identified group key risks are prioritised by management during the risk exercise. The refreshed risk profile is used to formulate the risk-based Internal Audit Plan for the next 3 years. Management is responsible for the effective implementation of risk management strategy, policies and processes, which lay the foundation of the risk management and internal control systems to facilitate the achievement of business plans and goals.

POLICY AND PROCEDURES ON DISCLOSURE OF INSIDE INFORMATION

The Group regulates the handling and dissemination of inside information according to internal procedures and policies so as to ensure inside information remains confidential until the disclosure and publication of such information is appropriately approved, and the dissemination of such information is efficiently and consistently made.

The Board is responsible for approving the policy on disclosure of inside information which aims at providing guiding principles, practices and procedures to assist employees and officers of the Group in (i) relaying inside information to the Board to enable it to make timely decisions on disclosure, if necessary; and (ii) communicating with the Group's stakeholders, in ways which are in compliance with the SFO and the Listing Rules.

An employee who becomes aware of a matter or event that he/she considers to be material or inside information shall report to his/her division/department head who will assess the sensitivity of the relevant information and, if considered appropriate, escalate and report to the Board and/or the company secretary of the Company.

WHISTLE-BLOWING POLICY AND SYSTEM

All employees are reminded that violations will result in disciplinary action, and in the most severe cases, amount to dismissal. The Group's whistle-blowing channels are open for reporting of concerns over suspected cases of violation to be brought to the attention of the compliance officers of the Group, mandated to swiftly address the issue, ideally before it becomes a violation of any laws or pose risks to health, security or safety. As of 2024, there were no cases of critical concerns that were communicated to the highest governance body.

ANTI-CORRUPTION POLICY AND SYSTEM

In 2024, the Group continued to uphold a high standard of corporate governance, operating with integrity and transparency. The Board is pleased to report that in FY2024, the Group maintained a record of being fully compliant with all laws and regulations in Singapore and China, with zero reported violations and cases of the internal code of conduct of the Group, applicable laws, including anti-corruption, data privacy, health and safety, labour and human rights, and environmental regulations.

The Group is open, honest and ethical in all the dealings, and does not employ corrupt practices such as bribery or money laundering. Only gifts or hospitality that are reasonable and proportionate can be accepted or offered, and the Group does not make facilitation payments to speed up or secure the performance of a routine government action. Commission payments to business partners must also be justified by clear and demonstrable services they have rendered. With respect to money laundering, the Group tracks suspicious transactions such as payments between unknown entities through an excessive number of intermediaries, high-value cash transactions, or payments made or received by suspicious entities or involving high-risk countries. Any employee who suspects any such case has an obligation to report this to the compliance officers of the Group.

As part of the Group's anti-corruption practice, the employees, including the executive Director and Directors are required to attend anti-bribery trainings every year. In 2024, all of the employees of the Group have undergone a one-hour anti-bribery training course. The course outlined anti-bribery acts across various jurisdictions, key differences between bribery and gift/entertainment as well as the Company's anti-bribery & anti-corruption policies.

AUDITOR'S REMUNERATION

The Company appointed PwC SG as its independent auditor with effect from 14 November 2023 upon retirement of PwC HK which took effect on 14 November 2023. For details of the change of independent auditor of the Company, please refer to the section "AUDITOR – Change of auditor in the past three years" in this report. For the year ended 31 December 2024, the total amount of remuneration paid or payable to PwC SG and other PwC network firm in respect of the audit services and non-audit services is S$613,927, breakdown of which is as follows:

Services rendered	S$
Audit services	530,000
Non-audit services[1]	83,927
Total (S$)	613,927[2]

Notes:

(1) For tax compliance and transfer pricing services.

(2) Equivalent to approximately US$460,000.

COMPANY SECRETARY

Ms. Sum Yi TSUI, was appointed as the company secretary of the Company on 14 July 2020. Ms. Tsui is currently a senior manager of Vistra Corporate Services (HK) Limited, a professional provider of corporate services. She has over fourteen years of experience in providing company secretarial and compliance services to private and listed companies. Her primary contact person at the Company is Ms. Guat Beng NG, the global financial controller of the Company.

In accordance with Rule 3.29 of the Listing Rules, Ms. Tsui has taken no less than 15 hours of relevant professional training during the Year.

SHAREHOLDERS' RIGHTS

The general meetings of the Company provide an opportunity for communication between the shareholders of the Company and the Board. An annual general meeting of the Company shall be held in each year and at the place as may be determined by the Board. Each general meeting, other than an annual general meeting, shall be called an extraordinary general meeting ("EGM").

Right to convene extraordinary general meeting

Pursuant to article 12.3 of the Articles, EGM shall be convened on the written requisition of one or more shareholders of the Company holding together, at the date of deposit of the requisition, shares representing not less than one-tenth of the voting rights, on a one vote per share basis, of the Company which carry the right of voting at general meetings of the Company. Such written requisition shall be deposited at the principal office of the Company in Hong Kong or, in the event the Company ceases to have such a principal office, the registered office of the Company, specifying the objects of the meeting and signed by the requisitionist(s). If the Board does not within 21 days from the date of deposit of the requisition proceed duly to convene the meeting to be held within a further 21 days, the requisitionist(s) themselves or any of them representing more than one-half of the total voting rights of all of them, may convene the general meeting in the same manner, as nearly as possible, as that in which meetings may be convened by the Board provided that any meeting so convened shall not be held after the expiration of three months from the date of deposit of the requisition, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to them by the Company.

Right to put enquiries to the Board

Shareholders of the Company have the right to put enquiries to the Board. All enquiries shall be in writing and sent by post to the principal place of business of the Company in Hong Kong (presently at Room 1901, 19/F, Lee Garden One, 33 Hysan Avenue, Causeway Bay, Hong Kong) for the attention of the company secretary of the Company or by e-mail to info@omnidevices.com.

Right to put forward proposals at general meetings

There are no provisions under the Articles regarding procedures for the Company's shareholders to put forward proposals at general meetings other than a proposal of a person for election as Director. Shareholders of the Company may follow the procedures set out above to convene an EGM for any business specified in such written requisition.

SHAREHOLDERS ENGAGEMENT

Directors' Shareholding Interests

Directors' interests in the Company's securities as at 31 December 2024 are disclosed in the Directors' Report. All Directors have confirmed, following specific enquiry by the Company, that throughout the year ended 31 December 2024 they have complied with the required standard set out in the Model Code and the Company's own Code for Securities Transactions. The Company's own Code for Securities Transactions is largely based on the Model Code set out in Appendix C3 of the Listing Rules and is on terms no less exacting than those in the Model Code.

Shareholding as at 31 December 2024

Size of Registered Shareholding	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
1-1,000	2	7.1428	100	0.0000
1,001-5,000	17	60.7142	40,000	0.0078
5,001-10,000	0	0.0000	0	0.0000
10,001-100,000	4	14.2857	152,000	0.0300
Above 100,000	5	17.8571	506,457,900	99.9620
Total	28	100	506,650,000	100

The Listing Rules required 25% public float, which was maintained throughout the Year and up to the date of this report.

Important shareholders' dates in 2025

The following are the key shareholder-related dates and events:

Date	Event
28 March 2025	Publication of announcement of annual result for the year ended 31 December 2024
16 April 2025	Publication of this report on the Stock Exchange and the Company's websites
16 April 2025	Publication of the AGM notice on the Stock Exchange and the Company's websites
4:30 p.m. on Friday, 13 June 2025	Latest time to lodge transfers of shares
Monday, 16 June 2025 to Friday, 20 June 2025 (both days inclusive)	Closure of register of members for ascertaining Shareholders' right to attend and vote at the AGM
20 June 2025	Date of AGM
4:30 p.m. on Thursday, 26 June 2025	Latest time to lodge transfers of shares
Friday, 27 June 2025 to Thursday, 3 July 2025	Closure of register of members for ascertaining Shareholders' entitlement to the proposed final dividend
On or about Friday, 22 August 2025	Payment date of the proposed final dividend

INVESTOR RELATIONS

The Company has established a range of communication channels between itself and its shareholders, investors and other stakeholders to enable shareholders and investors to have access, on a fair and timely basis, to information that is reasonably required for making the best investment decisions. These include the annual general meeting, the annual and interim reports, notices, announcements and circulars and the Company's website at www.omnidevices.com. The Company endeavours to maintain an open and on-going dialogue with the shareholders and, in particular, through annual general meetings and other general meetings. At the annual general meeting, Directors (or their delegates as appropriate) are available to meet shareholders and answer their enquiries.

Shareholders are welcomed to make enquiries to the Company by sending the enquiries to the principal place of business in Hong Kong of the Company, or via email info@omnidevices.com. The Company will respond to all enquiries in a timely and appropriate manner.

The Company has reviewed the implementation and effectiveness of the shareholders' communication policy from time to time. Having considered the multiple channels of communication and engagement in place, the Board is satisfied that the shareholders' communication policy has been properly implemented during 2024 and is effective.

The Board reviews the investor relations and communications policy on an annual basis, and makes any changes it considers necessary to ensure its effectiveness and that the legal interests of Shareholders and investors are substantially protected. The Board has conducted a review of the implementation and effectiveness of the investor relations and communications policy of the Company. Having considered the diverse channels of communication in place, the Board is satisfied that an effective investor relations and communications policy has been properly implemented throughout the year ended 31 December 2024.

CONSTITUTIONAL DOCUMENTS

The Amended and Restated Memorandum and Articles of Association of the Company (the "Articles") has been approved by the Shareholders by way of a special resolution at the Company's annual general meeting held on 21 June 2024. The amendments were made for the purpose of updating and bringing the then memorandum and articles of association of the Company in line with the amendments to the Listing Rules which mandate the electronic dissemination of corporate communications by listed issuers to their securities holders from 31 December 2023 onwards, as well as other housekeeping changes. For further details, please refer to the circular of the Company dated 19 April 2024. Save as disclosed, there has been no change to the Company's constitutional documents during the Year. The Articles are available on the websites of the Company and the Stock Exchange.

Five Years Financial Summary

A summary of the condensed audited consolidated results and of the assets and liabilities of the Group for the five financial years is set out below:

Results

	For the year ended 31 December				
	2024	2023	2022	2021	2020
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Revenue	**107,452**	101,008	126,560	126,008	134,189
Finance costs – net	**(853)**	(2,103)	(1,272)	(2,471)	(2,049)
Profit/(Loss) before tax	**4,214**	(1,563)	6,135	5,697	4,671
Income tax expense	**(1,706)**	(56)	(1,560)	(1,891)	(944)
Profit/(Loss) for the year	**2,508**	(1,619)	4,575	3,806	3,727
Total comprehensive income/(loss) for the year	**2,362**	(1,546)	4,516	3,836	3,912

Assets and Liabilities

	As at 31 December				
	2024	2023	2022	2021	2020
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Non-current assets	**11,356**	12,509	16,475	19,526	19,575
Current assets	**57,135**	58,227	63,892	86,364	60,460
Total assets	**68,491**	70,736	80,367	105,890	80,035
Current liabilities	**42,808**	36,363	39,010	63,418	43,562
Non-current liabilities	**510**	11,562	17,053	20,901	17,029
Total liabilities	**43,318**	47,925	56,063	84,319	60,591
Net assets	**25,173**	22,811	24,304	21,571	19,444

Independent Auditor's Report
To the Shareholders of Home Control International Limited
(Incorporated in the Cayman Islands with limited liability)

OPINION

What we have audited

The consolidated financial statements of Home Control International Limited (the "Company") and its subsidiaries (the "Group"), which are set out on pages 75 to 152, 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.

PricewaterhouseCoopers LLP, 7 Straits View, Marina One East Tower Level 12, Singapore 018936
T: (65) 6236 3388, www.pwc.com/sg GST No: M90362193L Reg. No: T09LLOOID

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter identified in our audit is related to impairment assessment of goodwill.

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of goodwill	
Refer to notes 2.5, 2.9, 4 and 16 to the consolidated financial statements. As at 31 December 2024, the carrying amount of goodwill on the consolidated statement of financial position of the Group amounted to US$8,877,000. The goodwill was recognised on the acquisition of the entire stake of Home Control Singapore Pte. Ltd. by the Company from Philips in April 2015, and has been allocated to the remote control products cash-generating unit ("CGU") for the purpose of impairment assessment. An annual impairment assessment was performed on the goodwill where the recoverable amount of the remote control products CGU was estimated on a value in use basis using a discounted cash flow ("DCF") model. No impairment loss was recognised as the recoverable amount was higher than the carrying value of the remote control products CGU. We focused on this area as management's impairment assessment of goodwill requires significant judgment in making estimates of the underlying assumptions used in the discounted cash flow projections.	Our procedures focused on the appropriateness of management's annual impairment assessment process, and included the following: • obtained an understanding of and evaluated the management's internal control and assessment process of impairment of goodwill and assessed the inherent risk of material misstatement by considering the degree of estimation uncertainty and level of other inherent risk factors, such as complexity, subjectivity, changes and susceptibility to management bias or fraud; • involved our valuation expert to assist in evaluating the appropriateness of valuation methodology used by management; • assessed the reasonableness of the key assumptions adopted by management in the discounted cash flow projections, including revenue growth and earnings before interest and tax ("EBIT") margin rate, based on our knowledge of the economic and industry conditions that are relevant to the Group's operations, and checked that the projections are based on the approved budget and supported by available market data;

Key Audit Matter	How our audit addressed the Key Audit Matter
Impairment assessment of goodwill	• involved our valuation expert to evaluate the reasonableness of other key assumptions such as the discount and terminal growth rates applied by management in the cash flow projections by comparing to available market data; • evaluated the sensitivity analysis prepared by management on key assumptions of the cash flow projections and the extent of such changes to the recoverable amount; and • considered the adequacy of the relevant disclosures in the consolidated financial statements relating to the impairment assessment of goodwill. We found the judgments and assumptions used in the impairment assessment to be supported by available evidence.

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.

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

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

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

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

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

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

- 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 purpose 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.

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 Charlotte Hsu.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 28 March 2025

Consolidated Statement of Comprehensive Income

For the financial year ended 31 December 2024

App D2, 4(1)

	Note	2024 US$'000	2023 US$'000
Revenue	6	107,452	101,008
Cost of Sales	8	(76,601)	(77,697)
Gross Profit		30,851	23,311
Other Income	6	253	153
Selling and distribution expenses	8	(7,297)	(6,432)
Administrative expenses	8	(12,027)	(12,026)
Reversal of/(provision for) impairment loss:			
– Trade receivables		77	(192)
– Finance asset at amortised cost	17	(3,229)	–
Other expenses	8	(3,561)	(4,274)
Finance costs – net	7	(853)	(2,103)
Profit/(Loss) before tax		4,214	(1,563)
Income tax expense	11	(1,706)	(56)
Profit/(Loss) for the year and attributable to owners of the Company		2,508	(1,619)
Other comprehensive (loss)/income:			
Items that may be reclassified to profit or loss:			
Exchange differences on translation of foreign operations		(146)	73
Other comprehensive (loss)/income for the year		(146)	73
Total comprehensive income/(loss) for the year and attributable to owners of the Company		2,362	(1,546)
Earnings per share for profit/(loss) attributable to owners of the Company:			
Basic	13	US 0.49 cents	US (0.32) cents
Diluted	13	US 0.49 cents	US (0.32) cents

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

App D2
para 4(2)

	Note	2024 US$'000	2023 US$'000
ASSETS			
Non-current asset			
Property, plant and equipment and right-of-use assets	*14*	**2,255**	2,775
Other intangible assets	*15*	**24**	12
Goodwill	*16*	**8,877**	8,877
Deferred tax assets	*28*	**200**	217
Other receivables	*20*	**–**	628
Total non-current assets		**11,356**	12,509
Current assets			
Financial asset at amortised cost	*17*	**–**	3,229
Inventories	*18*	**13,371**	11,135
Trade receivables	*19*	**23,575**	26,251
Prepayments and other receivables	*20*	**746**	740
Cash and cash equivalents	*21*	**19,443**	16,872
Total current assets		**57,135**	58,227
Total assets		**68,491**	70,736
LIABILITIES			
Current liabilities			
Trade payables	*22*	**28,656**	27,711
Other payables and accruals	*23*	**6,325**	4,152
Advance received from customers		**15**	53
Interest-bearing bank loans	*24*	**6,171**	3,834
Lease liabilities	*25*	**333**	393
Provisions	*26*	**42**	131
Tax payable		**1,266**	89
Total current liabilities		**42,808**	36,363
Net current assets		**14,327**	21,864
Total assets less current liabilities		**25,683**	34,373

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

App D2
para 4(2)

	Note	2024 US$'000	2023 US$'000
Non-current liabilities			
Other payables and accruals	*23*	**59**	–
Interest-bearing bank loans	*24*	**–**	11,171
Lease liabilities	*25*	**165**	114
Provisions	*26*	**183**	188
Deferred tax liabilities	*28*	**103**	89
Total non-current liabilities		**510**	11,562
Net assets		**25,173**	22,811
EQUITY			
Share capital	*29*	**5,067**	5,067
Reserves	*31*	**20,106**	17,744
Total equity		**25,173**	22,811

The consolidated financial statements on pages 75 to 152 were approved by the Board of Directors on 28 March 2025 and were signed on its behalf

Wei ZHOU
Director

Kwok Hoong SIU
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 financial year ended 31 December 2024

	Attributable to owners of the Company							
	Share capital *US$'000*	Share premium* *US$'000*	Statutory reserve* *US$'000*	Retained profits* *US$'000*	Share award reserve* *US$'000*	Exchange fluctuation reserve* *US$'000*	Capital reserve* *US$'000*	Total *US$'000*
At 1 January 2024	**5,067**	**8,013**	**47**	**6,371**	**–**	**(307)**	**3,620**	**22,811**
Profit for the year	**–**	**–**	**–**	**2,508**	**–**	**–**	**–**	**2,508**
Other comprehensive loss for the year:								
Exchange differences related to foreign operations	**–**	**–**	**–**	**–**	**–**	**(146)**	**–**	**(146)**
Total comprehensive income for the year	**–**	**–**	**–**	**2,508**	**–**	**(146)**	**–**	**2,362**
At 31 December 2024	**5,067**	**8,013**	**47**	**8,879**	**–**	**(453)**	**3,620**	**25,173**
At 1 January 2023	5,042	7,830	47	7,990	155	(380)	3,620	24,304
Loss for the year	–	–	–	(1,619)	–	–	–	(1,619)
Other comprehensive income for the year:								
Exchange differences related to foreign operations	–	–	–	–	–	73	–	73
Total comprehensive loss for the year	–	–	–	(1,619)	–	73	–	(1,546)
Share award scheme arrangements *(Note 30)*	25	183	–	–	(155)	–	–	53
At 31 December 2023	5,067	8,013	47	6,371	–	(307)	3,620	22,811

* These reserve accounts comprise the consolidated reserves of US$20,106,000 (2023: US$17,744,000) in the consolidated statement of financial position as at 31 December 2024.

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

Consolidated Statement of Cash Flows

For the financial year ended 31 December 2024

	Note	**2024 US$'000**	2023 US$'000
Cash flows from operating activities			
Profit/(Loss) before tax		**4,214**	(1,563)
Adjustments for:			
– Depreciation of property, plant and equipment	*14*	**1,371**	1,920
– Depreciation of right-of-use assets	*14*	**493**	534
– Amortisation of other intangible assets	*15*	**11**	18
– Amortisation of loan arrangement, facility and legal fees	*7*	**65**	65
– Share award scheme expenses	*30*	**–**	53
– Loss on disposal of property, plant and equipment & right-of-use assets	*8*	**82**	55
– Interest expenses	*7*	**987**	1,692
– Interest Income		**(44)**	(84)
– Modification (gain)/loss on other receivables	*7*	**(199)**	346
– Effect of exchange rate changes		**35**	(5)
– Provision for impairment loss on financial assets	*17*	**3,229**	192
– Provision for inventories	*18*	**367**	122
		10,611	3,345
Change in working capital:			
– (Increase)/Decrease in inventories		**(2,616)**	6,209
– Decrease in trade receivables		**3,053**	3,895
– Decrease/(Increase) in prepayment and other receivables		**623**	(943)
– Increase in trade payables		**939**	3,139
– Increase in other payables and accruals		**2,232**	380
– (Decrease)/increase in advance payment from customer		**(38)**	53
– Decrease in provisions		**(94)**	(137)
Cash generated from operating activities		**14,710**	15,941
Net income tax paid		**(498)**	(1,872)
Net cash from operating activities		**14,212**	14,069

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

	Note	2024 US$'000	2023 US$'000
Cash flows from investing activities			
Purchases of property, plant and equipment	14	**(948)**	(808)
Purchases of other intangible assets	15	**(24)**	–
Interest received		**44**	84
Net cash used in investing activities		**(928)**	(724)
Cash flows from financing activities			
Proceeds from interest-bearing bank loans	33	**–**	7,500
Repayment of interest-bearing bank loans	33	**(8,900)**	(17,100)
Principal portion of lease payments	33	**(504)**	(561)
Interest portion of lease liabilities	33	**(32)**	(28)
Interest paid	33	**(955)**	(1,664)
Net cash used in financing activities		**(10,391)**	(11,853)
Net increase in cash and cash equivalents		**2,893**	1,492
Cash and cash equivalents at beginning of year		**16,872**	15,317
Effects of exchange rate changes on cash and cash equivalents		**(322)**	63
Cash and cash equivalents at end of year	21	**19,443**	16,872

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

1. CORPORATE AND GROUP INFORMATION

The Company is a limited liability company incorporated in the Cayman Islands. The registered office of the Company is Sertus Chambers, Governors Square, Suite #5-204, 23 Lime Tree Bay Avenue, P.O. Box 2547, Grand Cayman, KY1-1104, Cayman Islands.

The Company is an investment holding company. The Company and its subsidiaries are principally engaged in the provision of solutions for sensing and control technologies marketed in the smart home automation, consumer electronics and set-top-box segments.

The Shares of the Company have been listed on the Main Board of the Stock Exchange since the listing date on 14 November 2019.

The immediate holding company of the Company is NHPEA IV Home Control Netherlands B.V., which is incorporated in the Netherlands and the ultimate controlling party of the Company is Morgan Stanley, which is listed on the New York Stock Exchange and is incorporated in the United States of America.

This consolidated financial statements are presented in thousands of unit of United States Dollars ("US$'000"), unless otherwise stated. This consolidated financial statement has been approved for issue by the Board on 28 March 2025.

Information about subsidiaries

Particulars of the Company's subsidiaries are as follows:

Name	Place and date of incorporation/ registration and place of operations	Nominal value of issued/ registered share capital	Percentage of equity attributable to the Company		Principal activities
			2024	2023	
HCIL Master Option Limited ("HCIL Master Option")	Cayman Islands 9 April 2015	US$50,000	**100 (direct)**	100 (direct)	Investment holding
Home Control Singapore Pte. Ltd. ("Home Control Singapore")	Singapore 10 October 2012	US$31,628,400	**100 (direct)**	100 (direct)	Sale of remote control products
HCS (Suzhou) Limited ("HCS (Suzhou)")*	The People's Republic of China (the "PRC") 3 March 2011	US$300,000	**100 (indirect)**	100 (indirect)	Research and development
Home Control Solutions (Suzhou) Limited ("Home Control Suzhou")*	The PRC 28 July 2015	US$2,000,000	**100 (indirect)**	100 (indirect)	Sale of remote control products
Omni Remotes do Brasil Ltda ("Omni Brazil")	Brazil 20 January 2016	R$500,000	**99 (indirect)**	99 (indirect)	Technical sales support
Home Control NV ("Home Control Europe")	Belgium 26 December 2013	EUR7,000,000	**100 (indirect)**	100 (indirect)	Technical sales support and sale of remote control products
Premium Home Control Solutions LLC ("Premium Home Control Solutions")	United States of America 12 March 2015	US$1,000	**100 (indirect)**	100 (indirect)	Trading and distribution of home electronic products

* These entities are registered as wholly-foreign-owned enterprises under PRC law.

2. MATERIAL ACCOUNTING POLICY INFORMATION

2.1 Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards and the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). IFRS Accounting Standards comprise the following authoritative literature:

– IFRS Accounting Standards;

– IAS Standards; and

– Interpretations developed by the IFRS Interpretations Committee (IFRIC Interpretations) or its predecessor body, the Standing Interpretations Committee (SIC Interpretations).

The consolidated financial statements have been prepared on a historical cost basis, except as disclosed in the accounting policies below.

2.2 Changes in accounting policies and disclosures

The Group has adopted all the revised standards and amendments that are relevant to the Group's operations and mandatory for annual period beginning 1 January 2024. The effect of the adoption of these new and revised standards, amendments and interpretations was not material to the Group's results or financial position.

The Group has adopted the following amendments for the first time for annual reporting period beginning 1 January 2024:

Amendments to IAS 1	*Classification of Liabilities as Current or Non-current and Non-current Liabilities with Covenants*
Amendments to IAS 7 and IFRS 7	*Supplier Finance Arrangements*
Amendments to IFRS 16	*Lease Liability in a Sale and Leaseback*

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.3 New and amended standards not yet adopted

The following standards and amendments were in issue but not yet effective and have not been early adopted by the Group:

Amendments to IAS 21 and IFRS 1[(1)]	*Lack of exchangeability*
Amendments to IFRS 9 and IFRS 7[(2)]	*Classification and Measurement of Financial Instruments*
Annual improvements[(2)]	*Annual improvements to IFRS Accounting Standards – Volume 11*
IFRS 18[(3)]	*Presentation and Disclosure in Financial Statements*
IFRS 19[(3)]	*Subsidiaries without Public Accountability: Disclosures*
Amendments to IAS 28 and IFRS 10[(4)]	*Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

(1) Effective for accounting periods beginning on or after 1 January 2025
(2) Effective for accounting periods beginning on or after 1 January 2026
(3) Effective for accounting periods beginning on or after 1 January 2027
(4) Effective date to be determined

The Group is assessing the full impact of these new and amended standards. According to the preliminary assessment made by the Group, these standards and amendments are not expected to have a material impact on the Group's financial performance and position, except for IFRS 18, which may mainly impact the presentation of the Group's consolidated statement of comprehensive income and the Group is still in the process of assessing the impact. Aside from this, there are no other standards that are not yet effective and that are expected to have a material impact on the Group's financial performance and position.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.4 Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (collectively referred to as the "Group") for the financial year ended 31 December 2024. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has, directly or indirectly, less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

(a) the contractual arrangement with the other vote holders of the investee;

(b) rights arising from other contractual arrangements; and

(c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to the owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control described above. A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises (i) the assets (including goodwill) and liabilities of the subsidiary, (ii) the carrying amount of any non-controlling interest and (iii) the cumulative translation differences recorded in equity; and recognises (i) the fair value of the consideration received, (ii) the fair value of any investment retained and (iii) any resulting surplus or deficit in profit or loss. The Group's share of components previously recognised in other comprehensive income is reclassified to profit or loss or retained profits, as appropriate, on the same basis as would be required if the Group had directly disposed of the related assets or liabilities.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.5 Business combinations and goodwill

Business combinations are accounted for using the acquisition method. The consideration transferred is measured at the acquisition date fair value which is the sum of the acquisition date fair values of assets transferred by the Group, liabilities assumed by the Group to the former owners of the acquiree and the equity interests issued by the Group in exchange for control of the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation at fair value or at the proportionate share of the acquiree's identifiable net assets. All other components of non-controlling interests are measured at fair value. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets includes an input and a substantive process that together significantly contribute to the ability to create outputs.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts of the acquiree.

If the business combination is achieved in stages, the previously held equity interest is remeasured at its acquisition date fair value and any resulting gain or loss is recognised in profit or loss.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability is measured at fair value with changes in fair value recognised in profit or loss. Contingent consideration that is classified as equity is not remeasured and subsequent settlement is accounted for within equity.

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred, the amount recognised for non-controlling interests and any fair value of the Group's previously held equity interests in the acquiree over the identifiable net assets acquired and liabilities assumed. If the sum of this consideration and other items is lower than the fair value of the net assets acquired, the difference is, after reassessment, recognised in profit or loss as a gain on bargain purchase.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.5 Business combinations and goodwill (Continued)

After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. The Group performs its annual impairment test of goodwill as at 31 December. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units, or groups of cash-generating units, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

Impairment is determined by assessing the recoverable amount of the cash-generating unit (group of cash-generating units) to which the goodwill relates. Where the recoverable amount of the cash-generating unit (group of cash-generating units) is less than the carrying amount, an impairment loss is recognised. An impairment loss recognised for goodwill is not reversed in a subsequent period.

Where goodwill has been allocated to a cash-generating unit (or group of cash-generating units) and part of the operation within that unit is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on the disposal. Goodwill disposed of in these circumstances is measured based on the relative value of the operation disposed of and the portion of the cash-generating unit retained.

2.6 Foreign currency translation

The consolidated financial statements are presented in United States Dollars, which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. Differences arising on settlement or translation of monetary items are recognised in profit or loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. The gain or loss arising on translation of a non-monetary item measured at fair value is treated in line with the recognition of the gain or loss on change in fair value of the item (i.e., translation difference on the item whose fair value gain or loss is recognised in other comprehensive income or profit or loss is also recognised in other comprehensive income or profit or loss, respectively).

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.6 Foreign currency translation (Continued)

In determining the exchange rate on initial recognition of the related asset, expense or income on the derecognition of a non-monetary asset or non-monetary liability relating to an advance consideration, the date of initial transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of the advance consideration.

The functional currencies of the certain overseas subsidiaries are currencies other than the United States Dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into the presentation currency of the Group at the exchange rates ruling at the end of the reporting period and their statement of comprehensive income are translated into United States Dollars at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated as a separate component of equity until the disposal of the respective foreign operation entity. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

For the purpose of the consolidated statement of cash flows, the cash flows of overseas subsidiaries are translated into United States Dollars at the exchange rates ruling at the dates of the cash flows. Frequently recurring cash flows of overseas subsidiaries which arise throughout the year are translated into United States Dollars at the weighted average exchange rates for the year.

2.7 Property, plant and equipment and depreciation

Property, plant and equipment, other than construction in progress, are stated at cost less accumulated depreciation and any impairment losses. The cost of an item of property, plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to its working condition and location for its intended use.

Expenditure incurred after items of property, plant and equipment have been put into operation, such as repairs and maintenance, is normally charged to profit or loss in the period in which it is incurred. In situations where the recognition criteria are satisfied, the expenditure for a major inspection is capitalised in the carrying amount of the asset as a replacement. Where significant parts of property, plant and equipment are required to be replaced at intervals, the Group recognises such parts as individual assets with specific useful lives and depreciates them accordingly.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.7 Property, plant and equipment and depreciation (Continued)

Depreciation is calculated on the straight-line basis to write off the cost of each item of property, plant and equipment to its residual value over its estimated useful life. The estimated useful lives of property, plant and equipment are as follows:

Furniture and fittings	3 years
Specific tools	2 years
Machinery and equipment	5 years

The depreciation policy of the right-of-use assets presented with property, plant and equipment is disclosed in Note 2.15(a).

Where parts of an item of property, plant and equipment have different useful lives, the cost of that item is allocated on a reasonable basis among the parts and each part is depreciated separately. Residual values, useful lives and the depreciation methods are reviewed, and adjusted if appropriate, at least at each financial year end.

An item of property, plant and equipment including any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on disposal or retirement recognised in profit or loss in the year the asset is derecognised is the difference between the net sales proceeds and the carrying amount of the relevant asset.

Construction in progress represents specific tools under construction, which are stated at cost less any impairment losses, and are not depreciated. Cost comprise the direct costs of construction during the period of construction. Construction in progress is reclassified to the appropriate category of property, plant and equipment when completed and ready for use.

2.8 Intangible assets (other than goodwill)

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is the fair value at the date of acquisition. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year end.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.8 Intangible assets (other than goodwill) (Continued)

Patents

Patents are amortised on a straight-line basis over their estimated useful lives of 4 years.

Software

Purchased software is stated at cost less any impairment losses and is amortised on the straight-line basis over the estimated useful life of 3 to 5 years.

Customer relationships

Customer relationships are amortised on a straight-line basis over their estimated useful lives of 4 years.

Research and development costs

All research costs are charged to the consolidated statement of comprehensive income as incurred.

Expenditure incurred on projects to develop new products is capitalised and deferred only when the Group can demonstrate the technical feasibility of completing the intangible asset so that it will be available for use or sale, its intention to complete and its ability to use or sell the asset, how the asset will generate future economic benefits, the availability of resources to complete the project and the ability to measure reliably the expenditure during the development. Product development expenditure which does not meet these criteria is expensed when incurred.

2.9 Impairment of non-financial assets

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories, deferred tax assets and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs.

An impairment loss is recognised only if the carrying amount of an asset exceeds its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. An impairment loss is charged to profit or loss in the period in which it arises in those expense categories consistent with the function of the impaired asset.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.9 Impairment of non-financial assets (Continued)

An assessment is made at the end of each reporting period as to whether there is an indication that previously recognised impairment losses may no longer exist or may have decreased. If such an indication exists, the recoverable amount is estimated. A previously recognised impairment loss of an asset other than goodwill is reversed only if there has been a change in the estimates used to determine the recoverable amount of that asset, but not to an amount higher than the carrying amount that would have been determined (net of any depreciation/amortisation) had no impairment loss been recognised for the asset in prior years. A reversal of such an impairment loss is credited to profit or loss in the period in which it arises.

2.10 Investments and other financial assets

Initial recognition and measurement

(i) Classification

The group classifies its financial assets in the following measurement categories:

- those to be measured subsequently at fair value through profit or loss;
- those to be measured subsequently at fair value through other comprehensive income; and
- those to be measured at amortised cost.

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 OCI. 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 ("FVOCI").

(ii) Recognition and derecognition

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.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.10 Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

(iii) Measurement

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 ("FVPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Group classifies its debt instruments:

- Amortised cost: 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/(losses) together with foreign exchange gains and losses. Impairment losses are presented as separate line item in the statement of profit or loss.

- FVOCI: Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses which are recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/(losses). Interest income from these financial assets is included in finance income using the effective interest rate method. Foreign exchange gains and losses are presented in other gains/(losses) and impairment expenses are presented as separate line item in the statement of profit or loss.

- FVPL: Assets that do not meet the criteria for amortised cost or FVOCI are measured at FVPL. A gain or loss on a debt investment that is subsequently measured at FVPL is recognised in profit or loss and presented net within other gains/(losses) in the period in which it arises.

When the Group revises its estimates of receipts, it will adjust the gross carrying amount of the financial asset to reflect the revised estimated contractual cash flows. The Group recalculates the gross carrying amount of the financial asset as the present value of the estimated future contractual cash flows that are discounted at the original effective interest rate of the instrument (or credit adjusted effective rate for purchased or originated credit-impaired financial assets) or, when applicable, the revised effective interest rate calculated. The adjustment is recognised in profit or loss as a modification gain or loss.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.10 Investments and other financial assets (Continued)

Initial recognition and measurement (Continued)

(iii) Measurement (Continued)

Equity instruments

The Group subsequently measures all equity investments at fair value. Where the Group's management has elected to present fair value gains and losses on equity investments in OCI, there is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment. Dividends from such investments continue to be recognised in profit or loss as other income when the Group's right to receive payments is established.

Changes in the fair value of financial assets at FVPL are recognised in other gains/(losses) in profit or loss as applicable. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.

(iv) Impairment

The Group has four types of financial assets subject to IFRS 9's expected credit loss model:

- trade receivables;
- other receivables;
- financial asset at amortised cost; and
- cash and cash equivalents

For trade 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 Group uses practical expedients when estimating life time expected credit losses on trade receivables, which is calculated using a provision matrix where a fixed provision rate applies depending on the number of days that a trade receivable is outstanding. For details, please refer to Note 3(b).

For impairment methodology of other receivables and financial asset at amortised cost, please refer to Note 3(b).

While cash and cash equivalents are also subject to the impairment requirements of IFRS 9, the identified impairment loss was immaterial.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.11 Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously. The Group has not entered into arrangements that meet the criteria for offsetting.

2.12 Inventories

Inventories comprising raw materials, work-in-progress, and finished goods are stated at the lower of cost and net realisable value. Cost comprises direct materials, direct labour and an appropriate proportion of overheads, and is determined using the first-in, first-out method. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale.

2.13 Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand and demand deposits, and short term highly liquid investments that are readily convertible into known amounts of cash, are subject to an insignificant risk of changes in value, and have a short maturity of generally within three months when acquired, less bank overdrafts which are repayable on demand and form an integral part of the Group's cash management.

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks, including term deposits, and assets similar in nature to cash, which are not restricted as to use.

2.14 Trade and other payables

These amounts represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after each of the reporting period.

They are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.15 Leases

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

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

(a) Right-of-use assets

Right-of-use assets are recognised at the commencement date of the lease (that is the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and any impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. The cost of a right-of-use asset also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease terms and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Group by the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

(b) Lease liabilities

Lease liabilities are recognised at the commencement date of the lease at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for termination of a lease, if the lease term reflects the Group exercising the option to terminate. The variable lease payments that do not depend on an index or a rate are recognised as an expense in the period in which the event or condition that triggers the payment occurs.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.15 Leases (Continued)

Group as a lessee (Continued)

(b) Lease liabilities (Continued)

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in lease payments (e.g., a change to future lease payments resulting from a change in an index or rate) or a change in assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the recognition exemption for leases of low-value assets to leases of office equipment that are considered to be of low value.

Lease payments on short-term leases and leases of low-value assets are recognised as an expense on a straight-line basis over the lease term.

(d) Extension and termination options

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 (and not terminated).

2.16 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 consolidated statement of comprehensive income over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.16 Borrowings (Continued)

Borrowings are removed from the consolidated statement of financial position 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.

Where the terms of a financial liability are renegotiated and the entity issues equity instruments to a creditor to extinguish all or part of the liability (debt for equity swap), a gain or loss is recognised in profit or loss, which is measured as the difference between the carrying amount of the financial liability and the fair value of the equity instruments issued.

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 reporting period.

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.17 Income tax

Income tax comprises current and deferred tax. Income tax relating to items recognised outside profit or loss is recognised outside profit or loss, either in other comprehensive income or directly in equity.

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period, taking into consideration interpretations and practices prevailing in the countries in which the Group operates.

Deferred tax is provided, using the liability method, on all temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.17 Income tax (Continued)

Deferred tax liabilities are recognised for all taxable temporary differences, except:

– when the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carryforward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carryforward of unused tax credits and unused tax losses can be utilised, except:

– when the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

– in respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are only recognised to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.17 Income tax (Continued)

Deferred tax assets and deferred tax liabilities are offset if and only if the Group has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

2.18 Provisions

General

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 can be reliably estimated. Provisions are not recognised for future operating losses.

Where there are a number of similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations as a whole. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligations may be small.

Provisions are measured at the present value of management's best estimate of the expenditure required to settle the present obligation at the end of the reporting period. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Restructuring and severance costs

Restructuring and severance provisions are recognised when the Group has a constructive obligation which is when: (i) there is a detailed formal plan that identifies the business or part of the business concerned, the location and the number of employees affected, the detailed estimate of the associated costs, and the timeline; and (ii) the employees affected have been notified of the plan's main features.

Reinstatement costs

Provision for reinstatement costs arose from the estimated cost of dismantling, removing and restoring the leasehold properties at the end of their lease terms.

The reinstatement costs which are provided at the present value of estimated costs required to settle the obligation are recognised as part of the cost of that particular asset. The estimated future costs of reinstatement is reviewed annually and adjusted as appropriate.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.19 Employee benefits

Pension scheme

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations.

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. The Group is required to contribute up to 17% of the employees' salaries to the CPF Scheme, the contributions are charged to profit or loss as they become payable in accordance with the rules of the CPF Fund.

The employees of the Group's subsidiaries which operate in Mainland China are required to participate in a central pension scheme, a defined contribution pension scheme, operated by the local municipal government (the "PRC Pension Scheme"). The subsidiaries operating in Mainland China are required to contribute a certain percentage of their payroll costs to the central pension scheme. The contributions are charged to profit or loss as they become payable in accordance with the rules of the PRC Pension Scheme.

During the financial year ended 31 December 2024 and 2023, the Group did not have any defined benefit plan.

Employee leave entitlement

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

Long service awards

The Group's net obligation in respect of long service awards is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is determined by taking into consideration the degree of likelihood that the employee will complete the required number of service years to be entitled to the long service award.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.19 Employee benefits (Continued)

Share-based payments

The Company operates a share award scheme for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group's operations. Employees (including directors) of the Group receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ("equity-settled transactions").

The cost of equity-settled transactions with employees for grants is measured by reference to the fair value at the date at which they are granted.

The cost of equity-settled transactions is recognised in employee benefit expense, together with a corresponding increase in equity, over the period in which the performance and/or service conditions are fulfilled. The cumulative expense recognised for equity-settled transactions at the end of each reporting period until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The charge or credit to profit or loss for a period represents the movement in the cumulative expense recognised as at the beginning and end of that period.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Group's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other conditions attached to an award, but without an associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

For awards that do not ultimately vest because non-market performance and/or service conditions have not been met, no expense is recognised. Where awards include a market or non-vesting condition, the transactions are treated as vesting irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

Where the terms of an equity-settled award are modified, as a minimum an expense is recognised as if the terms had not been modified, if the original terms of the award are met. In addition, an expense is recognised for any modification that increases the total fair value of the share-based payments, or is otherwise beneficial to the employee as measured at the date of modification.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.19 Employee benefits (Continued)

Share-based payments (Continued)

Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. This includes any award where non-vesting conditions within the control of either the Group or the employee are not met. However, if a new award is substituted for the cancelled award, and is designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of earnings per share.

2.20 Revenue recognition

Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of goods is transferred to the customers at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods.

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. For contracts where the Group has received advance payments from the customer but has yet to deliver the goods, the Group recognises a contract liability – "Advance payment from customer". This liability is recognised as revenue when control of the goods is transferred to its customer.

For a contract where the period between the payment by the customer and the transfer of the promised goods is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15. The Group does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, the Group does not adjust any of the transaction prices for the time value of money.

2. MATERIAL ACCOUNTING POLICY INFORMATION (Continued)

2.20 Revenue recognition (Continued)

Revenue from contracts with customers (Continued)

(a) Sale of goods

The Group is involved in the sale of remote control products. Revenue is recognised when control of the goods is transferred to its customer, being when the goods are delivered to the customer and the Group has evidence that all criteria for acceptance have been satisfied. The amount of revenue recognised is based on the contractual transaction price.

(b) Royalty income

Royalty income arising from the use of patents is accounted on a periodic basis based on quantities produced by the use of the patents.

Other income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

2.21 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 receivable are recognised as income over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as other income.

Government grants relating to assets are deducted against the carrying amount of the assets.

2.22 Dividends

Final dividends are recognised as a liability when they are approved by the shareholders in a general meeting.

Interim dividends are simultaneously proposed and declared, because the Company's memorandum and articles of association grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised immediately as a liability when they are proposed and declared.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group's principal financial instruments comprise interest-bearing bank loans and cash and cash equivalents. The main purpose of these financial instruments is to raise finance for the Group's operations. The Group has various other financial assets and liabilities such as trade receivables and trade payables, which arise directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, credit risk, liquidity risk and foreign currency risk. The board of directors reviews and agrees policies for managing each of these risks and they are summarised below. It is, and has been throughout the current and previous financial years, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the Group of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

(a) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's interest-bearing bank loans with floating interest rates.

The Group's policy is to manage interest cost using a mix of fixed and floating rate debts.

If the interest rates increase/decrease by 50 basis points (2023: 50 basis points) with all other variables being held constant, profit (2023: loss) before income tax of the Group would have been lower/higher by US$31,000 (2023: higher/lower by US$75,000) as a result of higher/lower interest expense on these borrowings.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and other receivables, arises from default of the counterparty, with a maximum exposure equal to the carrying amounts of these instruments.

Since the Group trades only with recognised and creditworthy third parties, there is no requirement for collateral. Concentrations of credit risk are managed by customer/counterparty and by geographical region. There are no significant concentrations of credit risk within the Group as the customer bases of the Group's trade receivables are widely dispersed in different sectors and industries.

Trade receivable

Measurement of expected credit loss on individual basis

Receivables relating to customers with known financial difficulties or significant doubt on collection of receivables are assessed individually for provision for impairment allowance. As at 31 December 2024, the balance of loss allowance in respect of these individually assessed receivables was US$121,000 (2023: US$241,000).

Measurement of expected credit loss on collective basis

Expected credit losses are also estimated by grouping the remaining receivables based on shared credit risk characteristics and collectively assessed for the risk of default, taking into account the nature of the customer, its geographical location and its ageing category, and applying the expected credit loss rates to the respective gross carrying amounts of the trade receivables.

The expected credit loss rates are determined based on historical credit losses and are adjusted to reflect current and forward-looking information such as macroeconomic factors affecting the ability of the customers to settle the receivables.

Impairment losses on trade receivables are presented as net impairment losses in the consolidated statement of comprehensive income. Subsequent recoveries of amounts previously written off are credited against the same line item.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Credit risk (Continued)

Other receivable

Other receivables as at 31 December 2024 and 2023 were mainly rental and other deposits and other receivables. The directors of the Company consider the probability of default upon initial recognition of the asset and whether there has been significant increase in credit risk on an ongoing basis during the year. To assess whether there is a significant increase in credit risk, the Group compares risk of a default occurring on the assets as at the reporting date with the risk of default as at the date of initial recognition.

Management makes periodic collective assessments as well as individual assessment on the recoverability of other receivables based on historical settlement records and past experience. A significant increase in credit risk is presumed if a debtor is more than 180 days past due in making a contractual payment/repayable demanded.

The directors of the Company believe that there was no material credit risk inherent in the Group's outstanding balance of other receivables.

Financial asset at amortised cost

Financial asset at amortised cost as at 31 December 2024 and 2023 represent the investments in treasury management principal protected products issued by a licensed financial institution. The directors of the Company applies the general approach and records either 12-month expected credit loss or lifetime expected loss, depending on whether there has been a significant increase in credit risk since initial recognition. If a significant increase in credit risk of a receivable has occurred since initial recognition, then impairment is measured as lifetime expected credit loss.

As at 31 December 2024, the loss allowance balance for expected credit loss assessed by the directors of the Company on financial asset at amortised cost was US$3,437,000 (2023: US$208,000) and impairment loss of US$3,229,000 (2023: Nil) was recognised in consolidated statement of comprehensive income during the year.

Further details in respect of the Group's exposure to credit risk arising from financial asset at amortised cost, trade receivables and other receivables are disclosed in Notes 17, 19 and 20 to the consolidated financial statements.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(b) Credit risk (Continued)

Credit risk concentration profile

The Group determines concentrations of credit risk by monitoring the region profile of its trade receivables on an on-going basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	2024		2023	
	US$'000	*% of total*	*US$'000*	*% of total*
By region:				
North America	**6,393**	**24.2**	10,680	40.7
Europe	**9,493**	**40.3**	7,519	28.6
Asia	**4,384**	**18.6**	4,869	18.6
Latin America	**3,305**	**16.9**	3,183	12.1
	23,575	**100.0**	26,251	100.0%

For the year ended 31 December 2024, approximately 33% (2023: 29%) of the Group's total revenue was derived from the top 2 (2023: 2) customers. At the end of the reporting period, approximately 25% (2023: 29%) of the trade receivable balance of the Group was due from the top 2 (2023: 2) customers.

(c) Liquidity risk

The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of interest-bearing bank loans to meet its working capital requirements.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(c) Liquidity risk (Continued)

The maturity profile of the Group's financial liabilities as at the end of the year, based on the contractual undiscounted payments, is as follows:

Analysis of financial instruments by remaining contractual maturities

The maturity profile of the Group's financial liabilities as at the end of the reporting period, based on contractual undiscounted repayment, is as follows:

	2024			
	Less than 1 year	1 to 2 years	2 to 5 years	Total
	US$'000	US$'000	US$'000	US$'000
Trade payables	28,656	–	–	28,656
Financial liabilities included in other payables and accruals	4,297	–	–	4,297
Interest-bearing bank loans	6,519	–	–	6,519
Lease liabilities	331	85	16	432
Total undiscounted financial liabilities	39,803	85	16	39,904

	2023			
	Less than 1 year	1 to 2 years	2 to 5 years	Total
	US$'000	US$'000	US$'000	US$'000
Trade payables	27,711	–	–	27,711
Financial liabilities included in other payables and accruals	2,715	–	–	2,715
Interest-bearing bank loans	4,988	8,061	3,903	16,952
Lease liabilities	411	85	36	532
Total undiscounted financial liabilities	35,825	8,146	3,939	47,910

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Foreign currency risk

The Group has transactional currency exposures. Such exposures arise from sales or purchases by operating units in currencies other than the units' functional currencies. During the year, approximately 4.4% (2023: 3.2%) of the Group's sales were denominated in currencies other than the functional currencies of the operating units making the sale, whilst approximately 57.3% (2023: 11.3%) of purchases were denominated in currencies other than the functional currencies of the units, respectively. The Group's trade receivable and trade payable balances at the end of the reporting period have similar exposures.

At present, the Group does not intend to seek to hedge its exposure to foreign exchange fluctuations. However, management constantly monitors the economic situation and the Group's foreign exchange risk profile and will consider appropriate hedging measures in the future should the need arise.

The Group also holds cash and short-term deposits denominated in foreign currencies for working capital purposes.

3. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (Continued)

(d) Foreign currency risk (Continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity at the end of the reporting period to a reasonably possible change in the S$, GBP, EUR and RMB exchange rates against US$ for the monetary assets and liabilities, with all other variables held constant, of the Group's profit before tax.

	Increase/ (decrease) in US$ rate	2024 Increase/ (decrease) in profit before tax	2023 Increase/ (decrease) in loss before tax
	%	*US$'000*	*US$'000*
If the US$ weakens against the S$	10	**85**	(13)
If the US$ strengthens against the S$	10	**(85)**	13
If the US$ weakens against the GBP	10	**312**	(129)
If the US$ strengthens against the GBP	10	**(312)**	129
If the US$ weakens against the EUR	10	**(1)**	5
If the US$ strengthens against the EUR	10	**1**	(5)
If the US$ weakens against the RMB	10	**(1,517)**	601
If the US$ strengthens against the RMB	10	**1,517**	(601)

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES

The preparation of the consolidated financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and their accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that could require a material adjustment to the carrying amounts of the assets or liabilities affected in the future.

Judgments

In the process of applying the Group's accounting policies, the Group has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Income taxes

The Group has exposure to income taxes in several jurisdictions. Significant judgments is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the year in which such determination is made.

Estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

Provision for expected credit loss of trade receivables

The Group uses a provision matrix to calculate ECLs for trade receivables. The provision rates are based on days past due that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. At each reporting date, historical default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables is disclosed in Note 19 to the consolidated financial statements.

The net carrying amount of trade receivables at 31 December 2024 was US$23,575,000 (2023: US$26,251,000).

4. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (Continued)

Estimation uncertainty (Continued)

Write-down of inventories to net realisable value

When necessary, allowance is provided for obsolete and slow-moving inventories to adjust the carrying value of inventories to the lower of cost and net realisable value. Management has estimated the allowance for obsolete and slow-moving inventories based on review of inventories in certain circumstances at the end of the reporting period. The assessment of the provision requires management's judgment and estimates on market conditions. Where the actual outcome or expectation in future is different from the original estimate, such differences will have an impact on the carrying amount of inventories and the write-down charge/write-back of inventories in the period in which such estimate has been changed. At 31 December 2024, the Group's inventories amounted to US$13,371,000 (2023: US$11,135,000).

Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value in use of the cash-generating units to which the goodwill is allocated. Estimating the value in use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 31 December 2024 was US$8,877,000 (2023: US$8,877,000). Further details of the Group's impairment assessment are disclosed in Note 16 to the consolidated financial statements.

5. OPERATING SEGMENT INFORMATION

An operating segment, in part, is a component of an enterprise whose operating results are regularly reviewed by chief operating decision-maker ("CODM") to make decisions about resources to be allocated to the segment and assess its performance. The CODM, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the key management team of the Group. Operating segments may be aggregated only to a limited extent. CODM reviews the financial information about revenues and operating results as a whole for purpose of making operating decisions and assessing financial performance. Accordingly, the Group only has a single operating and reportable segment. Therefore, no further information about the operating segment is presented other than the entity-wide disclosures.

5. OPERATING SEGMENT INFORMATION (Continued)

Entity-wide Disclosures

Geographical information

(a) Revenue from external customers

	2024 US$'000	2023 US$'000
North America	**42,515**	34,836
Europe	**43,317**	32,605
Asia	**13,986**	22,969
Latin America	**7,634**	10,598
	107,452	101,008

The revenue information above is based on the locations of the customers.

(b) Non-current assets

	2024 US$'000	2023 US$'000
North America	**20**	30
Europe	**82**	180
Asia	**2,177**	2,577
	2,279	2,787

The non-current asset information above is based on the locations of the non-current assets and excludes other receivables, deferred tax assets and goodwill.

5. OPERATING SEGMENT INFORMATION (Continued)

Information about major customers

Revenue from each major customer which accounted for 10% or more of the Group's revenue for year 2024 and 2023 is set out below:

	2024	2023
	US$'000	*US$'000*
Customer 1	**22,867**	18,435
Customer 2	**12,732**	N/A*
Customer 3	**N/A***	11,218

* The corresponding revenue from the customer was not disclosed as the revenue did not individually account for 10% or more of the Group's revenue for the year.

6. REVENUE AND OTHER INCOME

An analysis of revenue is as follows:

	2024	2023
	US$'000	*US$'000*
Revenue from contracts with customers		
Sale of goods	**107,218**	100,758
Royalty income	**234**	250
	107,452	101,008

6. REVENUE AND OTHER INCOME (Continued)

Revenue from contracts with customers

(i) Disaggregated revenue information

	2024 US$'000	2023 US$'000
Timing of revenue recognition		
At a point in time		
– Sale of goods	107,218	100,758
Over time		
– Royalty income	234	250
Total revenue from contracts with customers	107,452	101,008

(ii) Performance obligations

Information about the Group's performance obligations is summarised below:

Sale of goods

The performance obligation is satisfied upon passage of control of goods.

Payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required.

6. REVENUE AND OTHER INCOME (Continued)

Revenue from contracts with customers (Continued)

(ii) Performance obligations (Continued)

Royalty income

The performance obligation is satisfied over time based on each licensed product manufactured by the licensee.

An analysis of other income is as follows:

	2024 US$'000	2023 US$'000
Government grants *(Note (a))*	**182**	86
Others	**71**	67
	253	153

(a) The government grants for the year ended 31 December 2024 and 31 December 2023 include subsidies received from the local governments to support the business operation of the entities.

There are no unfulfilled conditions or contingencies relating to these grants.

7. FINANCE COSTS – NET

	2024 US$'000	2023 US$'000
Modification (gain)/loss on other receivables *(Note 20)*	**(199)**	346
Interests on:		
– Bank borrowings	**955**	1,664
– Lease liabilities	**32**	28
Amortisation of loan arrangement, facility and legal fee	**65**	65
	853	2,103

8. PROFIT/(LOSS) BEFORE TAX

The Group's profit/(loss) before tax is arrived at after charging/(crediting):

	2024 US$'000	2023 US$'000
Cost of inventories sold		
– Cost of components	**63,708**	64,988
– Provision for inventories *(Note 18)*	**367**	122
– Outsourcing costs	**10,351**	9,819
Depreciation of property, plant and equipment *(Note 14)*	**1,371**	1,920
Depreciation of right-of-use assets *(Note 14)*	**493**	534
Amortisation of other intangible assets *(Note 15)*	**11**	18
Loss on disposal of property, plant and equipment & right-of-use assets	**82**	55
Distribution costs	**1,220**	839
(Reversal of)/provision for impairment loss		
– Trade receivables	**(77)**	192
– Finance asset at amortised cost *(Note 17)*	**3,229**	–
Foreign exchange differences, net	**74**	91
Auditor's remuneration		
– Audit services	**397**	409
– Non-audit services	**63**	132
Expenses for short term leases *(Note 25)*	**16**	29
Expenses for low value leases *(Note 25)*	**2**	3
Employee benefits expense		
– Wage and salaries	**10,239**	10,316
– Pension scheme contributions *(Note (i))*	**1,837**	2,011
– Long service award	**99**	(71)
– Share award scheme	**–**	52
– Other employee benefits	**256**	287
Restructuring and severance costs	**1,102**	2,511

(i) During the financial year ended 31 December 2024 and 2023, there was no forfeiture of contributions under the CPF Scheme (by employers behalf of employees who leave the scheme prior to vesting fully in such contributions). There were no forfeited contributions available for the Group to reduce its existing level of contributions to the CPF Scheme as at 31 December 2024 and 31 December 2023, respectively.

The Group's contributions to the PRC Pension Scheme vest fully and immediately with the employees. Accordingly, (i) for the financial year ended 31 December 2024 and 2023, there was no forfeiture of contributions under the PRC Pension Scheme and (ii) there were no forfeited contributions available for the Group to reduce its existing level of contributions to the PRC Pension Scheme as at 31 December 2024 and 31 December 2023, respectively.

(ii) During the year ended 31 December 2024, the Group incurred expenses for the purpose of research and development of US$5,688,000 (2023: US$5,894,000), which comprised employee benefits expenses of US$4,002,000 (2023: US$4,327,000).

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para 28(1)(c)
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para 28(1)(a)

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

Directors' and chief executive's remuneration for the year, disclosed pursuant to the Rules Governing the Listing of Securities on The Stock Exchange, section 383(1)(a), (b), (c) and (f) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of Information about Benefits of Directors) Regulation, is as follows:

	2024 ***US$'000***	2023 *US$'000*
Fees	**107**	107
Other emoluments:		
Salaries, allowance, and benefits in kind	**301**	305
Performance related bonuses	**159**	25
Pension scheme contributions	**18**	6
Termination benefits	**250**	–
Shared award scheme expense	**–**	13
Total other emoluments	**728**	349
Total directors' and chief executive's remuneration	**835**	456

Certain executive directors of the Company are entitled to bonus payments which are determined based on achievement of certain key performance indexes such as the Group's revenue and ordinary earnings (excluding any extraordinary or one-time income or gain) before interest, tax, depreciation and amortisation ("EBITDA").

(a) Independent non-executive directors

The fees paid to independent non-executive directors during the year were as follows:

	2024 ***US$'000***	2023 *US$'000*
Werner Peter VAN ECK	**19**	19
Shou Kang CHEN	**19**	19
Edmond Ming Siang JAUW[1]	**–**	2
Keet Yee LAI[2]	**19**	17
	57	57

1 Resigned on 3 February 2023.
2 Appointed with effect from 10 February 2023.

There were no other emoluments payable to the independent non-executive directors during the financial years ended 31 December 2024 and 2023.

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(b) An executive director, non-executive directors and the chief executive

2024	Fees US$'000	Salaries, allowances and benefits in kind US$'000	Performance related bonuses US$'000	Pension scheme contributions US$'000	Termination benefits US$'000	Total remuneration US$'000
Executive director and the chief executive officer:						
Alain PERROT[1]	50	79	82	7	250	468
Kwok Hoong SIU[2]	–	222	77	11	–	310
Non-executive directors:						
Wei ZHOU	–	–	–	–	–	–
Ewing FANG	–	–	–	–	–	–
Alain PERROT[1]	–	–	–	–	–	–
	50	301	159	18	250	778

1 Resigned to non-executive director with effect from 1 April 2024.
2 Appointed with effect from 1 April 2024.

9. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION (Continued)

(b) An executive director, non-executive directors and the chief executive (Continued)

2023	Fees US$'000	Salaries, allowances and benefits in kind US$'000	Performance related bonuses US$'000	Pension scheme contributions US$'000	Shares award scheme expenses US$'000	Total remuneration US$'000
Executive director and the chief executive officer:						
Alain PERROT*	50	305	25	6	13	399
Non-executive directors:						
Wei ZHOU	–	–	–	–	–	–
Ewing FANG[2]	–	–	–	–	–	–
Kwok King Kingsley CHAN[1]	–	–	–	–	–	–
	50	305	25	6	13	399

1 Resigned on 24 October 2023.
2 Appointed with effect from 24 October 2023.

There was no arrangement under which a director or the chief executive waived or agreed to waive any remuneration for the financial years ended 31 December 2024 and 2023, and there were no emoluments paid by the Group to any of the directors or the chief executive officer as inducement to join or upon joining the Group, for the financial year ended 31 December 2024 and 2023 except for the termination benefit of US$250,000 that was paid to Alain PERROT as compensation for his loss of office due to retirement for the financial year ended 31 December 2024.

No loans, quasi-loans and other dealings in favour of directors, controlled bodies corporate by and connected entities, subsisted at the end of the year or at any time for the financial years ended 31 December 2024 and 2023.

No significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time for the financial years ended 31 December 2024 and 2023.

There is a termination benefit of US$250,000 that was paid to Alain PERROT as compensation for his loss of office due to retirement for the financial year ended 31 December 2024.

The Company did not provide any consideration to third parties for making available directors' services for the financial years ended 31 December 2024 and 2023.

10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included two (2023: one) directors (being the then or existing chief executive of the Company), details of whose remuneration are set out in Note 9 above. Details of the remuneration for the year of the remaining three (2023: four) highest paid employees who are neither a director nor chief executive of the Company are as follows:

	2024	2023
	US$'000	*US$'000*
Salaries, allowances and benefits in kind	**503**	684
Performance related bonuses	**194**	116
Pension scheme contributions	**119**	136
Share award scheme expense	**–**	14
	816	950

The number of non-director and non-chief executive highest paid employees whose remuneration fell within the following bands is as follows:

	2024	2023
HK$1,000,001 to HK$1,500,000	**1**	1
HK$1,500,001 to HK$2,000,000	**1**	2
HK$2,500,001 to HK$3,000,000	**–**	1
HK$3,000,001 to HK$3,500,000	**1**	–
	3	4

No remuneration was paid by the Group to any of the non-director and non-chief executive highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office for the financial years ended 31 December 2024 and 2023.

11. INCOME TAX

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which entities of the Group are domiciled and operate.

Pursuant to the rules and regulations of the Cayman Islands, the Company and HCIL Master Option Limited are not subject to any income tax in this jurisdiction.

The Singapore statutory income tax for Home Control Singapore Pte. Ltd. has been provided at the rate of 17% (2023: 17%) on the estimated assessable profits arising in Singapore during the year.

The federal tax for Premium Home Control Solutions, LLC has been provided at the rate of 21% (2023: 21%), and the state tax has been provided at the rate of 4.0% (2023: 5.4%) on the estimated assessable profits arising in the United States of America during the year.

The Mainland China income tax has been provided at the applicable income tax rate of 25% (2023: 25%) on the estimated assessable profits of the PRC subsidiaries of the Group in accordance with the PRC Corporate Income Tax Law. Home Control Solutions (Suzhou) Limited was qualified as a Small and Low-profit Enterprise and was subject to a preferential income tax rate of 5% (2023: 5%) until 31 December 2027. HCS (Suzhou) Limited qualified as a Technologically-advanced Service Enterprise and was subject to a preferential income tax rate of 15% (2023: 15%) for the year until 31 December 2026.

The corporate income tax rate for Home Control Europe NV has been provided at the rate of 25% (2023: 25%) on the estimated assessable profits arising in Belgium during the year.

The corporate income tax rate for Omni Remotes do Brasil Ltda has been provided at the rate of 24% (2023: 24%) on the estimated assessable profits arising in Brazil during the year.

11. INCOME TAX (Continued)

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense are as follows:

	2024 **US$'000**	2023 US$'000
Current tax – Singapore		
Charge for the year	**1,424**	150
(Over)/under provision in prior years	**(59)**	67
Current tax – United States of America		
Charge for the year	**123**	103
Current tax – China and elsewhere		
Charge for the year	**187**	112
	1,675	432
Deferred tax *(Note 28)*		
Charge/(Credit) for the year	**31**	(398)
(Over)/Under provision in prior years	**–**	22
	31	(376)
Total tax charge for the year	**1,706**	56

11. INCOME TAX (Continued)

A reconciliation of the tax expense applicable to profit before tax at the statutory rates for the countries in which the Company and the majority of its subsidiaries are domiciled to the tax expense at the effective tax rates, and a reconciliation of the applicable statutory rates to the effective tax rates, are as follows:

	2024		2023	
	US$'000	**%**	US$'000	%
Profit/(Loss) before tax	**4,214**	**–**	(1,563)	–
Tax at domestic rates applicable to profits in the countries where the Group operates	**1,616**	**38.4**	(178)	(11.4)
Effect of partial tax exemption and enhanced deductions	**(34)**	**(0.8)**	(33)	(2.1)
Income not subjected to tax	**(11)**	**(0.3)**	(12)	(0.8)
Expenses not deductible for tax	**163**	**3.9**	170	10.9
(Over)/under provision in respect of prior years	**(59)**	**(1.4)**	88	5.6
Others	**31**	**0.7**	21	1.3
Income tax expense at the Group's effective rate	**1,706**	**40.5**	56	3.6

12. DIVIDENDS

The proposed final dividend of US0.25 cents per ordinary share amounting to a total of US$1,254,000 for the year ended 31 December 2024 is subject to the approval of the shareholders at the forthcoming annual general meeting ("AGM"). These consolidated financial statements do not reflect this dividend payable, which will be accounted for in shareholders' equity as an appropriation out of distributable reserves in the financial year ending 31 December 2025. No dividend was proposed in respect of the financial year ended 31 December 2023.

13. EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

The calculation of the basic earnings per share amounts is based on profit/(loss) for the year attributable to owners of the Company, and the weighted average number of ordinary shares.

The calculation of the diluted earnings per share amounts is based on the profit/(loss) for the year attributable to owners of the Company. The weighted average number of ordinary shares used in the calculation is the number of ordinary shares in issue during the year, as used in the basic earnings per share calculation, and the weighted average number of ordinary shares assumed to have been issued at no consideration on the deemed exercise of all dilutive potential ordinary shares into ordinary shares.

The calculations of basic and diluted earnings per share are based on:

	2024	2023
	US$'000	*US$'000*
Earnings		
Profit/(Loss) attributable to owners of the Company, used in the basic earnings per share calculation	**2,508**	(1,619)

	Number of shares	
	2024	2023
Shares		
Weighted average number of ordinary shares in issue during the year used in the basic earnings per share calculation	**506,650,000**	504,746,539

Diluted earnings per share for financial years 2024 and 2023 are the same as basic earnings per share as there were no potentially dilutive ordinary shares.

14. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS

	Property, plant and equipment					Right-of-use assets				
	Furniture and fittings	Specific tools	Machinery and equipment	Construction-in-progress	Sub-total	Re-instatement	Office premises	Motor vehicles	Sub-total	Total
	US$'000	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*	*US$'000*
Cost										
At 1 January 2023	132	16,237	6,550	468	23,387	331	3,718	387	4,436	27,823
Additions	–	3	36	769	808	–	55	64	119	927
Modification of lease	–	–	–	–	–	–	31	(28)	3	3
Transfer	–	767	–	(767)	–	–	–	–	–	–
Disposals	–	(1,835)	(562)	–	(2,397)	–	(164)	(172)	(336)	(2,733)
Exchange differences	–	(16)	(29)	–	(45)	14	(122)	21	(87)	(132)
At 31 December 2023 and 1 January 2024	132	15,156	5,995	470	21,753	345	3,518	272	4,135	25,888
Additions	–	203	83	662	948	–	222	–	222	1,170
Modifications of lease	–	–	–	–	–	–	274	–	274	274
Transfer	–	804	–	(804)	–	–	–	–	–	–
Disposals	(132)	(49)	(746)	–	(927)	(216)	(1,522)	–	(1,738)	(2,665)
Exchange differences	–	(31)	(48)	–	(79)	(36)	(55)	(14)	(105)	(184)
At 31 December 2024	–	16,083	5,284	328	21,695	93	2,437	258	2,788	24,483
Accumulated depreciation										
At 1 January 2023	132	15,149	4,706	–	19,987	306	3,010	182	3,498	23,485
Charge for the year	–	1,069	851	–	1,920	10	444	80	534	2,454
Disposals	–	(1,835)	(539)	–	(2,374)	–	(164)	(140)	(304)	(2,678)
Exchange differences	–	(16)	(25)	–	(41)	1	(102)	(6)	(107)	(148)
At 31 December 2023 and 1 January 2024	132	14,367	4,993	–	19,492	317	3,188	116	3,621	23,113
Charge for the year	–	770	601	–	1,371	20	400	73	493	1,864
Disposals	(132)	(49)	(676)	–	(857)	(216)	(1,510)	–	(1,726)	(2,583)
Exchange differences	–	(28)	(44)	–	(72)	(36)	(49)	(9)	(94)	(166)
At 31 December 2024	–	15,060	4,874	–	19,934	85	2,029	180	2,294	22,228
Net carrying amount										
At 31 December 2023	–	789	1,002	470	2,261	28	330	156	514	2,775
At 31 December 2024	–	1,023	410	328	1,761	8	408	78	494	2,255

14. PROPERTY, PLANT AND EQUIPMENT AND RIGHT-OF-USE ASSETS (Continued)

The depreciation of property, plant and equipment and right-of-use assets for the year amounting to US$1,864,000 (2023: US$2,454,000) is included as US$1,311,000 (2023: US$1,853,000) in "Cost of sales", US$83,000 (2023: US$86,000) in "Selling and distribution expenses", and US$470,000 (2023: US$515,000) in "Administrative expenses" in the consolidated statement of comprehensive income.

During the financial years ended 31 December 2024 and 2023, the Group entered into certain long-term lease contracts for office premises and motor vehicles. Leases of office premises generally have lease terms between 1 and 2 years, while motor vehicles generally have lease terms between 1 and 4 years.

Extension options in lease have been included in the lease liability, where assessed to be appropriate. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

During the financial years ended 31 December 2024 and 2023, the Group leased certain machine equipment under short-term lease arrangements (i.e. within 12 months) and office equipment which is individually of low value. The Group has elected not to recognise right-of-use assets on these short-term lease contracts. There were no restrictions or covenants imposed and no sale and leaseback transactions.

Further details of lease expenses recognised in profit or loss during the year are disclosed in Notes 8 and 25 to the consolidated financial statements.

The total cash outflow for leases is disclosed in Note 33(b) to the consolidated financial statements.

15. OTHER INTANGIBLE ASSETS

	Patents US$'000	Software US$'000	Customer Relationships US$'000	Total US$'000
Cost				
At 1 January 2023	2,860	997	358	4,215
Exchange differences	–	(2)	–	(2)
At 31 December 2023 and 1 January 2024	2,860	995	358	4,213
Additions	**–**	**24**	**–**	**24**
Exchange differences	**–**	**(6)**	**–**	**(6)**
At 31 December 2024	**2,860**	**1,013**	**358**	**4,231**
Accumulated amortisation and impairment				
At 1 January 2023	2,860	966	358	4,184
Amortisation for the year	–	18	–	18
Exchange differences	–	(1)	–	(1)
At 31 December 2023 and 1 January 2024	2,860	983	358	4,201
Amortisation for the year	**–**	**11**	**–**	**11**
Exchange differences	**–**	**(5)**	**–**	**(5)**
At 31 December 2024	**2,860**	**989**	**358**	**4,207**
Net carrying amount				
At 31 December 2023	–	12	–	12
At 31 December 2024	**–**	**24**	**–**	**24**

The amortisation of other intangible assets for the year amounting to US$11,000 (2023: US$18,000) is included in "Administrative expenses" in the consolidated statement of comprehensive income.

16. GOODWILL

	2024 US$'000	2023 US$'000
Cost and carrying amount	**8,877**	8,877

Impairment assessment of goodwill

Goodwill acquired through business combination is allocated to the remote control products cash-generating unit for impairment testing.

The recoverable amount of the cash-generating unit is determined based on value-in-use calculation. Impairment test of goodwill is performed at period end at 31 December, or whenever there is impairment indicator, by management.

These calculations use cash flow projections based on financial budgets approved by management covering a five-year period with the following key assumptions:

	2024 %	2023 %
Revenue growth rate	**2.0**	2.0
Terminal growth rate	**2.0**	2.0
Earnings before interest and tax ("EBIT") margin rate	**6.0**	5.0
Pre-tax discount rate	**14.6**	14.4

The recoverable amount was estimated to be higher than the carrying value of the remote control products cash-generating unit. Accordingly, no impairment of goodwill is recognised for the financial years ended 31 December 2024 and 2023.

Assumptions were used in the value in use calculations of the remote control products cash-generating unit for 31 December 2024 and 31 December 2023. The following describes each key assumption on which management has based its cash flow projections to undertake impairment assessment of goodwill:

Revenue growth rate

The forecasted revenue growth rate used for the five-year period projection is based on the historical information and management's expectation of the future market.

16. GOODWILL (Continued)

Terminal growth rate

The forecasted terminal growth rate is based on management expectations and do not exceed the long-term average growth rate for the industry relevant to the cash-generating unit.

EBIT margin rate

The basis used to determine the value assigned to the EBIT margins is based on historical experience of the Group.

Pre-tax discount rate

The discount rate represents the current market assessment of the risks specific to the cash-generating unit, regarding the time value of money and individual risks of the underlying assets which have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the Group and its cash-generating unit, and is derived from its weighted average cost of capital ("WACC").

WACC is calculated based on publicly available market data, is pre-tax, and has been adjusted for specific risks relating to the geographical location of the Group's customers.

The values assigned to the key assumptions on market development of remote control products and the pre-tax discount rate are consistent with external information sources.

Impact of possible changes in key assumptions

If management's estimated revenue growth rate at 31 December 2024 was lowered by 1.0% (2023: 1.0%), the recoverable amount of the remote control products cash-generating unit would be reduced by US$439,000 (2023: US$170,000) and the Group would not have recognised any impairment charge.

If management's estimated terminal growth rate at 31 December 2024 was lowered by 1.0% (2023: 1.0%), the recoverable amount of the remote control products cash-generating unit would be reduced by US$3,029,000 (2023: US$2,338,000) and the Group would not have recognised any impairment charge.

If management's estimated EBIT margin rate at 31 December 2024 was lowered by 1.0% (2023: 1.0%), the recoverable amount of the remote control products cash-generating unit would be reduced by US$8,382,000 (2023: US$7,986,000) and the Group would not have recognised any impairment charge.

If management's estimated pre-tax discount rate at 31 December 2024 was raised by 1.0% (2023: 1.0%), the recoverable amount of the remote control products cash-generating unit would be reduced by US$3,400,000 (2023: US$2,784,000) and the Group would not have recognised any impairment charge.

17. FINANCIAL ASSET AT AMORTISED COST

	2024 ***US$'000***	2023 *US$'000*
Unlisted investment	**3,437**	3,437
Less: Loss allowance	**(3,437)**	(208)
End of financial year	**–**	3,229

The above investment is a treasury management principal protected product issued by a licensed financial institution. The investment is denominated in Hong Kong Dollar. The investment matures initially 1.5 years from inception, and will be rolled over automatically unless the parties mutually agree to terminate it. The financial institution has the right to redeem the investments prior to its termination, and the discretion to determine the interest to be compensated.

This investment is classified as financial asset at amortised cost as its contractual cash flows are solely payments of principal and interest.

The financial institution did not agree to the Company's redemption of the investment during the financial year ended 31 December 2024 and it was rolled over in May 2024. The Group assess that there is a significant increase in credit risk since the inception of the investment as there is uncertainty as to when and whether the investment will be redeemed in full.

As at 31 December 2024, the estimated lifetime expected credit loss is assessed to be the carrying value of the investment due to the lack of adequate information to estimate the cash flows that the Company expects to receive from the financial institution.

18. INVENTORIES

	2024 ***US$'000***	2023 *US$'000*
Raw materials – components	**4,709**	5,168
Work-in-progress	**1,041**	101
Finished goods	**8,196**	6,253
	13,946	11,522
Less: Provision for Inventories	**(575)**	(387)
	13,371	11,135

19. TRADE RECEIVABLES

	2024 US$'000	2023 US$'000
Trade receivables	**23,790**	26,584
Impairment	**(215)**	(333)
	23,575	26,251
Denominated in:		
United States Dollar	**19,879**	23,913
Euro	**1,173**	1,152
Renminbi	**875**	317
British Pound Sterling	**1,648**	869
	23,575	26,251

Trade receivables are non-interest-bearing and are generally on 30 to 90 days' credit terms. They are recognised at their original invoice amounts on initial recognition.

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice date and net of impairment allowance, is as follows:

	2024 US$'000	2023 US$'000
0–90 days	**20,240**	23,473
91 days to 180 days	**2,130**	1,628
More than 180 days	**1,205**	1,150
	23,575	26,251

19. TRADE RECEIVABLES (Continued)

The movements in the loss allowance for impairment of trade receivables are as follows:

	Specific-Credit Impaired US$'000	General – ECL US$'000	Total US$'000
At 1 January 2023	204	49	253
Impairment losses	149	43	192
Impairment loss allowances written-off	(112)	–	(112)
At 31 December 2023	**241**	**92**	**333**
Impairment losses/(written back)	**(120)**	**2**	**(118)**
At 31 December 2024	**121**	**94**	**215**

In addition, an impairment analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on the historical loss pattern of the Group. The calculation reflects the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Group's trade receivables using a provision matrix:

	Expected credit loss rate %	Gross carrying amount US$'000	Expected credit losses US$'000
At 31 December 2024			
Not past due	**0.03%**	**20,239**	**6**
Past due 1–90 days	**0.30%**	**2,130**	**6**
Past due more than 90 days	**6.30%**	**1,300**	**82**
		23,669	**94**
At 31 December 2023			
Not past due	0.10%	19,132	19
Past due 1–90 days	0.29%	6,130	18
Past due more than 90 days	5.09%	1,081	55
		26,343	92

20. PREPAYMENT AND OTHER RECEIVABLES

	2024 US$'000	2023 US$'000
Current		
Other receivables	**210**	176
Value-added tax recoverable	**102**	90
Prepayments	**434**	474
	746	740
Non-current		
Other receivables *(Note (a))*	**–**	628
	746	1,368

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts.

As at 31 December 2023, the Group had applied the general approach to provide for expected credit losses for non-current other receivables under IFRS 9. For current other receivables, the balances were settled within 12 months and had no historical default.

(a) The non-current other receivables of US$628,000 as at 31 December 2023 were loan receivables from a non-related party. During the year ended 31 December 2024, the amounts were settled and a modification gain was recognised (Note 7).

21. CASH AND CASH EQUIVALENTS

	2024 US$'000	2023 US$'000
Cash at bank and in hand	**19,443**	16,872
Total cash and cash equivalents	**19,443**	16,872
Denominated in:		
United States Dollar	**11,204**	13,066
Euro	**898**	1,363
Singapore dollar	**888**	204
Renminbi ("RMB")	**4,670**	1,382
British Pound Sterling	**1,475**	423
Brazilian Real	**141**	234
Others	**167**	200
Total	**19,443**	16,872

Cash at bank earns interest at floating rates based on daily bank deposit rates. The bank balances are deposited with creditworthy banks with no recent history of default.

Cash and cash equivalents of approximately US$2,009,000 (2023: US$1,382,000) and US$22,000 (2023: US$29,000) as at 31 December 2024 of the Group were denominated in RMB and US$ respectively and deposited with banks in the PRC. These bank balances are subject to the rules and regulations of foreign exchange control promulgated by the State Administration of Foreign Exchange.

The RMB is not freely convertible into other currencies. However, under Mainland China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for other currencies through banks authorised to conduct foreign exchange business. The remittance of funds out of Mainland China is subject to exchange restrictions imposed by the PRC government.

22. TRADE PAYABLES

	2024	2023
	US$'000	*US$'000*
Trade payables	**28,656**	27,711
Denominated in:		
United States Dollar	**9,311**	20,326
Renminbi	**19,064**	7,016
Others	**281**	369
	28,656	27,711

An ageing analysis of the trade payables as at the end of the reporting year, based on the invoice date, is as follows:

	2024	2023
	US$'000	*US$'000*
0–90 days	**21,158**	20,546
91 days to 180 days	**7,446**	7,086
More than 180 days	**52**	79
	28,656	27,711

The trade payables are non-interest-bearing and are normally settled on 90-day credit terms.

23. OTHER PAYABLES AND ACCRUALS

	2024 US$'000	2023 US$'000
Current		
Withholding tax payables	**61**	71
Payroll and welfare accruals	**1,967**	1,366
Other accrued operating expenses	**2,726**	1,843
Other payables	**1,571**	872
	6,325	4,152
Non-current		
Payroll and welfare payable	**59**	–
	6,384	4,152

Other payables are non-interest-bearing and repayable on demand.

24. INTEREST-BEARING BANK LOANS

	2024 Contractual interest rate (%)	Maturity	US$'000
Current			
Loan from bank – secured*	**SOFR + 2.5%**	**Mar & Sep 2025**	**6,171**
			6,171

24. INTEREST-BEARING BANK LOANS (Continued)

	2023		
	Contractual interest rate *(%)*	Maturity	*US$'000*
Current			
Loan from bank – secured*	SOFR + 2.5%	Mar & Sep 2024	1,334
Loan from bank – unsecured	SOFR + 1.7%	Mar 2024	2,500
			3,834
Non-current			
Loan from bank – secured*	SOFR + 2.5%	Mar 2025 – Mar 2026	11,171
			15,005

* As at 31 December 2024, the bank loan was secured by a floating charge over bank accounts of Home Control Singapore Pte. Ltd. amounting to approximately US$12,000,000 (2023: US$11,000,000). The bank loan of the Group has been presented net of the amortisation of loan facility and legal fee amounting to US$79,000 (2023: US$145,000).

All interest-bearing bank loans are denominated in USD.

If SOFR is less than zero, SOFR shall be deemed to be zero.

24. INTEREST-BEARING BANK LOANS (Continued)

	2024 US$'000	2023 US$'000
Analysed into:		
Loan from bank repayable		
Within one year or on demand	**6,171**	3,834
In the second year	**–**	7,359
In the third to fifth year, inclusive	**–**	3,812
	6,171	15,005

25. LEASE LIABILITIES

	2024 US$'000	2023 US$'000
Current		
Lease liabilities	**333**	393
Non-current		
Lease liabilities	**165**	114
	498	507

The carrying amount of lease liabilities and the movements during the year are as follows:

	2024 US$'000	2023 US$'000
Carrying amount at 1 January	**507**	946
New leases	**233**	119
Lease modification	**262**	3
Accretion of interest recognised during the year	**32**	28
Payments	**(536)**	(589)
Carrying amount at 31 December	**498**	507

25. LEASE LIABILITIES (Continued)

The amounts recognised in profit or loss in relation to leases are as follows:

	2024 US$'000	2023 US$'000
Interest on lease liabilities	32	28
Depreciation charge of right-of-use assets	493	534
Expense relating to short-term leases (included in cost of sales and administrative expenses)	16	29
Expense relating to leases of low-value assets (included in administrative expenses)	2	3
Total amount recognised in profit or loss	543	594

Extension and termination options

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).

Most extension options in leases have been included in the lease liability. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The majority of extension and termination options held are exercisable only by the Group and not by the respective lessor.

26. PROVISIONS

Movements in each class of provision during the year are set out below:

	Long service awards *US$'000*	Reinstatement *US$'000*	Total *US$'000*
At 1 January 2023	350	106	456
Net reversal of over provision	(71)	–	(71)
Amounts utilised during the year	(66)	–	(66)
At 31 December 2023 and 1 January 2024	**213**	**106**	**319**
Net reversal of over provision	**–**	**(106)**	**(106)**
Provision made	**51**	**–**	**51**
Amounts utilised	**(39)**	**–**	**(39)**
At 31 December 2024	**225**	**–**	**225**

	Long service awards *US$'000*	Reinstatement *US$'000*	Total *US$'000*
At 31 December 2024			
Portion classified as current liabilities	**42**	**–**	**42**
Non-current portion	**183**	**–**	**183**
	225	**–**	**225**
At 31 December 2023			
Portion classified as current liabilities	25	106	131
Non-current portion	188	–	188
	213	106	319

26. PROVISIONS (Continued)

Long service awards

The provision is mainly attributable to the provision for the long service awards in Home Control Singapore and Omni Brazil, which is awarded to employees whose service periods reach 5, 10 and 15 years. Further details are disclosed in Note 27.

Reinstatement costs

Provision for reinstatement costs pertains to the costs expected to be incurred to reinstate the office to its original state as stated in the lease agreement.

27. LONG SERVICE AWARDS

The cost of long service awards as well as the present value of the long service awards obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. The principal assumptions used in determining obligations for the long service awards are shown below:

	2024	2023
	%	%
Discount rate	**2.77**	3.31
Expected rate of future salary increases	**3.70**	3.00

27. LONG SERVICE AWARDS (Continued)

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the long service awards as at the end of the reporting year, assuming that all other assumptions were held constant:

	2024 **Increase/ (decrease) in basis points**	**Effect on present value of benefit obligation** ***US$'000***	**Effect on service cost** ***US$'000***
Discount rate	**+25**	**(3)**	**–***
	-25	**3**	**–***
Future salary increases	**+50**	**5**	**1**
	-50	**(5)**	**–***

*	Denotes less than US$1,000.

	2023 Increase/ (decrease) in basis points	Effect on present value of benefit obligation *US$'000*	Effect on service cost *US$'000*
Discount rate	+25	(2)	–*
	-25	2	–*
Future salary increases	+50	4	–*
	-50	(4)	–*

*	Denotes less than US$1,000.

The average duration of the long service awards at 31 December 2024 is 7.8 years (2023: 6.3 years).

28. DEFERRED TAX

The movements in deferred tax assets and liabilities during the year are as follows:

	Assets		Liabilities	
	2024	2023	**2024**	2023
	US$'000	*US$'000*	***US$'000***	*US$'000*
Gross deferred tax assets/(liabilities)	**231**	348	**(134)**	(220)
Set-off deferred tax	**(31)**	(131)	**31**	131
Net deferred tax assets/(liabilities)	**200**	217	**(103)**	(89)

Deferred tax assets

	Provisions	Tax losses	Total
	US$'000	*US$'000*	*US$'000*
At 1 January 2023	100	–	100
Deferred tax credited to profit or loss during the year	36	212	248
At 31 December 2023	**136**	**212**	**348**
Deferred tax credited/(charged) to profit or loss during the year	**25**	**(142)**	**(117)**
At 31 December 2024	**161**	**70**	**231**

28. DEFERRED TAX (Continued)

Deferred tax liabilities

	Withholding taxes US$'000	Depreciation US$'000	Unrealised intercompany loss US$'000	Total US$'000
At 1 January 2023	73	250	25	348
Deferred tax charged/(credited) to profit or loss during the year	1	(119)	(10)	(128)
At 31 December 2023	**74**	**131**	**15**	**220**
Deferred tax charged/(credited) to profit or loss during the year	**–**	**(113)**	**27**	**(86)**
At 31 December 2024	**74**	**18**	**42**	**134**

Pursuant to the PRC Corporate Income Tax Law, a 10% withholding tax is levied on dividends declared to foreign investors from the foreign investment enterprises established in Mainland China. The requirement is effective from 1 January 2008 and applies to earnings after 31 December 2007. A lower withholding tax rate may be applied if there is a tax treaty between Mainland China and the jurisdiction of the foreign investors. For the Group, the applicable rate is 5%. The Group is therefore liable for withholding taxes on dividends distributed by those subsidiaries established in Mainland China in respect of earnings generated from 1 January 2008. Deferred taxes of US$20,000 have been recognised for withholding taxes that would be payable on the unremitted earnings as at 31 December 2024 (2023: US$20,000).

Under US domestic tax laws, all persons making US-source payments to foreign persons ("withholding agents") are required to report and withhold 30% of the gross US-source payments, such as dividends, interest, and royalties. Under the bilateral income tax treaties between the US and Belgium, dividends paid by a subsidiary to a foreign parent corporation that has the required percentage of stock ownership are subject to a reduced rate of 5%. Since Premium Home Control Solutions is wholly owned by Home Control Europe, the stock ownership requirement is met. Hence, the applicable withholding tax rate is at 5%. In respect of US subsidiary, deferred taxes of US$54,000 have been recognised for withholding taxes as at 31 December 2024 (2023: US$54,000).

There are no income tax consequences attaching to the payment of dividends by the Company to its shareholders.

29. SHARE CAPITAL

Authorised:

	Number of Ordinary shares of US$0.01 each	Nominal value of ordinary shares US$'000
At 1 January 2023, 31 December 2023, 1 January 2024 and 31 December 2024	5,000,000,000	50,000

Issued and fully paid:

	Number of shares in issue	Nominal value of ordinary shares US$'000	Share Premium US$'000
At 1 January 2023	504,141,829	5,042	7,830
Issuance of shares under share award scheme	2,508,171	25	183
At 31 December 2023	506,650,000	5,067	8,013
Issuance of shares under share award scheme	–	–	–
At 31 December 2024	**506,650,000**	**5,067**	**8,013**

30. SHARE-BASED PAYMENTS

Share award scheme

Under the share award scheme on 5 October 2020 (the "Granting Date"), a total of 5,016,337 shares in the Company was granted to 10 selected employees at zero consideration in order to recognise the contributions of such selected employees in driving the continuous business operation and development of the Group.

The 50% of the total award shares shall be vested on the second anniversary of the Granting Date; and 50% of the total award shares shall be vested on the third anniversary of the Granting Date. There is no other performance target required except the eligible participant remains as an employee of the Group during the vesting period.

The fair value of services received in return for shares granted is measured by reference to the fair value of shares granted. The fair value of the shares granted is measured at the grant date at the market value of the shares and is determined using forward pricing model, adjusted for the exclusion of expected dividends to be received in the vesting period.

Nil (2023: 2,508,171) share awards were vested and issued during the year ended 31 December 2024, a share award expense of US$nil (2023: US$52,000) was charged to consolidated statement of comprehensive income.

All share awards had fully vested and issued as of 31 December 2023.

31. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of the consolidated financial statements.

Capital reserve

The capital reserve includes contributions made by the immediate holding company to pay for costs incurred during the Company's listing process.

Exchange fluctuation reserve

The exchange fluctuation reserve is used to record exchange differences arising from the translation of the consolidated financial statements of foreign operations whose functional currencies are different from the Group's presentation currency.

31. RESERVES (Continued)

Statutory reserve fund

In accordance with the relevant PRC regulations applicable to wholly-foreign-owned companies, certain entities within the Group are required to allocate a certain portion (not less than 10%), as determined by their boards of directors, of their profit after tax in accordance with PRC GAAP to the statutory reserve fund (the "SRF") until such reserve reaches 50% of the registered capital.

The SRF is non-distributable other than in the event of liquidation and, subject to certain restrictions set out in the relevant PRC regulations, can be used to offset accumulated losses or be capitalised as issued capital. However, the balance of the SRF must be maintained at a minimum of 25% of the capital after such usages.

32. RELATED PARTY TRANSACTIONS

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, to joint control over the party or exercise significant influence over the other party in making financial and operation decisions, or vice versa. Related parties may be individuals (being members of key management personnel, significant shareholders and/or their close family members) or other entities and include entities which are under the significant influence of related parties of the Group where those parties are individuals. Parties are also considered to be related if they are subject to common control.

(a) Compensation of key management personnel of the Group:

	2024 ***US$'000***	2023 *US$'000*
Short-term employee benefits	**1,214**	1,188
Directors' fees	**50**	50
Pension scheme contributions	**138**	142
Share award expense	**–**	27
Total compensation paid to key management personnel	**1,402**	1,407

Further details of directors' and the chief executive's remuneration are included in Note 9.

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Changes in liabilities arising from financing activities

	Bank loans *US$'000*	Lease liabilities *US$'000*	Total *US$'000*
At 1 January 2023	24,540	946	25,486
Changes from financing cash flows			
– Proceeds from interest-bearing bank loans	7,500	–	7,500
– Repayment of interest-bearing bank loans	(17,100)	–	(17,100)
– Principal portion of lease payments	–	(561)	(561)
– Interest portion of lease liabilities	–	(28)	(28)
– Interest paid	(1,664)	–	(1,664)
Additions	–	119	119
Lease modifications	–	3	3
Accretion of interests	1,664	28	1,692
Amortisation of loan arrangement fee and facility and legal fee	65	–	65
At 31 December 2023	**15,005**	**507**	**15,512**
Changes from financing cash flows			
– Repayment of interest-bearing bank loans	**(8,900)**	**–**	**(8,900)**
– Principal portion of lease payments	**–**	**(504)**	**(504)**
– Interest portion of lease liabilities	**–**	**(32)**	**(32)**
– Interest paid	**(955)**	**–**	**(955)**
Additions	**–**	**233**	**233**
Lease modifications	**–**	**262**	**262**
Accretion of interests	**955**	**32**	**987**
Amortisation of loan arrangement fee, loan facility and legal fee	**66**	**–**	**66**
At 31 December 2024	**6,171**	**498**	**6,669**

33. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)

(b) Total cash outflow for leases

The total cash outflow for leases included in the consolidated statement of cash flows is as follows:

	2024 US$'000	2023 US$'000
Within operating activities	**18**	32
Within financing activities	**536**	589
	554	621

34. FINANCIAL INSTRUMENTS BY CATEGORY

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

	Financial assets at amortised cost	
	2024 US$'000	2023 US$'000
Financial assets		
Trade receivables	**23,575**	26,251
Other receivables	**210**	804
Cash and cash equivalents	**19,443**	16,872
Financial asset at amortised cost	**–**	3,229
	43,228	47,156

	Financial liabilities at amortised cost	
	2024 US$'000	2023 US$'000
Financial liabilities		
Trade payables	**28,656**	27,711
Financial liabilities included in other payables and accruals	**4,297**	2,715
Interest-bearing bank loans	**6,171**	15,005
Lease liabilities	**498**	507
	39,622	45,938

35. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

Management has determined that the carrying amounts of cash and cash equivalents, pledged deposits, trade receivables, financial assets included in prepayments and other receivables, financial asset at amortised cost, trade payables, financial liabilities included in other payables and accruals, current portion of interest-bearing bank loans, reasonably approximate to their fair values because these financial instruments are mostly short term in nature. As at 31 December 2023, the carrying amounts of long-term interest-bearing bank loans, which incur interest at floating interest rates, also approximate to their fair values as the interest rate is periodically adjusted to the market rate.

The fair values of the financial assets and liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

36. CAPITAL MANAGEMENT

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk characteristics of the underlying assets. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Group is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the financial year.

The Group's capital includes equity attributable to owners of the Company. The Group monitors capital using a gearing ratio, which is debt divided by the adjusted total assets. Debt includes interest-bearing bank loans and lease liabilities. Adjusted total assets exclude goodwill. The gearing ratios as at 31 December 2024 and 2023 are as follows:

	2024 ***US$'000***	2023 *US$'000*
Total interest-bearing bank loans *(Note 24)*	**6,171**	15,005
Total lease liabilities *(Note 25)*	**498**	507
	6,669	15,512
Total assets excluding goodwill	**59,614**	61,859
	11.19%	25.08%

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company at the end of the reporting period is as follows:

	Note	2024 US$'000	2023 US$'000
Non-current assets			
Investments in subsidiaries		**32,391**	32,391
Total non-current assets		**32,391**	32,391
Current assets			
Prepayments		**124**	94
Cash and cash equivalents		**166**	908
Financial asset at amortised cost	*17*	**–**	3,229
Total current assets		**290**	4,231
Current liabilities			
Other payables and accruals		**28,816**	25,020
Interest-bearing bank loans		**–**	2,500
Total current liabilities		**28,816**	27,520
Net current liabilities		**(28,526)**	(23,289)
Total assets less current liabilities		**3,865**	9,102
Net assets		**3,865**	9,102
Equity			
Share capital		**5,068**	5,068
Reserves		**(1,203)**	4,034
Total equity		**3,865**	9,102

Wei ZHOU
Director

Kwok Hoong SIU
Director

37. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (Continued)

A summary of the Company's reserves is as follows:

	Share premium US$'000	Accumulated loss US$'000	Share award reserve US$'000	Capital reserve US$'000	Total US$'000
At 1 January 2023	7,830	(6,403)	155	3,620	5,202
Total comprehensive loss for the year	–	(1,196)	–	–	(1,196)
Share award scheme and arrangements	183	–	(155)	–	28
At 31 December 2023	**8,013**	**(7,599)**	**–**	**3,620**	**4,034**
Total comprehensive loss for the year	**–**	**(5,236)**	**–**	**–**	**(5,236)**
At 31 December 2024	**8,013**	**(12,835)**	**–**	**3,620**	**(1,202)**

The share award reserve comprise the fair value of share options granted which are yet to be exercised, as further explained in the accounting policy for share-based payments in Note 2.19 to the consolidated financial statements.

The capital reserve represents contribution by a related party for payments of listing expenses incurred by the Group.

38. AGGREGATE AMOUNT OF AUTHORISED LOANS

No outstanding loans have been made under the authority of sections 280 and 281 of the Companies Ordinance (Chapter 32 of the Laws of Hong Kong) during the year ended 31 December 2024 (2023: Nil).