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ANNUAL REPORT 2023

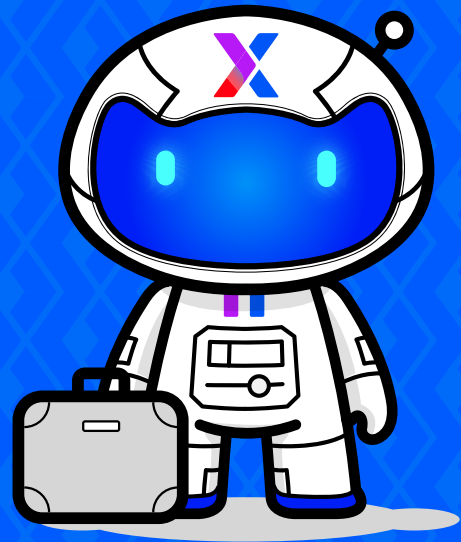


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01.

CORPORATE
DIRECTORY

DIRECTORS

GANESH KUMAR BANGAH

Executive Chairman

GEORG JOHANN CHMIEL

Independent Non-Executive Director

JOANNE KHOO SU NEE

Independent Non-Executive Director

ROBERT WILLIAM SULTAN

Independent Non-Executive Director

DARREN JOHN COOPER

Independent Non-Executive Director

AUDIT AND RISK COMMITTEE

JOANNE KHOO SU NEE (CHAIR)**GEORG JOHANN CHMIEL****ROBERT WILLIAM SULTAN****DARREN JOHN COOPER**

REMUNERATION COMMITTEE

ROBERT WILLIAM SULTAN (CHAIR)**JOANNE KHOO SU NEE****DARREN JOHN COOPER**

REGISTERED OFFICE

XAMBLE GROUP LIMITED

600 North Bridge Road, #23-01
Parkview Square
Singapore 188778

AUSTRALIAN REGISTERED
ADDRESS**XAMBLE GROUP LIMITED**

C/- Automic Pty Ltd
Level 5
126 Phillip Street
Sydney NSW 2000

SHARE REGISTRY

Automic Pty Ltd

GPO Box 5193
Sydney NSW 2000

COMPANY SECRETARIES

LUCY ROWE

Automic Pty Ltd
GPO Box 5193
Sydney NSW 2000

FIONA LIM PEI PEI

BDO Corporate Services Pte Ltd
600 North Bridge Road
#23-01 Parkview Square
Singapore 188778

INDEPENDENT AUDITOR

RSM SG Assurance LLP

Public Accountants and
Chartered Accountants
8 Wilkie Road
#03-08 Wilkie Edge
Singapore 228095

Partner-in-charge since financial year ended
31 December 2020: Naveen Sasidaran

BANKERS

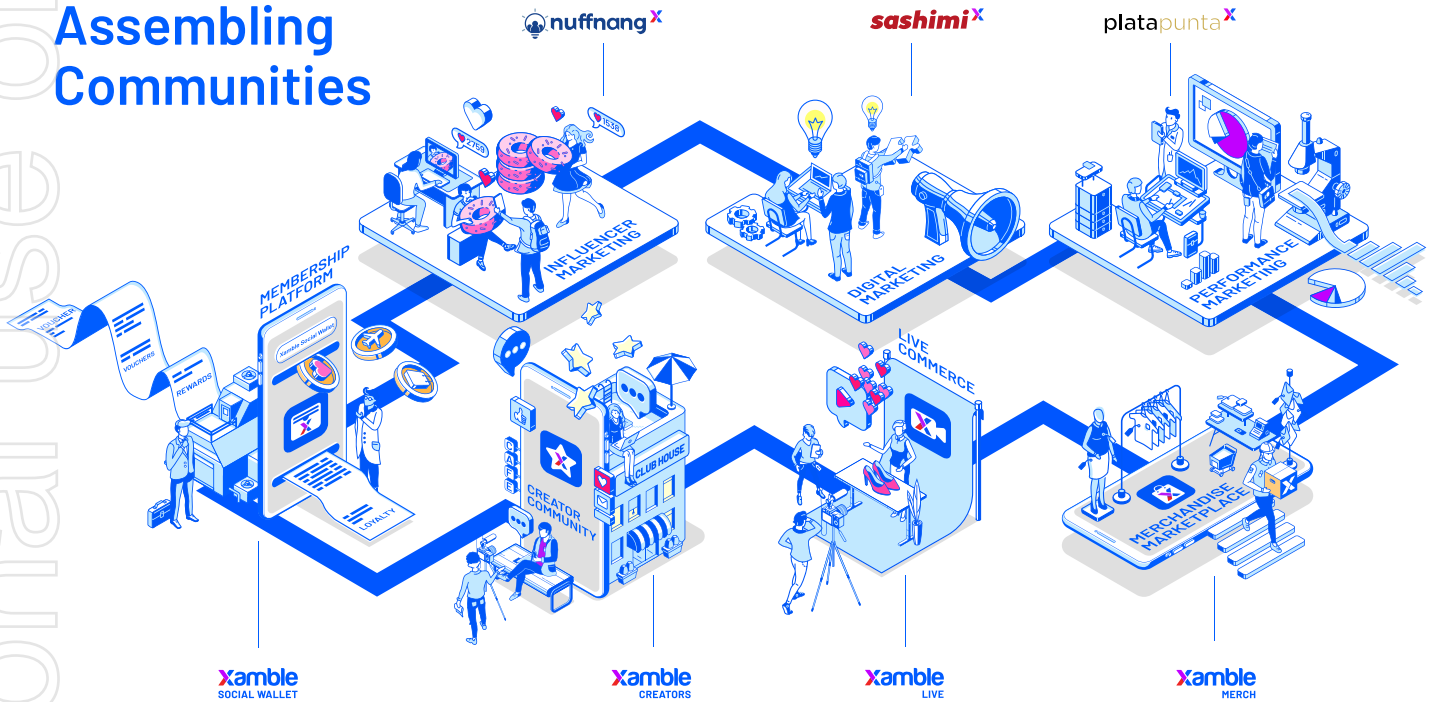
**AUSTRALIA AND NEW ZEALAND BANKING GROUP
LIMITED****UNITED OVERSEAS BANK LIMITED**

STOCK EXCHANGE LISTING

**AUSTRALIAN SECURITIES EXCHANGE
(ASX : XGL)**

02. ABOUT XAMBLE GROUP LIMITED

Assembling Communities



XAMBLE GROUP LIMITED ("XAMBLE" OR THE "Company")

is a digital media business established in 2006, which achieved revenue of S\$9.62 million in 2023. Xamble Group operates multiple businesses in the digital advertising sector across various geographies, with the key markets being Malaysia and Taiwan.

XAMBLE GROUP OFFERS ITS CLIENTS THE FOLLOWING KEY SERVICES:

- Influencer Platform (approximately 51% of CY2023 revenue);
- Social Media Agency (approximately 25% of CY2023 revenue);
- Performance Marketing Agency (approximately 20% of CY2023 revenue); and
- Live Commerce (approximately 4% of CY2023 revenue).



NUFFNANG

Nuffnang is the pioneer in the Influencer and Content Marketing industry. After more than a decade in the business, Nuffnang continues to empower influencers to create inspiring and compelling content for our clients, regardless of platforms; Facebook, YouTube, Instagram and now, TikTok.



SASHIMI

Sashimi is a Digital Marketing Agency, providing an end-to-end service from design and digital content creation, to management of paid media and public relations.



DEJITARU

Dejitaru is a Social Media Agency, specializing in advertising through social media content, communities and influencers.



PLATA & PUNTA

Plata & Punta is a digital media agency specialising in Performance Marketing.



XAMBLE CREATORS

Xamble Creators is a community-based Creator platform that helps creators and brands connect for work opportunities, collaborate on new ideas and create content to earn.



XAMBLE LIVE

Xamble Live Commerce is a live commerce enabler aiming to provide merchants and their customers with a seamless and automated livestream shopping experience.



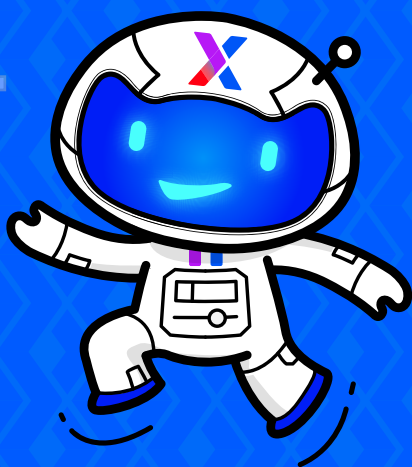
XAMBLE TECHNOLOGIES

A Web3 platform development company.

03.

EXECUTIVE
CHAIRMAN'S
MESSAGE

GANESH KUMAR BANGAH





Dear Security Holders,

Welcome to the 2023 Annual Report for Xamble Group Limited (ASX: XGL)¹. The 2023 financial year was a period of significant progress for our Group with the rollout of new technologies which enhance our unique influencer marketing platform.

The two new key technologies introduced in CY2023 were Xamble Creators, which improves collaboration between micro and nano influencers and brands and enables influencers to better monetise their content and networks; and Xamble Social Wallet, which enables brands and influencers to issue memberships to reward and retain consumers and provides brands with control over customer data.

With the addition of these new capabilities, the Xamble platform is the only one of its kind that addresses all key challenges faced by brands, influencers and end-consumers in the fragmented influencer marketing sector:

- Brands need a better way of attracting influencers to campaigns and influencers need an effective way of finding the right campaigns;
- Brands need a way to manage influencer content; and
- Brands need to be able to track sales generated from campaigns.

The Xamble platform offers a seamless and highly effective solution to all these challenges:

- **Discovery:** Our Xamble Creators app connects brands to the right influencers and influencers to the right campaigns;
- **Execution:** The Xamble Creators app helps influencers generate the right content and get paid efficiently; and
- **Performance Tracking:** Via our Xamble Social Wallet, influencers can grant end-consumers rewards and discounts, enabling brands to track sales.

The platform also provides our Group with a scaleable, highly effective way of capturing a greater share of Southeast Asia's rapidly growing influencer marketing sector, enabling easier and faster expansion to new geographies and industries.

The market opportunity for our platform is vast. Southeast Asia's share of the global influencer market is forecast to be approximately 10%-15% or A\$3.6b to A\$5.4b by 2025 with strong growth over the last six years with a compound average growth rate (CAGR) of 27%². Meanwhile, internet users in Southeast Asia spend more time than the global average on social media, with at least 25% of them following an influencer³, and around 70% of Singaporean and 82% Southeast Asians claiming they follow recommendations from influencers in their purchasing decisions⁴.

Within this large and fast-growing market, Xamble is focused on the largest and most effective influencer segment: micro and nano influencers. These influencers have the most intimate connection with their audience base, with nano influencers having the highest impact (46%) or direct influence on consumer buying decisions⁵, while 38% of all brand deals go to micro influencers⁶.

The Xamble platform targets three key-end users:

- **Enterprises:** providing influencer solutions for multi-national companies;
- **SMEs:** direct digital influencer campaigns and/or social commerce; and
- **Agencies:** an embedded white-label influencer workstream in a comprehensive marketing campaign, enabling brands to track sales.

¹Xamble Group Limited was formerly known as Netccentric Limited (ASX:NCL) with the group rebranding to Xamble Group Limited in March 2023.

²<https://www.polarismarketresearch.com/industry-analysis/influencer-marketing-platform-market> (converted to A\$ and CAGR changed to forecast over a 6-year period)

³<https://wearesocial.com/wp-content/uploads/2023/03/Digital-2023-Global-Overview-Report.pdf>

⁴<https://www.marketing-interactive.com/Study-82-in-SEA-make-purchasing-decisions-based-on-influencers-and-celebrities>

⁵https://medium.com/@onavis_asia/the-rise-of-influencer-marketing-in-southeast-asia-661573c74198

⁶<https://www.ajmarketing.io/post/top-11-influencer-marketing-trends-asia-2021#viewer-eqd58>

During the year, we focused on investing and rolling out our new capabilities, with influencer registrations on Xamble Creators continuing to grow and ongoing development of Xamble Social Wallet for various applications.

In November 2023, we were delighted to welcome Georg Chmiel to our Board, following his A\$400K investment in our Group. Mr. Chmiel brings 30 years' experience in rapidly growing disruptive online businesses and has successfully grown (and exited) leading Southeast Asian ASX-listed companies. He is assisting the Group with investor engagement, M&A, and drive the Group's regional expansion across the Southeast Asian influencer marketing sector.

Turning to our financial results, our investment in technology as well as the implementation of new sales and operation processes saw our Group stage a strong second half with revenue increasing 12% in H2 CY2023 to A\$5.70 million⁷ (S\$5.00 million) [(H1 CY2023: A\$5.08 million (S\$4.62 million)]. Overall Group revenue for the year was A\$10.78 million (S\$9.62 million) down 7% on the pcp, due to the difficult conditions in the consumer packaged goods advertising market in H1 CY2023.

Our EBITDA⁸ deficit improved 58% in H2 CY2023 to A\$0.30 million (S\$0.25 million) from A\$0.72 million (S\$0.65 million) in H1 CY2023.

In CY2023, the Group's underlying business⁹ remained profitable at A\$0.76 million (S\$0.68 million) excluding investments to extend the current technology stack and corporate and listing costs.

Outlook

Looking ahead, we aim to capture more of the fast-growing Southeast Asian influencer marketing industry through organic and M&A-based growth strategies aimed to:

- Grow and strengthen the influencer base in existing and new markets across Southeast Asia and beyond;
- Extend the technology platform - examples include:
 - The launch of the community feature, called 'Branded Community', allowing brands to build their own community of influencers and directly engage with them which was completed in Q4 CY2023;
 - The launch of the self-serve influencer marketing platform for SMEs in H1 CY2024. The platform includes dashboard access for SMEs that will allow them to review and approve influencer content while enabling them to obtain insights from influencer campaigns; and
- Upscale sales capabilities through the acquisition of new talent into the management team.

On behalf of the Board, I would like to thank the Xamble team for their hard work, passion and commitment over the year. A warm thank you to our business partners, associates, principals, trade associations and bankers for your valuable partnerships.

And lastly, thank you to our Security Holders. We will continue to build on the solid progress we made this year and continue our organic and inorganic growth, expand into new markets, and capitalise on opportunities to deliver shareholder value.

I am excited about the year ahead and look forward to keeping you updated on our progress in CY2024.

Yours sincerely,



Ganesh Kumar Bangah
Executive Chairman

⁷Assumes exchange rate of 1 A\$ = 3.029 MYR (CY2023); 1 A\$ = 3.054 MYR (CY2022). MYR used as base as majority of the operations are in Malaysia.

⁸Underlying EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) adjusted for extraordinary items relating to forex movements, options expenses, one-off rebranding and other costs of A\$0.60 million (S\$0.53 million) [(CY2022: A\$0.45 million (S\$0.43 million)]

⁹Underlying business adjusted for extraordinary items relating to forex movements, options expenses, one-off rebranding and other costs as well as technology investment and corporate (HQ and ASX) expenses.

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04.

DIRECTORS'
PROFILES





GANESH KUMAR BANGAH

Ganesh Kumar Bangah, Executive Chairman of the Company is an award winning serial entrepreneur and startup investor. Ganesh was the Ernst & Young Technology Entrepreneur of the Year Malaysia 2012 and one of Asia's most influential people according to Society Magazine 2015. He was also recognised as one of South East Asia's Top 30 Tech Founders by Tech In Asia in 2016 and was recognised as one of the most inspiring Malaysian technology entrepreneurs by Top 10 of Malaysia.

Ganesh founded Commerce.Asia, an all-in-one eCommerce Ecosystem in 2017. He grew Commerce.Asia within 5 years to have a database of over 8,400,000 SME's across 7 countries with over 28,000 active sellers that sold USD1.6 billion worth of products in 2023.

Prior to founding Commerce.Asia, Ganesh founded his first internet business, MOL Global Inc. ("MOL") in the year 2000 at the tender age of 20. He served as the Chief Executive Officer of MOL for 15 years since its inception. Ganesh was certified by the Malaysia Book of Records as the youngest Chief Executive Officer of a Malaysian public listed Company when MOL was originally listed on the Malaysian Stock Exchange in 2003. Ganesh built MOL to become one of South East Asia's leading online payment gateways and South East Asia's first internet Company to be listed on the NASDAQ in 2014. He was also the founder of MOL Ventures, an investment holding Company which made successful private investments in global social media companies such as Facebook and Friendster.

Ganesh is a former Chairman and current Advisor of the National Tech Association of Malaysia ("PIKOM") as well as the Chair of Future Digital, the PIKOM Think Tank and Chair of E-Commerce Malaysia, a chapter of PIKOM. Ganesh is an Independent Non-Executive Director of Malaysia's National Payment Network (Paynet) and is a member of the Entrepreneurship Council of the Asia Pacific University of Technology and Innovation.



GEORG CHMIEL

Georg Johann Chmiel was appointed as an Independent Non-Executive Director of the Company on 10 November 2023.

Georg has 3 decades of experience in rapidly growing, disruptive online businesses and has been leading more than 40 acquisitions and been taken over 7 times.

Georg is the Co-Founder & Chair of Juwai-IQI Holdings, the largest proptech Group in South East Asia with more than 40,000 sales agents powered by a SuperApp. He is also Non-Executive Chair of Spacetalk (ASX:SPA) and Centrepont Alliance (ASX:CAF) and Non-Executive Director of Kinatico (ASX:KYP). He is Senior Advisor of brioHR.com, South East Asia's fastest growing HR platform, and madeComfy.com, an innovative short term and holiday rental platform in Australia.

Georg was previously Executive Chair of iCarAsia (ASX:ICQ), the number 1 online automotive marketplace for SE Asia until its acquisition by CARSOME. He was also Managing Director & CEO of the iProperty Group (ASX:IPP) until its sale to REA Group in the biggest online takeover in SE Asia at that point in time. He was Non-Executive Director of Mitula Group (ASX:MUA) and Proptech Group (ASX:PTG) until the respective sales to Japanese Lifull Group (TSE:2120) and MRI Software. Georg was also Managing Director & CEO of LJ Hooker Group with 700 real estate offices across ten countries. Georg also held the position of Group CFO & Acting CEO at REA Group (ASX:REA), a Australian based decacorn. Georg also worked for KPMG, Deutsche Bank and McKinsey&Company.

Georg is the recipient of the 2024 Outstanding Corporate Excellence & Sustainability Leadership Award, 2023 Master Entrepreneur Award (APEA), 2023 Unicorn Award - Scaleup Tech Icon (PIKOM), 2023 largest proptech Company award (MDEC MDX), the 2022 Excellence Award for Digital Transformation (Malaysia Australia Business Council), the 2022 ASEAN Distinguished Business Leader Lifetime Achievement Award, the 2022 ASEAN Business Excellence Award and others. He is a regular author and guest lecturer on disruptive technologies, AI and big data and entrepreneurship at various universities.

Georg is CPA and Member of the American Institute of Certified Public Accountants (AICPA), Fellow of the Australian Institute of Company Directors (AICD), Fellow of the Institute of Corporate Directors Malaysia (ICDM), Board Member of the World Digital Chamber, Executive Council Member of the Economic Club Kuala Lumpur (ECKL) and Deputy President of the INSEAD Association Malaysia. Georg holds an Master of Business Administration (MBA) of INSEAD and a Computer Science degree of Technische Universität München (TUM).



JOANNE KHOO SU NEE

Joanne Khoo Su Nee was appointed as an Independent Non-Executive Director of the Company on 26 July 2017. She has more than 27 years of experience in investment banking, corporate finance, capital markets and corporate advisory services. She is currently the Director of Bowmen Capital Private Limited, a mergers and acquisition advisory firm. She also serves as an Independent Non Executive Director of Teho International Inc Ltd and ES Group (Holdings) Limited, companies listed on the Singapore Exchange Securities Trading Limited ("SGX"), JE Cleantech Holdings Ltd, a company listed on NASDAQ and Ryde Group Ltd, a company listed on NYSE American. Joanne was formerly an Independent Non-Executive Director at PayLinks Pte Ltd, wholly owned by iPayLinks Limited as well as Excelpoint Technology Ltd and Kitchen Culture Holdings Ltd, both companies listed on the SGX during her tenure.

Prior to this, she was involved in a wide range of investment banking and corporate finance activities as a Director at Canaccord Genuity Singapore Pte. Ltd. (formerly known as Collins Steward Pte. Limited) as well as Phillip Securities Pte Ltd and Hong Leong Finance Limited. She started her career at PricewaterhouseCoopers in 1997.

Joanne graduated with a Bachelor of Business in Accountancy from Royal Melbourne Institute of Technology University in 1996. She was admitted as a Certified Public Accountant by the CPA Australia in 1999 and a Chartered Accountant under the Malaysian Institute of Accountants in 2000. She was also a member of the Woman Corporate Directors, the world's largest membership organization and community of woman corporate Board Directors.



ROBERT WILLIAM SULTAN

Robert William Sultan was appointed as an Independent Non-Executive Director of the Company on 1 September 2020. He is a corporate and commercial lawyer and is a senior consultant to, and former partner of, the leading international law firm, Norton Rose Fulbright Australia. He has over 30-years' experience in mergers and acquisitions (M&A), equity capital markets and corporate advisory and governance. He has been a member of corporate governance and advisory boards in the aged care and local government sectors. He is also a member of the Corporations Committee of the Business Law Section of the Law Council of Australia and is currently the chair of that Committee.

He continues to act for a number of listed tech companies with operations in Australia and overseas. He is also recognised by his peers by being included in the M&A and corporate categories in the Best Lawyers® Australia publication.

A former member of the Australian Takeovers Panel, Robert is also currently the independent director of the Gourlay Family Office which includes the Gourlay Charitable Trust. The Charitable Trust, in conjunction with Trinity College Melbourne, established the Gourlay Visiting Professor of Ethics in Business.

Robert holds a first-class honours Bachelor of Laws degree and a Bachelor of Arts degree, majoring in economics from the University of Melbourne.



DARREN JOHN COOPER

Darren John Cooper was appointed as an Independent Non-Executive Director of the Company on 1 September 2020. He has over 27 years senior and C-Suite management experience, having held roles with State and National responsibilities in banking & finance and property.

He is now Managing Director of a private consulting business, through which he provides strategy, operational improvement and leadership development services to a range of government and private-sector organisations.

In addition to his role as a Non-Executive Director of the Company, Darren is the Board Chair of Spectur Ltd (ASX:SP3) and Western Australian Government Trading Enterprise, DevelopmentWA.

Darren is also active in the “for purpose” space, being Board Chair of Ocean Gardens Retirement Village Inc.

Darren holds a Bachelor of Business (Curtin University) and a Masters of Applied Finance (Macquarie University), and is a Graduate of the Australian Institute of Company Directors (GAICD).

DIRECTORS' MEETINGS

| | Board Meetings | | Audit and Risk Committee Meetings | | Remuneration Committee Meetings | |
|---|----------------|-----|-----------------------------------|-----|---------------------------------|-----|
| | A | B | A | B | A | B |
| Director | | | | | | |
| Ganesh Kumar Bangah | 4 | 4 | 2 | 2 | 1 | 1 |
| Joanne Khoo Su Nee | 4 | 4 | 2 | 2 | 1 | 1 |
| Robert William Sultan | 4 | 4 | 2 | 2 | 1 | 1 |
| Darren John Cooper | 4 | 4 | 2 | 2 | 1 | 1 |
| Georg Johann Chmiel (appointed 10 November 2023) | N/A | N/A | N/A | N/A | N/A | N/A |

A - Number of meetings attended.

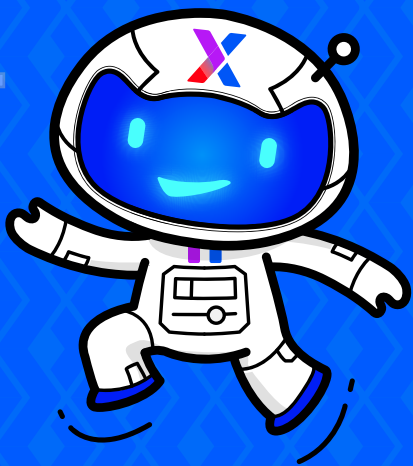
B - Number of meetings held during the time the Director held office during the period.

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05.

CORPORATE
GOVERNANCE



The Company has adopted systems of control and accountability as the basis for the administration of corporate governance. The Board is committed to administering the Company's policies and procedures with openness and integrity, pursuing the true spirit of corporate governance commensurate with the Company's needs.

To the extent applicable, the Company has adopted the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations 4th Edition ("Principles & Recommendations").

The Company's main corporate governance policies and practices as at the date of this annual report are detailed below:

Board of Directors

The Board is responsible for the corporate governance of the Company. The Board develops strategies for the Company, reviews strategic objectives and monitors performance against those objectives. Clearly articulating the division of responsibilities between the Board and management will help manage expectations and avoid misunderstandings about their respective roles and accountabilities.

In general, the Board assumes (amongst others) the following responsibilities:

- a) setting objectives, goals and strategic direction with a view to maximising investor value;
- b) oversight of control and accounting systems;
- c) monitoring investment policies;
- d) approving and monitoring progress of major capital expenditure, capital management, acquisitions and divestments;
- e) reviewing annual operating and capital expenditure budgets;
- f) considering financial statements and reports for publication;
- g) monitoring financial performance;
- h) reviewing, ratifying and monitoring systems of risk management, internal compliance and control, codes of conduct, and external compliance;
- i) monitoring financial and other reporting;
- j) monitoring the implementation of business standards and codes of ethical behaviour;
- k) monitoring and approving financial benefits to related parties;
- l) determining the independence of Non-Executive Directors;
- m) determining the process of evaluation of the performance of the Board and its committees;
- n) monitoring and evaluating the desirable competencies of the Directors, including the range and experience of the Directors;
- o) considering Board succession planning issues; and
- p) appointing, reviewing and monitoring the independence of the external auditors.

The Company is committed to ensuring that appropriate checks are undertaken before the appointment of a Director or senior executive and has in place written agreements with each Director and senior executive which detail the terms of their appointment.

Composition of the Board

Election of Board members is substantially the province of the Security Holders in general meeting. The Company provides security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a Director.

The Board currently consists of four Independent Non-Executive Directors and an Executive Chairman. Ganesh Kumar Bangah has been appointed as Executive Chairman to allow him to be in the most effective position to utilise his extensive skillset to drive the Company's strategies as well as to focus on transforming it into a sustainable growth entity.

As the Company's activities develop in size, nature and scope, the composition of the Board and the implementation of additional corporate governance policies and structures will be reviewed.

As set out in the Board Charter, the Company Secretary is accountable to the Board.

The Company does not currently have a Nomination Committee. As a result, the responsibility of Board succession planning lies with the full Board as per the Company's Board Charter.

The Company feels it has an appropriate mix of skills on the Board. The biographies of each Director can be viewed under the Directors' Profiles section on pages 9 to 14.

Continuous Disclosure and Rights of Security Holders

In accordance with Principle 5 of the Principles & Recommendations, the Company:

- has a Continuous Disclosure Policy and ensures it complies with its continuous disclosure obligations under Listing Rule 3.1;
- ensures that its Board receives copies of all material announcements; and
- releases a copy of any new or substantive investor presentations to the ASX ahead of the presentation.

Any reports released by the Company to the ASX which are not audited or reviewed by an external auditor are reviewed by the Company's investor relations team as well as legal counsel (if required). Any release to the ASX by the Company generally requires approval of the Board.

Further information about the Company and its governance is available to investors on the Company's website. This includes the Company's Communications Policy which outlines the Company's methods of communication with its Security Holders as well as its process for facilitating participation at its Security Holder meetings.

Whilst the Company's annual general meeting will be held in Malaysia each year, it will provide Security Holders outside of Malaysia the opportunity to participate through the use of technology and those unable to attend will be able to submit questions and comments to be addressed at the meeting, in advance. Questions and comments can also be submitted for the attention of the Company's Auditor who will be in attendance at all annual general meetings of the Company. Substantive resolutions at general meetings of the Company are decided by way of poll.

Security Holders are also encouraged to elect to receive electronic communications from the Company and its Security Registry and can do so through the websites of the Company and the Security Registry respectively.

Identification and Management of Risk

The Board's collective experience will assist in the identification of the principal risks that may affect the Company's business. Key operational risks and their management will be recurring items for deliberation at Board meetings.

Mission, Vision and Ethical Standards

The mission of the Company is to generate value for communities and growth for businesses by empowering them with digital platforms and social media innovations. The vision of the Company is to generate wealth through the convergence of social media and commerce across all levels of society.

Mission, Vision and Ethical Standards (continued)

The Board is committed to the establishment and maintenance of appropriate ethical standards and these standards are adhered to by the Company in the implementation of its vision and execution of its mission. The Company's values are in accordance with its mission and vision.

Independent Professional Advice

The Directors, at the Company's expense, may obtain independent professional advice on issues arising in the course of their duties.

Remuneration Committee

The remuneration of the Executive Chairman will be decided by the Board following the recommendation of the Remuneration Committee. The Remuneration Committee currently comprises three Independent Non-Executive Directors and is chaired by Independent Non-Executive Director, Robert William Sultan.

The Articles provide that the Non-Executive Directors will be paid by way of remuneration for their services as Directors a sum not exceeding such fixed sum per annum as may be determined by the Directors prior to the first annual general meeting of the Company or pursuant to a resolution passed at a general meeting of the Company (subject to complying with the Listing Rules and Singapore law, as applicable). Until a different amount is determined, the maximum amount of remuneration is A\$160,000 per annum. Total remuneration paid to Non-Executive Directors for the year ended 31 December 2023 was A\$101,852 (S\$90,539).

In addition, subject to any necessary Security Holder approval, a Director may be paid fees or other amounts as the Directors determine where a Director performs special duties or otherwise performs services outside the scope of the ordinary duties of a Director.

Directors are also entitled to be reimbursed reasonable travel and other expenses incurred by them in the course of the performance of their duties as Directors.

The Remuneration Committee is responsible for setting and undertaking the review process for the Board, committees and individual Directors. The Remuneration Committee makes recommendations to the Board regarding the Company's remuneration policy in order to ensure that the Company is able to attract and retain executives and Directors who will create value for Security Holders, having regard to the amount considered to be commensurate for an entity of the Company's size and level of activity as well as the relevant Directors' time, commitment and responsibility.

Performance evaluations of the senior executives were conducted during the reporting period, by the Executive Chairman with established review processes.

The Remuneration Committee is also responsible for reviewing any employee incentive and equity-based plans including the appropriateness of performance hurdles and total payments proposed.

Securities Trading Policy

The Board has adopted a policy that sets out the guidelines on the sale and purchase of securities in the Company by its employees. The policy generally provides that employees must not deal in the Company's securities if in possession of inside information or during specific closed periods and provides the process to follow to seek approval to trade at all other times. The policy also prohibits trading that is directed at limiting the economic or financial risk associated with a person's holding of securities which includes options issued under the Company's Employee Securities Incentive Plan.

Diversity Policy

The Board values diversity and recognises the benefits it can bring to the organisation's ability to achieve its goals. Accordingly, the Company has set in place a diversity policy.

This policy outlines the Company's diversity objectives in relation to gender, age, cultural background and ethnicity. As at the date of this annual report, the Board has not developed measurable objectives for achieving diversity but will continue to review its diversity in line with its Diversity Policy.

Code of Conduct

The Board recognises the need to observe the highest standards of corporate practice and business conduct. The Board has adopted a formal Code of Conduct ("Code") to be followed by all employees (including temporary employees and contractors) and officers, in addition to the Employee Handbook already in place for some entities within the Group.

The key aspects of this Code will include the requirement to:

- a) act with honesty, integrity and fairness in the best interests of the Company;
- b) act in accordance with all applicable laws, regulations, policies and procedures;
- c) have responsibility and accountability for individuals for report and investigating reports of unethical practices; and
- d) other matters including but not limited to ethical conduct, business conduct, confidentiality, privacy, security of information, and conflicts of interest.

The Code, a Whistleblower Policy as well as an Anti-Bribery and Corruption Policy (together, the "Policies") have been adopted during the Reporting Period. All Policies apply to, amongst others, all directors, officers, employees, contractors and consultants of the Company. These Policies have been prepared having regard to the ASX Principles and Recommendations and are available on the Company's website.

Audit and Risk Committee

The Company has established an Audit and Risk Committee which currently comprises all Independent Non-Executive Directors and is chaired by Independent Non-Executive Director, Joanne Khoo Su Nee.

The Audit and Risk Committee operates under an Audit and Risk Committee Charter which includes, but is not limited to, monitoring and reviewing any matters of significance affecting financial reporting and compliance, the integrity of the financial reporting of the Company, the Company's internal financial control system and the Company's risk management systems, the identification and management of business, economic, environmental and social sustainability risk and the external audit function.

In accordance with Recommendation 4.2 of the Principles & Recommendations, before the Board approves the Company's financial statements for a financial period, it receives a declaration from the Company's Executive Chairman and Chief Financial Officer that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.

External Audit

The Company in general meeting is responsible for the appointment of the external auditors of the Company, and the Board on an annual basis will review the scope, performance and fees of those external auditors following the recommendation from the Audit and Risk Committee.

Audit and Non-audit fees

The amount of fees paid to the external auditors, in respect of audit and non-audit services for the year under review are as follows:

- a) Audit and assurance-related fees:

| | S\$ |
|--|----------------|
| Member firms of RSM International | 150,028 |
| Other audit firms auditing certain subsidiaries of the Group | 3,920 |
| Total | 153,948 |

Audit and Non-audit fees (continued)

b) Non-audit fees

| | S\$ |
|-----------------------------------|--------|
| Member firms of RSM International | 10,890 |

The Audit and Risk Committee has reviewed and is of the opinion that the non-audit services rendered during CY2023 were not substantial.

Internal Audit

The Company does not have an internal audit function and the risk management framework was not formally reviewed during the reporting period. The Board considers the Audit and Risk Committee and financial control function in conjunction with its risk management policy to be sufficient for a Company of its size and complexity.

Material Exposure to Risk

Recommendation 7.4 is that the Board should disclose whether it has any material exposure to environmental and social risks and if so, how it manages those risks. The Company believes that the following operational risks are inherent in the industry in which the Company operates, having regard to the Company's circumstances (including financial resources, prospects and size):

- a) failure to retain existing clients and attract new ones;
- b) failure to expand into new markets;
- c) reliance on other social media platforms;
- d) control by existing Security Holders and liquidity of shares;
- e) prevalence of related party leases;
- f) joint venture arrangements risk;
- g) capital required for expansion; and
- h) decline in growth of internet penetration and usage.

These risk areas are provided here to assist investors to understand better the nature of the risks faced by the Company and are not necessarily an exhaustive list.

The Executive Chairman and Chief Financial Officer have reported and declared in writing to the Board that the Group's management of its material business risks is effective.

Remuneration Details

The Executive Director is remunerated based on the provision of services provided to the Company for executive management and for their services as Directors which is stipulated in their letter of appointment. The Directors' fees are determined by the Board following the recommendation of the Remuneration Committee. Each Non-Executive Director receives a fixed fee for their services as Directors.

The remuneration structure for executive officers has regard to a number of variables, including length of service, particular experience of the individual concerned, and overall performance of the Company.

Employment contracts for Executives stipulate a range of one to three months resignation periods. Termination payments are generally not payable on dismissal for serious misconduct. The Company may terminate an employment contract without cause by providing the appropriate written notice under each contract or making payment in lieu, based upon the individual's remuneration together with a severance benefit.

Remuneration Details (continued)

Names and positions held of consolidated and parent entity Directors in office at any time during the financial year are:

| Name | Position |
|-----------------------|--|
| Ganesh Kumar Bangah | Executive Chairman (appointed as Director 9 July 2020 and Executive Chairman 1 September 2020) |
| Georg Johann Chmiel | Independent Non-Executive Director (appointed 10 November 2023) |
| Robert William Sultan | Independent Non-Executive Director (appointed 1 September 2020) |
| Darren John Cooper | Independent Non-Executive Director (appointed 1 September 2020) |
| Joanne Khoo Su Nee | Independent Non-Executive Director (appointed 26 July 2017) |

Remuneration Report

The breakdown of remuneration of the Non-Executive Directors of the Company (in percentage term) is set out below:

| Name | Directors' fee | |
|---------------------------------|----------------|--------|
| | 2023 | 2022 |
| Non-Executive Directors: | | |
| Joanne Khoo Su Nee | 33.93% | 32.88% |
| Robert William Sultan | 33.93% | 32.88% |
| Darren John Cooper | 28.28% | 34.24% |
| Georg Johann Chmiel | 3.86% | - |

06.

STATEMENT BY
DIRECTORS



Statement by Directors

The Directors of the Company are pleased to present the accompanying financial statements of the Company and of the Group for the reporting year ended 31 December 2023.

Before 31 May 2023, the Company was known as Netccentric Limited, which was changed to its present name.

1. Opinion of the Directors

In the opinion of the Directors,

- the accompanying financial statements and the consolidated financial statements are drawn up so as to give a true and fair view of the financial position and performance of the Company and, of the financial position and performance of the Group for the reporting year covered by the financial statements or consolidated financial statements; and
- at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors approved and authorised these financial statements for issue.

2. Directors

The Directors of the Company in office at the date of this statement are:

Ganesh Kumar Bangah

Darren John Cooper

Robert William Sultan

Joanne Khoo Su Nee

Georg Johann Chmiel (Appointed on 10 November 2023)

3. Directors' interests in shares and debentures

The Directors of the Company holding office at the end of the reporting year had no interests in shares in or debentures of the Company or other related body corporate as recorded in the register of Directors' interests in shares in or debentures kept by the Company under section 164 of the Companies Act 1967, (the "Act") except as follows:

| Name of Directors and Companies in which interests are held | Direct Interest | | Deemed Interest | |
|---|------------------------------------|------------------------------|------------------------------------|------------------------------|
| | At beginning of the reporting year | At end of the reporting year | At beginning of the reporting year | At end of the reporting year |
| The Company | | | | |
| Xamble Group Limited (Number of shares of no par value) | | | | |
| Ganesh Kumar Bangah | 12,925,000 | 12,333,334 | 204,940,517 | 204,940,517 ⁽¹⁾ |
| Darren John Cooper | 608,333 | 883,333 | 201,998 | 201,998 ⁽²⁾ |
| Robert William Sultan | 608,333 | 883,333 | - | - |
| Georg Johann Chmiel | - | 11,428,571 | - | 410,546 ⁽³⁾ |
| (Share options to subscribe for ordinary shares of A\$0.18 each) | | | | |
| Darren John Cooper | 222,222 | - | - | - |
| Robert William Sultan | 222,222 | - | - | - |
| (Share options to subscribe for ordinary shares of A\$0.0145 each) | | | | |
| Darren John Cooper | 550,000 | 275,000 | - | - |
| Robert William Sultan | 550,000 | 275,000 | - | - |
| (Share options to subscribe for ordinary shares of A\$0.045 each) | | | | |
| Georg Johann Chmiel | - | 2,000,000 | - | - |

⁽¹⁾ Held under nominee account HSBC Custody Nominees (Australia) Limited.

⁽²⁾ Held under nominee account Cooper Retirement Pty Ltd.

⁽³⁾ Held under nominee account Chmiel Super Pty Ltd.

3. Directors' interests in shares and debentures (continued)

Joanne Khoo Su Nee has no interests in the shares or debentures of the Company or any related body corporate of the Company.

By virtue of Chapter 7 of the Act, Ganesh Kumar Bangah is deemed to have an interest in the Company and in all the related bodies corporate of the Company.

4. Arrangements to enable Directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of the reporting year nor at any time during the reporting year did there subsist arrangements to which the Company is a party, being arrangements whose objects are, or one of whose objects is, to enable Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate, other than as disclosed under "Options" in this statement.

5. Options

(a) Options granted as part of fund raising exercise in 2021:

On 25 February 2021, the Company raised A\$2.95 million (S\$3,068,455) with the support of its lead manager Peak Asset Management, through the issue of 19,725,000 Chess Depositary Interests ("CDIs"). The Company also raised A\$100,000 (S\$102,471) from two of its Non-Executive Directors through the issue of 666,666 CDIs.

In conjunction with the fund raising exercise, the Company issued 13,150,000 and 444,444 free attached options (2 options issued for every 3 CDIs issued) to Security Holders and two of its Non-Executive Directors respectively. The company also issued 6,500,000 unlisted share options to the lead manager, Peak Asset Management.

In relation to the above options, a total of 120,000 options were exercised between the date of the grant up to the date of expiry on 1 September 2023. As of that date, the unexercised options expired.

(b) Other options granted:

In addition to the fund raising exercise referred to above, the Company also issued 11,000,000 and 1,650,000 share options to employees of the Group and to two of its Non-Executive Directors of the Company respectively during the financial year 2021. The share options, which have an exercise price of A\$0.0145 per share option, have a notional grant price of A\$0.156 per share option and were issued for nil consideration, but are subject to vesting conditions.

During the reporting year on 14 April 2023, there were 550,000 options and 41,666 options exercised by Non-Executive Directors of the Company and a non-key management personnel of the Group respectively. These were settled by a way of transfer of CDIs from the majority security holder of the Company. Accordingly, the Company did not receive any cash consideration and did not issue any new shares. See Note 20.

During the reporting year on 10 November 2023, 2,000,000 options were issued to the new Non-Executive Director of the Company. See Note 20A.

During the reporting year, no option to take up unissued shares or CDIs of the Company or other body corporate in the Group was granted except for those disclosed in the above paragraphs.

During the reporting year, there were no shares or CDIs issued by virtue of the exercise of an option to take up unissued shares or CDIs except for those disclosed in the above paragraphs.

At the end of the reporting year, there were no unissued shares or CDIs under option except for those disclosed in the above paragraphs.

6. Independent auditor

RSM SG Assurance LLP has expressed their willingness to accept re-appointment.

This audit firm was known as RSM Chio Lim LLP before 1 March 2024.

7. Report of audit and risk committee

The members of the audit and risk committee at the date of this report are as follows:

Joanne Khoo Su Nee (Chair of Audit and Risk Committee and Independent Non-Executive Director)

Robert William Sultan (Independent Non-Executive Director)

Darren John Cooper (Independent Non-Executive Director)

Georg Johann Chmiel (Independent Non-Executive Director)

The audit committee performed the functions specified by section 201B (5) of the Act. Among other functions, it reviewed the following, where relevant, with management and the external auditors:

- The audit plan of the independent external auditor.
- The independent external auditor's evaluation of the Company's internal accounting controls relevant to the statutory audit, the audit report on the financial statements and the assistance given by management to the auditor.
- The financial statements of the Group and the Company prior to their submission to the directors of the Company for adoption.
- The interested person transactions.

Other functions performed by the audit committee are described in the report on corporate governance included in the annual report of the Company. It also includes an explanation of how independent auditor objectivity and independence is safeguarded where the independent auditor provide non-audit services to the Group.

The audit committee has recommended to the board that the independent auditor, RSM SG Assurance LLP, be nominated for re-appointment as the independent auditor at the next annual general meeting of the Company.

8. Directors' opinion on the adequacy of internal controls

Based on the internal controls established and maintained by the Company, work performed by the external auditors, and reviews performed by management, other committees of the board, the audit and risk committee and the board are of the opinion that the Company's internal controls (including financial, operational, compliance and information technology controls), and risk management systems were adequate and effective as at 31 December 2023 to address the risks that the Company considers relevant and material to its operations.

9. Subsequent developments

There are no significant developments subsequent to the release of the Group's and the Company's preliminary financial statements, as announced on 28 February 2024, which would materially affect the Group's and the Company's operating and financial performance as of the date of this report.

On behalf of the Directors



.....
Ganesh Kumar Bangah

Director

28 March 2024



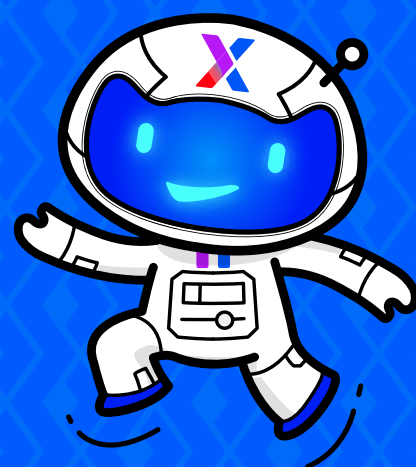
.....
Joanne Khoo Su Nee

Director

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07.

INDEPENDENT
AUDITOR'S
REPORT TO THE
MEMBERS OF
XAMBLE GROUP
LIMITED



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INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XAMBLE GROUP LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

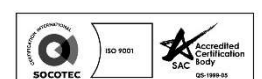
We have audited the accompanying financial statements of Xamble Group Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group, and statement of changes in equity of the Company for the reporting year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (the "Act") and Financial Reporting Standards ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2023 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the reporting year ended on that date.

Basis for opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the Company in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

THE POWER OF BEING UNDERSTOOD
ASSURANCE | TAX | ADVISORY | BUSINESS SOLUTIONS



RSM SG Assurance LLP is a member of the RSM network and trades as RSM. RSM is the trading name used by the members of the RSM network. Each member of the RSM network is an independent accounting and consulting firm which practices in its own right. The RSM network is not itself a separate legal entity in any jurisdiction.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XAMBLE GROUP LIMITED

Key audit matters

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

Assessment of recoverable amounts of cost of investments and net receivables due from subsidiaries

Refer to Notes 13 and 16 for the investment in subsidiaries and net receivables due from subsidiaries respectively. Included within those notes are disclosures of material accounting policies and other explanatory information and the critical judgements, assumptions and estimation uncertainties used in the assessment of the recoverable amounts of cost of investments in subsidiaries and net receivables due from subsidiaries at the reporting year end.

The net cost of investments in subsidiaries and receivables due from subsidiaries were S\$1,452,897 and S\$114,230 respectively as at 31 December 2023. In aggregate, these accounted for 56% of the Company's total assets as at the end of the reporting year. As the balances are significant, they were a key focus area for our audit.

For the non-performing subsidiaries or if they have significant negative equity balances, the Company will have exposure to loss on the cost of investments in the subsidiaries and receivables due from the subsidiaries. Any impairment loss on the investments in subsidiaries and expected credit loss on the related receivables from these subsidiaries have to be recognised in the Company's separate financial statements.

Management made a comparison of the carrying values of the subsidiaries in the Company's books with the Company's share of net assets or liabilities of the subsidiaries to identify indications of impairment loss on these investments or credit loss on the related receivables. Indications of loss were noted in relation to certain of its investments and related receivables. Based on this, management assessed the recoverable amounts of the cost of investment in subsidiaries and the collectability of net receivables due from the subsidiaries. The total loss allowance charged to profit or loss for the year was S\$434,095, comprising of an impairment loss on the cost of investment and expected credit loss on the net receivables from subsidiaries.

We have reviewed and considered management's assessment on the recoverability of the net assets or liabilities of these subsidiaries. We have also assessed management's basis of determining potential impairment loss in both financial and non-financial assets of these subsidiaries. We also held discussions with management on the prospects and future plans of these subsidiaries.

We also assessed the adequacy of the disclosures made in the financial statements.

Other information

Management is responsible for the other information. The other information comprises the information included in the statement by directors and the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XAMBLE GROUP LIMITED

Responsibilities of management and Directors for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and the FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is 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 management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs 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 financial statements.

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

- a) Identify and assess the risks of material misstatement of the 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.
- b) 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.
- c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) Conclude on the appropriateness of management's 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 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.
- e) Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- f) Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF XAMBLE GROUP LIMITED

Auditor's responsibilities for the audit of the financial statements (continued)

We communicate with the Directors 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 Directors 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, related safeguards.

From the matters communicated with the Directors, we determine those matters that were of most significance in the audit of the 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.

Report on other legal and regulatory requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Naveen Sasidaran.



RSM SG Assurance LLP

Public Accountants and
Chartered Accountants
Singapore

28 March 2024

Engagement partner - effective from year ended 31 December 2020

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08.

CONSOLIDATED
STATEMENT OF PROFIT
OR LOSS AND OTHER
COMPREHENSIVE
INCOME



CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year Ended 31 December 2023

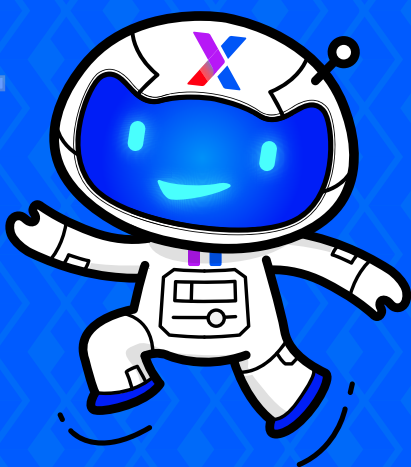
| | Notes | Group | |
|---|-------|-------------|-------------|
| | | 2023 | 2022 |
| | | S\$ | S\$ |
| Revenue | 5 | 9,615,082 | 11,057,657 |
| Cost of sales | | (5,480,670) | (6,428,762) |
| Gross profit | | 4,134,412 | 4,628,895 |
| Interest income | | 61,835 | 23,571 |
| Other income and gains | 6 | 142,400 | 855,026 |
| Finance costs | 7 | (8,773) | (5,593) |
| Administrative and operating expenses | 8 | (5,680,295) | (6,112,390) |
| Other losses | 6 | (292,109) | (431,965) |
| Loss before tax from continuing operations | | (1,642,530) | (1,042,456) |
| Income tax expense | 9 | (85,242) | (68,898) |
| Loss from continuing operations for the year | | (1,727,772) | (1,111,354) |
| Other comprehensive (loss) income: | | | |
| Items that will not be reclassified to profit or loss: | | | |
| Fair value changes on financial asset at fair value through other comprehensive income ("FVTOCI"), net of tax | 15 | (74,140) | 19,700 |
| Items that may be reclassified subsequently to profit or loss: | | | |
| Exchange differences on translating foreign operations, net of tax | | 95,813 | 33,457 |
| Other comprehensive income for the year, net of tax | | 21,673 | 53,157 |
| Total comprehensive loss for the year | | (1,706,099) | (1,058,197) |
| Loss for the year, net of tax attributable to: | | | |
| Owners of the parent | | (1,777,222) | (1,075,009) |
| Non-controlling interests | | 49,450 | (36,345) |
| | | (1,727,772) | (1,111,354) |
| Total comprehensive loss for the year attributable to: | | | |
| Owners of the parent | | (1,653,378) | (1,021,852) |
| Non-controlling interests | | (52,721) | (36,345) |
| | | (1,706,099) | (1,058,197) |
| Loss per share: | | | |
| Basic and diluted loss per share (cents) | 10 | (0.63) | (0.38) |

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

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09.

STATEMENTS OF
FINANCIAL POSITION



STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023

| | Notes | Group | | Company | |
|---------------------------------|-------|------------------|------------------|------------------|------------------|
| | | 2023 | 2022 | 2023 | 2022 |
| | | S\$ | S\$ | S\$ | S\$ |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Plant and equipment | 11 | 439,326 | 506,239 | - | - |
| Intangible assets | 12 | 302,895 | 192,270 | - | - |
| Investments in subsidiaries | 13 | - | - | 1,452,897 | 1,078,381 |
| Investments in associates | 14 | 103,057 | 103,057 | 16,932 | 16,932 |
| Financial asset at FVTOCI | 15 | 23,560 | 97,700 | 23,560 | 97,700 |
| Deferred tax assets | 9 | 18,956 | 39,276 | - | - |
| Total non-current assets | | 887,794 | 938,542 | 1,493,389 | 1,193,013 |
| Current assets | | | | | |
| Income tax recoverable | | 250,371 | 153,219 | - | - |
| Trade and other receivables | 16 | 1,711,787 | 2,012,973 | 116,893 | 213,942 |
| Other non-financial assets | 17 | 417,646 | 148,151 | 27,799 | 27,022 |
| Cash and cash equivalents | 18 | 2,804,298 | 4,307,791 | 1,183,588 | 2,031,309 |
| Total current assets | | 5,184,102 | 6,622,134 | 1,328,280 | 2,272,273 |
| Total assets | | 6,071,896 | 7,560,676 | 2,821,669 | 3,465,286 |

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STATEMENTS OF FINANCIAL POSITION

As at 31 December 2023 (continued)

| | Notes | Group | | Company | |
|--|-------|------------------|------------------|------------------|------------------|
| | | 2023 | 2022 | 2023 | 2022 |
| | | S\$ | S\$ | S\$ | S\$ |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Share capital | 19 | 14,541,084 | 14,112,365 | 14,541,084 | 14,112,365 |
| Accumulated losses | | (12,095,475) | (11,599,766) | (13,430,863) | (13,780,678) |
| Capital reserve | 20C | 65,757 | 29,329 | 65,757 | 29,329 |
| Share option reserve | 20 | 1,719,906 | 2,847,919 | 1,719,906 | 2,847,919 |
| Fair value reserve | 21 | (497,953) | (423,813) | (497,953) | (423,813) |
| Foreign currency translation reserve | 22 | (104,785) | (302,769) | - | - |
| Equity attributable to owners of the parent | | 3,628,534 | 4,663,265 | 2,397,931 | 2,785,122 |
| Non-controlling interests | | 535,821 | 541,468 | - | - |
| Total equity | | 4,164,355 | 5,204,733 | 2,397,931 | 2,785,122 |
| Non-current liability | | | | | |
| Lease liabilities, non-current | 26 | 53,521 | 103,512 | - | - |
| Total non-current liability | | 53,521 | 103,512 | - | - |
| Current liabilities | | | | | |
| Income tax payable | | 8,971 | 97 | - | - |
| Trade and other payables | 23 | 1,542,534 | 1,583,063 | 379,147 | 478,648 |
| Other financial liability | 24 | - | 41,872 | - | 41,872 |
| Other non-financial liabilities | 25 | 196,590 | 509,905 | 44,591 | 159,644 |
| Lease liabilities, current | 26 | 105,925 | 117,494 | - | - |
| Total current liabilities | | 1,854,020 | 2,252,431 | 423,738 | 680,164 |
| Total liabilities | | 1,907,541 | 2,355,943 | 423,738 | 680,164 |
| Total equity and liabilities | | 6,071,896 | 7,560,676 | 2,821,669 | 3,465,286 |

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

10.

STATEMENTS OF
CHANGES IN EQUITY



STATEMENTS OF CHANGES IN EQUITY

Year Ended 31 December 2023

| | Total equity | Attributable to parent sub-total | Share capital | Accumulated losses | Capital reserve | Share option reserve | Fair value reserve | Foreign currency translation reserve | Non-controlling interests |
|--|------------------|----------------------------------|-------------------|---------------------|-----------------|----------------------|--------------------|--------------------------------------|---------------------------|
| | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ |
| Group: | | | | | | | | | |
| Current year: | | | | | | | | | |
| Balance at 1 January 2023 | 5,204,733 | 4,663,265 | 14,112,365 | (11,599,766) | 29,329 | 2,847,919 | (423,813) | (302,769) | 541,468 |
| Changes in equity: | | | | | | | | | |
| Total comprehensive loss for the year | (1,706,099) | (1,653,378) | - | (1,777,222) | - | - | (74,140) | 197,984 | (52,721) |
| Issue of share capital (Note 19) | 428,719 | 428,719 | 428,719 | - | - | - | - | - | - |
| Expiry of share options (Note 20) | - | - | - | 1,281,513 | - | (1,281,513) | - | - | - |
| Share-options expense (Note 20) | 260,517 | 260,517 | - | - | - | 260,517 | - | - | - |
| Forfeited share options (Note 20) | (70,589) | (70,589) | - | - | - | (70,589) | - | - | - |
| Transfer to capital reserve (Note 20C) | - | - | - | - | 36,428 | (36,428) | - | - | - |
| Additions to non-controlling interests in a subsidiary | 70,768 | - | - | - | - | - | - | - | 70,768 |
| Dividend paid to non-controlling interests | (23,694) | - | - | - | - | - | - | - | (23,694) |
| Balance at 31 December 2023 | 4,164,355 | 3,628,534 | 14,541,084 | (12,095,475) | 65,757 | 1,719,906 | (497,953) | (104,785) | 535,821 |
| Previous year: | | | | | | | | | |
| Balance at 1 January 2022 | 5,650,288 | 5,110,695 | 14,112,365 | (10,502,740) | - | 2,285,712 | (443,513) | (341,129) | 539,593 |
| Changes in equity: | | | | | | | | | |
| Total comprehensive loss for the year | (1,058,197) | (1,021,852) | - | (1,075,009) | - | - | 19,700 | 33,457 | (36,345) |
| Share-options expense (Note 20) | 665,486 | 665,486 | - | - | - | 665,486 | - | - | - |
| Forfeited share options (Note 20) | (73,950) | (73,950) | - | - | - | (73,950) | - | - | - |
| Transfer to capital reserve (Note 20C) | - | - | - | - | 29,329 | (29,329) | - | - | - |
| Acquisition of additional interest in a subsidiary | (159,644) | (17,114) | - | (22,017) | - | - | - | 4,903 | (142,530) |
| Additions to non-controlling interests in subsidiaries | 180,750 | - | - | - | - | - | - | - | 180,750 |
| Balance at 31 December 2022 | 5,204,733 | 4,663,265 | 14,112,365 | (11,599,766) | 29,329 | 2,847,919 | (423,813) | (302,769) | 541,468 |

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

STATEMENTS OF CHANGES IN EQUITY

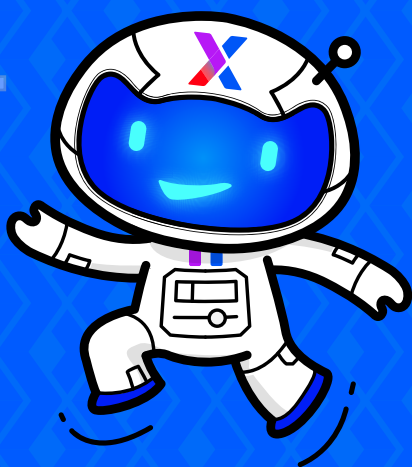
Year Ended 31 December 2023 (continued)

| | Total equity | Share capital | Share option reserve | Capital reserve | Fair value reserve | Accumulated losses |
|--|------------------|-------------------|----------------------|-----------------|--------------------|---------------------|
| | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ |
| Company: | | | | | | |
| Current year: | | | | | | |
| Opening balance at 1 January 2023 | 2,785,122 | 14,112,365 | 2,847,919 | 29,329 | (423,813) | (13,780,678) |
| Changes in equity: | | | | | | |
| Total comprehensive loss for the year | (1,005,838) | - | - | - | (74,140) | (931,698) |
| Issue of share capital (Note 19) | 428,719 | 428,719 | - | - | - | - |
| Expiry of share options (Note 20) | - | - | (1,281,513) | - | - | 1,281,513 |
| Share-options expense (Note 20) | 260,517 | - | 260,517 | - | - | - |
| Forfeited share options (Note 20) | (70,589) | - | (70,589) | - | - | - |
| Transfer to capital reserve (Note 20C) | - | - | (36,428) | 36,428 | - | - |
| Closing balance at 31 December 2023 | 2,397,931 | 14,541,084 | 1,719,906 | 65,757 | (497,953) | (13,430,863) |
| Previous year: | | | | | | |
| Opening balance at 1 January 2022 | 2,816,970 | 14,112,365 | 2,285,712 | - | (443,513) | (13,137,594) |
| Changes in equity: | | | | | | |
| Total comprehensive loss for the year | (623,384) | - | - | - | 19,700 | (643,084) |
| Share-options expense (Note 20) | 665,486 | - | 665,486 | - | - | - |
| Forfeited share options (Note 20) | (73,950) | - | (73,950) | - | - | - |
| Transfer to capital reserve (Note 20C) | - | - | (29,329) | 29,329 | - | - |
| Closing balance at 31 December 2022 | 2,785,122 | 14,112,365 | 2,847,919 | 29,329 | (423,813) | (13,780,678) |

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

11.

CONSOLIDATED
STATEMENT OF CASH
FLOWS



CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 31 December 2023

| | Group | |
|---|-------------|-------------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Cash flows from operating activities | | |
| Loss before tax | (1,642,530) | (1,042,456) |
| Adjustments for: | | |
| Depreciation expense | 209,099 | 207,550 |
| Amortisation expense | 47,417 | 25,500 |
| Gain on disposal of plant and equipment | (26,774) | (2,587) |
| Write back of contingent liability | (29,444) | - |
| Fair value gain on other financial liability at FVTPL | (41,872) | (817,621) |
| Share-options expense, net | 189,928 | 591,536 |
| Interest income | (61,835) | (23,571) |
| Interest expense | 8,773 | 5,593 |
| Foreign exchange adjustment unrealised losses | 209,312 | 272,137 |
| Operating cash flow before changes in working capital | (1,137,926) | (783,919) |
| Other non-financial assets | (269,495) | 45,290 |
| Trade and other receivables | 301,186 | 682,817 |
| Trade and other payables | (40,529) | (503,028) |
| Other non-financial liabilities | (198,262) | 124,700 |
| Net cash used in operations | (1,345,026) | (434,140) |
| Income taxes paid | (153,200) | (193,361) |
| Net cash used in operating activities | (1,498,226) | (627,501) |
| Cash flows from investing activities | | |
| Dividends from associate | - | 51,534 |
| Proceeds from disposal of plant and equipment | 33,244 | 2,587 |
| Additional contribution paid by non-controlling interests in a subsidiary | 70,768 | - |
| Interest received | 61,835 | 23,571 |
| Purchase of intangible assets | (162,336) | (55,870) |
| Purchase of plant and equipment | (85,994) | (210,337) |
| Net cash used in investing activities | (82,483) | (188,515) |

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CONSOLIDATED STATEMENT OF CASH FLOWS

Year Ended 31 December 2023 (continued)

| | Group | |
|---|-------------|-----------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Cash flows from financing activities | | |
| Dividends paid to non-controlling interests | (23,694) | - |
| Lease liabilities - principal portion paid | (144,043) | (123,763) |
| Proceeds from issuance of shares | 343,110 | - |
| Interest paid | (8,773) | (5,593) |
| Net cash from (used in) financing activities | 166,600 | (129,356) |
| Net decrease in cash and cash equivalents | (1,414,109) | (945,372) |
| Cash and cash equivalents, statement of cash flows, beginning balance | 4,307,791 | 5,414,901 |
| Effects of currency translation on cash and cash equivalents | (89,384) | (161,738) |
| Cash and cash equivalents, statement of cash flows, ending balance (Note 18) | 2,804,298 | 4,307,791 |

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

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12.

NOTES TO THE
FINANCIAL STATEMENTS



NOTES TO THE FINANCIAL STATEMENTS

31 December 2023

1. General

The Company (Registration No: 200612086W) is incorporated in Singapore with limited liability. The financial statements are presented in Singapore dollars and they cover the Company (referred to as "parent") and its subsidiaries (referred to as "Group").

The board of Directors approved and authorised these financial statements for issue on the date of the statement by Directors. The Directors have the power to amend and reissue the financial statements.

Before 31 May 2023, the Company was known as Netccentric Limited, which was changed to its present name.

The principal activities of the Company are those of investment holding. The principal activities of its subsidiaries are described in Note 13 below.

The Company is listed on the Australian Securities Exchange ("ASX").

The registered office is: 600 North Bridge Road, #23-01 Parkview Square, Singapore 188778. The Company is situated in Singapore.

Uncertainties relating to the current macroeconomic conditions

Management has considered the uncertain and challenging macroeconomic and geopolitical environment that have caused widespread increase in interest rates and a significant rise in inflation, affecting the cost of many of the goods and services for customers and suppliers. Management reviewed the probable impact and plausible downside scenarios. No material uncertainties were identified in connection with the reporting entity's ability to continue in operational existence for the near future.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Financial Reporting Standards ("FRSs") and the related interpretations to FRS ("INT FRS") as issued by the Accounting Standards Committee under ACRA (ASC). They comply with the provisions of the Companies Act 1967.

Basis of preparation of the financial statements

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. Disclosures are made on the accounting policy information relating to material transactions, other events or conditions if that information is material to the financial statements or is required by a financial reporting standard. It is regarded as material if users of the financial statements would need it to understand other material information in the financial statements. Account balance entity-specific accounting policies and other information are disclosed in the relevant respective account balances in the financial statements. Entity-specific accounting policies and other information that relate to more than one account balance or a class of material transactions are described in Note 2A below.

1. General (continued)

Basis of presentation and principles of consolidation

The consolidated financial statements include the financial statements made up to the end of the reporting year of the Company and all of its subsidiaries. The consolidated financial statements are the financial statements of the Group (the parent and its subsidiaries) presented as those of a single economic entity and are prepared using uniform accounting policies for like transactions and other events in similar circumstances. All significant intragroup balances and transactions are eliminated on consolidation. Subsidiaries are consolidated from the date the reporting entity obtains control of the investee. They are de-consolidated from the date that control ceases.

Changes in the Group's ownership interest in a subsidiary that do not result in the loss of control are accounted for within equity as transactions with owners in their capacity as owners. The carrying amounts of the Group's and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. When the Group loses control of a subsidiary it derecognises the assets and liabilities and related equity components of the former subsidiary. Any gain or loss is recognised in profit or loss. Any investment retained in the former subsidiary is measured at fair value at the date when control is lost and is subsequently accounted as equity investments financial assets in accordance with the financial reporting standard on financial instruments.

The Company's separate financial statements have been prepared on the same basis, and as permitted by the Companies Act 1967, the Company's separate statement of profit or loss and other comprehensive income is not presented.

The financial position of the entity, its cash flows, liquidity position and borrowings are described in the notes to the financial position. In addition, the notes to the financial statements include the objectives, policies and processes for managing capital, financial risk management objectives, details of financial instruments and its exposure to credit risk and liquidity risk. The Group has net current assets of S\$3,330,082, including cash and cash equivalents of S\$2,804,298 as at 31 December 2023. Taking into consideration operational plans of the Group for 2024, the management has a reasonable expectation that the entity has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the management continues to adopt the going concern basis in preparing the financial statements.

2. Disclosure of material accounting policy and other explanatory information

2A. Material accounting policy and other explanatory information – general

Foreign currency transactions

The functional currency of the Company is the Singapore dollar as it reflects the primary economic environment in which the entity operates. Transactions in foreign currencies are recorded in the functional currency at the rates ruling at the dates of the transactions. At each end of the reporting year, recorded monetary balances and balances measured at fair value that are denominated in non-functional currencies are reported at the rates ruling at the end of the reporting year and fair value measurement dates respectively. All realised and unrealised exchange adjustment gains and losses are dealt with in profit or loss except when a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. The presentation of these financial statement is in the functional currency of the Company.

2. Disclosure of material accounting policy and other explanatory information (continued)

2A. Material accounting policy and other explanatory information – general (continued)

Translation of financial statements of other entities

Each component in the Group determines the appropriate functional currency as it reflects the primary economic environment in which the relevant reporting entity operates. In translating the financial statements of such an entity for incorporation in the combined financial statements in the presentation currency the assets and liabilities denominated in other currencies are translated at end of the reporting year rates of exchange and income and expense items for each statement presenting other comprehensive income are translated at average rates of exchange for the reporting year. The resulting translation adjustments (if any) are recognised in other comprehensive income and accumulated in a separate component of equity until the disposal of that relevant reporting entity.

Carrying amounts of non-financial assets

Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible asset with an indefinite useful life or an intangible asset not yet available for use. The carrying amount of other non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss. The recoverable amount of an asset or a cash-generating unit is the higher of its fair value less costs of disposal and its value in use. When the fair value less costs of disposal method is used, any available recent market transactions are taken into consideration. When the value in use method is adopted, in assessing the 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. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). At each end of the reporting year, non-financial assets other than goodwill with impairment loss recognised in prior periods are assessed for possible reversal of the impairment. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been measured, net of depreciation or amortisation, if no impairment loss had been recognised.

Fair value of measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (eg by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset or liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

2. Significant accounting policies and other explanatory information (continued)

2A. Material accounting policy and other explanatory information – general (continued)

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (ie as prices) or indirectly (ie derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are material differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements. The recurring measurements are made at each reporting year end date.

Other specific material accounting policy and other explanatory information

These are disclosed at the relevant notes to the financial statements.

2B. Critical judgements, assumptions and estimation uncertainties

Disclosures on material information about the assumptions management made about the future, and other major sources of estimation uncertainty at the end of the reporting year, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the corresponding notes to these financial statements. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

- 1) Assessment of recoverable amounts of cost of investments in subsidiaries and net receivables due from subsidiaries. See Notes 13 and 16.
- 2) Assessing expected credit loss allowance on trade and other receivables. See Note 16.
- 3) Fair value of financial asset at FVTOCI. See Note 15.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the reporting entity to disclose: (a) transactions with its related parties; and (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

The ultimate controlling party is Ganesh Kumar Bangah, a Director and significant security holder.

Related companies in these financial statements include the members of the ultimate controlling party's Group of companies. Associates also include those that are associates of members of the ultimate controlling party's Group of companies.

3A. Related party transactions

There are transactions and arrangements between the Group and related parties and the effects of these on the basis determined between the parties are reflected in these financial statements. The related party balances and transfer of resources, services or obligations if any are unsecured, without fixed repayment terms and interest or charge unless stated otherwise.

Intragroup transactions and balances that have been eliminated in these consolidated financial statements are not disclosed as related party transactions and balances below.

In addition to the transactions and balances disclosed elsewhere in the notes to the financial statements, other related party transactions include the following:

| | Group | |
|--|----------|----------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Material related party transactions: | | |
| Revenue - rendering of services ⁽¹⁾ | 154,379 | 295,935 |
| Cost of services ⁽¹⁾⁽²⁾ | (23,769) | (39,817) |
| Administrative shared costs ⁽¹⁾⁽²⁾ | 14,690 | 3,735 |

(1) Includes transactions with the Commerce DotAsia Ventures Sdn. Bhd. Group of companies, a firm where Ganesh Kumar Bangah, Executive Chairman and substantial security holder of the Company, is also a Director and has substantial direct and indirect interests as a shareholder.

(2) Includes transactions with an associate of Commerce DotAsia Ventures Sdn. Bhd., where Ganesh Kumar Bangah has indirect interests as a shareholder.

3. Related party relationships and transactions (continued)

3B. Key management compensation

| | Group | |
|---|---------|---------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Salaries and other short-term employee benefits | 527,301 | 562,075 |
| Share option expense relating to Non-Executive Directors of the Company | 41,430 | 90,375 |
| Share option expense relating to key management personnel of the Group | 93,894 | 246,476 |

The above amounts are included under employee benefits expense. Included within salaries and other short-term employee benefits in the above table are following items:

| | Group | |
|---|---------|---------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Fees to Non-Executive Directors of the Company | 90,539 | 104,857 |
| Remuneration of key management personnel of the Group | 436,762 | 457,218 |

Further information about the remuneration of individual Non-Executive Directors is provided in the report on corporate governance.

Key management personnel include the Executive Chairman and those persons having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The above amounts are for the four current Non-Executive Directors (2022: three), Executive Chairman, Chief Operating Officer, Chief Financial Officer and Chief Technology Officer.

3C. Other receivables from and other payables to related parties

The trade transactions and the related receivables and payables balances arising from sales and purchases of goods and services are disclosed elsewhere in the notes to the financial statements.

The movements in other receivables from and other payables to related parties are as follows:

| | Subsidiaries | |
|--|--------------|-----------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Company: | | |
| (Other payables) receivables: | | |
| At beginning of the year - net (credit) debit | (279,299) | 27,557 |
| Amounts paid out and settlement of liabilities on behalf of subsidiaries | 15,950 | - |
| Amounts paid in and settlement of liabilities on behalf of the Company | - | (293,365) |
| Reversal (allowance) for impairment (Note 16) | 30,021 | (13,491) |
| At end of the year - net credit | (233,328) | (279,299) |
| Presented in the statement of financial position as follows: | | |
| Other receivables (Note 16) | 28,390 | 66,491 |
| Other payables (Note 23) | (261,718) | (345,790) |
| At end of the year - net credit | (233,328) | (279,299) |

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4. Financial information by operating segment

Material accounting policy information and other explanatory information – Segment reporting:

The reporting entity discloses financial and descriptive information about its consolidated reportable segments. Reportable segments are operating segments or aggregations of operating segments that meet specified criteria. Operating segments are components about which separate financial information is available that is evaluated regularly by the chief operating decision maker to allocate resources and in assessing performance. Generally, financial information on segments is reported on the same basis as is used internally for evaluating operating segment performance and deciding how to allocate resources to operating segments. Disclosure of information about operating segments, products and services, the geographical areas, and the major customers are made as required by the financial reporting standard on operating segments. This disclosure standard has no impact on the reported financial performance or financial position of the reporting entity.

4A. Information about reportable segment profit or loss, assets and liabilities

For management purposes, the Group is organised into the following major strategic operating segments that offer different products and services: (1) Influencer Platform, (2) Social Media Agency, (3) Performance Marketing Agency and (4) Live Commerce. Such a structural organisation is determined by the nature of risks and returns associated with each business segment and it defines the management structure as well as the internal reporting system. It represents the basis on which the management reports the primary segment information that is available and that is evaluated regularly by the board of directors (who are identified as the chief operating decision makers) in deciding how to allocate resources and in assessing the performance. They are managed separately because each business requires different strategies.

Two or more operating segments may be aggregated into a single operating segment if in the judgement of management the segments have similar economic characteristics, and the segments are similar in some aspects such as the nature of the products and services; production processes; type or class of customer; distribution methods.

The principal segments and type of products and services are as follows:

| | |
|----------------------------------|---|
| (1) Influencer platform | Enables advertisers to engage social media influencers to promote their products and services. |
| (2) Social media agency | Digital marketing agency specialising in social media strategy and campaign management for advertisers. |
| (3) Performance marketing agency | Performance marketing agency specialising in the manufacture and construction of advertising devices through any media. |
| (4) Live commerce | Live commerce enabler aiming to provide merchants and their customers with a seamless and automated livestream shopping experience. |

Segment revenues are allocated based on the country in which the customer is located. The Group has a large number of customers to which it provides both products and services. The Group does not rely on any single customer to a significant portion of revenues. Segment results consist of costs directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Inter-segment sales are measured on the basis that the entity actually used to price the transfers. Internal transfer pricing policies of the Group are as far as practicable based on market prices. The accounting policies of the operating segments are the same as those used by the reporting entity.

4. Financial information by operating segment (continued)

4A. Information about reportable segment profit or loss, assets and liabilities (continued)

The following tables illustrate the information about revenue by business units and countries.

| | 2023 | 2022 |
|--|-----------|------------|
| | S\$ | S\$ |
| Business Units | | |
| Influencer platform | 4,894,263 | 5,946,618 |
| Social media agency | 2,405,642 | 2,853,359 |
| Performance marketing agency | 1,965,478 | 2,018,792 |
| Live commerce | 349,699 | 238,888 |
| Total | 9,615,082 | 11,057,657 |
| Country | | |
| Malaysia | 8,392,308 | 9,715,331 |
| Taiwan | 1,196,674 | 1,208,025 |
| Singapore | 26,100 | 134,301 |
| Total | 9,615,082 | 11,057,657 |
| Information about revenues from major customers | | |
| Top 1 customer | 1,221,621 | 1,400,664 |
| Top 2 customers | 2,154,866 | 2,510,052 |
| Top 3 customers | 2,645,207 | 3,238,913 |

Management has determined the operating segments based on reports reviewed by the board of Directors for making strategic decisions. The board of Directors has considered the business from both a geographical and business segment perspective and has identified the above reportable segments.

The chief operating decision maker evaluates the segment information by revenue streams. The remaining cost of sales, expenses, assets and liabilities are unallocated.

5. Revenue

Revenue classified by type of service:

| | Group | |
|-----------------------|-----------|------------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Rendering of services | 9,615,082 | 11,057,657 |

All the contracts are less than 12 months. The revenue is from rendering of services and is recognised over time. The customers are mostly commercial customers.

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5. Revenue (continued)

Material accounting policy information and other explanatory information - Revenue:

Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints), net of any related taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Distinct goods or services created over time - For long-term service contracts and projects for constructing, manufacturing or developing an asset, the customer value is created over time during the contract period and it is accounted for as a single performance obligation that is satisfied over time. This is because the customer simultaneously receives and consumes the benefits of the entity's performance in processing each transaction as and when each transaction is processed; the performance creates or enhances an asset (for example, work in progress) that the customer controls as the asset is created or enhanced; or the performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date. The revenue is recognised over time by using the output method.

For the output method the revenue is recognised on the basis of direct measurements of the value to the customer of the goods or services transferred to date relative to the remaining goods or services promised under the contract. Output methods include methods such as milestones reached. For the output method, as a practical expedient for a performance obligation satisfied over time, if the entity has a right to invoice the customer at an amount that corresponds directly with the value to the customer of the entity's performance to date, revenue is recognised at that amount (for example, in a goods or services contract an entity may have the right to bill a fixed amount for each unit of goods or service provided).

6. Other income and gains (other losses)

| | Group | |
|---|------------------|----------------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Allowance for impairment on trade receivables - (loss) (Note 16) | (6,304) | (3,945) |
| Foreign exchange adjustment losses | (285,805) | (428,020) |
| Gain on disposal of plant and equipment | 26,774 | 2,587 |
| Government grants | 12,278 | 25,643 |
| Write back of contingent liability (Note 25B) | 29,444 | - |
| Fair value gain on other financial liability at FVTPL (Note 24) | 41,872 | 817,621 |
| Other income | 32,032 | 9,175 |
| Net | (149,709) | 423,061 |
| Presented in profit or loss as: | | |
| Other gains | 142,400 | 855,026 |
| Other losses | (292,109) | (431,965) |
| Net | (149,709) | 423,061 |

6. Other income and gains (other losses) (continued)

Material accounting policy information and other explanatory information - income:

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate. The grant related to assets is presented in the statement of financial position by recognising the grant as deferred income that is recognised in profit or loss on a systematic basis over the useful life of the asset and in the proportions in which depreciation expense on those assets is recognised.

Interest income is recognised using the effective interest method.

7. Finance costs

| | Group | |
|------------------|-------|-------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Interest expense | 8,773 | 5,593 |

8. Administrative and operating expenses

The major and selected components include the following:

| | Group | |
|---|-----------|-----------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Advertising expenses | 53,636 | 171,442 |
| Audit fees to the independent auditors of the Company | 74,000 | 74,000 |
| Audit fees to the other independent auditors - network firms | 47,028 | 46,476 |
| Audit fees to the other independent auditors - non-network firms | 3,920 | 5,359 |
| Audit-related services fees to the independent auditor of the Company | 29,000 | 29,000 |
| Non-audit-related services fees to the independent auditors of the Company | 8,300 | 4,800 |
| Non-audit-related services fees to the independent auditors - network firms | 2,590 | 2,778 |
| Depreciation expense | 209,099 | 207,550 |
| Salaries and other short term employee benefits (Note 8A) | 4,261,227 | 4,679,650 |
| Professional fees | 314,768 | 388,525 |

8A. Employee benefit expenses

| | Group | |
|--|-----------|-----------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Salaries and wages | 3,597,627 | 3,613,429 |
| Contributions to defined contribution plans | 343,254 | 338,151 |
| Other benefits | 130,418 | 136,534 |
| Share option expense relating to employees (Note 20) | 54,604 | 254,685 |
| Share option expense relating to Non-Executive Directors of the Company (Notes 3 and 20) | 41,430 | 90,375 |
| Share option expense relating to key management personnel of the Group (Notes 3 and 20) | 93,894 | 246,476 |
| Total employee benefit expenses | 4,261,227 | 4,679,650 |

8. Administrative and operating expenses (continued)

8A. Employee benefit expenses (continued)

Material accounting policy information and other explanatory information – Employee benefits:

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute for the Singapore employees to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). Certain subsidiaries overseas have defined contribution retirement benefit plans in which employees are entitled to join upon fulfilling certain conditions. The assets of the fund may or may not be held separately from those of the entity in an independently administered fund. The entity contributes an amount equal to a fixed percentage of the salary of each participating employee.

9. Income tax

9A. Components of income tax expense recognised in profit or loss

| | Group | |
|--|----------|----------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Current tax expense: | | |
| Current tax expense | 64,734 | 121,282 |
| Under (over) adjustments in respect of prior periods | 1,977 | (60,566) |
| Subtotal | 66,711 | 60,716 |
| Deferred tax expense (income): | | |
| Deferred tax expense (income) | 46,842 | (7,822) |
| (Over) under adjustments in respect of prior periods | (28,311) | 16,004 |
| Subtotal | 18,531 | 8,182 |
| Total income tax expense | 85,242 | 68,898 |

The income tax in profit or loss varied from the amount of income tax amount determined by applying the Singapore income tax rate of 17% (2022: 17%) to profit or loss before income tax as a result of the following differences:

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9. Income tax (continued)

9A. Components of income tax recognised in profit or loss include (continued):

| | Group | |
|--|-------------|-------------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Loss before tax | (1,642,530) | (1,042,456) |
| Income tax income at the above rate | (279,230) | (177,218) |
| Effect of different tax rates in foreign jurisdictions | (53,582) | (78,786) |
| Income not subject to tax | (25,471) | (139,117) |
| Expenses not deductible for tax purposes | 173,304 | 232,247 |
| Deferred tax assets not recognised | 257,014 | 246,585 |
| Over adjustments to tax in respect of prior periods | (26,334) | (44,562) |
| Stepped income exemptions | - | (6,065) |
| Withholding tax | 39,228 | 40,644 |
| Others | 313 | (4,830) |
| Total income tax expense | 85,242 | 68,898 |

There are no income tax consequences of dividends to owners of the Company.

Material accounting policy information and other explanatory information - Income tax:

Tax expense (tax income) is the aggregate amount included in the determination of profit or loss for the reporting year in respect of current tax and deferred tax. Current income tax is the expected tax payable on the taxable income for the reporting year; calculated using rates enacted or substantively enacted at the statement of financial position date; and inclusive of any adjustment to income tax payable or recoverable in respect of previous reporting years. Deferred tax is recognised using the liability method; based on temporary differences between the carrying amounts of assets and liabilities in the financial statements and their respective income tax bases; and determined using tax rates that have been enacted or substantively enacted by the reporting year end date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

A deferred tax amount is recognised for all temporary differences, unless the deferred tax amount arises from the initial recognition of an asset or liability in a transaction which (i) is not a business combination; and (ii) at the time of the transaction, affects neither accounting profit nor taxable profit (tax loss).

9. Income tax (continued)

9B. Deferred tax expense recognised in profit or loss

| | Group | |
|---|-----------|-----------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Tax loss carryforwards | (228,549) | (212,473) |
| Excess of book over tax depreciation of plant and equipment | (8,145) | (27,955) |
| Deferred tax assets not recognised | 257,014 | 246,585 |
| Others | (1,789) | 2,025 |
| Net balance | 18,531 | 8,182 |

9C. Deferred tax asset in the statement of financial position

| | Group | |
|--|-------------|-------------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Tax loss carryforwards | 2,343,979 | 2,115,430 |
| Excess of tax values of plant and equipment over net book values | 67,136 | 58,991 |
| Deferred tax assets not recognised | (2,392,159) | (2,135,145) |
| Net balance | 18,956 | 39,276 |

It is impracticable to estimate the amount expected to be settled or used within one year.

Deferred tax assets in respect of certain tax losses and capital allowances have not been recognised, as the future profit streams are not probable against which the deductible temporary differences can be utilised. The tax losses carried forward are mainly from the subsidiaries in Malaysia, which will expire within the year of assessments of 2026 to 2028. Temporary differences arising in connection with interests in subsidiaries and associates are insignificant.

10. Loss per share

The following table illustrates the numerators and denominators used to calculate basic and diluted loss per share of no par value:

| | 2023 | 2022 |
|--|-------------|-------------|
| | S\$ | S\$ |
| A. Numerator: loss attributable to equity: | | |
| Continuing operations: attributable to equity holders | | |
| Total basic and diluted loss | (1,777,222) | (1,075,009) |
| B. Denominator: weighted average number of equity shares | | |
| Basic and diluted | 282,499,348 | 281,201,915 |

10. Loss per share (continued)

The weighted average number of equity shares refers to shares in issue outstanding during the reporting period.

The loss per share is based on the weighted average number of ordinary shares outstanding during each reporting year.

There is no dilutive effect from the share options as they are anti-dilutive because their conversion to ordinary shares would increase earnings per share or decrease loss per share from continuing operations.

11. Plant and equipment

| | Computer equipment | Furniture and fittings | Office and production equipment | Motor vehicles | Renovation | Right-of-use assets | Total |
|----------------------------------|-----------------------|---------------------------|---------------------------------------|-------------------|------------|------------------------|-----------|
| | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ | S\$ |
| Group | | | | | | | |
| Cost: | | | | | | | |
| At 1 January 2022 | 342,536 | 74,668 | 83,473 | 128,149 | 147,151 | 291,352 | 1,067,329 |
| Additions | 64,733 | 17,790 | 15,213 | 41,325 | 71,276 | 205,522 | 415,859 |
| Foreign exchange adjustments | (19,907) | (4,370) | (3,674) | (7,420) | (11,054) | (27,258) | (73,683) |
| Disposals | (12,678) | - | - | - | - | - | (12,678) |
| Written off | - | - | - | - | (32,686) | (187,991) | (220,677) |
| At 31 December 2022 | 374,684 | 88,088 | 95,012 | 162,054 | 174,687 | 281,625 | 1,176,150 |
| Additions | 37,743 | 777 | 15,128 | 22,057 | 10,289 | 82,483 | 168,477 |
| Foreign exchange adjustments | (18,396) | (3,230) | (5,094) | (9,209) | (10,133) | (14,217) | (60,279) |
| Disposals | (8,754) | - | (405) | (72,109) | - | - | (81,268) |
| Written off | - | - | - | - | - | (123,600) | (123,600) |
| At 31 December 2023 | 385,277 | 85,635 | 104,641 | 102,793 | 174,843 | 226,291 | 1,079,480 |
| Accumulated depreciation: | | | | | | | |
| At 1 January 2022 | 265,503 | 42,356 | 58,343 | 127,221 | 63,577 | 162,792 | 719,792 |
| Depreciation for the year | 33,066 | 5,426 | 9,941 | 1,465 | 37,830 | 119,822 | 207,550 |
| Foreign exchange adjustments | (16,251) | (2,901) | (3,424) | (7,420) | (6,792) | 12,712 | (24,076) |
| Disposals | (12,678) | - | - | - | - | - | (12,678) |
| Written off | - | - | - | - | (32,686) | (187,991) | (220,677) |
| At 31 December 2022 | 269,640 | 44,881 | 64,860 | 121,266 | 61,929 | 107,335 | 669,911 |
| Depreciation for the year | 33,024 | 5,404 | 9,918 | 11,008 | 17,353 | 132,392 | 209,099 |
| Foreign exchange adjustments | (11,730) | (1,336) | (3,699) | (7,156) | (4,288) | (10,391) | (38,600) |
| Disposals | (4,429) | - | (118) | (72,109) | - | - | (76,656) |
| Written off | - | - | - | - | - | (123,600) | (123,600) |
| At 31 December 2023 | 286,505 | 48,949 | 70,961 | 53,009 | 74,994 | 105,736 | 640,154 |
| Carrying value: | | | | | | | |
| At 1 January 2022 | 77,033 | 32,312 | 25,130 | 928 | 83,574 | 128,560 | 347,537 |
| At 31 December 2022 | 105,044 | 43,207 | 30,152 | 40,788 | 112,758 | 174,290 | 506,239 |
| At 31 December 2023 | 98,772 | 36,686 | 33,680 | 49,784 | 99,849 | 120,555 | 439,326 |

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11. Plant and equipment (continued)

Material accounting policy information and other explanatory information – Plant and equipment:

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line method to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets (or, for certain leased assets, the shorter lease term). An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle.

The useful lives are as follows:

| | | |
|---------------------------------|---|--------------|
| Computer equipment | - | 1 - 5 years |
| Furniture and fittings | - | 1 - 10 years |
| Office and production equipment | - | 1 - 10 years |
| Motor vehicles | - | 5 years |
| Renovation | - | 10 years |
| Right-of-use assets | - | 3 - 5 years |

Fully depreciated assets that are still in use are retained in the financial statements.

Cost also includes acquisition cost, borrowing cost capitalised and any cost directly attributable to bringing the asset or component to the location and condition necessary for it to be capable of operating in the manner intended by management. Subsequent costs are recognised as an asset only when it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. All other repairs and maintenance are charged to profit or loss when they are incurred.

11A. Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as plant and equipment.

Lease for right-of-use assets - The leases are for office premises. Unless permitted by the owners, the leases prohibit the lessee from selling or pledging the underlying leased assets as security; require insurance; require maintenance fees on the right-of-use assets; provide terms for: either non-cancellable or may only be cancelled by incurring a substantive termination fee; some leases contain an option to purchase the underlying leased asset outright at the end of the lease; extension of the leases for a further term; require those assets in a good state of repair. For leases over properties the leases require the return the properties in their original condition at the end of the lease. Also see Note 26.

12. Intangible assets

| | Group | |
|------------------------------------|----------------|----------------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Goodwill (Note 12A) | 88,240 | 88,240 |
| Other intangible assets (Note 12B) | 214,655 | 104,030 |
| | <u>302,895</u> | <u>192,270</u> |

12. Intangible assets (continued)

12A. Goodwill

| | Group | |
|---|--------|--------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Cost: | | |
| Balance at beginning of the year and at end of the year | 88,240 | 88,240 |

Material accounting policy information and other explanatory information – Goodwill:

Goodwill is an asset representing the future economic benefits arising from other assets acquired in a business combination that are not individually identified and separately recognised. Goodwill is recognised as of the acquisition date measured as the excess of (a) over (b); (a) being the aggregate of: (i) the consideration transferred which generally requires acquisition-date fair value; (ii) the amount of any non-controlling interest in the acquiree measured in accordance with the financial reporting standard on business combinations (measured either at fair value or as the non-controlling interest's proportionate share of the acquiree's net identifiable assets); and (iii) in a business combination achieved in stages, the acquisition-date fair value of the acquirer's previously held equity interest in the acquiree; and (b) being the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed measured in accordance with the financial reporting standard on business combinations. Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on goodwill. An impairment loss recognised for goodwill is not reversed in a subsequent period.

For the purpose of impairment testing and since the acquisition date of the business combination, goodwill is allocated to each cash-generating unit, 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 acquiree were assigned to those units or groups of units. Each unit or group of units to which the goodwill is so allocated represents the lowest level within the entity at which the goodwill is monitored for internal management purposes and is not larger than a segment.

Goodwill is allocated to cash-generating units for the purpose of impairment testing.

The goodwill arose from the Group's acquisition of Xamble Live Commerce Sdn Bhd (formerly known as Nuffnang Live Commerce Sdn Bhd) ("Xamble Live") in 2021 and Plata and Punta Sdn Bhd ("Plata and Punta") in 2017.

The goodwill arising from the acquisition of Plata and Punta and Xamble Live was tested for impairment at the end of the reporting year. An impairment loss is the amount by which the carrying amount of an asset or a cash-generating unit ("CGU") exceeds its recoverable amount. The recoverable amount of an asset or a CGU is the higher of its fair value less costs of disposal or its value in use. The value in use was measured by management using the discounted cash flow method. The value in use is a recurring fair value measurement (Level 3).

12. Intangible assets (continued)

12A. Goodwill (continued)

The quantitative information about the value in use measurement using significant unobservable inputs for the CGU are consistent with those used for the measurement last performed and are analysed as follows:

| | Inputs | |
|---|---------|---------|
| | 2023 | 2022 |
| CGU – Performance marketing agency | | |
| Valuation technique and unobservable inputs | | |
| Estimated discount rates using pre-tax rates that reflect current market assessments at the risks specific to the CGU | 15% | 15% |
| Growth rate in FY2023 (2022: FY2022) based on cashflow projections by management | 3% | 2% |
| Growth rates in FY2024 and FY2025 (2022: FY2023 and FY2024) based on industry growth forecast | 3% | 3% |
| Cash flow forecasts derived from the most recent financial budgets and plans approved by management | 3 years | 3 years |

Actual outcomes could vary from above estimates. The recoverable amount has been measured based on the value in use method and it is shown above. No impairment allowance was recognised because the carrying amounts of Plata and Punta and Xamble Live were lower than their recoverable amounts.

Management further assessed that there was no reasonably possible change as at 31 December 2023, to the key inputs above that would cause the carrying amounts of the investments to fall below their recoverable amounts.

12. Intangible assets (continued)

12B. Other intangible assets

| | Application and intellectual property rights |
|----------------------------------|--|
| | S\$ |
| Group | |
| Cost: | |
| At 1 January 2022 | 93,873 |
| Additions | 55,870 |
| Foreign exchange adjustments | (5,510) |
| At 31 December 2022 | 144,233 |
| Additions | 162,336 |
| Foreign exchange adjustments | (8,285) |
| At 31 December 2023 | 298,284 |
| Accumulated amortisation: | |
| At 1 January 2022 | 13,984 |
| Amortisation for the year | 25,500 |
| Foreign exchange adjustments | 719 |
| At 31 December 2022 | 40,203 |
| Amortisation for the year | 47,417 |
| Foreign exchange adjustments | (3,991) |
| At 31 December 2023 | 83,629 |
| Carrying value: | |
| At 1 January 2022 | 79,889 |
| At 31 December 2022 | 104,030 |
| At 31 December 2023 | 214,655 |

Material accounting policy information and other explanatory information - Intangible assets other than goodwill:

An identifiable non-monetary asset without physical substance is recognised as an intangible asset at acquisition cost if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity and the cost of the asset can be measured reliably. After initial recognition, an intangible asset with finite useful life is carried at cost less accumulated amortisation and any accumulated impairment losses.

An intangible asset with an indefinite useful life is not amortised. An intangible asset is regarded as having an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the entity. After initial recognition, an intangible asset with indefinite useful life is carried at cost less any accumulated impairment losses. Irrespective of whether there is any indication of impairment, an annual impairment test is performed at about the same time every year on an intangible with an indefinite useful life and an intangible asset not yet available for use.

12. Intangible assets (continued)

12B. Other intangible assets (continued)

Material accounting policy information and other explanatory information - Intangible assets other than goodwill (continued):

The amortisable amount of an intangible asset with finite useful life is allocated on a systematic basis over the best estimate of its useful life from the point at which the asset is ready for use. The useful lives are as follows:

Application and intellectual property rights - 5 years

Identifiable intangible assets acquired as part of a business combination are initially recognised separately from goodwill if the asset's fair value can be measured reliably, irrespective of whether the asset had been recognised by the acquiree before the business combination. An intangible asset is considered identifiable only if it is separable or if it arises from contractual or other legal rights, regardless of whether those rights are transferable or separable from the entity or from other rights and obligations.

13. Investments in subsidiaries

| | Company | |
|--|-------------|-------------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Movements during the year: | | |
| Carrying value at the beginning of the year | 1,078,381 | 516,450 |
| Additions | 551,520 | 682,558 |
| Contribution relating to share options issued to employees of subsidiaries (Note 20) | 148,498 | 501,161 |
| Allowance for impairment | (325,502) | (621,788) |
| Carrying value at the end of the year | 1,452,897 | 1,078,381 |
| Total carrying value comprising: | | |
| Unquoted equity shares at cost | 3,888,226 | 3,188,208 |
| Quasi-equity loan | 202,649 | 202,649 |
| Allowance for impairment | (2,637,978) | (2,312,476) |
| Total carrying value | 1,452,897 | 1,078,381 |
| Net book value of subsidiaries in the books of the Company | (1,634,784) | (1,343,117) |
| Movement in allowance for impairment: | | |
| At beginning of the year | 2,312,476 | 1,690,688 |
| Impairment loss charged to profit or loss | 325,502 | 621,788 |
| At end of the year | 2,637,978 | 2,312,476 |

The above impairment loss arose due to the decreasing performance of certain subsidiaries.

13. Investments in subsidiaries (continued)

The subsidiaries held by the Company and the Group are listed below:

| Name of subsidiaries, country of incorporation, place of operations, principal activities and independent auditors | Cost in books of Company | | Effective percentage of equity held by Group | |
|--|--------------------------|-----------|--|------|
| | 2023 | 2022 | 2023 | 2022 |
| | S\$ | S\$ | % | % |
| Held by the Company | | | | |
| Nom Nom Media Sdn. Bhd. ⁽²⁾ | 11,986 | 11,986 | 100 | 100 |
| Malaysia | | | | |
| Sales agent for advertising services | | | | |
| (RSM Malaysia PLT) | | | | |
| Churp Churp Media Sdn. Bhd. ⁽²⁾ | 1 | 1 | 100 | 100 |
| Malaysia | | | | |
| Provision of online advertising and management services | | | | |
| (RSM Malaysia PLT) | | | | |
| Xamble Sdn Bhd (formerly known as Netcentric Sdn Bhd) ⁽²⁾ | 12,207 | 12,207 | 100 | 100 |
| Malaysia | | | | |
| Internet advertising | | | | |
| (RSM Malaysia PLT) | | | | |
| Nuffnang Sdn. Bhd. ⁽²⁾ | 1,455,192 | 1,369,290 | 100 | 100 |
| Malaysia | | | | |
| Provision of online advertising and management services | | | | |
| (RSM Malaysia PLT) | | | | |
| Nuffnang Pte. Ltd. ⁽¹⁾ | 335,639 | 335,639 | 100 | 100 |
| Singapore | | | | |
| Provision of online advertising and management services | | | | |
| (RSM SG Assurance LLP) | | | | |
| Churp Churp Pte. Ltd. ⁽¹⁾ | 1 | 1 | 100 | 100 |
| Singapore | | | | |
| Provision of online advertising and management services | | | | |
| (RSM SG Assurance LLP) | | | | |
| Nuffnang- ECPod Holding Limited ⁽³⁾ | 148,755 | 148,755 | 100 | 100 |
| Hong Kong | | | | |
| Provision of online advertising and management | | | | |
| (Cheer Link CPA Limited) | | | | |

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13. Investments in subsidiaries (continued)

The subsidiaries held by the Company and the Group are listed below (continued):

| Name of subsidiaries, country of incorporation, place of operations, principal activities and independent auditors | Cost in books of Company | | Effective percentage of equity held by Group | |
|--|--------------------------|---------|--|------|
| | 2023 | 2022 | 2023 | 2022 |
| | S\$ | S\$ | % | % |
| Held by the Company (continued) | | | | |
| Nuffnang Taiwan Limited ⁽²⁾ Taiwan Provision of online advertising and management (RSM Taiwan) | 557,910 | 505,745 | 100 | 100 |
| Plata and Punta Sdn. Bhd. ⁽²⁾ Manufacture and construct advertising devices (RSM Malaysia PLT) | 347,727 | 347,727 | 77 | 77 |
| Dejitaru Sdn. Bhd. ⁽³⁾ Provision of online advertising and management (Zurin & Co.) | 34 | 34 | 51 | 51 |
| Xamble Live Commerce Sdn Bhd (formerly known as Nuffnang Live Commerce Sdn Bhd) ⁽²⁾⁽⁴⁾ Operate a live streaming e-commerce business platform (RSM Malaysia PLT) | 439,600 | 333,237 | 57 | 57 |
| Sashimi Social Sdn. Bhd. ⁽²⁾ Malaysia Social media agency (RSM Malaysia PLT) | 3,321 | 3,321 | 51 | 51 |
| Xamble Technologies Sdn Bhd (formerly known as NFT Technologies Sdn Bhd) ⁽²⁾ Malaysia Provision of end-to-end product development (RSM Malaysia PLT) | 187,335 | 187,335 | 86 | 86 |
| Xamble Creators Sdn Bhd (formerly known as Creator Superapp Sdn Bhd) ⁽²⁾ Malaysia Provision of creator and brand business platform (RSM Malaysia PLT) | 591,167 | 135,579 | 100 | 100 |

13. Investments in subsidiaries (continued)

The subsidiaries held by the Company and the Group are listed below (continued):

| Name of subsidiaries, country of incorporation, place of operations, principal activities and independent auditors | Cost in books of Company | | Effective percentage of equity held by Group | |
|--|--------------------------|---------|--|------|
| | 2023 | 2022 | 2023 | 2022 |
| | S\$ | S\$ | % | % |
| Held by the Subsidiaries | | | | |
| Nuffnang China Limited ⁽³⁾ | 176,569 | 176,569 | 52 | 52 |
| Hong Kong | | | | |
| Internet Advertising | | | | |
| (Cheer Link CPA Limited) | | | | |
| Nuffnang (Beijing) Consulting Co Ltd ⁽³⁾ | 310,247 | 310,247 | 100 | 100 |
| China | | | | |
| Internet Advertising | | | | |
| (Beijing Yongqin CPA Co Ltd) | | | | |

(1) Audited by RSM SG Assurance LLP.

(2) Audited by member firms of RSM International of which RSM SG Assurance LLP in Singapore is a member.

(3) Other independent auditors. Audited by firms of accountants other than member firms of RSM International of which RSM SG Assurance LLP in Singapore is a member.

(4) A shareholding of 42.86% (FY2022: 42.86%) is owned by Commerce DotAsia Ventures Sdn. Bhd. Commerce DotAsia Ventures Sdn. Bhd. is a firm where Ganesh Kumar Bangah, Executive Chairman and substantial security holder of the Company, is also a director and has substantial direct and indirect interests as a security holder.

Material accounting policy information and other explanatory information - Subsidiaries:

A subsidiary is an entity including any unincorporated and special purpose entity that is controlled by the reporting entity and the reporting entity 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. The existence and effect of substantive potential voting rights that the reporting entity has the practical ability to exercise (that is, substantive rights) are considered when assessing whether the reporting entity controls another entity. The investment in a subsidiary is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for a subsidiary is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of the investment in a subsidiary are not necessarily indicative of the amount that would be realised in a current market exchange.

13. Investments in subsidiaries (continued)

13A. Subsidiaries with material non-controlling interests ("NCI")

The summarised financial information of the subsidiaries with non-controlling interests that are material to the Group after elimination of relevant intercompany transactions but not adjusted for the percentage ownership held by the Group is, as follows:

| | Plata and Punta Sdn. Bhd. | | Sashimi Social Sdn. Bhd. | |
|--|---------------------------|--------|--------------------------|---------|
| | 2023 | 2022 | 2023 | 2022 |
| | S\$ | S\$ | S\$ | S\$ |
| Profit allocated to non-controlling interests of subsidiaries during the year | 20,273 | 17,740 | 71,405 | 46,866 |
| Accumulated non-controlling interests of subsidiaries at the end of the reporting year | 54,667 | 87,153 | 395,538 | 343,380 |

Summarised statement of financial position

| | Plata and Punta Sdn. Bhd. | | Sashimi Social Sdn. Bhd. | |
|-------------------------|---------------------------|-----------|--------------------------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| | S\$ | S\$ | S\$ | S\$ |
| Non-current assets | 26,522 | 17,317 | 279,816 | 313,012 |
| Current assets | 740,751 | 768,911 | 825,486 | 938,721 |
| Total assets | 767,273 | 786,228 | 1,105,302 | 1,251,733 |
| Current liabilities | (246,357) | (229,015) | (262,583) | (504,996) |
| Non-current liabilities | (187,774) | (186,351) | (41,971) | (45,962) |
| Total liabilities | (434,131) | (415,366) | (304,554) | (550,958) |
| Net assets | 333,142 | 370,862 | 800,748 | 700,775 |

Summarised statement of comprehensive income

| | Plata and Punta Sdn. Bhd. | | Sashimi Social Sdn. Bhd. | |
|--------------------------|---------------------------|-----------|--------------------------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| | S\$ | S\$ | S\$ | S\$ |
| Revenue | 1,965,478 | 2,018,792 | 2,382,203 | 2,785,210 |
| Profit before income tax | 109,303 | 99,757 | 167,944 | 147,478 |
| Income tax expense | (23,035) | (24,268) | (22,219) | (51,834) |
| Profit after income tax | 86,268 | 75,489 | 145,725 | 95,644 |

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13. Investments in subsidiaries (continued)

13A. Subsidiaries with material non-controlling interests ("NCI") (continued)

Summarised statement of cash flows

| | Plata and Punta Sdn. Bhd. | | Sashimi Social Sdn. Bhd. | |
|--|---------------------------|----------|--------------------------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| | S\$ | S\$ | S\$ | S\$ |
| Net cash inflow (outflow) from operating activities | 29,287 | 62,159 | (131,685) | 196,038 |
| Net cash outflow from investing activities | (79,770) | (3,271) | (209,004) | (104,573) |
| Net cash outflow from financing activities | (113,358) | (13,529) | (65,263) | (46,355) |
| Net (decrease) increase in cash and cash equivalents | (163,841) | 45,359 | (405,952) | 45,110 |
| Cash and cash equivalents at beginning of reporting year | 417,802 | 372,443 | 766,383 | 721,273 |
| Cash and cash equivalents at the end of the reporting year | 253,961 | 417,802 | 360,431 | 766,383 |

Material accounting policy information and other explanatory information – Non-controlling interest:

The non-controlling interest is equity in a subsidiary not attributable, directly or indirectly, to the reporting entity as the parent. The non-controlling interest is presented in the consolidated statement of financial position within equity, separately from the equity of the owners of the parent. For each business combination, any non-controlling interest in the acquiree (subsidiary) is initially measured either at fair value or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Profit or loss and each component of other comprehensive income are attributed to the owners of the parent and to the non-controlling interests. Total comprehensive income is attributed to the owners of the parent and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

Critical judgements, assumptions and estimation uncertainties:

Assessment of recoverable amounts of cost of investments in subsidiaries and net receivables due from subsidiaries.

Where an investee is in net equity deficit or has suffered losses a test is made whether the cost of investments and net receivables due from the investee have suffered any impairment or credit loss. This measurement requires significant judgement. An estimate is made of the future profitability of the investee, and the financial health of and near-term business outlook for the investee, including factors such as industry and sector performance, and operational and financing cash flow. It is impracticable to disclose the extent of the possible effects. It is reasonably possible, based on existing knowledge, that outcomes within the next reporting year that are different from assumptions could require a material adjustment to the carrying amount of the asset or liability affected. The carrying amounts of the specific asset or liability (or class of assets or liabilities) in the statement of financial position of the Company at the end of the reporting year affected by the assumptions are disclosed in the note above and in Note 16.

14. Investments in associates

| | Group | | Company | |
|--------------------------------------|---------|----------|---------|---------|
| | 2023 | 2022 | 2023 | 2022 |
| | S\$ | S\$ | S\$ | S\$ |
| Movements in carrying value: | | | | |
| Balance at beginning of the year | 103,057 | 154,591 | 16,932 | 16,932 |
| Dividends received | - | (51,534) | - | - |
| Balance at end of the year | 103,057 | 103,057 | 16,932 | 16,932 |
| Carrying value comprising: | | | | |
| Unquoted equity share | 103,057 | 103,057 | 16,932 | 16,932 |
| Share of net book value of associate | 103,057 | 103,057 | 103,057 | 103,057 |

The listing of and information on the associate is given below:

| Name of associate, country of incorporation, place of operations, principal activities and independent auditors | Cost in books of Group | | Effective percentage of equity held by Group | |
|---|------------------------|--------|--|------|
| | 2023 | 2022 | 2023 | 2022 |
| | S\$ | S\$ | % | % |
| Nuffnang Philippines Inc. ⁽¹⁾⁽²⁾ | 16,932 | 16,932 | 40 | 40 |
| Marketing of internet placements (Sycip Gorres Velayo & Co.) | | | | |

(1) Other independent auditors. Audited by firms of accountants other than member firms of RSM International of which RSM SG Assurance LLP in Singapore is a member.

(2) Entity is in the process of being struck off.

This associate is considered not material to the reporting entity. The summarised financial information of the associate and the amounts (and not the reporting entity's share of those amounts) based on the financial statements of the associate is as follows.

| | Group | |
|--|---------|---------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Profit (loss) from continuing operations | - | - |
| Net assets of the associate | 257,643 | 257,643 |

14. Investments in associates (continued)

Material accounting policy information and other explanatory information - Associates:

An associate is an entity including an unincorporated entity in which the reporting entity has a significant influence and that is neither a subsidiary nor a joint arrangement of the reporting entity. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies. An investment in an associate includes goodwill on acquisition, which is accounted for in accordance with the financial reporting standard on business combinations.

In the Company's separate financial statements, an investment in an associate is accounted for at cost less any allowance for impairment in value. Impairment loss recognised in profit or loss for an associate is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying value and the net book value of an investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange.

In the consolidated financial statements, the accounting for investments in an associate is on the equity method. Under the equity method the investment is initially recognised at cost and adjusted thereafter for the post-acquisition change in the investor's share of the investee's net assets. The carrying value and the net book value of the investment in the associate are not necessarily indicative of the amounts that would be realised in a current market exchange. The investor's profit or loss includes its share of the investee's profit or loss and the investor's other comprehensive income includes its share of the investee's other comprehensive income. Accounting policies of associates are changed where necessary to ensure consistency with the policies adopted by the reporting entity.

15. Financial asset at FVTOCI

| | Group and Company | |
|--|-------------------|--------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Unquoted investment at FVTOCI: | | |
| Unquoted equity shares | 23,560 | 97,700 |
| Balance at end of the year | 23,560 | 97,700 |
| Movements during the year: | | |
| Fair value at beginning of the year | 97,700 | 78,000 |
| (Loss) gain recognised in other comprehensive income (Note 21) | (74,140) | 19,700 |
| Fair value at end of the year | 23,560 | 97,700 |

15. Financial asset at FVTOCI (continued)

On 26 May 2021, the Group acquired a 5% shareholding interest in Innovatic Commerce Solution Sdn Bhd for a consideration of RM1,551,872 (S\$521,513). The Group has no significant influence and the unquoted equity shares are measured at fair value through other comprehensive income ("FVTOCI"). A fair value loss of S\$74,140 (2022: fair value gain of S\$19,700) was recorded in other comprehensive income during the reporting year ended 31 December 2023.

The fair value measurement of the above investment is classified within Level 3.

There were no transfers between levels of the fair value hierarchy during the reporting year.

For the fair value recurrent measurements categorised within Level 3 of the fair value hierarchy, a description of the valuation techniques and information about the significant unobservable inputs used in the fair value measurement are as follows:

Level 3:

Unquoted equity shares: E-commerce industry, Malaysia

Fair Value: S\$23,560 (2022: S\$97,700)

Valuation technique: Market comparable companies

Material accounting policy information and other explanatory information – Financial instruments:

Refer to Note 2A on fair value measurements and Note 27A on categories of financial assets and financial liabilities.

Critical judgements, assumptions and estimation uncertainties:

Fair value of financial asset at FVTOCI

If a financial asset is not traded in an active market or if the quoted price is not readily and regularly available, the fair value is established by using valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. This measurement requires significant judgement. The fair value measurement requires the selection among a range of different valuation methodologies, making estimates about expected future cash flows and discount rates. The methods used and carrying amount of the financial asset at FVTOCI are disclosed in the note above.

16. Trade and other receivables

| | Group | | Company | |
|--|-----------|-----------|-------------|-------------|
| | 2023 | 2022 | 2023 | 2022 |
| | S\$ | S\$ | S\$ | S\$ |
| Trade receivables: | | | | |
| Outside parties | 1,660,935 | 1,913,894 | 300 | 304 |
| Less allowance for impairment | (21,560) | (15,256) | - | - |
| Subsidiaries | - | - | 2,407,933 | 2,330,626 |
| Less allowance for impairment | - | - | (2,322,093) | (2,183,479) |
| Related parties | 65,636 | 37,131 | - | - |
| Net trade receivables - subtotal | 1,705,011 | 1,935,769 | 86,140 | 147,451 |
| Other receivables: | | | | |
| Outside parties | 6,776 | 77,204 | 2,363 | - |
| Subsidiaries (Note 3) | - | - | 1,095,816 | 1,163,938 |
| Less allowance for impairment | - | - | (1,067,426) | (1,097,447) |
| Net other receivables - subtotal | 6,776 | 77,204 | 30,753 | 66,491 |
| Total trade and other receivables | 1,711,787 | 2,012,973 | 116,893 | 213,942 |
| Movements in above allowance: | | | | |
| Balance at beginning of the year | 15,256 | 17,089 | 3,280,926 | 3,037,871 |
| Charge for trade receivables to profit or loss included in other losses | 6,304 | 3,945 | 138,614 | 229,564 |
| (Reversal) charge for other receivables to profit or loss included in other losses | - | - | (30,021) | 13,491 |
| Used | - | (5,778) | - | - |
| Balance at end of the year | 21,560 | 15,256 | 3,389,519 | 3,280,926 |

Material accounting policy information and other explanatory information – Trade and other receivables:

Refer to Note 27 on financial instruments.

The expected credit losses (ECL) on the trade receivables are based on the simplified approach to measuring ECL which uses a lifetime ECL allowance approach for all such assets recognised from initial recognition of these assets. These assets are grouped based on shared credit risk characteristics and the days past due for measuring the ECL including the impact of the current economic conditions. The allowance model is based on the historical observed default rates (over a period of 36 months) over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

16. Trade and other receivables (continued)

The ageing of all the balances is as follows:

| | Group | | | |
|---------------------------------|--------------|-----------|----------------|--------|
| | Gross amount | | Loss allowance | |
| | 2023 | 2022 | 2023 | 2022 |
| | S\$ | S\$ | S\$ | S\$ |
| Trade receivables: | | | | |
| Current | 1,145,404 | 1,094,862 | - | - |
| Past due less than three months | 501,011 | 354,501 | - | - |
| Past due three to six months | 46,167 | 349,700 | - | - |
| Past due over six months | 33,989 | 151,962 | 21,560 | 15,256 |
| Total | 1,726,571 | 1,951,025 | 21,560 | 15,256 |

| | Company | | | |
|---------------------------------|--------------|-----------|----------------|-----------|
| | Gross amount | | Loss allowance | |
| | 2023 | 2022 | 2023 | 2022 |
| | S\$ | S\$ | S\$ | S\$ |
| Trade receivables: | | | | |
| Current | 210,834 | 354,014 | 207,562 | 281,602 |
| Past due less than three months | - | - | - | - |
| Past due three to six months | - | - | - | - |
| Past due over six months | 2,197,399 | 1,976,916 | 2,114,531 | 1,901,877 |
| Total | 2,408,233 | 2,330,930 | 2,322,093 | 2,183,479 |

There are no collateral held as security and other credit enhancements for the trade receivables.

The amounts are written off when there are indications that there is no reasonable expectation of recovery or the failure of a debtor to make contractual payments over an extended period.

As part of the process of setting customer credit limits, different credit terms are used. The average credit period generally granted to trade customers is about 30 to 60 days (2022: 30 to 60 days). However, some customers take a longer period to settle the amounts. The customers' balances are subject to the ECL assessment under the financial reporting standard on financial instruments.

Concentration of trade receivables customers as at the end of the reporting year:

| | Group | | Company | |
|-----------------|---------|---------|-----------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| | S\$ | S\$ | S\$ | S\$ |
| Top 1 customer | 369,537 | 226,377 | 1,401,118 | 1,276,423 |
| Top 2 customers | 575,359 | 407,490 | 2,178,833 | 2,099,954 |
| Top 3 customers | 715,736 | 564,724 | 2,330,060 | 2,241,447 |

16. Trade and other receivables (continued)

The other receivables shown above are also subject to the ECL allowance assessment under the financial reporting standard on financial instruments. For these material balances judgement is required for the assessment of the credit risk graded individually. At inception they are recorded net of any expected 12 month expected credit losses. At the end of the reporting year a loss allowance is recognised if there has been a material increase in credit risk since initial recognition. For any material increase or decrease in credit risk an adjustment is made to the loss allowance for the material balances. The credit risk grade assessed is based on predictive nature of the risk of loss (such as the use of internal and external ratings, audited financial statements, management accounts and available published information about customers about debtors that is available without undue cost or effort) and applying experienced credit judgement.

Other receivables are normally with no fixed terms and therefore there is no fixed maturity date. Other receivables are regarded as of low credit risk if they have a low risk of default and the debtor has a strong capacity to meet its contractual cash flow obligations in the near term. The methodology applied for impairment loss depends on whether there has been a significant increase in credit risk.

Critical judgements, assumptions and estimation uncertainties:

Assessing expected credit loss allowance on trade and other receivables

The assessment of the ECL requires a degree of estimation and judgement. In measuring the ECL, management considers all reasonable and supportable information such as the reporting entity's past experience at collecting receipts, any increase in the number of delayed receipts in the portfolio past the average credit period, and forward looking information such as forecasts of future economic conditions. The carrying amounts might change materially within the next reporting year but these changes may not arise from assumptions or other sources of estimation uncertainty at the end of the reporting year. The carrying amounts are disclosed in the note above.

17. Other non-financial assets

| | Group | | Company | |
|-----------------------------|---------|---------|---------|--------|
| | 2023 | 2022 | 2023 | 2022 |
| | S\$ | S\$ | S\$ | S\$ |
| Contract assets (Note 17A) | 227,337 | - | - | - |
| Prepayments | 112,635 | 83,172 | 27,799 | 27,022 |
| Deposits to secure services | 77,674 | 64,979 | - | - |
| | 417,646 | 148,151 | 27,799 | 27,022 |

17. Other non-financial assets (continued)

17A. Contract assets

| | 2023 | 2022 |
|--|---------|----------|
| | S\$ | S\$ |
| The amount is made up of: | | |
| Consideration for work completed but not billed at the reporting date | 227,337 | - |
| The movements in contract assets are as follows: | | |
| At beginning of the year | - | 63,181 |
| Cost incurred during the year on completed contracts | 227,337 | - |
| Transferred to trade receivables | - | (63,181) |
| At end of the year | 227,337 | - |
| | 2023 | 2022 |
| | S\$ | S\$ |
| The aggregate amount of the transaction price allocated to the performance obligations that are satisfied but not billed at the end of the reporting year: Expected to be recognised as revenue within 1 year | | |
| | 227,337 | - |

The contract assets are for: entity's rights to consideration for work completed but not billed at the reporting date on the contracts; costs incurred to obtain or fulfil a contract with a customer; costs to obtain contracts with customers; pre-contract costs and setup costs; and the amount of amortisation and any impairment losses recognised in the reporting year. The contract assets are transferred to the receivables when the rights become unconditional.

The entity recognises revenue for each respective performance obligation when control of the product or service transfers to the customer.

Contract assets are subject to the ECL model under the financial reporting standard on financial instruments. No loss allowance was necessary as at the end of the reporting year.

18. Cash and cash equivalents

| | Group | | Company | |
|-----------------------|-----------|-----------|-----------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| | S\$ | S\$ | S\$ | S\$ |
| Not restricted in use | 2,804,298 | 4,307,791 | 1,183,588 | 2,031,309 |

The interest earning balances are not significant.

Material accounting policy information and other explanatory information – Cash and cash equivalents:

For the statement of cash flows, cash and cash equivalents includes cash and cash equivalents less cash subject to restriction and bank overdrafts payable on demand that form an integral part of cash management. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

18. Cash and cash equivalents (continued)

18A. Reconciliation of liabilities arising from financing activities:

The Group does not have any external borrowings except for lease liabilities as follows:

| | Group | |
|--------------------------|-----------|-----------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Lease liabilities | | |
| At beginning of year | 221,006 | 139,247 |
| Additions | 82,483 | 205,522 |
| Accretion of interest | 8,773 | 5,593 |
| Cash flows | (152,816) | (129,356) |
| At end of year (Note 26) | 159,446 | 221,006 |

Movements in amounts due to related parties are disclosed in Note 3C.

19. Share capital

| | Number of shares issued | Share capital |
|---|-------------------------|---------------|
| | | S\$ |
| Group and Company | | |
| Ordinary shares of no par value | | |
| Balance at 1 January 2022 and 31 December 2022 | 283,011,666 | 14,112,365 |
| Issuance of shares as part of share swap arrangement ^(a) | 1,144,580 | 85,609 |
| Proceeds from issuance of shares at S\$0.30 | 11,428,571 | 343,110 |
| Balance at 31 December 2023 | 295,584,817 | 14,541,084 |

(a) The issuance of 1,144,580 was in respect of consideration for the acquisition of additional shares in Plata & Punta Sdn Bhd, and represents a non-cash transaction. See Note 25B.

Capital management:

The objectives when managing capital are to safeguard the reporting entity's ability to continue as a going concern, so that it can continue to provide returns for owners and benefits for other stakeholders, and to provide an adequate return to owners by pricing the sales commensurately with the level of risk. The management sets the amount of capital to meet its requirements and the risk taken. There were no changes in the approach to capital management during the reporting year. The management manages the capital structure and makes adjustments to it where necessary or possible in the light of changes in conditions and the risk characteristics of the underlying assets. In order to maintain or adjust the capital structure, the management may adjust the amount of dividends paid to owners, return capital to owners, issue new shares, or sell assets to reduce debt. Adjusted capital comprises all components of equity (that is, share capital and reserves).

There are no material external borrowings. The debt-to-adjusted capital ratio does not provide a meaningful indicator of the risk of borrowings.

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20. Share option reserve

In year 2021, the Group issued 11,000,000 and 1,650,000 share options to employees and two of its Non-Executive Directors of the Group respectively. The Group had also issued 6,500,000 unlisted share options to an external party, the lead manager which assisted the Group in the fund raising exercise that took place in February 2021.

During the current year, the Group issued 2,000,000 share options to the new Non-Executive Director of the Company. See Note 20A.

| | Group and Company | |
|--|-------------------|-----------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Balance at beginning of the year | 2,847,919 | 2,285,712 |
| Expiry of share options – transferred to accumulated losses ^(a) | (1,281,513) | - |
| Share option expense relating to employees and Non-Executive Directors | 260,517 | 665,486 |
| Transfer to capital reserve ^(b) | (36,428) | (29,329) |
| Forfeited share options ^(c) | (70,589) | (73,950) |
| Balance at end of the year | 1,719,906 | 2,847,919 |
| The expense is allocated in the profit or loss as follows: | | |
| Administrative expenses (Note 8A) | 189,928 | 591,536 |

Out of the S\$189,928 (2022: S\$591,536) share based expense incurred during the year, S\$41,430 (2022: S\$90,375) was recorded in the books of the Company and S\$148,498 (2022: S\$501,161) was recorded in the books of the respective subsidiaries where the grant recipients are employed. The Company recorded an increase in the costs of investment in subsidiaries resulting from the expense relating to employees of subsidiaries. Refer to Note 13.

^(a) 6,500,000 options issued to an external party on 3 March 2021 for services rendered to the Group in 2021 lapsed on 1 September 2023.

^(b) During the reporting year, on 14 April 2023, 550,000 options (2022: 550,000 options) were exercised by Non-Executive Directors of the Company and 41,666 options (2022: Nil options) were exercised by a non-key management personnel of the Group respectively. These were settled by a way of transfer of shares from the majority security holder of the Company. Accordingly, the Company did not receive any cash consideration and did not issue any new shares.

^(c) During the reporting year, 437,501 (2022: 458,334) options were forfeited due to a non-key management personnel that held the options having left the employment of the Group before they had vested.

20A. Activities under the share options scheme:

The outstanding number of options at the end of the reporting year was:

| Exercise price | Grant date | Exercise period | Number of options outstanding | |
|-----------------------|------------------|---|-------------------------------|------------|
| | | | 2023 | 2022 |
| A\$0.0145 (S\$0.0149) | 27 May 2021 | From 1 January 2022 to 1 January 2024 | 10,112,499 | 11,141,666 |
| A\$0.045 (S\$0.0396) | 10 November 2023 | From 10 November 2023 to 10 November 2028 | 2,000,000 | - |

20. Share option reserve (continued)

20A. Activities under the share options scheme (continued):

The following table summarises information about director share options outstanding at the end of the reporting year under the share options scheme:

| Participants | Grants in 2021 | Grants from start of scheme to end of 2023 | Vested and exercised from start of scheme to end of 2023 | Balance at 31.12.2023 |
|--|----------------|--|--|-----------------------|
| Non-Executive Directors of the Company | | | | |
| (Share options to subscribe for ordinary shares of A\$0.0145 (S\$0.0149) each) | | | | |
| Robert William Sultan | 825,000 | 825,000 | (550,000) | 275,000 |
| Darren John Cooper | 825,000 | 825,000 | (550,000) | 275,000 |
| Total | 1,650,000 | 1,650,000 | (1,100,000) | 550,000 |

| Participant | Grants in 2023 | Grants from start of scheme to end of 2023 | Vested and exercised from start of scheme to end of 2023 | Balance at 31.12.2023 |
|---|----------------|--|--|-----------------------|
| Non-Executive Director of the Company | | | | |
| (Share options to subscribe for ordinary shares of A\$0.045 (S\$0.0396) each) | | | | |
| Georg Johann Chmiel | 2,000,000 | 2,000,000 | - | 2,000,000 |
| Total | 2,000,000 | 2,000,000 | - | 2,000,000 |

20B. Accounting for the share options:

The estimate of the grant date fair value of each option issued during the year was based on the Black-Scholes option pricing model (Level 2). In order to approximate the expectations that would be reflected in a current market or negotiated exchange price for these options, this model takes into account several factors and assumptions.

The following assumptions were used in respect of the share options granted during the year.

| | 2023 |
|---------------------------------|-----------|
| Range of share price | S\$0.066 |
| Range of exercise price | S\$0.0396 |
| Risk-free annual interest rates | 3.95% |
| Volatility expected | 171% |
| Expected option term of years | 5 |

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20. Share option reserve (continued)

20B. Accounting for the share options (continued):

Material accounting policy information and other explanatory information – Share based compensation:

For the equity-settled share-based compensation transactions, the fair value of the employee services received in exchange for the grant of the options is recognised as an expense. The total amount to be expensed on a straight-line basis over the vesting period is measured by reference to the fair value of the options granted ignoring the effect of non-market conditions such as profitability and sales growth targets. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable. The fair value is measured using a relevant option pricing model. The expected lives used in the model are adjusted, based on management's best estimate, for the effects of non-transferability, exercise restrictions and behavioural considerations. At each end of the reporting year, a revision is made of the number of options that are expected to become exercisable. It recognises the impact of the revision of original estimates, if any, in profit or loss with a corresponding adjustment to equity. The proceeds received net of any directly attributable transaction costs are credited to share capital when the options are exercised. Cancellations of grants of equity instruments during the vesting period (other than a grant cancelled by forfeiture when the vesting conditions are not satisfied) are accounted for as an acceleration of vesting, therefore any amount unrecognised that would otherwise have been charged is recognised immediately in profit or loss.

20C. Capital reserve

The capital reserve represents the accumulation of the value of employee services received by the Company, in respect of share options exercised to date.

21. Fair value reserve

| | Group and Company | |
|---|-------------------|-----------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Balance at beginning of the year | (423,813) | (443,513) |
| Fair value (loss) gain on financial asset at FVTOCI (Note 15) | (74,140) | 19,700 |
| Balance at end of the year | (497,953) | (423,813) |

22. Foreign currency translation reserve

| | Group | |
|--|-----------|-----------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Balance at beginning of the year | (302,769) | (341,129) |
| Exchange differences on translating foreign operations | 197,984 | 33,457 |
| Acquisition of additional interest in a subsidiary | - | 4,903 |
| Balance at end of the year | (104,785) | (302,769) |

23. Trade and other payables

| | Group | | Company | |
|---|-----------|-----------|---------|---------|
| | 2023 | 2022 | 2023 | 2022 |
| | S\$ | S\$ | S\$ | S\$ |
| Trade payables: | | | | |
| Outside parties and accrued liabilities | 1,327,875 | 1,327,926 | 117,429 | 87,187 |
| Subsidiaries | - | - | - | 45,671 |
| Trade payables - subtotal | 1,327,875 | 1,327,926 | 117,429 | 132,858 |
| Other payables: | | | | |
| Outside parties | 214,659 | 255,137 | - | - |
| Subsidiaries (Note 3) | - | - | 261,718 | 345,790 |
| Other payables - subtotal | 214,659 | 255,137 | 261,718 | 345,790 |
| Total trade and other payables | 1,542,534 | 1,583,063 | 379,147 | 478,648 |

Material accounting policy information and other explanatory information – Trade and other payables:

Refer to Note 27 on financial instruments.

24. Other financial liability

| | Group and Company | |
|--|-------------------|--------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Derivative liability at fair value through profit or loss ("FVTPL") (Note 24A) | - | 41,872 |

24A. Derivative liability at fair value through profit or loss ("FVTPL")

The derivative liability arose on the issuance of the free attached warrants issued as part of the fund raising exercise during 2021. The fair value of the derivative liability on initial recognition was determined by management to be S\$2,680,224. This liability was subsequently carried at FVTPL (Note 27A) and lapsed on 1 September 2023.

The fair value measurement of the above liability at the prior year end was classified within Level 2 of the fair value hierarchy.

There were no transfers between levels of the fair value hierarchy during the reporting year.

For the fair value measurements categorised within Level 2 of the fair value hierarchy, a description of the valuation techniques and information about the significant unobservable inputs used in the fair value measurement at the prior year end were as follows:

Level 2:

Instrument: Derivative liability at FVTPL

Fair Value: S\$Nil (2022: S\$41,872).

Valuation technique: Black-Scholes option pricing model.

24. Other financial liability (continued)

24A. Derivative liability at fair value through profit or loss ("FVTPL") (continued)

The following assumptions were used:

| | 2022 |
|---------------------------------|----------------|
| Range of share price | S\$0.07 |
| Range of exercise price | S\$0.164 |
| Risk-free annual interest rates | 3.25% to 4.50% |
| Volatility expected | 74% - 100% |
| Expected option term of years | 0.669 |

25. Other non-financial liabilities

| | Group | | Company | |
|--|---------|---------|---------|---------|
| | 2023 | 2022 | 2023 | 2022 |
| | S\$ | S\$ | S\$ | S\$ |
| Contract liabilities (Note 25A) | 151,999 | 350,261 | - | - |
| Contingent liability (Note 25B) | 44,591 | 74,035 | 44,591 | 74,035 |
| Payable arising from pending share issuance (Note 25B) | - | 85,609 | - | 85,609 |
| | 196,590 | 509,905 | 44,591 | 159,644 |

25A. Contract liabilities

| | Group | |
|---|-----------|-----------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| The amount is made up of: | | |
| Advance consideration received from customers | 151,999 | 350,261 |
| The movements in contract liabilities are as follows: | | |
| At beginning of the year | 350,261 | 385,205 |
| Consideration received or receivable | 151,999 | 350,261 |
| Performance obligation satisfied - revenue recognised | (350,261) | (385,205) |
| At end of the year | 151,999 | 350,261 |
| The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting year: | | |
| Expected to be recognised within 1 year | 151,999 | 350,261 |

The contract liabilities primarily relate to the advance consideration received from customers for which no transfer of control has occurred, and therefore no revenue is recognised. The entity recognises revenue for each respective performance obligation when control of the product or service transfers to the customer.

25. Other non-financial liabilities (continued)

25B. Contingent liability payable and payable arising from pending share issuance

On 21 December 2022, the Group increased its shareholding in its majority owned subsidiary Plata and Punta Sdn Bhd ("P&P") from 51% to 77% by way of a share swap arrangement with the existing co-founders of P&P ("vendors").

The consideration transferred was as follows:

| | Group and Company | |
|---|-------------------|---------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Consideration transferred: | | |
| Payable arising from pending share issuance | - | 85,609 |
| Contingent liability | 44,591 | 74,035 |
| Total consideration transferred | 44,591 | 159,644 |

The consideration for the share swap is an aggregate amount of up to a maximum of 2,289,160 shares, half of which (1,144,580 shares) were issued on 11 August 2023. The issuance of new shares were satisfied by the allotment of Chess Depositary Interests ("CDIs"), each CDI representing 1 ordinary share in the issued and paid-up capital of the company. See Note 19.

The issuance of the remainder of 1,144,580 shares is subject to the achievement of certain earn-out performance milestones linked to reporting year ended 31 December 2023 in respect of revenue and earnings before interest, tax, depreciation and amortisation ("EBITDA") targets of P&P.

The above liability amount in respect of the contingent liability was the measured fair value (Level 3) of this arrangement at the acquisition date. Subsequent adjustments to the consideration are recognised against the cost of the acquisition only to the extent that they arise from new information obtained within the measurement period of not more than twelve months about the fair value at the date of acquisition. All other subsequent adjustments to contingent consideration classified as an asset or a liability are recognised in profit or loss. No adjustment is required for contingent consideration classified as equity.

Management had estimated the fair value of this liability at the prior year end, taking into account the likelihood of the milestones being met by P&P. During the current year, due to certain earn-out performance milestones not being met, an amount of S\$29,444 was written back.

26. Lease liabilities

Lease liabilities are presented in the statement of financial position as follows:

| | Group | |
|--------------------------------|---------|---------|
| | 2023 | 2022 |
| | S\$ | S\$ |
| Lease liabilities, current | 105,925 | 117,494 |
| Lease liabilities, non-current | 53,521 | 103,512 |
| | 159,446 | 221,006 |

26. Lease liabilities (continued)

A summary of the maturity analysis of lease liabilities is disclosed in Note 27E. Total cash outflows from leases are shown in the statement of cash flows. The related right-of-use assets are included in plant and equipment and disclosed in Notes 11 and 11A.

Material accounting policy information and other explanatory information – Lease of lessee:

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum unavoidable lease payments. A corresponding right-of-use asset is recorded. Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as a finance cost. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

The lease liabilities above do not include the short-term leases of less than 12 months and leases of low-value underlying assets. Variable lease payments that do not depend on an index or a rate or based on a percentage of revenue are not included from the initial measurement of the lease liability and the right-of-use assets.

Lease liabilities under lease arrangements are secured by the right-of-use assets because these will revert to the lessor in the event of default.

Lease payments to be made under reasonably certain extension options are also included in the measurement of the liability.

Subsequent to initial measurement, the liabilities will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes to in-substance fixed payments. When the lease liabilities are re-measured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

There were no future cash outflows to which the lessee is potentially exposed that are not reflected in the measurement of lease liabilities above.

The weighted average incremental borrowing rate applied to lease liabilities recognised is 3.47% (2022: 3.47%) per year.

27. Financial instruments: information on material policy information and financial risks

Recognition and derecognition of financial instruments:

A financial asset or a financial liability is recognised when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

27. Financial instruments: information on material policy information and financial risks (continued)

27A. Categories of financial assets and financial liabilities

The financial reporting standard on financial instruments requires the categorisation of financial instruments. At the end of the reporting year, the reporting entity had the following categories financial assets and liabilities:

- Financial asset classified as measured at amortised cost: A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables, bank and cash balances are classified in this category.
- Financial asset that is an equity investment measured at fair value through other comprehensive income (FVTOCI): On initial recognition of an equity investment that is not held for trading, an irrevocably election may be made to present subsequent changes in fair value in OCI. This election is made on an investment-by-investment basis. Fair value changes are recognised in OCI but dividends are recognised in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment. The gain or loss that is presented in OCI includes any related foreign exchange component arising on non-monetary investments (eg, equity instruments). On disposal, the cumulative fair value changes are not recycled to profit or loss but remain in reserves within equity. The weighted average or specific identification method is used when determining the cost basis of equities being disposed of.
- Financial liabilities are categorised as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

27. Financial instruments: information on material policy information and financial risks (continued)

27A. Categories of financial assets and financial liabilities (continued)

The following table categorises the carrying amount of financial assets and liabilities recorded at the end of the reporting year:

| | Group | | Company | |
|---|-----------|-----------|-----------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| | S\$ | S\$ | S\$ | S\$ |
| Financial assets: | | | | |
| Financial assets at amortised cost | 4,516,085 | 6,320,764 | 1,300,481 | 2,245,251 |
| Financial asset at FVTOCI | 23,560 | 97,700 | 23,560 | 97,700 |
| At end of the year | 4,539,645 | 6,418,464 | 1,324,041 | 2,342,951 |
| Financial liabilities: | | | | |
| Financial liabilities at amortised cost | 1,701,980 | 1,804,069 | 379,147 | 478,648 |
| Financial liability at FVTPL | - | 41,872 | - | 41,872 |
| At end of the year | 1,701,980 | 1,845,941 | 379,147 | 520,520 |

Further quantitative disclosures are included throughout these financial statements.

27B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the entity's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain practices for the management of financial risks. However these are not formally documented in written form. The guidelines include the following:

1. Minimise interest rate, currency and credit risk for all kinds of transactions.
2. All financial risk management activities are carried out and monitored by senior management staff.
3. All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

27C. Fair values of financial instruments

See Note 2A on accounting policy on fair value estimations. The analysis of financial instruments that are measured subsequent to initial recognition at fair value, grouped into Levels 1 to 3 are disclosed in the relevant notes to the financial statements. These include the material financial instruments stated at amortised cost and at fair value in the statement of financial position. The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments. The disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

27. Financial instruments: information on material policy information and financial risks (continued)

27D. Credit risk on financial assets

Financial assets subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner arise principally from cash balances with banks, receivables and other financial assets. The general approach in the financial reporting standard on financial instruments is applied to measure expected credit losses (ECL) allowance on financial assets the ECL allowance. On initial recognition, a day-1 loss is recorded equal to the 12 month ECL unless the assets are considered credit impaired. The ECL allowance for debt assets is recognised at an amount equal to the lifetime ECL if the credit risk on that financial instrument has increased significantly since initial recognition. However, for trade receivables that do not contain a material financing component or when the reporting entity applies the practical expedient of not adjusting the effect of a material financing component, the simplified approach in calculating ECL is applied. Under the simplified approach, the loss allowance is recognised at an amount equal to lifetime ECL at each reporting date using historical loss rates for the respective risk categories and incorporating forward-looking estimates. Lifetime ECL may be estimated individually or collectively. For the credit risk on the financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and any loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 18 discloses the cash and cash equivalents balances. There was no identified impairment loss.

27E. Liquidity risk - financial liabilities maturity analysis

Liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity. There are no liabilities other than lease liabilities contracted to fall due after twelve months at the end of the reporting year. The average credit period taken to settle trade payables is about 60 days (2022: 60 days). The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

27. Financial instruments: information on material policy information and financial risks (continued)

27E. Liquidity risk - financial liabilities maturity analysis (continued)

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual and undiscounted cash flows).

| | Less than one year | One to five years | Total |
|--|-----------------------|----------------------|-----------|
| | S\$ | S\$ | S\$ |
| Non-derivative financial liabilities: | | | |
| Group | | | |
| 2023: | | | |
| Gross lease liabilities | 111,038 | 55,604 | 166,642 |
| Trade and other payables | 1,542,534 | - | 1,542,534 |
| At end of the year | 1,653,572 | 55,604 | 1,709,176 |
| 2022: | | | |
| Gross lease liabilities | 123,080 | 107,920 | 231,000 |
| Trade and other payables | 1,583,063 | - | 1,583,063 |
| At end of the year | 1,706,143 | 107,920 | 1,814,063 |
| Company | | | |
| 2023: | | | |
| Trade and other payables | 379,147 | - | 379,147 |
| At end of the year | 379,147 | - | 379,147 |
| 2022: | | | |
| Trade and other payables | 478,648 | - | 478,648 |
| At end of the year | 478,648 | - | 478,648 |

27F. Interest rate risk

Interest rate risk arises on interest-bearing financial instruments. The interest from financial assets including cash balances is not material.

27. Financial instruments: information on material policy information and financial risks (continued)

27G. Foreign currency risks

Foreign exchange risk arises on financial instruments that are denominated in a foreign currency that is a currency other than the functional currency in which they are measured. Currency risk does not arise from financial instruments that are non-monetary items or from financial instruments denominated in the functional currency as defined in the financial reporting standard on financial instruments disclosures.

Analysis of significant amounts denominated in non-functional currencies:

| | Australian Dollars | Great British Pounds | United States Dollars | Total |
|---|--------------------|----------------------|-----------------------|-----------|
| | S\$ | S\$ | S\$ | S\$ |
| Group | | | | |
| 2023: | | | | |
| Financial assets: | | | | |
| Cash and cash equivalents | 1,161,291 | - | 78 | 1,161,369 |
| Total financial assets | 1,161,291 | - | 78 | 1,161,369 |
| Financial liabilities: | | | | |
| Trade and other payables | 18,296 | - | 1,269 | 19,565 |
| Total financial liabilities | 18,296 | - | 1,269 | 19,565 |
| Net financial assets (liabilities) at end of the year | 1,142,995 | - | (1,191) | 1,141,804 |
| 2022: | | | | |
| Financial assets: | | | | |
| Cash and cash equivalents | 1,512,011 | 131,400 | 354,431 | 1,997,842 |
| Loans and receivables | - | - | 4,188 | 4,188 |
| Total financial assets | 1,512,011 | 131,400 | 358,619 | 2,002,030 |
| Financial liabilities: | | | | |
| Trade and other payables | 14,018 | - | 1,289 | 15,307 |
| Total financial liabilities | 14,018 | - | 1,289 | 15,307 |
| Net financial assets at end of the year | 1,497,993 | 131,400 | 357,330 | 1,986,723 |

27. Financial instruments: information on material policy information and financial risks (continued)

27G. Foreign currency risks (continued)

Analysis of significant amounts denominated in non-functional currencies (continued):

| | Australian Dollars | Great British Pounds | Malaysian Ringgit | United States Dollars | Total |
|---|--------------------|----------------------|-------------------|-----------------------|-----------|
| | S\$ | S\$ | S\$ | S\$ | S\$ |
| Company | | | | | |
| 2023: | | | | | |
| Financial assets: | | | | | |
| Cash and cash equivalents | 1,161,291 | - | - | 78 | 1,161,369 |
| Loans and receivables | - | - | 26,007 | - | 26,007 |
| Total financial assets | 1,161,291 | - | 26,007 | 78 | 1,187,376 |
| Financial liabilities: | | | | | |
| Trade and other payables | 18,296 | - | 259,126 | 1,269 | 278,691 |
| Total financial liabilities | 18,296 | - | 259,126 | 1,269 | 278,691 |
| Net financial assets (liabilities) at end of the year | 1,142,995 | - | (233,119) | (1,191) | 908,685 |
| 2022: | | | | | |
| Financial assets: | | | | | |
| Cash and cash equivalents | 1,512,011 | 131,400 | - | 354,431 | 1,997,842 |
| Loans and receivables | - | - | 29,818 | 4,188 | 34,006 |
| Total financial assets | 1,512,011 | 131,400 | 29,818 | 358,619 | 2,031,848 |
| Financial liabilities: | | | | | |
| Trade and other payables | 14,018 | - | 388,848 | 1,289 | 404,155 |
| Total financial liabilities | 14,018 | - | 388,848 | 1,289 | 404,155 |
| Net financial assets (liabilities) at end of the year | 1,497,993 | 131,400 | (359,030) | 357,330 | 1,627,693 |

27. Financial instruments: information on material policy information and financial risks (continued)

27G. Foreign currency risks (continued)

There is exposure to foreign currency risk as part of normal business.

Sensitivity analysis:

| | Group | | Company | |
|---|-----------|-----------|-----------|-----------|
| | 2023 | 2022 | 2023 | 2022 |
| | S\$ | S\$ | S\$ | S\$ |
| A hypothetical 10% strengthening in the exchange rate of the functional currency S\$ against the respective non-functional currencies with all other variables held constant would have a favourable / (adverse) effect on pre-tax profit of the following amounts: | | | | |
| Against AUD | (114,300) | (149,799) | (114,300) | (149,799) |
| Against GBP | - | (13,140) | - | (13,140) |
| Against USD | 119 | (35,733) | 119 | (35,733) |
| Against MYR | NA | NA | 23,312 | 35,903 |

The above table shows sensitivity to the hypothetical percentage variations in the functional currency against the relevant non-functional foreign currencies. The sensitivity rate used is the reasonably possible change in foreign exchange rates. For similar rate weakening of the functional currency against the relevant foreign currencies above, there would be comparable impacts in the opposite direction.

In management's opinion, the above sensitivity analysis is unrepresentative of the foreign currency risks as the historical exposure does not reflect the exposure in future.

The hypothetical changes in exchange rates are not based on observable market data (unobservable inputs). The sensitivity analysis is disclosed for each currency to which the entities within the Group have significant exposure at end of reporting year. The analysis above has been carried out on the basis that there are no hedged transactions.

28. Contingent liabilities

| | 2023 | 2022 |
|---|-----------|-----------|
| | S\$ | S\$ |
| Undertaking to support subsidiaries with deficits | 4,709,848 | 4,365,037 |

29. Changes and adoption of financial reporting standards

For the current reporting year the ASC issued amendment to FRS 1 and Practice Statement 2 on disclosures of material accounting policy information and other explanatory information. These amendments indicate that immaterial information need not be disclosed and disclosures should not obscure material accounting policy information (such as material information being obscured, or information regarding a material item, transaction or other event is scattered throughout the financial statements, etc). In addition, the ASC issued certain new or revised financial reporting standards. None had material impact on the reporting entity. Those applicable to the reporting entity are listed below.

| FRS No. | Title |
|---------|--|
| FRS 8 | Definition of Accounting Estimates - Amendments to |
| FRS 12 | Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to |

30. New or amended standards in issue but not yet effective

For the future reporting years the ASC issued certain new or revised financial reporting standards. The transfer to the applicable new or revised standards from the effective dates is not expected to result in any material modification of the measurement methods or the presentation in the financial statements for the following reporting year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application. Those applicable to the reporting entity for future reporting years are listed below.

| FRS No. | Title | Effective date for periods beginning on or after |
|---------|--|--|
| FRS 1 | Presentation of Financial Statements-amendment relating to Classification of Liabilities as Current or Non-current | 1 January 2024 |
| FRS 1 | Presentation of Financial Statements-amendment relating to Non-current Liabilities with Covenants | 1 January 2024 |

31. Event after the end of the reporting year

On 4 March 2024, the Group announced to the market that it has changed its presentation currency from Singapore dollars ("S\$") to Australian dollars ("A\$"). Consequently, the Group's half-year results for period ending 30 June 2024 and all subsequent financial information will be prepared using Australian dollars as the presentation currency. In accordance with the relevant financial reporting standard, comparative information will be provided in Australian dollars.

13.

ADDITIONAL
INFORMATION

The security holder information set out below was applicable as at 19 March 2024.

Analysis of number of equity security holders by size of holding:

| Size of Holding | Number of Holders of Ordinary Securities | Number of Ordinary Securities | % of Issued Ordinary Securities | Numbers of Holders of Options | Number of Options | % of Issued Options |
|--|--|-------------------------------|---------------------------------|-------------------------------|-------------------|---------------------|
| above 0 up to and including 1,000 | 64 | 1,794 | 0.00% | - | - | - |
| above 1,000 up to and including 5,000 | 70 | 226,555 | 0.08% | - | - | - |
| above 5,000 up to and including 10,000 | 79 | 666,924 | 0.23% | - | - | - |
| above 10,000 up to and including 100,000 | 164 | 6,068,135 | 2.05% | - | - | - |
| above 100,000 | 84 | 288,621,405 | 97.64% | 12 | 12,000,000 | 100.00% |
| Total | 461 | 295,584,813 | 100.00% | 12 | 12,000,000 | 100.00% |
| Unmarketable Parcels | 429 | | | | | |

Based on the price per security, there are 429 holders with an unmarketable holding of 18,853,659 ordinary securities, amounting to 6.4% of the issued capital.

SUBSTANTIAL HOLDERS

The substantial holder in the Company is set out below:

| Name of Holder | Ordinary Shares Hold |
|---------------------|----------------------|
| Ganesh Kumar Bangah | 216,723,851 |

⁽¹⁾ Held under own name and nominee account HSBC Custody Nominees (Australia) Limited

Voting rights

The Company has the following securities on issue: (i) CHESS Depository Interests ("CDI") and (ii) unlisted options. The unlisted options do not have voting rights. The voting rights attached to the CDIs are set out below:

As CDI holders are not the legal owners of underlying Shares, CHESS Depository Nominees ("CDN"), which holds legal titles to the Shares underlying the CDIs, is entitled to vote at security holder meetings of the Company on the instruction of the CDI holders on a poll, not on a show of hands. CDI holders are entitled to give instructions for one vote for every underlying Share held by CDN. Any notice of meeting issued to CDI holders will include a form permitting the holder to direct CDN to cast proxy votes in accordance with the holder's instructions.

Listing Rules 3.13.1 and 14.3

In accordance with Listing Rule 3.13.1 and Listing Rule 14.3, the Annual General Meeting ("AGM") of Xamble Group Limited is scheduled for 30 May 2024.

Nominations for election of directors at the AGM must be received not less than 30 business days before the date of the AGM, being no later than 18 April 2024.

EQUITY SECURITY HOLDERS

Twenty largest quoted equity security holders

The names of the twenty largest holders of quoted equity securities are listed below:

| Rank | Name | No. of Shares | % of Issued shares |
|------|---|---------------|--------------------|
| 1 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 128,267,013 | 43.56% |
| 2 | HSBC CUSTODY NOMINEES (AUSTRALIA) LIMITED | 79,154,331 | 26.88% |
| 3 | MR GEORG JOHANN CHMIEL | 12,000,000 | 4.08% |
| 4 | MR GANESH KUMAR BANGAH | 11,783,334 | 4.00% |
| 5 | CITICORP NOMINEES PTY LIMITED | 10,204,843 | 3.47% |
| 6 | BNP PARIBAS NOMS PTY LTD UOBKH A/C RMIERS | 4,044,863 | 1.37% |
| 7 | MR MARK ANTHONY BROGLIO | 2,800,000 | 0.95% |
| 8 | TASEC NOMINEES (TEMPATAN) SDN BHD | 2,450,000 | 0.83% |
| 9 | TASEC NOMINEES (ASING) SDN BHD | 2,300,000 | 0.78% |
| 10 | FACORY INVESTMENTS (QLD) PTY LTD | 2,260,276 | 0.77% |
| 11 | MR MATTHEW REGOS & MRS SILVIA LISA REGOS <REGOS FAMILY A/C> | 1,932,600 | 0.66% |
| 12 | HUI WEN YANG | 1,925,103 | 0.65% |
| 13 | KARISHMA THAKURDAS JETHWANI | 1,500,000 | 0.51% |
| 14 | MR NHAN PHAM | 1,330,196 | 0.45% |
| 15 | MR MARK BROGLIO | 1,238,833 | 0.42% |
| 16 | MR ROBERT GERARD STARCEVICH <STARCEVICH FAMILY A/C> | 1,129,331 | 0.38% |
| 17 | PUJARA SUPERANNUATION FUND PTY LTD <PUJARA SF A/C> | 1,030,284 | 0.35% |
| 18 | MR YULIANG FAN | 996,901 | 0.34% |
| 19 | BNP PARIBAS NOMS PTY LTD UOB KH PL AC | 978,783 | 0.33% |
| 20 | MS SOO WAH TAN | 970,000 | 0.33% |
| | Total | 268,296,691 | 91.12% |
| | Balance of register | 26,143,542 | 8.88% |
| | Grand total | 294,440,233 | 100.00% |

UNQUOTED EQUITY SECURITY HOLDERS

The Company has 12,000,000 unlisted options on issue.

ON-MARKET BUY-BACK

At the Company's last Annual General Meeting on 30 May 2023, an On-Market Share Buyback Mandate to remain in force until the date of the next Annual General Meeting was approved. Although the Directors have not yet initiated any buy-back activity, this initiative remains under an important capital management tool for the Company and may be activated taking into account the Company's security price as traded on the ASX, ongoing working capital requirements of the business, and the likely up-front cash consideration component required for any business acquisitions being actively contemplated, investigated or pursued by the Company.

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