



# 今海医疗

J I N H A I M E D

**Jinhai Medical Technology Limited**

**今海醫療科技股份有限公司**

*(Incorporated in the Cayman Islands with members' limited liability)*

**(Stock Code: 2225)**

**2024** ANNUAL  
REPORT

# Contents

	<i>Page</i>
Corporate Information	2
Chairman’s Statement	4
Management Discussion and Analysis	6
Biographical Details of Directors and Senior Management	16
Corporate Governance Report	21
Report of the Directors	39
Environmental, Social and Governance Report	55
Independent Auditor’s Report	96
Consolidated Statement of Profit or Loss and Other Comprehensive Income	100
Consolidated Statement of Financial Position	101
Consolidated Statement of Changes in Equity	103
Consolidated Statement of Cash Flows	104
Notes to the Consolidated Financial Statements	106
Five Years Financial Summary	172

# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Mr. Chen Guobao (*Chairman*)  
Mr. Wang Zhenfei (*Chief Executive Officer*)  
Mr. Li Yunping  
Mr. Dai Yong (appointed on 5 August 2024 and resigned on 28 January 2025)

### Non-executive Directors

Mr. Jiang Jiangu (Vice-chairman)  
(appointed on 28 January 2025)  
Mr. Wang Huasheng  
Mr. Yu Mingyang (resigned on 5 August 2024)

### Independent Non-executive Directors

Mr. Yan Jianjun  
Mr. Fan Yimin  
Ms. Yang Meihua

### Audit Committee

Mr. Yan Jianjun (*Chairman*)  
Mr. Wang Huasheng  
Mr. Yu Mingyang (resigned on 5 August 2024)  
Mr. Fan Yimin  
Ms. Yang Meihua

### Nomination Committee

Mr. Chen Guobao (*Chairman*)  
Mr. Li Yunping  
Mr. Yan Jianjun  
Mr. Fan Yimin  
Ms. Yang Meihua

### Remuneration Committee

Mr. Yan Jianjun (*Chairman*)  
Mr. Wang Zhenfei  
Mr. Yu Mingyang (resigned on 5 August 2024)  
Mr. Fan Yimin  
Ms. Yang Meihua

## COMPANY SECRETARY

Mr. Wong Man Yiu (resigned on 1 January 2024)  
Ms. Sze Chin Pei Pacita (appointed on 1 January 2024 and resigned on 14 March 2024)  
Ms. Cheng Yuen (appointed on 2 April 2024)

## AUTHORISED REPRESENTATIVES

Mr. Wang Zhenfei  
Mr. Wong Man Yiu (resigned on 1 January 2024)  
Ms. Sze Chin Pei Pacita (appointed on 1 January 2024 and resigned on 14 March 2024)  
Mr. Chen Guobao (appointed on 14 March 2024 and resigned on 2 April 2024)  
Ms. Cheng Yuen (appointed on 2 April 2024)

## INDEPENDENT AUDITOR

ZHONGHUI ANDA CPA Limited  
*Certified Public Accountants*  
23/F, Tower 2, Enterprise Square Five  
38 Wang Chiu Road, Kowloon Bay  
Kowloon  
Hong Kong

## LEGAL ADVISER

*As to Hong Kong law*  
Anthony Siu & Co., Solicitors & Notaries  
18th Floor, Nine Queen's Road Central  
Hong Kong

## REGISTERED OFFICE

Vistra (Cayman) Limited  
P. O. Box 31119  
Grand Pavilion, Hibiscus Way  
802 West Bay Road, Grand Cayman  
KY1-1205 Cayman Islands

# Corporate Information

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN CHINA

3/F, Block East  
1275 Meichuan Road  
Putuo District  
Shanghai, the PRC

## PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

31 Sungei Kadut Avenue  
Singapore 729660

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

3/F, GF Tower  
81 Lockhart Road  
Wan Chai, Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Ocorian Trust (Cayman) Limited  
PO Box 1350  
Clifton House  
75 Fort Street  
Grand Cayman KY1-1108  
Cayman Islands

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited  
Room 2103B, 21/F  
148 Electric Road  
North Point, Hong Kong

## PRINCIPAL BANKERS

### Shanghai Pudong Development Bank Co. Ltd. – Hong Kong Branch

30/F, SPD Bank Tower  
1 Hennessy Road  
Hong Kong

### DBS Bank (Hong Kong) Ltd

11th Floor, The Center  
99 Queen's Road Central  
Hong Kong

### DBS Bank Ltd

12 Marina Boulevard  
Marina Bay Financial Centre Tower 3  
Singapore 018982

### OCBC Bank Ltd

65 Chulia Street  
OCBC Centre  
Singapore 049513

### United Overseas Bank Limited

1 Tampines Central 1  
#02-03 UOB Tampines Centre  
Singapore 529539

## LISTING INFORMATION

Place: Main Board of The Stock Exchange of Hong Kong Limited

Stock code: 2225

Board lot: 5,000 shares

## COMPANY WEBSITE

<https://www.jin-hai.com.hk/>

# Chairman's Statement

On behalf of the Board of Directors (the "**Board**"), I am pleased to present the annual report of Jinhai Medical Technology Limited (formerly known as Jinhai International Group Holdings Limited) (the "**Company**") and its subsidiary corporations (collectively, the "**Group**") for the financial year ended 31 December 2024 (the "**Year**" or "**FY2024**").

## YEAR IN REVIEW

As part of the Board's reassessment of our business focus and strategic direction, the Board recognizes our focus towards the business of provision of minimally surgery solution and medical products and related services in China, and the potential for growth this area could bring to our Group in the long term.

During the Year, the headquarters of the Company was changed from its principal place of business in Singapore to the People's Republic of China ("**PRC**"). The Board considers that the relocation of the headquarters to the PRC will better reflect the direction of development and future prospect of the Company's medical business. As such, the relocation will better align the Company with the current and future business direction, better position us for our current and future customers and facilitate the Group's long term brand building, thereby enabling us to better create long term value for our shareholders.

In connection with the change of Company name on 20 December 2023, the Company is also undergoing certain activities on rebranding of its corporate image by way of, amongst others, adopting a new company logo "金海医疗". It is expected that the new logo will be gradually used and printed on the relevant corporate documents of the Company, including but not limited to the Company's promotional materials, interim and annual reports, announcements and circulars. It is also expected that the adoption of the Company's logo will not affect any of the rights of the existing Shareholders. All of the Company's existing share certificates in issue will continue to be effective as documents of title to such Company's shares and be valid for trading, settlement, registration and delivery purposes. Accordingly, there will not be any arrangement for free exchange of the existing share certificates for new share certificates as a result of the adoption of logo of the Company.

At the extraordinary general meeting of the Company held on 10 December 2024, the shareholders voted in favor of resolution in connection with the Share Subdivision to sub-divide each and every one (1) existing issued and unissued share of HK1 cent each in the capital of the Group into four (4) Subdivided Shares of HK0.25 cent each in the capital of the Group so as to reduce the trading price of each share of the Company accordingly, which in turn will attract more investors. The Board believes that the Share Subdivision will enhance the trading liquidity of the Shares, which will enable the Company to attract more investors and broaden its shareholder base.

## LOOKING AHEAD

With the expanding ageing population, the improved living standards of the people and the economic growth of China, the demand for medical devices has steadily increased. The Group considers to seize the development opportunities and enhance the competitiveness in the increasingly fierce market competition, the Group will continue to strengthen its development in the year of 2025 by boarding the product lines and advancing the research and development capabilities. We will also keep expanding our distribution network, continuously developing new products and promoting resource integration, so as to further consolidate and strengthen our position in the medical industry.

# Chairman's Statement

In addition to diversification of businesses of the Group, the Board considers to expand its existing business into the Asia Pacific Region, including China. The Board also considers to provide value-added services, such as skills training and quality improvement to the labour forces on top of the manpower outsourcing services.

With international trade uncertainties and falling interest rates, the year of 2025 has become one of the most economically challenging years, and the Group is taking proactive measures to turn the crisis into an opportunity, seizing the chance to explore more trading partners and expanding markets.

The Board will keep shareholders informed of material developments as and when they arise.

## A NOTE OF APPRECIATION

On behalf of the Board, I would like to express my heartfelt appreciation to our shareholders, customers, business associates, management and staff for the continuing and unwavering support through the years.

### **Chen Guobao**

*Chairman of the Board and Executive Director*

Hong Kong, 28 March 2025

# Management Discussion and Analysis

## BUSINESS REVIEW AND OUTLOOK

The Group started to generate revenue from the sale of medical equipment in 2019. During the Year, the Group relocated its headquarters and principal place of business to Shanghai, the PRC, partly due to, amongst others, the possible business downturn and contraction in the Republic of Singapore (“**Singapore**”), as compared with the business growth of providing minimally invasive surgical solutions, medical products and related services in the Chinese Mainland.

Since 2006, the Group has been engaged in the provision of labor dispatch services in Singapore. The Group also provides labor dispatch and ancillary services to local building and construction contractors, as well as (on a relatively small scale) dormitory services, information technology services and construction ancillary services (including warehousing services, cleaning services and building maintenance works) in Singapore. According to the FY2025 Budget Statement released by the Ministry of Finance on February 18, 2025, Singapore’s economy grew moderately by 4.4% in 2024, avoiding a recession. Singapore’s economic growth is expected to slow down by 1.0% to 3.0% in 2025. The Group expects the construction industry in Singapore to continue to face challenges in 2025.

Looking back to 2024, the Group recorded revenue of S\$50.2 million, an increase of 10% over the previous year, mainly due to the growth of the minimally invasive surgical solutions business in China in recent years bringing revenue growth to the Group for the year.

As part of the Board’s reassessment of our business focus and strategic direction, the Board recognizes our focus towards the business of provision of minimally surgery solution and medical products and related services in China, and the potential for growth that this area will bring to our Group in the long term. According to Mordor Intelligence, the China minimally invasive surgery devices market size is estimated at USD1.71 billion in 2025, and is expected to reach USD2.68 billion by 2030, growing at a CAGR of 9.45% during the forecast period (2024–2029) <sup>note</sup>.

In addition to the growing market size of the China minimally invasive surgery solutions products, with aging population, the improved living standards and the economic growth of China, the demand of quality medical services, and in turn the relevant medical devices has steadily increased.

In view of the positive market feedback demonstrated by the significant increase in the segment revenue from the provision of minimally invasive surgery solutions, medical products and related services, the Group will continue to develop and enhance its competitiveness in the increasingly fierce market competition by (a) strengthening its development capabilities; (b) expanding its distribution network; (c) developing of new products; and (d) promoting resource integration so as to strengthen our position in the medical industry.

With the expanding ageing population, the improved living standards of the people and the economic growth of China, the demand for medical devices has steadily increased. The Group considers to seize the development opportunities and enhance the competitiveness in the increasingly fierce market competition, the Group will continue to strengthen its development since 2023 by broadening the product lines and advancing the research and development capabilities. We will also keep expanding our distribution network, continuously developing new products and promoting resource integration, so as to further consolidate and strengthen our position in the medical industry.

Note: Source: <https://www.mordorintelligence.com/industry-reports/china-minimally-invasive-surgery-devicesmarket>.

# Management Discussion and Analysis

The Company will capitalise on the strengths of, in particular, the PRC, Hong Kong and Singapore and as external platforms to expand its existing businesses, venture into new industries and identify new investment opportunities to enhance its business prospects, thereby bringing long-term economic benefits to the Company and its shareholders.

In addition to diversification of businesses of the Group, the Board considers expanding its existing business into the Asia Pacific Region, and notably China. The Board also considers providing value-added services, such as skills training and quality improvement to the labour forces on top of the manpower outsourcing services.

At the extraordinary general meeting held on 10 December 2024, the shareholders voted in favor of resolution in connection with the Share Subdivision to sub-divide each and every one (1) existing issued and unissued share of HK1 cent each in the capital of the Group into four (4) Subdivided Shares of HK0.25 cent each in the capital of the Group so as to reduce the trading price of each share of the Company, which in turn will attract more investors accordingly. The share subdivision became effective on 12 December 2024. The Board believes that the Share Subdivision will enhance the trading liquidity of the Shares, which will enable the Company to attract more investors and broaden its shareholder base.

Under the premises of geo-political uncertainties with increasing global trade conflicts, the year of 2025 has become one of most economically challenging years, and the Group is taking proactive steps to conserve cash by implementing stricter cost management measures. In view of the financial resources required for the business development, the Board considers to explore different ways of funds raising in the capital market in Hong Kong and/or other places from time to time as necessary and appropriate.

## FINANCIAL REVIEW

### Revenue

The Group's revenue has been increased from S\$45.6 million in FY2023 to S\$50.2 million in FY2024. The following table sets forth a breakdown of the revenue for FY2024 and FY2023 as indicated:

	<b>FY2024</b> <b>S\$'000</b>	FY2023 S\$'000	Increased/ (Decreased) by S\$'000
Minimally invasive surgery solution and medical products and related service fee	<b>25,927</b>	20,431	5,496
Manpower outsourcing and ancillary services	<b>15,116</b>	15,750	(634)
IT services	<b>500</b>	476	24
Construction ancillary services	<b>279</b>	372	(93)
Dormitory services	<b>8,419</b>	8,615	(196)
	<b>50,241</b>	45,644	4,597

# Management Discussion and Analysis

Revenue from minimally invasive surgery solution and medical products and related service fee increased from S\$20.4 million in FY2023 to S\$25.9 million in FY2024. The increase was mainly due to growth in minimally surgery solution business in China.

The slightly decrease in revenue from manpower outsourcing and ancillary services from S\$15.8 million in FY2023 to S\$15.1 million in FY2024 was mainly due to the downturn of the outsourcing and ancillary services business in Singapore.

There is no significant change in revenue from IT services.

Revenue from construction ancillary services in FY2024 decreased by S\$0.1 million as compared to that in FY2023. This was mainly due to a decrease in sales from warehousing services attributable to less industrial space rented out.

Revenue from dormitory services decreased slightly from S\$8.6 million in FY2023 to S\$8.4 million in FY2024, mainly due to the end of the lease of the dormitory and there was minimal revenue generated in the last quarter of the year.

## **Gross profit and gross profit margin**

The Group's gross profit decreased from S\$12.0 million in FY2023 to S\$11.5 million in FY2024. This was mainly due to the downturn of the outsourcing and ancillary services business in Singapore as discussed above. The gross profit margin decreased from 26.4% in FY2023 to 22.8% in FY2024, primarily due to low profit margin of the Singapore business.

## **Other income, gains and losses, net**

Net other income and gains increased from S\$1.6 million in FY2023 to S\$2.6 million in FY2024 mainly due to:

- (i) change from net loss to gain in fair value of investments at fair value through profit or loss of S\$1.3 million;
- (ii) change from net loss to gain on foreign exchange of S\$0.9 million;
- (iii) no net loss on disposal of property, plant and equipment of S\$0.2 million in FY2024;
- (iv) increase in sub-leasing income of S\$0.2 million; and
- (v) increase in forfeiture of customer deposits of S\$0.2 million.

# Management Discussion and Analysis

## Administrative expenses

Administrative expenses increased by S\$16.0 million mainly due to incurrence of the equity-settled share-based payments of S\$13.2 million. In addition, relevant industry veterans and supporting employees were hired and additional places suitable for research and development was rented to support the new business.

## Finance costs

Finance costs increased by S\$0.6 million in FY2024 mainly due to the additional facilities obtained during the year.

## Income tax expense

The Group recorded an income tax expense of S\$0.03 million in FY2024 as compared to S\$0.9 million in FY2023.

## Loss for the year

The Group recorded a loss of S\$18.3 million in FY2024 (FY2023: S\$4.1 million) largely attributed to the equity-settled share-based payments of S\$13.2 million and expenses incurred for expanding the minimally surgery solution business in China.

## DIVIDEND

The Board did not recommend distribution of any dividend to the shareholders of the Company (the “**Shareholders**”) for FY2024 (FY2023: nil).

## LIQUIDITY, FINANCIAL RESOURCES AND GEARING RATIO

### Liquidity

The Group generally meets its working capital requirements from its internally generated funds and maintained a healthy financial position. Upon the Listing, the source of funds of the Group had been a combination of internally generated funds and net proceeds from the Listing. In October 2023, the Group raised funds from issue of new shares under the general mandate.

### Treasury policy

The Group has adopted a prudent financial management approach towards its treasury policy and thus maintained a healthy financial position throughout the Year. The Board closely monitors the Group’s liquidity position to ensure that the liquidity structure of the Group’s assets, liabilities, and other commitments can meet its funding requirements all the time.

# Management Discussion and Analysis

## Use of proceeds from Listing

The net proceeds from the Listing were HK\$82.6 million (equivalent to S\$14.1 million) (after deducting underwriting fees and Listing expenses). The table below sets out the proposed applications of the net proceeds from the Listing Date to December 2024:

Intended use of Net Proceeds	Original allocation HK\$' million	Revised	Revised	Utilised	Unutilised	Unutilised	Expected
		allocation as at 16 October 2020 HK\$' million	allocation as at 2 March 2021 HK\$' million	amount of Net Proceeds as at 31 December 2024 HK\$' million	amount of Net Proceeds as at 31 December 2024 HK\$' million		
For partly financing the acquisition of an additional foreign worker dormitory at an estimated consideration of HK\$162.0 million	77.1	61.3	46.6	46.6	-	-	N/A
For financing the acquisition of 10 additional lorries	5.5	3.7	3.7	1.8	1.9	1.9	By the end of December 2025 (Note 4)
For financing the investment in securities	-	10.0 (Note 1)	10.0	10.0	-	-	N/A
For repayment the loan	-	5.8 (Note 2)	-	N/A	N/A	N/A	N/A
For injection of registered capital in Jinhai Medical	-	-	20.5 (Note 3)	20.5	-	-	N/A
<b>Total</b>	<b>82.6</b>	<b>80.8</b>	<b>80.8</b>	<b>78.9</b>	<b>1.9</b>	<b>1.9</b>	

### Note 1:

Given the previous lockdown of Singapore due to the novel Coronavirus, the identification of the additional foreign worker dormitory has been delayed. In order to generate a better short term return and enhance the yield of the idle cash of the Company, the Company re-allocated HK\$10.0 million to acquire on the open market certain listed securities. For details, please refer to the announcement of the Company dated 16 October 2020 (the "**October 2020 Announcement**").

### Note 2:

Pursuant to the October 2020 Announcement, Mr. Chen Guobao, a controlling shareholder and chairman of the Company advanced the Loan to the Company for acquisition (the "**Acquisition**") of Shanghai Yunzhichu Information Technology Company Limited\* (上海雲之初信息科技有限公司). Pursuant to the announcement of the Company dated 12 November 2020, the Acquisition was terminated due to certain preconditions of the Acquisition could not be fulfilled, hence, the use of the Net Proceeds for repaying the Loan was delayed.

### Note 3:

Despite actively exploring suitable dormitory for acquisition, the previous lockdown and market condition of Singapore due to novel Coronavirus, the identification of the additional foreign worker dormitory has been delayed. In order to generate a better return and enhance the long term growth of the Company, the Company re-allocated the unutilised Net Proceeds from (i) the acquisition of additional foreign worker dormitory and (ii) repaying the Loan in the amount of HK\$14.7 million and HK\$5.8 million, respectively, towards the formation of the joint venture company. For details, please refer to the announcement of the Company dated 2 March 2021 and 16 April 2021 (the "**Announcements**").

# Management Discussion and Analysis

Note 4:

As the business performance of the Group's segment under provision of manpower outsourcing and ancillary services has been declining, the immediate need for additional lorries has decreased. Hence, the Group further postponed the expected time of utilisation of the remaining net proceeds for such use by the end of December 2025. The Group considers if it is necessary for further postponement of such investment in due course.

## Use of proceeds from Placings

The net proceeds from the issue of new shares under the general mandate on 18 October 2023 (the "Placing") were HK\$99 million (after deducting the relevant professional expenses) and a net issue price of HK\$1.584 per subscription share. The subscription price was HK\$1.60 per share, which represented (i) a discount of 19.60% to the closing price of HK\$1.99 per share as quoted on the Stock Exchange on the date of the subscription agreements; and (ii) a discount of 19.60% to the average of the closing prices of HK\$1.99 per share as quoted on the Stock Exchange for the last five consecutive trading days immediately prior to the date of the subscription agreements. Further details are set out in the announcements of the Company dated 25 September 2023 and 18 October 2023. The table below sets out the proposed applications of the net proceeds from the date of completion to December 2024:

Intended use of Net Proceeds	Original allocation HK\$' million	Utilised amount	Unutilised	Unutilised	Expected timeline for fully utilising the Unutilised Net Proceeds
		of Net Proceeds as at 31 December 2024 HK\$' million	amount of Net Proceeds as at 31 December 2024 HK\$' million	amount of Net Proceeds as at the date of Annual Report HK\$' million	
For the expansion of business in the medical industry	69.0	69.0	–	–	N/A
For the expansion of business in manpower outsourcing and ancillary services	15.0	3.0	12.0	12.0	By the end of December 2025 (Note)
For the general working capital of the Group	15.0	15.0	–	–	N/A
<b>Total</b>	<b>99.0</b>	<b>87.0</b>	<b>12.0</b>	<b>12.0</b>	

Note: The Group is preparing the expansion of the business in manpower outsourcing and ancillary services in the PRC in 2025. With the expected increase in such business in 2025, it is expected that the net proceeds will be further utilised during 2025.

## Borrowings and gearing ratio

As at 31 December 2024, the Group had an aggregate of current and non-current borrowings and lease liabilities of S\$14.5 million as compared to borrowings and lease liabilities of S\$10.1 million as at 31 December 2023. The increase was mainly due to borrowings from acquisition of a property in FY2024 and for daily operation purpose.

# Management Discussion and Analysis

The Group's gearing ratio as at 31 December 2024 was 44.3% (as at 31 December 2023: 26.9%). Gearing ratio is calculated by dividing total borrowings (comprising borrowings and lease liabilities) by total equity as at the end of the respective year and multiplied by 100%.

As at 31 December 2024, the Group had unutilised banking facilities of S\$0.5 million available for cash drawdown (as at 31 December 2023: S\$2.5 million).

## Cash and cash equivalents

As at 31 December 2024, the Group had bank and cash balances of S\$10.4 million, of which 12.3% was denominated in S\$, 70.8% denominated in RMB and 16.9% was denominated in HK\$ which were placed in major licensed banks in Singapore, China, and Hong Kong.

## Foreign exchange exposure

In FY2024, the Group transacts mainly in RMB, in which the functional currency of all the entities is S\$ in the Group. The Group retains a large portion of the proceeds from the Listing in HK\$ which also contributed to an unrealised foreign exchange gain of S\$0.3 million as S\$ strengthen against HK\$ and RMB in FY2024.

## Charges on the Group's assets and contingent liabilities

As at 31 December 2024, certain lease liabilities and borrowings were secured by the charge over leased assets with an aggregate net book value of S\$0.06 million and S\$9.9 million respectively (as at 31 December 2023: S\$0.01 million and S\$4.7 million respectively).

The Group did not have any material contingent liabilities as at 31 December 2024 and 2023.

## Capital expenditures and capital commitments

The Group's capital expenditures principally consisted of expenditures on motor vehicles, computer and equipment, furniture and fittings. The Group recorded capital expenditures for the purchases of property, plant and equipment and additions to right-of-use assets in the amounts of S\$1.4 million and S\$4.7 million for FY2024 and FY2023, respectively.

The Group acquired a dormitory in Singapore in January 2024, with the consideration of S\$10.2 million. The Group did not have any capital commitments as at 31 December 2024.

## Significant investments held, material acquisitions and disposal of subsidiaries, associates and joint ventures

On 20 October 2023, Nichefield Pte. Ltd. ("**Nichefield**"), a company established in Singapore with limited liability and an indirect wholly-owned subsidiary of the Company (as purchaser) entered into the share transfer agreement with three vendors, pursuant to which the vendors conditionally agreed to sell 40%, 35% and 25% of their respective interests in Neuhaus Engineering Pte. Ltd. (the "**Target Company**") (in aggregate representing the entire issued shares of the Target Company), and Nichefield conditionally agreed to acquire 100% interests of the Target Company. Prior to the completion, the entire issued shares of the Target Company were legally and beneficially owned by the vendors in aggregate. Upon completion as of 30 November 2023, the Target Company became an indirect wholly-owned subsidiary of the Company and the financial results of the Target Company began to consolidate into the financial statements of the Group. For further details, please refer to the announcement of the Company dated 9 April 2024 and the circular of the Company dated 24 June 2024.

# Management Discussion and Analysis

On 17 May 2023, KT&T Engineers and Constructors Pte. Ltd., a wholly owned subsidiary of the Company, entered into the property purchase agreement with Eng Lee Engineering Pte Ltd, a company incorporated in Singapore, which was under liquidation, in relation to the acquisition of 5 Neythal Road Singapore 628572 by KT&T Engineers and Constructors Pte. Ltd. for an aggregate consideration of S\$10,180,000 (equivalent to HK\$59,172,411) (excluding the goods and services tax payable). The aforementioned acquisition was completed on 31 January 2024. For further details, please refer to the announcement of the Company dated 9 April 2024 and the circular of the Company dated 24 June 2024.

On 22 July 2024 (after trading hours), Jinhai Technology Development (Shanghai) Company Limited\* (今海科技發展(上海)有限公司) (an indirect wholly-owned subsidiary of the Company) ("**Jinhai SH**"), Mr. He Xiao (何曉先生) ("**Mr. He**") and Shanghai Lichen Medical Technology Co., Ltd.\* (上海立晨醫療科技有限公司) (currently known as Shanghai Jinhai Pioneer Medical Technology Limited (上海今海派力亞醫療科技有限公司) ("**Shanghai Pioneer**") entered into the cooperation framework agreement (the "**Cooperation Framework Agreement**"), pursuant to which Jinhai SH agreed to inject in aggregate up to RMB16,500,000 by way of cash contribution into Shanghai Pioneer, subject to terms and conditions under the Cooperation Framework Agreement. Pursuant to the Cooperation Framework Agreement, prior to the capital injection of Jinhai SH to Shanghai Pioneer, Mr. He would pay up his first instalment of contribution to the registered capital of Shanghai Pioneer in the amount of not less than RMB2,250,000. After Mr. He completed his first instalment of capital contribution, Jinhai SH would complete its capital contribution obligation of not less than RMB8,250,000, i.e. 50% of the expected aggregate capital injection by Jinhai SH of RMB16,500,000. It was expected that upon completion of the increase in registered capital of Shanghai Pioneer, the shareholding proportion of Shanghai Pioneer would be adjusted to as to 55% by Jinhai SH and 45% by Mr. He, subject to the mechanism as provided in the Cooperation Framework Agreement (the "**Adjusted Shareholding**"). Pursuant to the relevant accounting policies adopted by the Group and based on the Adjusted Shareholding, Shanghai Pioneer would be accounted for as a subsidiary of the Company and its financial statements would be incorporated in the consolidated financial statements of the Group. For further details, please refer to the announcement of the Company dated 22 July 2024.

The Group held investments in quoted equity shares at fair value of S\$3.8 million and S\$6.0 million, respectively as at 31 December 2024 and 2023.

Save as disclosed above, there were no material acquisitions and disposal of subsidiaries, associates and joint ventures for FY2024.

In view of the global economic uncertainties and the existing market conditions, the Group decided to adopt a more effective approach to manage its internally generated funds to acquire on the open market certain listed securities. The investments in quoted equity securities offer the Group the opportunity for return through dividend income and fair value gains. They have no fixed maturity or coupon rate. The fair values of these securities are based on closing quoted market prices on the last market day of the financial year.

## Off-balance sheet transactions

As at 31 December 2024, the Group did not enter into any material off-balance sheet transaction.

# Management Discussion and Analysis

## EMPLOYEE AND REMUNERATION POLICY

As at 31 December 2024, the Group had 488 employees (as at 31 December 2023: 694), including foreign workers.

The Group determines employee salaries based on employee's qualifications, position and seniority. In order to attract and retain valuable employees, the Group reviews the performance of our employees, which will be taken into account in annual salary review and promotion appraisal. The Group has also adopted a sales incentive scheme, pursuant to which our sales managers are entitled to sales commission based on the number of hours of deployment in respect of any manpower outsourcing contracts obtained by them from customers.

The Group incurred workers and staff costs (including the Directors and chief executive's remuneration, and other staff's salaries, wages and other benefits) of S\$30.5 million and S\$18.3 million for FY2024 and FY2023 respectively.

## QUANTITATIVE AND QUALITATIVE DISCLOSURE ABOUT MARKET RISK

### Interest rate risk

The Group is exposed to cash flow interest rate risk on the variable rates of interest earned on the bank balances. The Group is also exposed to fair value interest rate risk in relation to fixed-rate finance lease obligations.

The Group currently does not have an interest rate hedging policy. However, the management monitors interest rate risk exposure and will consider interest rate hedging should the need arise.

### Foreign currency risk

The Group has certain bank balances, financial assets measured at fair value through profit or loss, trade receivables and payables denominated in US\$ and RMB other than the functional currency of respective group entities, which expose the Group to foreign currency risk.

The Group manages the risk by closely monitoring the movement of the foreign currency rate.

### Credit risk

In order to minimise the credit risk, the Group has policies in place for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Before accepting any new customer, the Group carries out a research on the credit risk of the customer, assesses the customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed when necessary.

In addition, the Group reviews the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts. The Group recognises a loss allowance for expected credit losses ("ECL") on trade and other receivables. The amount of ECL is updated at each reporting date to reflect changes in credit risk since the initial recognition of the respective financial instrument. In this regard, management of the Group considers that the Group's credit risk is significantly reduced.

# Management Discussion and Analysis

## **Liquidity risk**

In the management of the liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows.

## **Fair value risk**

The Group is exposed to fair value risk arising from financial assets and financial liabilities that are measured at fair value on a recurring and non-recurring basis.

## **Equity price risk**

The Group is exposed to equity price risks arising from equity instruments designated at fair value through profit or loss. To manage its price risk arising from investments in equity securities, the Group diversifies its portfolio.

# Biographical Details of Directors and Senior Management

## EXECUTIVE DIRECTORS

### Mr. Chen Guobao (陳國寶先生)

Mr. Chen Guobao (“**Mr. Chen**”), aged 50, was appointed as the chairman of the Board, an executive Director, and the chairman of the nomination committee of the Company with effect from 19 July 2019.

Mr. Chen has approximately 20 years of experience in the real estate and construction industry, particularly in operation and strategic management. Mr. Chen completed his undergraduate studies in economic management at the Army Officer Academy of People’s Liberal Army of China\* (中國人民解放軍南京炮兵學院) in June 2012.

Mr. Chen is the chairman of the board of directors of Shanghai Jinhai Corporate Development Group Company Limited\* (上海今海企業發展(集團)有限公司), a company founded by him in 2002 and principally engages in real estate development, such as construction of commercial plaza and residential buildings, and property management, including dormitories and commercial plaza. He has also acted as the chairman of the board of directors of Shanghai Guobao Property Company Limited\* (上海國寶置業有限公司) since March 2006 and Shanghai Laiyada Property Development Company Limited\* (上海來亞達置業有限公司) since March 2011 whose principal businesses also include real estate development and property management. His responsibilities include, amongst others, overseeing the progress of development and construction projects and liaising with construction contractors on various aspects, including manpower and resources allocation.

Mr. Chen is currently the executive deputy chairman (執行副會長) of Ningbo Chamber of Commerce in Shanghai (上海市寧波商會). From September 2015 to October 2017, he was the non-executive director of Vision Fame International Holding Limited (stock code: 1315), the shares of which are listed on the Main Board of the Stock Exchange.

### Mr. Wang Zhenfei (王振飛先生)

Mr. Wang Zhenfei (“**Mr. Wang**”), aged 43, has been appointed as the chief executive officer of the Company, an executive Director, and a member of the remuneration committee of the Company with effect from 19 July 2019.

Mr. Wang completed his undergraduate studies in business management (online distance learning course) at the Southwest University of Science and Technology (西南科技大學) in January 2007.

Mr. Wang has approximately 8 years of experience in the banking industry and 4 years of experience in real estate development. He worked at the Shanghai Branch of Huaxia Bank (華夏銀行上海分行) from November 2007 to October 2015. Mr. Wang is the chief executive officer of Shanghai Jinhai Corporate Development Group Company Limited\* (上海今海企業發展(集團)有限公司) since October 2015, a company founded by Mr. Chen in 2002 and principally engaged in the real estate development and property management.

# Biographical Details of Directors and Senior Management

## Mr. Li Yunping (李雲平先生)

Mr. Li Yunping (“**Mr. Li**”), aged 71, has been appointed as a non-executive Director and a member of the nomination committee of the Company with effect from 19 July 2019. He was re-designated as the executive Director with effect from 31 July 2023.

Mr. Li had approximately 35 years of experience in the banking industry. Mr. Li held various positions in Ningbo Beilun Rural Commercial Bank Company Limited\* (寧波北侖農村商業銀行股份有限公司) from May 1979 to January 2014. From May 1981 to September 1986, Mr. Li was a supervisor at Beilun Lianshe Jiangnan Credit Union\* (北侖聯社江南信用社) and from September 1986 to February 2000, Mr. Li was a supervisor at Beilun Lianshe Xiaogang Credit Union\* (北侖聯社小港信用社). His last position at Ningbo Beilun Rural Commercial Bank Company Limited\* (寧波北侖農村商業銀行股份有限公司) was a senior economist from October 1995 until Mr. Li’s retirement in January 2014.

## NON-EXECUTIVE DIRECTORS

### Mr. Jiang Jianguyu (蔣江雨先生)

Mr. Jiang Jianguyu (“**Mr. Jiang**”), aged 42, has been appointed as a non-executive Director and vice-chairman of the Company with effect from 28 January 2025.

Mr. Jiang has extensive experience in the information technology industry and business management. Mr. Jiang obtained a bachelor’s degree in administration at the Huazhong University of Science and Technology (華中科技大學) in June 2006. Mr. Jiang also graduated from the Shanghai Advanced Institute of Finance (上海高級金融學院) of the Shanghai Jiao Tong University (上海交通大學) with a master’s degree in executive business administration in June 2018.

From August 2010 to April 2012, Mr. Jiang worked at the sales department of Trend Micro (China) Incorporated (趨勢科技(中國)有限公司). From June 2012 to February 2014, Mr. Jiang worked as a deputy director of sales of the Eastern China region of Kaspersky Technology Development (Beijing) Co., Ltd. (Shanghai branch) (卡巴斯基技術開發(北京)有限公司(上海分公司)). From July 2014 to December 2017, Mr. Jiang worked as a president of Shanghai Lucai Internet Technology Company Limited\* (上海路彩互聯網科技有限公司). Since January 2018, Mr. Jiang has been a president of Shanghai Shunma Data Technology Company Limited\* (上海舜馬數據科技有限公司).

Mr. Jiang has also been a non-executive Director and a member of the remuneration committee of the Company from 19 July 2019 to 6 August 2021.

# Biographical Details of Directors and Senior Management

## Mr. Wang Huasheng (王華生先生)

Mr. Wang Huasheng (“**Mr. Wang**”), aged 59, has been appointed as a non-executive Director and a member of the audit committee of the Company with effect from 19 July 2019.

Mr. Wang has approximately 15 years of experience in the real estate industry. He founded and has been acting as the chairman of the board of Shaanxi Yide Industrial Company Limited\* (陝西益德實業有限公司) since 2004. His main responsibilities include formulating medium to long term strategies for the development of the company as well as managing the daily operations of the board, including convening board meetings of the company. Mr. Wang is also involved in overseeing the financial operations and human resources related matters of the company. Mr. Wang has also founded and has been the chairman of the board of Shaanxi Northwest Light Industry Wholesale Market Management Company Limited\* (陝西西北輕工批發市場經營管理有限公司) since 2006. His main responsibilities include setting medium to long term strategies for the development of the company as well as managing the daily operations of the board, including key decision making of the company. Mr. Wang also involves in marketing activities of the company. In addition, he founded Shanghai Gexin Investment Development Company Limited\* (上海歌信投資發展有限公司) in 2007 and Shanghai Gexin Real Estate Company Limited\* (上海歌信置業有限公司) in 2009 and has been working as the chairman of the board of companies since 2007 and 2009 respectively. Mr. Wang’s main responsibilities at Shanghai Gexin Real Estate Company Limited\* (上海歌信置業有限公司) include setting medium to long term strategies for the development of the company as well as managing the daily operations of the board, including making key decisions of the company. Mr. Wang also oversees the financial operations as well as human resources and appraisal related matters of the company.

## Mr. Yu Mingyang (余明陽先生)

Mr. Yu Mingyang (“**Mr. Yu**”), aged 61, has been appointed as a non-executive Director, a member of the audit committee and the remuneration committee of the Company with effect from 31 July 2023.

Mr. Yu obtained his bachelor’s degree in philosophy from Hangzhou University (杭州大學) in the PRC in July 1983. Mr. Yu obtained a master’s degree and a doctor’s degree in management from Fudan University (復旦大學) in the PRC in July 1993 and July 1996 respectively.

Mr. Yu has served as a professor at Shanghai Jiao Tong University (上海交通大學) since September 2005. He has been (i) an independent director of Shanghai Xujiahui Commercial Co., Ltd. (上海徐家匯商城股份有限公司), a company listed on the Shenzhen Stock Exchange (stock code: 002561), since March 2018; (ii) an independent director of Golden Home Living Co., Ltd. (金牌廚櫃家居科技股份有限公司), a company listed on the Shanghai Stock Exchange (stock code: 603180), since September 2019; and (iii) an independent non-executive director of MedSci Healthcare Holdings Limited (梅斯健康控股有限公司), a company listed on the Stock Exchange of Hong Kong (stock code: 02415), since April 2023.

# Biographical Details of Directors and Senior Management

## INDEPENDENT NON-EXECUTIVE DIRECTORS

### Mr. Yan Jianjun (嚴健軍先生)

Mr. Yan Jianjun (“**Mr. Yan**”), aged 59, has been appointed as an independent non-executive Director, the chairman of the audit committee and the remuneration committee of the Company and a member of the nomination committee of the Company with effect from 19 July 2019.

Mr. Yan graduated from Shanghai University of Engineering Science (上海工程技術大學) with a bachelor’s degree in electrical engineering specialized in automation control in November 1988. Mr. Yan completed CEIBS’ Executive MBA Programme (在職高層管理人員工商管理碩士課程) and was awarded a master’s degree in Business and Administration from China Europe International Business School (中歐國際工商學院) in April 2003.

Mr. Yan has over 24 years of experience in the information technology industry. From January 1995 to January 1999, Mr. Yan was the chairman of the board of Shanghai Zhida Technology Industrial Company Limited\* (上海致達科技實業有限公司). Since January 1999, Mr. Yan has been the chairman of Shanghai Zhida Technology Group Company Limited\* (上海致達科技集團有限公司).

Mr. Yan was the national representative of the 12th, 13th and 14th Shanghai Municipal People’s Congress (上海市第十二屆, 十三屆及十四屆人民代表大會). Mr. Yan was awarded the National Model Worker of 2005 (2005年度全國勞動模範) by the State Council of the People’s Republic of China (中華人民共和國國務院) in April 2005 and was named as one of the Ten Outstanding Young Persons of Shanghai (上海十大傑出青年) at the 9th Ten Outstanding Young Persons of Shanghai (第九屆上海十大傑出青年) awards ceremony in May 2002. Mr. Yan was awarded the China’s Outstanding Entrepreneur in Private Technology Companies of 2007 (2007年度中國優秀民營科技企業家) in 2007 and Technology Innovation Entrepreneur Award (科技創新企業家獎) in December 2010 by the All-China Federation of Industry and Commerce (中華全國工商業聯合會). Mr. Yan was appointed as an arbitrator at the Shanghai International Economic and Trade Arbitration Commission (Shanghai International Arbitration Centre) (上海國際經濟貿易仲裁委員會(上海國際仲裁中心)) for a term of 3 years from May 2018.

Mr. Yan was appointed as an independent Director of Shanghai Lonyer Fuels Company Limited (上海龍宇燃油股份有限公司) (stock code: 603003.SH) with effect from 29 June 2020. In addition, Mr. Yan was the Rotating President of The Zhejiang Chamber of Commerce, Shanghai for the year of 2020 (上海市浙江商會2020年度的輪值會長).

# Biographical Details of Directors and Senior Management

## Mr. Fan Yimin (范一民先生)

Mr. Fan Yimin (“**Mr. Fan**”), aged 42, has been appointed as an independent non-executive Director and a member of the audit committee, the remuneration committee and the nomination committee of the Company with effect from 19 July 2019.

Mr. Fan obtained a bachelor’s degree in finance at Donghua University (東華大學) in July 2005. Mr. Fan has over 13 years of experience in the banking and finance industry. From July 2005 to May 2012, Mr. Fan worked at the Shanghai branch of Bank of China Limited (中國銀行股份有限公司上海市分行). He worked at Shanghai Stem Cell Technology Company Limited\* (上海市幹細胞技術有限公司) from November 2012 to July 2015. From April 2016 to December 2017, he worked at the Shanghai Zhengming Modern Logistics Company Limited\* (上海鄭明現代物流有限公司). Since January 2018, he worked as an assistant to the general manager in the corporate division of KEB Hana Bank (China) Company Limited, Shanghai Branch (韓亞銀行(中國)有限公司上海分行).

## Ms. Yang Meihua (楊美華女士)

Ms. Yang (“**Ms. Yang**”) aged 66, has been appointed as an independent non-executive Director and a member of the audit committee, the remuneration committee and the nomination committee of the Company with effect from 31 January 2022.

Ms. Yang has extensive experience in the field of accounting and finance. Ms. Yang is a member of the Chinese Institute of Certified Public Accountants. Ms. Yang received her undergraduate diploma (through correspondence) from Fudan University, the PRC. She worked at Arthur Andersen Hua Qiang Certified Public Accountants Shanghai Office from 1 October 1995 to 30 June 2002 and PricewaterhouseCoopers Zhong Tian Certified Public Accountants from 1 July 2002 to 25 March 2003. Ms. Yang has been working at Shanghai Nortex Certified Public Accountant Co. Ltd. (上海諾德會計師事務所有限公司) since 2004.

\* For identification purpose only

# Corporate Governance Report

The Company is committed to fulfilling its responsibilities to the Shareholders and protecting and enhancing Shareholders' value through good corporate governance.

The directors of the Company (the "**Directors**") recognise the importance of incorporating elements of good corporate governance in the management structure, internal control and risk management procedures of the Group so as to achieve effective accountability.

## CORPORATE GOVERNANCE PRACTICES

The Company has adopted and complied with all applicable code provisions as set out in the Corporate Governance Code (the "**CG Code**") as contained in Appendix C1 to the Rules Governing the Listing of Securities on the Stock Exchange (the "**Listing Rules**") during the Year and the period thereafter up to the date of this annual report (collectively, the "**Period**").

## SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code for Securities Transaction by Directors of Listed Issuers (the "**Model Code**") as contained in Appendix C3 to the Listing Rules as its own code of conduct governing the securities transactions by the Directors. In response to a specific enquiry made by the Company on each of the Directors, all Directors have confirmed that they had complied with the Model Code and its code of conduct regarding directors' securities transaction during the Year.

## BOARD OF DIRECTORS

### Responsibilities

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

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

# Corporate Governance Report

## Composition

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

As at the date of this annual report, the Board comprises eight Directors:

### Executive Directors

Mr. Chen Guobao (*Chairman*)

Mr. Wang Zhenfei (*Chief Executive Officer*)

Mr. Li Yunping

Mr. Dai Yong (appointed on 5 August 2024 and resigned on 28 January 2025)

### Non-executive Directors

Mr. Jiang Jiangyu (*Vice-chairman*) (appointed on 28 January 2025)

Mr. Wang Huasheng

Mr. Yu Mingyang (resigned on 5 August 2024)

### Independent Non-executive Directors

Mr. Yan Jianjun

Mr. Fan Yimin

Ms. Yang Meihua

The biographical details of each of the Directors are set out in the section headed “Biographical Details of Directors and Senior Management” of this annual report.

There was no financial, business, family or other material relationship among the Directors during the Year and up to the date of this annual report.

The INEDs have brought in a wide range of business and financial expertise, experience and independent judgement to the Board. Through active participation in the Board meetings and serving on various Board committees, all INEDs will continue to make various contributions to the Group.

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

The Company has received a confirmation of independence in writing from each of the INEDs pursuant to Rule 3.13 of the Listing Rules. Based on such confirmation, and not aware of any unfavorably reported incidents, the Company considers that all the INEDs are independent and have met the independent guidelines as set out in Rule 3.13 of the Listing Rules during the year ended 31 December 2024 and up to the date of this annual report.

# Corporate Governance Report

The term of appointment of each INED and the NED are set for one year and are subject to retirement by rotation and re-election at the annual general meetings of the Company in accordance with the Articles of Association.

Proper insurance coverage in respect of legal actions against the Directors' liabilities has been arranged by the Company and accordingly, the Company has complied with code provision A.1.8 of the CG Code.

## Directors' Induction and Continuing Professional Development

Each of the Directors has received a formal, comprehensive and tailored induction on the first occasion of his appointment to ensure that he and she has a proper understanding of the Company's operations and business and is fully aware of the Director's responsibilities under statute and common law, the Listing Rules, other legal and regulatory requirements and the Company's business and governance policies. Every newly appointed Director of the Company will be briefed by a qualified professional on the general and specific duties of a director under legal and regulatory requirements. Mr. Jiang Jiangyu obtained the legal advice referred to in Rule 3.09D of the Listing Rules on 28 January 2025. Mr. Jiang has confirmed that she understood his obligations as a Director of the Company.

The Company will from time to time provide briefings to all Directors to develop and refresh their duties and responsibilities. All Directors are encouraged to attend relevant training courses at the Company's expense and they have been requested to provide the Company with their training records. According to the training records maintained by the Company, the continuing professional development programmes received by each of the Directors during the Year is summarized as follows:

Name of Directors	Type of trainings
Mr. Chen Guobao	B
Mr. Wang Zhenfei	B
Mr. Li Yunping	B
Mr. Dai Yong <sup>#</sup>	B
Mr. Jiang Jiangyu <sup>*</sup>	–
Mr. Wang Huasheng	B
Mr. Yu Mingyang <sup>+</sup>	B
Mr. Yan Jianjun	B
Mr. Fan Yimin	B
Ms. Yang Meihua	A and B

<sup>#</sup> appointed as Executive Director on 5 August 2024 and resigned on 28 January 2025

<sup>\*</sup> appointed as Non-executive Director on 28 January 2025

<sup>+</sup> resigned as Non-executive Director on 5 August 2024

A: attending seminars/conference/forums

B: reading newspapers, journals, and updates relating to the economy, general business, corporate governance and directors' duties and responsibilities

# Corporate Governance Report

## Meetings of the Board and the Shareholders and Directors' Attendance Records

The Board is scheduled to meet four times a year at approximately quarterly intervals with notice given to the Directors at least 14 days in advance. For all other Board meetings, notice will be given in a reasonable time in advance. The Directors are allowed to include any matter in the agenda that is required for discussion and resolution at the meeting. To enable the Directors to be properly briefed on issues arising at each of the Board meetings and to make informed decisions, an agenda and accompanying Board papers will be sent to all Directors at least three days before the intended date of the Board meeting, or such other period as agreed. The Company Secretary is responsible for keeping all Board meetings' minutes. Draft and final versions of the minutes will be circulated to the Directors for comments and record respectively within a reasonable time after each meeting and the final version is open for the Directors' inspection.

During the Year, the Board held 4 regular meetings and, amongst other matters, considered and approved (i) the consolidated financial statements of the Group for the year ended 31 December 2023; (ii) the unaudited consolidated financial statements of the Group for the six months ended 30 June 2024; (iii) approval of issue of new shares under the extraordinary general meeting; and (iv) completion of Share Subdivision under the extraordinary general meeting.

The attendance record of each Director at the meetings of the Company during the Year is set out below:

Name of Directors	Attendance/ Number of Board Meetings
Mr. Chen Guobao	19/20
Mr. Wang Zhenfei	20/20
Mr. Li Yunping	20/20
Mr. Dai Yong <sup>#</sup>	7/20
Mr. Jiang Jiangyu <sup>*</sup>	–
Mr. Wang Huasheng	4/20
Mr. Yu Mingyang <sup>+</sup>	13/20
Mr. Yan Jianjun	20/20
Mr. Fan Yimin	20/20
Ms. Yang Meihua	20/20

<sup>#</sup> appointed as Executive Director on 5 August 2024 and resigned on 28 January 2025

<sup>\*</sup> appointed as Non-executive Director on 28 January 2025

<sup>+</sup> resigned as Non-executive Director on 5 August 2024

The Board also held a meeting on 28 March 2025 and, amongst other matters, considered and approved the consolidated financial statements of the Company for the Year (the "**Consolidated Financial Statements**").

# Corporate Governance Report

During the Year, the Company held the annual general meeting of the Shareholders on 26 June 2024.

The attendance record of each Director at the annual general meeting of the Company during the Year is set out below:

<b>Name of Directors</b>	<b>Attendance/ Number of Annual General Meetings</b>
Mr. Chen Guobao	1/1
Mr. Wang Zhenfei	1/1
Mr. Li Yunping	1/1
Mr. Dai Yong <sup>#</sup>	–
Mr. Jiang Jiangyu <sup>*</sup>	–
Mr. Wang Huasheng	1/1
Mr. Yu Mingyang <sup>+</sup>	1/1
Mr. Yan Jianjun	1/1
Mr. Fan Yimin	1/1
Ms. Yang Meihua	1/1

<sup>#</sup> appointed as Executive Director on 5 August 2024 and resigned on 28 January 2025

<sup>\*</sup> appointed as Non-executive Director on 28 January 2025

<sup>+</sup> resigned as Non-executive Director on 5 August 2024

During the Year, the Company held 2 extraordinary general meetings of the Shareholders on 19 February 2024 for granting of share options to Mr. Liu Lei and on 10 December 2024 for approval of the Share Subdivision of every one (1) existing issued and unissued Share of par value of HK\$0.01 each in the share capital of the Company into four (4) Subdivided Shares of par value of HK\$0.0025 each in the share capital of the Company.

The attendance record of each Director at the extraordinary general meeting of the Company during the Year is set out below:

<b>Name of Directors</b>	<b>Attendance/ Number of Extraordinary General Meetings</b>
Mr. Chen Guobao	2/2
Mr. Wang Zhenfei	2/2
Mr. Li Yunping	2/2
Mr. Dai Yong <sup>#</sup>	1/1
Mr. Jiang Jiangyu <sup>*</sup>	–
Mr. Wang Huasheng	2/2
Mr. Yu Mingyang <sup>+</sup>	1/1
Mr. Yan Jianjun	2/2
Mr. Fan Yimin	2/2
Ms. Yang Meihua	2/2

<sup>#</sup> appointed as Executive Director on 5 August 2024 and resigned on 28 January 2025

<sup>\*</sup> appointed as Non-executive Director on 28 January 2025

<sup>+</sup> resigned as Non-executive Director on 5 August 2024

# Corporate Governance Report

## Board Diversity Policy

In order to achieving a sustainable and balanced development, the Company considers the enhancement of diversity at the Board level as an essential element in facilitating the achievement of its strategic objectives and sustainable development. In deciding the Board composition, board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard to the benefits of diversity to the board. The selection of candidates will be based on a range of diverse perspectives, including but not limited to, gender, age, cultural and educational background, professional experience, skills and knowledge. The ultimate decision will be based upon the merits and contribution the selected candidates will bring to the Board.

The Board has set measurable objectives (in terms of gender, skills and professional experience, etc. as aforementioned) to implement the Board Diversity Policy and review such objectives from time to time to ensure their appropriateness and ascertain the progress made towards achieving those objectives. In particular, in accordance with the requirements under the CG Code, the Company has set an initial target of appointing at least one director of a different gender to the Board and has achieved such target since 31 January 2022 when Ms. Yang Meihua was appointed as an independent non-executive Director. Currently, the gender diversity of the Board is at approximately 13% (1 female out of 8 Directors). The Nomination Committee and the Board will review the Board's target gender diversity ratio from time to time and take opportunities to increase the proportion of female members over time as and when suitable candidates are identified. Further, the Board currently consists of members with different professional backgrounds (including real estate and construction industry, banking industry, information technology industry, finance, accounting, corporate governance and business management) and from different age groups (from 40's to 70's). Accordingly, the Nomination Committee considers that the current composition of the Board is characterised by diversity (including gender diversity) after taking into account its own business model and specific needs, whether considered in terms of professional experience or skills.

The Nomination Committee will review the Board Diversity Policy, as appropriate, to ensure its continued effectiveness from time to time. The Nomination Committee will discuss at least annually any changes to the Board Diversity Policy and Board composition that may be required (including the need to identify potential successors to the Board to achieve gender diversity), and make such recommendations to the Board for consideration and approval. The Board has reviewed the Board Diversity Policy in 2024 and is of the view that the Board Diversity Policy has been properly implemented and is effective.

The Group's policies in recruitment and promotion of employees are based on objective factors such as their skills, knowledge, experience and performance. We disregard their respective gender, race or religion in order to provide a fair and equal working environment and opportunities. A summary of the gender ratio in the workforce (including senior management) of the Group for the year is disclosed in the Environmental, Social and Governance Report of the Company.

# Corporate Governance Report

## CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Under the code provision C.2.1 of the CG Code, the roles and responsibilities of chairman and chief executive officer should be separated and should not be performed by the same individual.

The chairman of the Board and the chief executive officer are currently two separate positions held by Mr. Chen Guobao and Mr. Wang Zhenfei respectively. The chairman of the Board is responsible for providing strategic advice and guidance on the business development of the Group, while the chief executive officer is responsible for the day-to-day operations of the Group.

## BOARD COMMITTEES

The Board established three Board committees, namely the audit committee (the “**Audit Committee**”), the nomination committee (the “**Nomination Committee**”) and the remuneration committee (the “**Remuneration Committee**”) of the Company to oversee particular aspect of the Company’s affairs. The Board committees are provided with sufficient resources to discharge their duties.

### Audit Committee

The Audit Committee was established on 26 September 2017 with written terms of reference in compliance with CG Code. The written terms of reference of the Audit Committee are published on the respective websites of the Stock Exchange and the Company. Mr. Yan Jianjun was appointed as the chairman of the Audit Committee and Mr. Wang Huasheng, Mr. Yu Mingyang, Mr. Fan Yimin and Ms. Yang Meihua are members of the Audit Committee.

The principal roles and functions of the Audit Committee include but are not limited to:

- making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and approving its remuneration and terms of engagement, and handling any questions regarding its resignation or dismissal;
- reviewing and monitoring the external auditor’s independence and objectivity and the effectiveness of the audit process in accordance with applicable standards and discussing with external auditor on the nature and scope of the audit and reporting obligations before the audit commences;
- developing and implementing a policy on engaging external auditor to supply non-audit services and reporting to the Board, identifying and making recommendations on any matters where action or improvement is needed;
- monitoring the integrity of the Company’s financial statements and accounts, and if prepared for publication, interim report and annual report and reviewing significant financial reporting judgments contained in them;
- reviewing the Company’s financial controls, risk management and internal control system;
- discussing the risk management and internal control systems with management to ensure that management has performed its duty to have such effective systems;

# Corporate Governance Report

- considering major investigation findings on risk management and internal control matters as delegated by the Board or on its own initiative and management’s response to these findings;
- where an internal audit functions exists, ensuring co-ordination between the internal and external auditors and ensuring that the internal audit function is adequately resourced and has appropriate standing within the Company, and reviewing and monitoring its effectiveness;
- reviewing the Group’s financial and accounting policies and practices;
- reviewing the external auditor’s management letter, any material queries raised by the external auditor to the management about the accounting records, financial accounts or systems of control and the management’s response;
- ensuring that the Board will provide a timely response to the issues raised in the external auditor’s management letter;
- reviewing the arrangements that the employees of the Company can use, in confidence, to raise concerns about possible improprieties in financial reporting, internal control or other matters; and
- considering other topics as defined by the Board.

During the Year, 4 Audit Committee meetings were held, amongst other matters, reviewed and approved the consolidated financial statements of the Group for the year ended 31 December 2023, the unaudited consolidated financial statements of the Group for the six months ended 30 June 2024, the resignation of an Audit Committee Member and re-appointment of ZHONGHUI ANDA CPA Limited as auditor of the Group for the Year.

On 28 March 2025, the Audit Committee held a meeting which the chairman and its members attended and, amongst other matters, reviewed and approved the consolidated financial statements for the Year for presentation to the Board for consideration and approval.

The attendance record of each Director at the audit committee meetings of the Company during the Year is set out below:

<b>Name of Directors</b>	<b>Attendance/ Number of Audit Committee Meetings</b>
Mr. Yan Jianjun	4/4
Mr. Wang Huasheng	4/4
Mr. Yu Mingyang <sup>+</sup>	2/2
Mr. Fan Yimin	4/4
Ms. Yang Meihua	4/4

+ resigned as Non-executive Director on 5 August 2024

# Corporate Governance Report

## Nomination Committee

The Nomination Committee was established on 26 September 2017 with written terms of reference in compliance with CG Code. The written terms of reference of the Nomination Committee are published on the respective websites of the Stock Exchange and the Company. Mr. Chen Guobao was appointed as the chairman of the Nomination Committee and Mr. Li Yunping, Mr. Yan Jianjun, Mr. Fan Yimin and Ms. Yang Meihua are members of the Nomination Committee.

The principal roles and functions of the Nomination Committee include but are not limited to:

- reviewing the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and making recommendations on any proposed changes to the Board to complement the Company's corporate strategy;
- reviewing the Board diversity policy and the progress on achieving the objectives set for implementing the said policy;
- identifying individuals suitably qualified to become members of the Board and selecting or making recommendations to the Board on the selection of individuals nominated for directorships;
- assessing the independence of independent non-executive directors;
- making recommendations to the Board on the appointment or re-appointment of Directors and the succession planning for the Directors, in particular, the Chairman and the chief executive.

During the Year, 3 Nomination Committee meetings were held and, amongst other matters, reviewed the structure, size and composition of the Board, assessed the independence of the independent non-executive directors and recommended to the Board for consideration the re-appointment of the retiring Directors at the forthcoming annual general meeting of the Company (“**AGM**”) to be held in 2025; and the resignation and appointment of an Nomination Committee Member.

The attendance record of each Director at the nomination committee meetings of the Company during the Year is set out below:

<b>Name of Directors</b>	<b>Attendance/ Number of Nomination Committee Meetings</b>
Mr. Chen Guobao	3/3
Mr. Li Yunping	3/3
Mr. Yan Jianjun	3/3
Mr. Fan Yimin	3/3
Ms. Yang Meihua	3/3

# Corporate Governance Report

## Remuneration Committee

The Remuneration Committee was established on 26 September 2017 with written terms of reference in compliance with CG Code. The written terms of reference of the Remuneration Committee are published on the respective websites of the Stock Exchange and the Company. The chairman of the Remuneration Committee is Mr. Yan Jianjun and the members comprise Mr. Wang Zhenfei, Mr. Yu Mingyang, Mr. Fan Yimin and Ms. Yang Meihua.

The principal roles and functions of the Remuneration Committee include but are not limited to:

- making recommendations to the Board on the Company’s policy and structure for the remuneration of all Directors and senior management and on the establishment of a formal and transparent procedure for developing the remuneration policy;
- reviewing and approving the Management’s remuneration proposals with reference to the Board’s corporate goals and objectives;
- making recommendations to the Board on the remuneration packages of individual executive Directors and senior management (the “**Senior Management**”) including benefits in kind, pension rights and compensation payments, including any compensation payable for loss or termination of their office or appointment;
- making recommendations to the Board on the remuneration of the non-executive Directors;
- considering the salaries paid by comparable companies, time commitment and responsibilities and employment conditions elsewhere in the Group;
- reviewing and approving the compensation payable to the executive Directors and the Senior Management for any loss or termination of office or appointment to ensure that it is consistent with the contractual terms and is otherwise fair and not excessive;
- reviewing and approving the compensation arrangements relating to the dismissal or removal of the Directors for misconduct to ensure that they are consistent with the contractual terms and are otherwise reasonable and appropriate; and
- ensuring that no Director or any of his/her associates (as defined in the Listing Rules) is involved in deciding his/her own remuneration.

During the Year, 4 Remuneration Committee meetings were held and, amongst other matters, reviewed and recommended to the Board for consideration (i) certain remuneration-related of the Directors and the Senior Management; and (ii) the resignation and appointment of Remuneration Committee Member.

# Corporate Governance Report

The attendance record of each Director at the remuneration committee meetings of the Company during the Year is set out below:

Name of Directors	Attendance/ Number of Remuneration Committee Meetings
Mr. Yan Jianjun	4/4
Mr. Wang Zhenfei	4/4
Mr. Yu Mingyang <sup>+</sup>	2/2
Mr. Fan Yimin	4/4
Ms. Yang Meihua	4/4

<sup>+</sup> resigned as Non-executive Director on 5 August 2024

### Corporate Governance Functions

The Board is responsible for performing the corporate governance functions, which include:

- developing and reviewing the Company’s policies and practices on corporate governance;
- reviewing and monitoring the training and continuous professional development of the Directors and the Senior Management;
- reviewing and monitoring the Company’s policies and practices on compliance with legal and regulatory requirements;
- developing, reviewing and monitoring the code of conduct and compliance manual (if any) applicable to employees and the Directors; and
- reviewing the Company’s compliance the CG Code and disclosure in this report.

During the Year, the Board reviewed the compliance with CG Code and the disclosure in the annual report of the Company and monitored the training and continuous professional development of the Directors and the Senior Management.

# Corporate Governance Report

## APPOINTMENT AND RE-ELECTION OF DIRECTORS

The Company has adopted the nomination policy (“**Nomination Policy**”) setting out the principles which guide the Nomination Committee to identify and evaluate a candidate for nomination to the Board for appointment or Shareholders for election as a Director.

The Nomination Committee shall consider a number of factors in making nomination, including but not limited to the following:

- Skills, experience and professional expertise: The candidate should possess the skills, knowledge, experience and professional expertise which are relevant to the operations of the Group;
- Diversity: Candidates should be considered on merit and against objective criteria, with due regard to the diversity perspectives set out in the board diversity policy of the Company;
- Commitment: The candidate should be able to devote sufficient time to attend the board meetings and participate in induction, training and other board associated activities. In particular, if the proposed candidate will be nominated as an independent non-executive director and will be holding their seventh (or more) listed company directorship, the Nomination Committee should consider the reason given by the candidate for being able to devote sufficient time to the Board and committee meetings;
- Standing: The candidate must satisfy the Board and the Stock Exchange that they have the character, experience and integrity, and is able demonstrate a standard of competence commensurate with the relevant position as a Director; and
- Independence: The candidate to be nominated as an independent non-executive director must satisfy the independence criteria set out in Rule 3.13 of the Listing Rules. Where applicable, the totality of the candidate’s education, qualifications and experience shall also be evaluated to consider whether he or she has the appropriate professional qualifications or accounting or related financial management expertise for filing the office of an independent non-executive director.

If the Nomination Committee determines that an additional or replacement Director is required, the Nomination Committee may take such measures that it considers appropriate in connection with its identification and evaluation of a candidate. The Nomination Committee may propose to the Board a candidate recommended or offered for nomination by a shareholder of the Company as a nominee for election to the Board and the appointment or re-appointment of Directors and succession planning for Directors is subject to the approval of the Board. On making recommendation, the Nomination Committee may submit the candidate’s personal profile and a proposal to the Board for consideration. In order for the proposal to be valid, it must clearly indicate the nominating intention and the candidate’s consent to be nominated and the personal profile must be incorporated and/or accompanied by the full particulars of the candidate that are required under Rule 13.51(2) of the Listing Rules. If the candidate is proposed to be appointed as an independent non-executive director, his or her independence shall be assessed in accordance with the factors set out in Rule 3.13 of the Listing Rules, subject to any amendments as may be made by the Stock Exchange from time to time.

# Corporate Governance Report

Each proposed new appointment, election or re-election of a Director shall be assessed and/or considered against the criteria and qualifications set out in the Nomination Policy by the Nomination Committee which shall recommend its views to the Board and/or the Shareholders for consideration and determination.

The Nomination Committee will monitor the implementation of the Nomination Policy. The Nomination Committee will from time to time review the Nomination Policy, as appropriate, to ensure the effectiveness of the policy.

Each of the executive Directors entered into a service agreement for his appointment with the Company on 19 July 2019 for an initial term of three years commencing from 19 July 2019. Each of the executive Directors is subject to retirement by rotation and re-election at the AGM in accordance with Articles of Association.

Each of the independent non-executive Directors entered into a service agreement for his appointment with the Company for a term of three years commencing from 19 July 2019, save for Ms. Yang Meihua who was appointed as INED for a term of one year commencing from 31 January 2022 and is subject to retirement by rotation and re-election at the AGM in accordance with Articles of Association.

Each of the non-executive Director entered into service agreement for his appointment with the Company for a term of one year from 19 July 2019 and is subject to retirement by rotation and re-election at the AGM in accordance with Articles of Association.

According to Article 108(a) of the Articles of Association, at each AGM, one-third of the Directors for the time being, or if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall retire from office by rotation, provided that every Director (including those appointed for a specific term) shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. According to Article 108(b) of the Articles of Association, the Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself/herself for re-election. Any Director who has not been subject to retirement by rotation in the three years preceding the AGM shall retire by rotation at such AGM. Any further Directors so to retire shall be those who have been the longest in office since their last re-election or appointment and so that as between the persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

According to Article 112 of the Articles of Association, the Company may from time to time in general meeting by ordinary resolution elect any person to be a Director either to fill a casual vacancy or as an additional Director. Any Director so appointed shall be subject to retirement by rotation.

According to Article 112 of the Article of the Association, the Board shall have power from time to time and at any time to appoint any person as a Director either to fill a casual vacancy or as an additional Director, but so that the number of Directors so appointed shall not exceed the maximum number determined from time to time by the Shareholders in a general meeting. Any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting. Any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following AGM and shall then be eligible for re-election. Any Director appointed under the Articles of Association shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an AGM.

# Corporate Governance Report

## REMUNERATION OF DIRECTOR AND SENIOR MANAGEMENT

Particulars of the Directors' remuneration for the Year are set out in Note 12 to the Consolidated Financial Statements.

Pursuant to code provision E.1.5 of the CG Code, the remuneration of the members of the Senior Management whose particulars are contained in the section headed "Biographical Details of Directors and Senior Management" in this annual report for the Year by hand is set out below:

Remuneration band (in HK\$)	Number of individuals
500,000 to 1,500,000	1
2,000,001 to 2,500,000	1
3,500,001 to 4,000,000	1

## AUDITOR AND HIS REMUNERATION

The auditor's reporting responsibilities for the audit of the Group's consolidated financial statements for the Year are set out in the section "Independent Auditor's Report" of this annual report. ZHONGHUI ANDA CPA Limited ("Zhonghui") provided the audit and non-audit services. The remuneration paid/payable to Zhonghui in respect of the audit and non-audit services for the Year are approximately S\$189,000 and S\$57,000 respectively.

## DIRECTORS' RESPONSIBILITIES FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for the preparation of the Consolidated Financial Statements that give a true and fair view of the financial position and the state of affairs of the Group for the Year in accordance with IFRS issued by IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are not aware of any material uncertainties relating to events or conditions that may cast significant doubt upon the Group's ability to continue as a going concern.

## RISK MANAGEMENT AND INTERNAL CONTROL

Risk management and internal control are essential parts of corporate governance. The Board acknowledges that it is its responsibility to ensure that appropriate and effective risk management and internal control systems are established and maintained, and to oversee the systems on an ongoing basis and to review the effectiveness of the risk management and internal control systems at least annually, while management ensures sufficient and effective operational controls over the key business processes are properly implemented with regular reviews and updates.

# Corporate Governance Report

The Board is responsible for evaluating and determining the nature and extent of risks it is willing to take in achieving its strategic objectives and ensuring that the Group establishes and maintains appropriate and effective risk management and internal control systems.

To ensure that all major risks are properly identified, evaluated and monitored for achieving a sound and effective risk management system, risk owners across the Group are required to report the risk review exercises regularly. They need to report the effectiveness of the risk management system and details of the key risks including the risk description, change of risk level, current risk level and the corresponding key risk control regularly.

The Company has established its risk management and internal control guidelines and has delegated certain finance personnel to carry out the internal audit personnel reports directly to the chief financial officer and/or financial controller and ensure the risk management and internal control systems are in place and function properly.

However, the risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable but not absolute assurance against material misstatement or loss.

The Company disclosed in its announcements dated 9 April 2024, regarding purchase agreement and share transfer agreement entered in May 2023 and October 2023 in relation to the acquisitions of the property and entire interests of a target company, respectively. From the perspective of subsidiary management and control, the Company will issue a compliance manual relating to Chapter 14 and 14A of the Listing Rules to all subsidiaries and has gradually improved the management systems of all subsidiaries. The Company will endeavor to take all feasible measures and means to reduce losses, if any, from the incident and to ensure the stable operation of the listed company, gaining experience from the incidents to appropriately deal with the respective issues while safeguarding the interests of its shareholders.

Save as the above, no material deviation in the compliance guidance on risk management and internal controls by the subsidiaries was reported, and all subsidiaries have complied with the relevant laws and industry regulations in respect of financial reporting and legal compliance. No material litigation risk (including ESG risks) was reported, nor was there any fraud or corruption issue. For the year ended 31 December 2024, the Company has collected information and carried out investigations in respect of risk management and internal control issues for its subsidiaries. Key risk (including ESG risks) elements affecting the Group and contingency measures adopted were reported to the Audit Committee. In addition, the Board and the Audit Committee considered that the resources allocated, staff qualifications and experience in respect of the accounting, internal audit, financial reporting functions of the Company, the ESG performance and reporting of the Group as well as training programs and budget were adequate and sufficient. The Company will continue to improve its risk management and internal control systems to ensure that they remain effective.

# Corporate Governance Report

## DISCLOSURE OF INSIDE INFORMATION

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

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

## COMPANY SECRETARY

Ms. Sze Chin Pei Pacita was appointed as the Company Secretary between 1 January 2024 and up to 14 March 2024.

Ms. Cheng Yuen (“**Ms. Cheng**”) was appointed as the Company Secretary with effect from 2 April 2024. Ms. Cheng possesses the necessary qualification and experience, and is capable of performing the functions of the company secretary. For the year ended 31 December 2024, Ms Cheng has undertaken not less than 20 hours of relevant professional training in compliance with Rule 3.29 of the Listing Rules.

# Corporate Governance Report

## SHAREHOLDERS' RIGHTS

### Procedures for Shareholders to Convene an Extraordinary General Meeting (the "EGM")

Any one or more Shareholders holding at the date of deposit of the requisition not less than 10% of the paid-up capital of the Company having the right of voting at general meetings of the Company (the "**Eligible Shareholder(s)**") shall have the right, by written requisition to the Board or the Company Secretary for the purpose of requiring an EGM to be called by the Board for the transaction of any business specified in such requisition, including making proposals or moving resolution at the EGM.

Eligible Shareholders who wish to convene an EGM for the purpose of making proposals or moving a resolution at the EGM must deposit a written requisition (the "**Requisition**") signed by the Eligible Shareholder(s) concerned (the "**Requisitionist(s)**") at the principal place of business of the Company in Hong Kong (presently 3/F, GF Tower, 81 Lockhart Road, Wan Chai, Hong Kong) for attention of the Board or the Company Secretary.

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

The Company will check the Requisition and the identity and shareholding of the Requisitionist(s) will be verified with the Company's branch share registrar in Hong Kong. If the Requisition is found to be proper and in order, the Board will proceed to convene an EGM and/or include the proposal(s) made or the resolution(s) proposed by the Requisitionist(s) at the EGM within two months after the deposit of the Requisition. If within 21 days of the deposit of the Requisition the Board fails to proceed to convene such EGM, the Requisitionist(s) himself/herself/themselves may do so in the same manner.

For including a resolution to propose a person for election as a Director at general meetings, the Shareholders are requested to follow the Articles of Association. A notice in writing of the intention to propose that person for election as a Director and notice in writing by that person of his willingness to be elected shall have been lodged at the Company's principal place of business in Hong Kong or at the Hong Kong branch share registrar and transfer office of the Company. The period for lodgement of the notices required under the Articles of Association will commence no earlier than the day after the dispatch of the notice of the general meeting appointed for such election and end no later than seven days prior to the date of such general meeting and the minimum length of the period during which such notices to the Company may be given will be at least seven days. The written notice must state that person's biographical details as required by Rule 13.51(2) of the Listing Rules. The procedures for the Shareholders to propose a person for election as a Director are posted on the Company's website.

# Corporate Governance Report

## Procedures for Shareholder to Send Enquires to the Board

Shareholders may direct their enquiries about their shareholdings or their notification of change of correspondence address or their dividend/distribution instructions to the Company's branch share registrar in Hong Kong, Boardroom Share Registrars (HK) Limited at Room 2103B, 21/F, 148 Electric Road, North Point, Hong Kong.

Shareholder and the investment community may at any time make a request for the Company's information to the extent such information is publicly available. Shareholders may send their enquiries and concerns to the Board by post to the principal place of business of the Company in Hong Kong at 3/F, GF Tower, 81 Lockhart Road, Wan Chai, Hong Kong or by email to [info@jin-hai.com.hk](mailto:info@jin-hai.com.hk) for the attention of the Company Secretary.

## COMMUNICATION WITH SHAREHOLDERS

The Shareholders communication policy aims to set out the provisions with the objective of ensuring that the Shareholders, both individual and institutional, and, in appropriate circumstances, the investment community (including the Company's potential investors as well as analysts reporting and analyzing the Company's performance) at large, are provided with ready, equal and timely access to balanced and understandable information about the Company (including its financial performance, strategic goals and plans, material developments, governance and risks profile), in order to enable Shareholders to exercise their rights in an informed manner, and to allow Shareholders and the investment community to engage actively with the Company.

Information shall be communicated to Shareholders and the investment community mainly through the Company's financial reports (interim and annual reports), annual general meetings and other general meetings that may be convened, as well as by making available all the disclosures submitted to the Stock Exchange and its corporate communications and other corporate publications on the Company websites. Effective and timely dissemination of information to Shareholders and the investment community shall be ensured at all times.

## CONSTITUTIONAL DOCUMENTS

The Constitutional documents of the Company has been amended and approved in annual general meeting held on 26 June 2024.

The amended and restated memorandum and articles of association of the Company are available on the respective websites of the Stock Exchange and the Company.

# Report of the Directors

The Directors are pleased to present this Directors' report (the "**Directors' Report**") to the Shareholders together with the audited Consolidated Financial Statements.

## PRINCIPAL ACTIVITIES

The Group is principally generated revenue from sales of medical equipment in China and engaged in the provision of manpower outsourcing and ancillary services to building and construction contractors in Singapore. We also provide IT services, construction ancillary services (which comprise warehousing services, cleaning services and building maintenance works) and dormitory services in Singapore. An analysis of the Group's segment information for FY2024 by business is set out in Note 7 to the Consolidated Financial Statements.

## USE OF NET PROCEEDS FROM THE LISTING

The net proceeds from the Listing amounted to approximately HK\$82.6 million (the "**Net Proceeds from the listing**").

Details of the use of proceeds from the Listing are set out in the Management Discussion and Analysis on pages 10 to 11 of this annual report.

## USE OF NET PROCEEDS FROM THE PLACINGS

The net proceeds from the placings amounted to approximately HK\$99.0 million (the "**Net Proceeds from the placings**").

Details of the use of proceeds from the Listing are set out in the Management Discussion and Analysis on page 11 of this annual report.

## RESULTS AND APPROPRIATIONS

The results of the Group for FY2024 are set out in the consolidated statement of profit or loss and other comprehensive income of the Group on page 100 of this annual report.

The Board has resolved not to recommend the payment of any dividend for FY2024 (FY2023: nil).

## BUSINESS REVIEW

A review of the Group's business during FY2024 and prospects of the Group's business are set out in the sections headed "Chairman's Statement" and "Management Discussion and Analysis" of this annual report, which constitute part of this Directors' Report.

## SHARE CAPITAL

Details of the movements in the Company's share capital during FY2024 are set out in Consolidated Statement of Changes in Equity and Note 31 to the Consolidated Financial Statements in this annual report.

# Report of the Directors

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

During the Year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any listed securities of the Company.

## **FINANCIAL STATEMENTS**

The results of the Group for FY2024 are set out in the consolidated statement of profit or loss and other comprehensive income on page 100 of this annual report. The financial position of the Group as at 31 December 2024 is set out in the consolidated statement of financial position of the Group on pages 101 to 102 of this annual report. The financial position of the Company as at 31 December 2024 is set out in Note 32 to the Consolidated Financial Statements on page 160 of this annual report. The cash flows of the Group for the year ended 31 December 2024 are set out in the consolidated statement of cash flows on pages 104 to 105 of this annual report.

## **PROPERTY, PLANT AND EQUIPMENT**

Details of the movements in the property, plant and equipment of the Group during FY2024 are set out in Note 15 to the Consolidated Financial Statements in this annual report.

## **INVESTMENT PROPERTY**

Details of movements in the investment properties of the Group during FY2024 are set out in Note 17 to the Consolidated Financial Statements in this annual report.

## **DISTRIBUTABLE RESERVES**

The distributable reserves of the Company as at 31 December 2024 represents the aggregate of share premium, share-based payment reserve less accumulated losses. Under the Companies Law (Revised) Chapter 22 of the Cayman Islands, the share premium of the Company is available for paying distributions or dividends to the Shareholders subject to the provisions of the Articles of Association and provided that immediately following the distribution of dividend, the Company is able to pay its debts as they fall due in the ordinary course of business. As at 31 December 2024, the reserves available for distribution to the Shareholders is S\$7,930,000 which represents the aggregate of share premium of S\$32,319,000 and share-based payment reserve of S\$13,152,000 net of accumulated losses of S\$37,541,000.

## **DONATIONS**

During the Year, the Group has made donations for charitable or other purposes amounted to a total of S\$108,000 (FY2023: S\$108,000).

## **EQUITY LINKED AGREEMENTS**

No equity linked agreements were entered into by the Company during FY2024 or subsisted at end of FY2024.

# Report of the Directors

## ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is committed to promoting sustainable development, which is extremely important to create long term value for the Group's Shareholders, clients, employees, other stakeholders, as well as general public. The Company cares about the impact of its daily operation on environment and society. While conducting its business operation, it makes effort to meet the interests of all stakeholders, economy, environment, society and corporate governance and does its best to achieve a fine balance.

As the biggest contributor to the Group's carbon footprint is the indirect greenhouse gas emission from electricity consumption and fresh water is a precious resource in Singapore, the Group has established environmental management system that comprises measures and work procedures that are required to be followed by our employees, including but not limited to, internal policies on water and energy conservation.

In FY2024, there was no conviction of non-compliance with environmental laws and regulations. We will continue to ensure implementation of our policy on environmental management as mentioned above to avoid violation of applicable laws or regulations in respect of the environment.

Details of environmental, social and governance practices adopted by the Group is set out in the environmental, social and governance report on pages 55 to 95 of this annual report.

## COMPLIANCE WITH LAWS AND REGULATIONS

The Group recognises the importance of compliance with regulatory requirements and the risk of non-compliance with such requirements. The Group has been allocating system and staff resources to ensure ongoing compliance with the rules and regulations.

The Group's operations are mainly carried out by the Company's subsidiaries in Singapore and the PRC while the Company itself was incorporated in the Cayman Islands and its issued shares are listed on the Main Board of the Stock Exchange. Our establishment and operations accordingly shall comply with the relevant laws and regulations in Hong Kong, the Cayman Islands, Singapore and the PRC.

During the Year, the Board was unaware of any non-compliance with relevant laws and regulations that have a significant impact on the business and operations of the Group.

# Report of the Directors

## RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS

As at 31 December 2024, the Group had 488 staff. The employees are remunerated according to their job scope and responsibilities, individual performance appraisals and the Group's performance. Other benefits available to eligible employees include provident fund, medical insurance scheme and long service awards.

The Group maintains a good relationship with its customers. We have a team of site coordinators in place to receive, analyse and study complaints and make recommendations on remedies with the aim of improving service quality.

The Group is in good relationship with its suppliers and conducts a fair and strict appraisal of its suppliers.

## DIRECTORS

The Directors during the Year and up to the date of this annual report are:

### Executive Directors

Mr. Chen Guobao (*Chairman*)

Mr. Wang Zhenfei (*Chief Executive Officer*)

Mr. Li Yunping

Mr. Dai Yong (appointed on 5 August 2024, and resigned on 28 January 2025)

### Non-executive Directors

Mr. Jiang Jiangyu (*Vice-Chairman*) (appointed on 28 January 2025)

Mr. Wang Huasheng

Mr. Yu Mingyang (resigned on 28 January 2025)

### Independent Non-executive Directors

Mr. Yan Jianjun

Mr. Fan Yimin

Ms. Yang Meihua

Article 112 of the Articles of Association provides that any Director appointed by the Board to fill a casual vacancy shall hold office only until the first general meeting of the Company after his/her appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election. Any such Director appointed shall not be taken into account in determining the Directors or the number of Directors who are to retire by rotation at an annual general meeting of the Company.

# Report of the Directors

Article 108(a) of the Articles of Association provides that at each AGM, one third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one third, shall retire from office by rotation provided that every Director shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election. According to article 108(b) of the Articles of Association, the Directors to retire by rotation shall include (so far as necessary to obtain the number required) any Director who wishes to retire and not to offer himself/herself for re-election. Any Director who has not been subject to retirement by rotation in the three years preceding the AGM shall retire by rotation at such AGM. Any further Directors so to retire shall be those who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day, those to retire shall (unless they otherwise agree among themselves) be determined by lot.

In accordance with the above provisions of the Articles of Association, the following Directors, namely Mr. Chen Guobao, Mr. Jiang Jiangyu, Mr. Wang Huasheng and Mr. Yan Jianjun will retire at the annual general meeting to be held in 2025 (“**2025 AGM**”) and, being eligible, will offer himself for re-election at the 2025 AGM.

The Nomination Committee had assessed and reviewed each of the INEDs written confirmation of independence based on the independence criteria as set out in Rule 3.13 of the Listing Rules and confirmed that all of them, namely Mr. Yan Jianjun, Mr. Fan Yimin, and Ms. Yang Meihua remain independent.

The biographical details of the Directors and senior management of the Group are set out in the section headed “Biographical Details of Directors and Senior Management” of this annual report.

## **INDEPENDENCE OF THE INDEPENDENT NON-EXECUTIVE DIRECTORS**

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

## **DIRECTORS’ SERVICE CONTRACTS**

Each of the executive Directors has entered into an agreement for appointment/a service agreement with the Company for a term of three years.

Each of the non-executive Directors and the independent non-executive Directors has entered into an agreement for appointment/a service agreement with the Company for a term of one year.

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

All Directors are subject to retirement by rotation at least once every three years in accordance with the Articles of Association.

# Report of the Directors

## DIRECTORS' AND CHIEF EXECUTIVE'S INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATION

As at 31 December 2024, the interests and short positions of the Directors and the chief executive of the Company in the shares, underlying shares and debentures of the Company and its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "SFO")), which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) to be notified to the Company and the Stock Exchange pursuant to the Model Code, were as follows:

### Long position in the shares of HK\$0.0025 each of the Company ("Shares")

Name of Director/ chief executive	Capacity/ Nature of interest	Number of Shares/ interested	Approximate percentage of the Company's issued Shares
Mr. Chen Guobao	Interest of a controlled corporation (Note)	2,530,000,000	48.94%

Note:

The entire issued share capital of Full Fortune International Co., Ltd ("Full Fortune") is beneficially owned by Mr. Chen Guobao, the Chairman and an executive Director. Therefore, Mr. Chen Guobao is deemed to be interested in 2,530,000,000 Shares held by Full Fortune by virtue of the SFO. Mr. Chen Guobao is the sole director of Full Fortune.

### Long position in the ordinary share of an associated corporation

Name of Director/ chief executive	Name of associated corporation	Capacity/Nature of interest	Number of share held	Percentage of interest
Mr. Chen Guobao (Note (2))	Full Fortune (Note (1))	Beneficial owner	1	100%

Notes:

(1) Full Fortune is the direct shareholder of the Company and is an associated corporation of the Company within the meaning of Part XV of the SFO.

(2) Mr. Chen Guobao is the sole director of Full Fortune.

Save as disclosed above, as at 31 December 2024, none of the Directors nor the chief executive of the Company had any interests and short positions in the shares, underlying shares or debentures of the Company and any of its associated corporations (within the meaning of Part XV of the SFO) which were required (a) to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions in which they were taken or deemed to have under such provisions of the SFO); or (b) pursuant to Section 352 of the SFO, to be recorded in the register referred to therein; or (c) pursuant to the Model Code to be notified to the Company and the Stock Exchange.

# Report of the Directors

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

As at 31 December 2024, so far as is known to the Directors, the following persons and entity, other than the Directors and the chief executive of the Company, had interests or short positions in the shares or underlying shares as recorded in the register of the Company required to be kept under Section 336 of the SFO:

### Long position in the Shares

Name of Shareholder(s)	Capacity/ Nature of interest	Number of Shares interested or held	Approximate percentage of the Company's issued Shares
Full Fortune	Beneficial owner	2,530,000,000	48.94%
Ms. Jiang Xiahong	Interest of spouse (Note)	2,530,000,000	48.94%

Note:

The entire issued share capital of Full Fortune is beneficially owned by Mr. Chen Guobao. Ms. Jiang Xiahong is the wife of Mr. Chen Guobao and is therefore deemed to be interested in all the Shares held by Mr. Chen Guobao through his controlled corporation by virtue of the SFO.

Save as disclosed above, as at 31 December 2024, so far as is known by or otherwise notified to the Directors, no other persons or entity (other than the Directors or the chief executive of the Company) had interests and short positions in the shares and underlying shares as required to be recorded in the register to be kept by the Company under Section 336 of the SFO.

## SHARE OPTION SCHEME

The Company has adopted a share option scheme (the "**Share Option Scheme**") pursuant to an ordinary resolution passed by the shareholders at the extraordinary general meeting of the Company on 29 December 2023.

The purposes of the Share Option Scheme are (i) to provide Eligible Participants (as defined below) with the opportunity to acquire proprietary interests in the Company and to encourage Eligible Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole; (ii) to motivate Eligible Participants to contribute to the success of the Group's operations; and (iii) to provide the Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to Eligible Participants.

Eligible participants of the Share Option Scheme include: (a) director(s) and employee(s) of the Company or any of its subsidiaries (including persons who are granted Options, share options or awards as an inducement to enter into employment contracts with the Company or any of its subsidiaries) (the "**Employee Participants**"); (b) person(s) who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including but not limited to person(s) who work for the Company as independent contractors

# Report of the Directors

(including advisers, consultants, contractors, suppliers, agents, entities providing research, development or other technological support and service providers of any member of the Group) where the continuity and frequency of their services are akin to those of employees, but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity (the “**Service Providers**”); and (c) directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company objectivity (the “**Related Entity Participants**”) (collectively “**Eligible Participants**”).

The remaining life of the Share Option Scheme is 10 years.

When the Share Option Scheme was approved by the shareholders of the Company on 29 December 2023, it was also approved that the total number of Shares which may be allotted and issued upon exercise of all options to be granted under the Share Option Scheme and any other Share Option Scheme adopted by the Group must not in aggregate exceed 10% of the Shares in issue as at the date of the extraordinary general meeting (the “**Scheme Mandate Limit**”). The Company may renew the Scheme Mandate Limit with shareholders’ approval provided that each such renewal may not exceed 10% of the Shares in issue as at the date of the shareholders’ approval.

Unless approved by shareholders of the Company, the total number of Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued Shares of the Company for the time being.

The vesting period for options shall not be less than 12 months.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be notified by the Board to each grantee, which period must expire no later than 10 years from the date of grant (subject to acceptance) of the option.

The right to exercise an option is not subject to or conditional upon the achievement of any performance target unless otherwise stated in the grant letter which is to be made by the Company to the participant of the Share Option Scheme upon granting of the option.

The subscription price for the Shares under the Share Option Scheme will be a price determined by the Board in its discretion on the date of grant, but shall not be less than the highest of (i) the closing price of Shares as stated in the Stock Exchange’s daily quotations sheet on the date of the offer of grant, which must be a business day; (ii) the average closing price of the Shares as stated in the Stock Exchange’s daily quotations for the five trading days immediately preceding the date of the offer of grant; and (iii) the nominal value of the Shares.

Further details of the Share Option Scheme are set out in the circular of the Company dated 9 December 2023.

# Report of the Directors

On 9 January 2024 (the “**Date of Grant**”), the Company granted a total of 128,603,750 share options (the “**Share Options**”) under the Share Option Scheme to entitle the holder(s) thereof to subscribe for a total of 128,603,750 Shares. The details of such grant of the Share Options are set out as follows:

Grantee: 71,087,500 Options were granted to Mr. Liu Lei (劉鏞), a director and general manager of Jinhai Medical and chief technical officer of the Group, 6,462,500 Options were granted to Mr. Wang Zhenfei (王振飛), an executive Director and chief executive officer of the Group and 51,053,750 Options were granted to eight other full-time employees of the Group.

Exercise price of Share Options granted: HK\$2.54 per Share, which represented the highest of (i) the average closing price of the Shares as stated in the Stock Exchange’s daily quotation sheets for the five business days (as defined in the Listing Rules) immediately preceding the Date of Grant, being HK\$2.46; (ii) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the Date of Grant, being HK\$2.54; and (iii) the nominal value of HK\$0.01 per Share.

Note: Upon the Share Subdivision having become effective on 12 December 2024, pro-rata adjustments were made to the exercise prices and the number of outstanding Share Options. Further details of the Share Subdivision are set out in the announcement of the Company dated 1 November 2024 and the circular of the Company dated 22 November 2024. For disclosure purpose, the above denotes the number of Options and Exercise Price prior to the Share Subdivision having become effective.

Exercise period of the Share Options: The Share Options shall be valid for 10 years from the Date of Grant and lapse at the expiry of such period.

Vesting Period of Options: The Share Options shall be vested and become exercisable in three tranches as set out in the table below (upon fulfilment of any additional vesting condition(s), such as performance target as specified below).

Tranche	Vesting Date	Percentage of Options to be vested
First	30 April 2025	20%
Second	30 April 2026	30%
Third	30 April 2027	50%

Performance Target: The vesting of each tranche of the Share Options to the grantees is subject to satisfaction of the performance targets for the full fiscal year immediately before the vesting date of each tranche to be determined by the Board based on the internal assessment system of the Group.

Since the grantees are all full-time employees of the Group, the assessment will be based on the grantee’s overall performance, performance of the team or department that the grantee belongs to and the performance of the Group.

# Report of the Directors

Clawback Mechanism: As set out in the Share Option Scheme, the Options granted or conditionally granted are subject to, among others, (i) clawback mechanism at the discretion of the Board (and the Remuneration Committee, in the case of grant of Options to Directors and senior management of the Group) in the event of misconduct (such as: (a) any material misstatements or omissions in the Company's financial statements by a Grantee; (b) any violation by a Grantee of confidentiality or non-competition obligations owed to the Group, or any leakage by such Grantee of the Group's trade secrets, intellectual property or proprietary information; (c) any termination of employment contracts by a Grantee without notice or payment in lieu of notice; (d) any conviction of any criminal offence by a Grantee involving integrity or honesty; or (e) any conduct of a Grantee that has material adverse effect to the reputation or interests of the Group); and (ii) lapse of Options upon occurrence of certain events as stipulated in the Share Option Scheme, including but not limited to cessation of employment of the Grantees.

Financial Assistance: There is no arrangement for the Group to provide any financial assistance to the grantees to facilitate the subscription of Shares under the Share Option Scheme.

The below table sets forth the number of 509,245,000 Share Options which were outstanding as at 31 December 2024, having taken into account of the Share Subdivision having become effective on 12 December 2024 and pro-rata adjustments was made to the number of options.

<b>Name of Grantee</b>	<b>Capacity</b>	<b>Number of Share Options granted which were outstanding as at 31 December 2024</b> '000
Mr. Liu Lei	Director and general manager of Jinhai Medical and chief technical officer of the Group	284,350
Mr. Wang Zhenfei	Executive Director and chief executive officer of the Group	25,850
Seven full-time employees		199,045
Total		<u>509,245</u>

Note: During the Reporting Period, 5,170,000 Share Options (as adjusted by the Share Subdivision becoming effective on 12 December 2024) have been lapsed.

The number of Shares that may be issued in respect of the share options granted under the Scheme during the year ended 31 December 2024 divided by the weighted average number of shares in issue for the year ended 31 December 2024 is 0.1.

# Report of the Directors

Below sets out the movements of the Share Options for the year ended 31 December 2024:

## Share Options granted to Director:

Name of Grantee	Date of grant	Number of Share Options							Outstanding as at 31 December 2024	Exercise price per Share	Share price immediately prior to the date of grant (HK\$ per Share)	Fair value of Share Options (HK\$ per Share)	Vesting Period	Exercise period
		As at 1 January 2024	Granted during the year	Exercised during the year	Lapsed during the year	Cancelled/ forfeited during the year	Subdivision of shares during the year	Cancelled/ forfeited during the year						
		'000	'000	'000	'000	'000	'000	'000	Note (ii)	Note (ii)	Note (ii)			
Wang Zhenfei (Executive Director)	9 January 2024	-	1,293	-	-	-	3,877	5,170	HK\$0.635	HK\$0.647	0.3233	9/1/2024 – 30/4/2025	1/5/2025 – 9/1/2034	
Wang Zhenfei (Executive Director)	9 January 2024	-	1,939	-	-	-	5,816	7,755	HK\$0.635	HK\$0.647	0.3503	9/1/2024 – 30/4/2026	1/5/2026 – 9/1/2034	
Wang Zhenfei (Executive Director)	9 January 2024	-	3,231	-	-	-	9,694	12,925	HK\$0.635	HK\$0.647	0.3742	9/1/2024 – 30/4/2027	1/5/2027 – 9/1/2034	

## Share Options granted to other Grantees:

Grantee	Date of grant	Number of Share Options							At 31 December 2024	Exercise price per Share	Share price immediately prior to the date of grant (HK\$ per Share)	Fair value of Share Options (HK\$ per Share)	Vesting Period	Exercise period
		At 1 January 2024	Granted during the year	Exercised during the year	Lapsed during the year	Cancelled/ forfeited during the year	Subdivision of shares during the year	Cancelled/ forfeited during the year						
		'000	'000	'000	'000	'000	'000	'000	Note (ii)	Note (ii)	Note (ii)			
Liu Lei (Note (i))	9 January 2024	-	14,218	-	-	-	42,652	56,870	HK\$0.635	HK\$0.647	HK\$0.3297	9/1/2024 – 30/4/2025	1/5/2025 – 9/1/2034	
Liu Lei (Note (i))	9 January 2024	-	21,326	-	-	-	63,979	85,305	HK\$0.635	HK\$0.647	HK\$0.3552	9/1/2024 – 30/4/2026	1/5/2026 – 9/1/2034	
Liu Lei (Note (i))	9 January 2024	-	35,544	-	-	-	106,631	142,175	HK\$0.635	HK\$0.647	HK\$0.3779	9/1/2024 – 30/4/2027	1/5/2027 – 9/1/2034	
Other employees	9 January 2024	-	10,211	-	(259)	-	29,857	39,809	HK\$0.635	HK\$0.647	HK\$0.3297	9/1/2024 – 30/4/2025	1/5/2025 – 9/1/2034	
Other employees	9 January 2024	-	15,316	-	(388)	-	44,785	59,713	HK\$0.635	HK\$0.647	HK\$0.3552	9/1/2024 – 30/4/2026	1/5/2026 – 9/1/2034	
Other employees	9 January 2024	-	25,527	-	(646)	-	74,642	99,523	HK\$0.635	HK\$0.647	HK\$0.3779	9/1/2024 – 30/4/2027	1/5/2027 – 9/1/2034	

### Notes:

- (i) Liu Lei is the director and general manager of Jinhai Medical and chief technical officer of the Group.
- (ii) Adjusted after share subdivision taken effect on 12 December 2024. Details please refer to note 31 to the consolidated financial statements.

The values of share options calculated using the binomial option pricing model are subject to certain fundamental limitations, due to the subjective nature of and uncertainty relating to a number of assumptions of the expected future performance input to the model, and certain inherent limitations of the model itself. The value of a share option varies with different variables of certain subjective assumptions. Any change to the variables used may materially affect the estimation of the fair value of a share option. Further details of the Share Option Scheme are set out in note 35 to the consolidated financial statements in this annual report.

# Report of the Directors

## **DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES**

Save as disclosed in the section headed "Directors' and Chief Executive's Interests and Short Positions in the Shares, Underlying Shares and Debentures of the Company and Its Associated Corporation" above:

- (a) at no time during FY2024 was the Company, any of its subsidiaries or fellow subsidiaries, a party to any arrangement to enable the Directors or their respective associates (as defined in the Listing Rules) to acquire benefits by means of acquisition of shares in, or debentures of, the Company or any other body corporate; and
- (b) none of the Directors, or their spouses or children under the age of 18 had any right to subscribe for the securities of the Company or had exercised any such right during FY2024.

## **FIVE HIGHEST PAID INDIVIDUALS AND THE EMOLUMENTS OF THE DIRECTORS AND SENIOR MANAGEMENT**

Details of the Directors' emoluments and the five individuals with highest emoluments are set out in Note 12 to the Consolidated Financial Statements in this annual report.

## **DIRECTORS' AND CONTROLLING SHAREHOLDERS' INTERESTS IN COMPETING BUSINESS**

None of the Directors or the controlling shareholders (as defined under the Listing Rules) of the Company or their respective close associates (as defined under the Listing Rules) had interests in any business apart from the Group's business which competed or was likely to compete, either directly or indirectly, with the businesses of the Group and any other conflicts of interest which any such person had or might have with the Group during the Year.

## **FIVE YEARS FINANCIAL SUMMARY**

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the audited Consolidated Financial Statements in this annual report and the previous annual reports, is set out on page 172 of this annual report.

## **PRINCIPAL RISKS AND UNCERTAINTIES**

The principal risks and uncertainties facing the Group are set out in the section headed "Management Discussion and Analysis" of this annual report.

## **DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS**

There was no transaction, arrangement or contract of significance to which the Company, or any of its subsidiaries, its holding companies or its fellow subsidiaries was a party and in which a Director nor a connected entity of a Director had a material interest, either directly or indirectly, subsisted at the end of FY2024 or at any time during FY2024.

# Report of the Directors

## CONTROLLING SHAREHOLDERS' INTERESTS IN CONTRACTS

There was no contract of significance (whether for the provision of services to the Group or not) in relation to the Group's business to which the Company or any of its subsidiaries was a party and in which any controlling shareholder (as defined in the Listing Rules) of the Company or any of its subsidiaries had a material interest, whether directly or indirectly, subsisted at the end of FY2024 or at any time during FY2024.

## PERMITTED INDEMNITY

The Articles of Association provide that every Director is entitled to be indemnified out of the assets of the Company against all losses or liabilities (to the fullest extent permitted by the Companies Ordinance) which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto.

The Group has taken out and maintained directors' liability insurance throughout FY2024, which provides appropriate cover for legal actions brought against the Directors and directors of the subsidiaries of the Company. The level of the coverage is reviewed annually.

## MAJOR CUSTOMERS AND SUPPLIERS

The percentage of revenue from rendering of services attributable to the Group's five largest customers combined was less than 59% (FY2023: 64%) of the total revenue of the Group for FY2024.

The top five suppliers of the Group accounted for approximately 67% (FY2023: 48.0%) of the Group's total purchases and the largest supplier of the Group accounted for 52% (FY2023: 43.7%) of the Group's total purchases for FY2024.

None of the Directors, their close associates, or any Shareholder, which to the knowledge of the Directors own more than 5% of the issued shares, has any interest in the Group's five largest customers and suppliers.

## MANAGEMENT CONTRACTS

No contract concerning the management and administration of the whole or any substantial part of the businesses of the Group was entered into or existed during FY2024.

## CONNECTED TRANSACTIONS

The Group has not entered into any related party transaction, connected transaction or continuing connected transaction for FY2024 which should be disclosed pursuant to the requirements of Chapter 14A of the Listing Rules. Details of related party transactions undertaken in the usual course of business are set out in the notes to the Consolidated Financial Statements. None of these related party transactions constitute a disclosable connected transaction as defined under the Listing Rules.

## BORROWINGS

As at 31 December 2024, the Group was in net cash position with borrowings of S\$10,800,000 (as at 31 December 2023: S\$4,717,000).

# Report of the Directors

## PRE-EMPTIVE RIGHTS

There is no provision for pre-emptive rights under the Articles of Association or under the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated.

## SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and within the knowledge of the Directors, the Directors confirm that the Company has maintained a sufficient amount of public float for its issued shares as required under the Listing Rules throughout the Year.

## SECURITIES TRANSACTIONS BY DIRECTORS

The Company has adopted the Model Code as its own code of conduct regarding Directors' securities transactions. Following a specific enquiry made by the Company on each of the Directors, all Directors have confirmed that they had complied with the required standards as set out in the Model Code and its own code of conduct throughout the Year. The Model Code also applies to other specified senior management of the Group.

## EMOLUMENT POLICY OF THE GROUP

The emolument policy of the senior employees of the Group was tabled and recommended by the Remuneration Committee to the Board on the basis of the employees' merit, qualifications and competence.

The emoluments of the Directors are formulated and recommended by the Remuneration Committee to the Board, having regards to the Company's operating results, individual performance of the Directors and comparable market statistics.

## CORPORATE GOVERNANCE

Details of the Company's corporate governance practices are set out in the "Corporate Governance Report" of this annual report.

# Report of the Directors

## DIVIDEND POLICY

The Company has adopted a dividend policy ("**Dividend Policy**") in recommending dividends, to allow the Shareholders to participate in the Company's profits and for the Company to retain adequate reserves for future growth. The Company considers stable and sustainable returns to the Shareholders to be its goal.

Subject to the approval of the Shareholders and the requirements of the relevant law, the Company shall pay annual dividends to the Shareholders if the Group is profitable, the environment in which the Group operates is stable and there is no significant investment or commitment made by the Group. The remaining net profits will be used for the Group's development and operations. The Board may from time to time pay to the Shareholders such interim dividends if they appear to be justifiable to the Directors in view of the profits of the Group. The Dividend Policy allows the Company to declare special dividends from time to time in addition to interim and/or final dividends.

In proposing any dividend payout, the Board shall also take into account, inter alia, the Group's actual and expected financial performance; the Group's expected working capital requirements and future expansion plans; the Group's debt to equity ratios and the debt level; any restrictions on payment of dividends that may be imposed by the Group's lenders; general economic conditions, business cycle of the Group's business and other internal and external factors that may have an impact on the business or financial performance and position of the Company; dividends received from the Company's subsidiaries and associates; the Shareholders' and investors' expectations and industry's norm; and any other conditions or factors that the Board deems relevant.

The Dividend Policy and the declaration and/or payment of future dividends under the Dividend Policy are subject to the Board's continuing determination that the Dividend Policy and the declaration and/or payment of dividends would be in the best interests of the Group and Shareholders. The Board endeavours to maintain a balance between meeting Shareholders' expectations and prudent capital management with a sustainable Dividend Policy.

Details of the approval and payment procedures have been set out in Articles 154–170 of the Articles of Association. The form, frequency and amount of dividend payment by the Company are subject to any restrictions under the laws of the Cayman Islands and the Articles of Association of the Company.

The Board reserves the right in its sole and absolute discretion to update, amend, modify and/or cancel the Dividend Policy at any time, and the Dividend Policy shall in no way constitute a legally binding commitment by the Company in respect of its future dividend and/or in no way oblige the Company to declare a dividend at any time or from time to time.

## TAX RELIEF

The Company is not aware of any relief on taxation available to the Shareholders by reason of their holdings of the shares. If the Shareholders are unsure about the taxation implications of purchasing, holding, disposing of, dealing in or exercising of any rights in relation to the shares, they are advised to consult their professional advisers.

# Report of the Directors

## INDEPENDENT AUDITOR

The Consolidated Financial Statements have been audited by ZHONGHUI ANDA CPA Limited (“**Zhonghui**”), who will retire at the conclusion of the forthcoming AGM, and, being eligible, offer themselves for re-appointment. A resolution will be proposed to the Shareholders at the forthcoming AGM to re-appoint Zhonghui as the auditor of the Company.

ZHONGHUI ANDA CPA Limited has been the Group’s auditor since the year ended 31 December 2023. HLB Hodgson Impey Cheng Limited resigned as the auditor of the Company with effect from 14 November 2023. Details are set out in the announcement of the Company dated 14 November 2023.

## EVENTS AFTER THE YEAR

The Directors confirm that no major event that affects the Group after 31 December 2024 and up to the date of this annual report.

On behalf of the Board

### **Chen Guobao**

*Chairman and Executive Director*

Hong Kong, 28 March 2025

# Environmental, Social and Governance Report

## ABOUT THIS REPORT

Jinhai Medical Technology Limited (the “**Company**” together with its subsidiaries, hereinafter referred to as the “**Group**” or “**we**” or “**us**” or “**our**”) is pleased to present our Environmental, Social and Governance (“**ESG**”) Report (the “**Report**”). This Report summarises our ESG performances and challenges for the year ended 31 December 2024 and demonstrates our ongoing commitment to improve our ESG performances as we progress on our sustainability journey.

### Reporting Period

The reporting period of this Report is from 1 January 2024 to 31 December 2024 (the “**Reporting Period**” or “**2024**” or “**Year**”).

### Reporting Scope

Based on financial materiality and the relevance of ESG strategy, this Report discloses environmental key performance indicators (“**KPIs**”) covering the offices and production sites in Mainland China (“**China**”) and worker dormitories and warehouses in Singapore, unless otherwise specified. The scope for environmental KPIs includes the following:

- Shanghai Jinhai Medical Technology Company Limited (上海今海醫療科技有限公司)<sup>1</sup> in China;
- Shanghai Jinhai Xiehuan Medical Technology Company Limited (上海今海協寰醫療科技有限公司)<sup>1</sup> in China;
- KT&T Engineers and Constructors Pte. Ltd. in Singapore;
- Nichefield Pte. Ltd. in Singapore; and
- Neuhaus Engineering Pte. Ltd in Singapore.

While the Social KPIs covering all operations in Hong Kong, China and Singapore.

The scope and boundaries have significantly expanded from the previous year, with the addition of operations in China and the two new dormitories in Singapore for environmental KPIs, and the addition of operations in China and Hong Kong for social KPIs. Although the Report does not cover all operations of the Group, we are committed to improving internal data collection procedures and gradually expanding the scope of the disclosure.

<sup>1</sup> The English name of the subsidiaries of the Company referred herein represent the management’s best efforts in translating the Chinese name of this company as no English name has been registered.

# Environmental, Social and Governance Report

## Reporting Principle

This Report is compiled in accordance with the Environmental, Social and Governance Reporting Guide (the “**Guide**”) set out in Appendix C2 of the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) by the Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) and complies with the “**Comply or Explain**” provisions under the Main Board Listing Rules. The report has been prepared in accordance with the following reporting principles:

- Materiality

The Group identifies relevant ESG issues through stakeholder engagement and materiality assessment. For more details, please refer to the sections “Stakeholder Engagement” and “Materiality Assessment” in this Report.

- Quantitative

The Group ensures that the disclosure of KPIs is measurable. The Group is committed to disclosing information on the standards, methodologies, assumptions used in quantitative data and the source of conversion factors used when feasible.

- Balance

The Group avoids any selections, omissions or presentation formats that may inappropriately influence the decisions or judgments of report readers.

- Consistency

The Group is dedicated to using consistent methodologies for meaningful comparisons. The Group will disclose changes in methodologies or KPIs or any other relevant factors that may affect meaningful comparisons when necessary.

The data and other information contained in this Report were sourced from the Group’s internal documents and were collated from multiple business units across the Group. A comprehensive content index is appended to the last chapter hereof for quick reference. The Report is prepared and published in both Chinese and English on the Stock Exchange website ([www.hkexnews.hk](http://www.hkexnews.hk)) and the Company’s website (<https://www.jin-hai.com.hk>). In the event of contradiction or inconsistency between the Chinese version and the English version, the English version shall prevail.

## Review and Approval

This Report was approved by the board (the “Board”) of directors (the “Directors”) of the Group on 28 March 2025.

# Environmental, Social and Governance Report

## Information and Feedback

The Group highly values your feedback and welcomes any suggestions or inquiries you may have about this Report. Please feel free to contact us through the following channels, and we look forward to hearing from you.

Jinhai Medical Technology Limited  
Telephone: +852 3619-1107  
E-mail: [finance@jin-hai.com.hk](mailto:finance@jin-hai.com.hk)

## ABOUT THE GROUP

The Group is principally engaged in the provision of minimally invasive surgery solution and medical products and related service in China. The Group also engaged in the provision of manpower outsourcing and ancillary services to building and construction contractors in Singapore. We also provide dormitory services, IT services and construction ancillary services (which comprise warehousing services, cleaning services and building maintenance works) in Singapore.

The Group is committed to promoting sustainable development, which is extremely important to create long-term value for the Company's shareholders, clients, employees, other stakeholders, as well as the general public. We care about the impact of our daily operations on the environment and society. While conducting our business operations, we make effort to meet the interests of all stakeholders, economy, environment, society and corporate governance and do our best to achieve a delicate balance among these factors.

## BOARD STATEMENT

The Group is pleased to present the FY2024 Environmental, Social and Governance Report.

The Group considers robust ESG governance as a vital component for fostering sustainable enterprise growth. As the most important leading role of the Group, the Board bears the ultimate responsibility to supervise the Group's ESG related matters and advancements. This Year, we have enhanced our ESG governance structure by clearly designating the duties and responsibilities of both the Board-level committee and the ESG working group. This ensures that ESG issues are effectively integrated into our overall corporate governance, and the ESG-related issues and progress can be managed and monitored effectively. For more information, please refer to the "ESG Governance Structure" section.

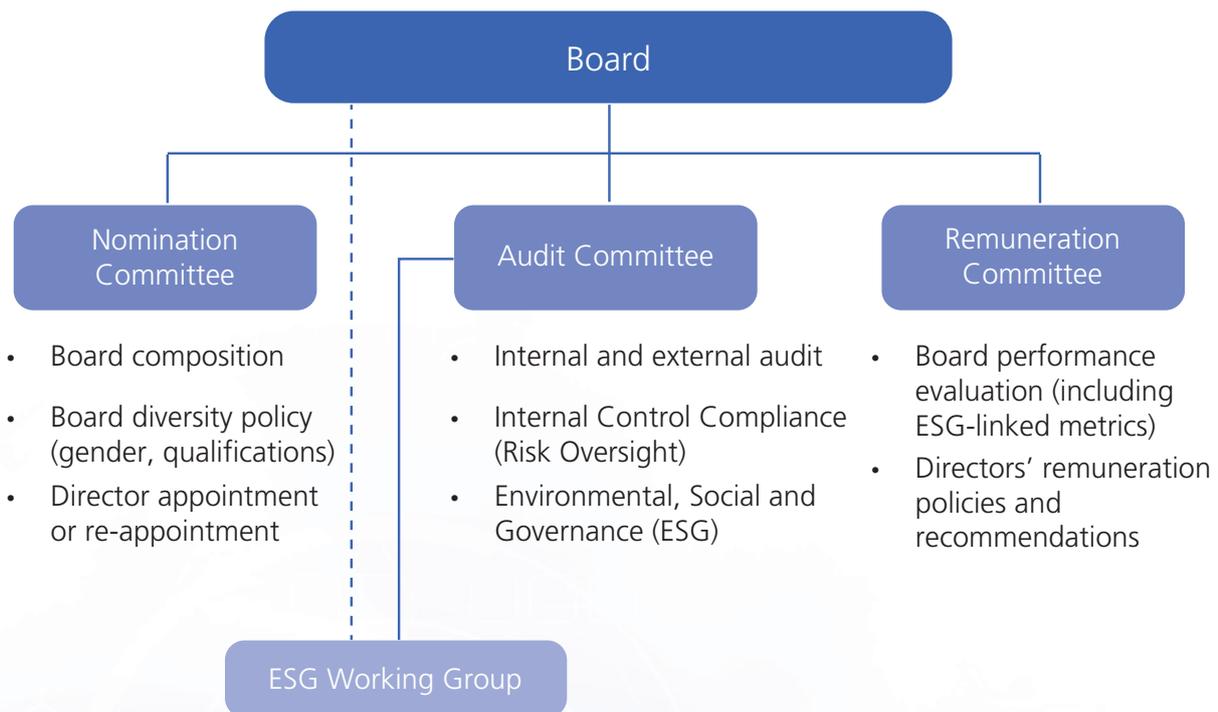
The Group has made strategic decisions to shift our business focus to cover the medical equipment manufacturing sector in China. The ESG-related information for this business is now incorporated into this report for the first time. We recognise that the major challenges facing modern society include climate change, environmental degradation, economic inequality, gender inequality, and mental health issues. In response, the Board has set a clear long-term sustainability vision, mission, objective, and strategy. The Group is not only committed to supporting Singapore's national climate target of achieving net-zero emissions by 2050, but has also pledged to align with China's '3060' carbon neutrality goals. We regularly review and assess the environmental, social and corporate governance performance, benchmarking against other companies in the same industry. We also conduct regular review of the Company's ESG performances and strategies.

# Environmental, Social and Governance Report

In addition, the Group recognises the importance of risk management and internal control systems. The Board is responsible for monitoring the process of ESG related risk identification and evaluation. We evaluate the effectiveness of ESG related risks identification, and the corresponding mitigation plan, collaborating with relevant departments to continuously enhance the ESG strategy to reduce negative impacts brought by the business operation. The Group places a strong emphasis on material issues that are of concern to major stakeholders. Therefore, the Board has established a communication channel between the Company and major stakeholders, and regularly reviews it to ensure the timely flow of information. We also collect and analyse stakeholders' opinions on the material ESG issues to ensure that the Company's development aligns with stakeholders' expectations. The Board is responsible for monitoring the impact of the Company's ESG performance on stakeholders and the methods employed to address these impacts.

Looking forward, the Board will continue to evaluate and oversee the Group's ESG performances, ensuring the delivery of reliable, consistent, and comparable key ESG information to our stakeholders. Through our collaborative efforts, we strive to foster a better environment.

## ESG GOVERNANCE STRUCTURE



# Environmental, Social and Governance Report

The Group has formulated clear governance structure, standards and references to identify and manage ESG-related issues. The Board holds overall responsibility for supervising, overseeing and guiding our ESG management and strategies. The Board also regularly reviews the progress of ESG related issues and goals, setting a clear direction for future ESG development. This ensures continuous improvement of our ESG strategy and reduces the negative impacts of our business operation.

Furthermore, the Board is responsible for monitoring the ESG-related risks identification and evaluation processes and the corresponding mitigation plan development. In this process, the Board actively engages in the materiality assessment and provides input on ESG issues as stakeholders of the Company. Subsequently, the Board reviews the results of the materiality assessment and implements policies and measures to address the material ESG-related issues.

In addressing the challenges posed by climate change, the Board will review and monitor the Group's climate-related development and performance to ensure alignment with the latest climate trends and strategic objectives, while coordinating climate-related tasks and providing bi-annual updates on the latest climate-related issues affecting the Company.

The Board is supported by various committees and working groups in addressing ESG issues. The board-level Audit Committee plays a key role in overseeing the preparation of the annual ESG report and cooperating with the third-party independent consultants to enhance board governance in ESG matters. They review and evaluate the content and quality of the ESG report to ensure it meets the expectations and requirements of the Board.

The Nomination Committee is responsible for developing policy concerning diversity of Board members and disclosing the policy or a summary of the policy in the corporate governance report. Besides, the Remuneration Committee will incorporate ESG-related criteria into the performance evaluations of Board members.

During the Reporting Period, we have established the ESG working group led by the Chief Executive Officer and comprises of representatives from Mainland China, Singapore and Hong Kong. This group will be overseen by both the Audit Committee and the Board. This collaborative effort ensures the effective management of ESG matters across diverse operational regions.

For the better implementation of ESG strategies proposed by the Board, communication channels have been established between departments to ensure effective communication on ESG related matters. The relevant departments coordinate with each other to ensure the operations and practices are consistent with the related ESG vision and strategy.

# Environmental, Social and Governance Report

## STAKEHOLDER ENGAGEMENT

The Group values the opinions of our stakeholders. Government, shareholders, employees and other stakeholders have a significant impact on the success of our business or activities. The relevant stakeholders of the Group are listed in the table below. We actively communicate with stakeholders through different channels and strive to develop a business strategy that meets the needs and expectations of stakeholders.

Stakeholders	Issues of Concern	Communication Channels
Government and Regulatory Agencies	<ul style="list-style-type: none"> <li>To comply with laws</li> <li>Proper tax payment</li> <li>Promote regional economic development and employment</li> </ul>	<ul style="list-style-type: none"> <li>Annual reports, interim reports, ESG Reports, announcements and circulars</li> <li>Websites of the Company and the Stock Exchange</li> </ul>
Shareholders and Investors	<ul style="list-style-type: none"> <li>Risk management</li> <li>Return on investment</li> <li>Information disclosure and transparency</li> <li>Protection on shareholders' rights and fair treatment</li> </ul>	<ul style="list-style-type: none"> <li>Annual general meetings and other shareholder meetings</li> <li>Annual reports, interim reports, ESG Reports, announcements and circulars</li> <li>Websites of the Company and the Stock Exchange</li> <li>Survey</li> <li>Discussion group</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Remuneration benefits</li> <li>Employees' rights</li> <li>Training and development</li> <li>Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>Email</li> <li>Phone calls</li> <li>Meetings</li> <li>Employees' activities</li> <li>Survey</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Quality service</li> <li>Information transparency</li> <li>Business ethics</li> </ul>	<ul style="list-style-type: none"> <li>Email</li> <li>Customer service hotline</li> <li>Company visits</li> <li>Survey</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Fair procurement</li> <li>Long-term cooperation</li> </ul>	<ul style="list-style-type: none"> <li>Email</li> <li>Phone calls</li> <li>Meetings</li> <li>Site visits</li> <li>Survey</li> </ul>
Community	<ul style="list-style-type: none"> <li>Community involvement</li> <li>Social responsibilities</li> </ul>	<ul style="list-style-type: none"> <li>Voluntary services</li> <li>Charity donation</li> </ul>

# Environmental, Social and Governance Report

## MATERIALITY ASSESSMENT

The Group identifies issues for disclosure in the Report through internal and external materiality assessment. The management has identified key stakeholders and conducted surveys with them, taking account of their dependence, their influence and the availability of resources on the Group. Through these surveys, stakeholders have expressed their opinions and recommendations on sustainability issues related to the Group's operations. The materiality assessment process is as follows:

### Stage 1 Identification

The selection of ESG issues was based on multiple channels, including Listing Rules requirements, industry trends and internal policies. A total of 28 issues were identified and categorised into four categories: Environment, Employment and Labour Practices, Operating Practices, and Community.

### Stage 2 Prioritisation

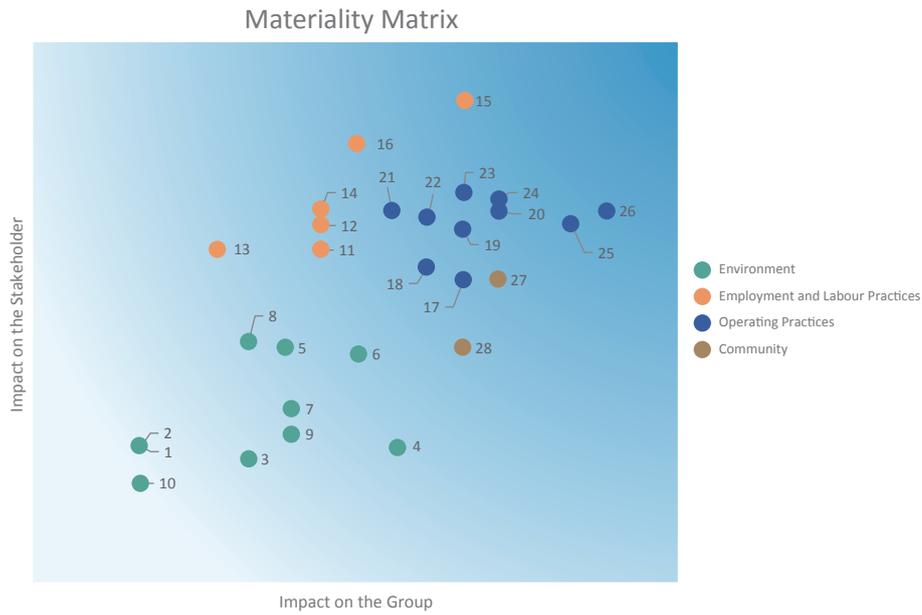
An online survey was conducted to assess the impact of various issues from the perspective of stakeholders or the Group. The survey applied a scoring scale ranges from 1 to 5 points, where 1 indicates very low impact and 5 indicates very high impact. The Materiality Matrix was constructed based on the weighted scoring results and determined the threshold for materiality (i.e. the average score). Different issues were then prioritised depending on their impact and degree of influence.

### Stage 3 Validation

Management reviewed the Materiality Matrix and the threshold for materiality. Assessing from stakeholders or business perspective, 18 out of the 28 issues received an overall score at or above the average amongst all the data. These issues are considered to be the high or medium importance ESG issues which the Group should respond to and report.

# Environmental, Social and Governance Report

## Results



Based on the materiality matrix, the Board believes that the most pertinent sustainability issues which are material to both the Group and its stakeholders include the following:

Materiality Level	Topics	Corresponding Chapter
Topics of high importance	<ul style="list-style-type: none"> <li>15 Staff development and training</li> <li>17 Responsible supply chain management</li> <li>18 Environmental friendliness on procured products and services</li> <li>19 Compliance with regulations on marketing, product and service labelling</li> <li>20 Customer privacy and data confidentiality</li> <li>21 Intellectual property</li> <li>23 Service/product safety</li> <li>24 Service/product quality</li> <li>25 Business ethics</li> <li>26 Anti-corruption training for management and staff</li> <li>27 Contributions to the community</li> </ul>	<ul style="list-style-type: none"> <li>Development and Training</li> <li>Supply Chain Management</li> <li>Supply Chain Management</li> <li>Product Responsibility</li> <li>Product Responsibility</li> <li>Product Responsibility</li> <li>Product Responsibility</li> <li>Product Responsibility</li> <li>Anti-corruption</li> <li>Anti-corruption</li> <li>Community Investment</li> </ul>
Topics of medium importance	<ul style="list-style-type: none"> <li>4 Waste management</li> <li>11 Employment practices</li> <li>12 Employee diversity and equal opportunities</li> <li>13 Anti-discrimination</li> <li>14 Staff occupational health and safety</li> <li>16 Prevention of child labour or forced labour</li> <li>28 Communication and connection with local community</li> </ul>	<ul style="list-style-type: none"> <li>Waste Management</li> <li>Employment</li> <li>Employment</li> <li>Employment</li> <li>Health and Safety</li> <li>Labour Standards</li> <li>Community Investment</li> </ul>
Topics of lower importance	<ul style="list-style-type: none"> <li>1 Air emissions</li> <li>2 Greenhouse gas emissions</li> <li>3 Effluents management</li> <li>5 Energy efficiency</li> <li>6 Water use efficiency</li> <li>7 Use of raw materials and packaging materials</li> <li>8 Environmental regulation compliance</li> <li>9 Land use, pollution and restoration</li> <li>10 Climate change</li> </ul>	<ul style="list-style-type: none"> <li>Air Emission Control</li> <li>Greenhouse Gas Emissions Management</li> <li>Air Emission Control</li> <li>Energy Conservation</li> <li>Water Conservation</li> <li>The Environmental and Natural Resources</li> <li>Environmental Protection</li> <li>Environmental Protection</li> <li>Responding to Climate Change</li> </ul>

# Environmental, Social and Governance Report

## ENVIRONMENTAL PROTECTION

### Environmental Targets

Our business operation is subject to the environmental requirements pursuant to the laws in our operational locations. This includes but not limit to Environmental Pollution Control Act, Water Pollution Control and Drainage Act, Environmental Public Health Act and Environmental Protection and Management Act of our self-operated dormitories and the cleanliness of our workplace in Singapore.

The Group was not aware of any material non-compliance with environmental laws and regulations relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous that would have a significant impact on the Group.

The environmental objectives of the Group are as follows:

Aspects	Objectives
Greenhouse Gas ("GHG") & Air Emissions	To reduce the air pollutants and GHG emissions
Energy	To reduce the energy consumption and enhance energy use efficiency
Water	To reduce the water consumption and enhance water use efficiency
Waste	To reduce the waste generation and enhance recycling rate

### Emissions

#### Air Emission Control

The exhaust emitted from company vehicles in Singapore includes air pollutants such as nitrogen oxides (NOx), sulphur oxides (SOx) and particulate matters (PM). In contrast, our operations in China have zero air pollutant emissions, as electric vehicle is used and there is no combustion of fuels in stationary sources. To effectively manage and mitigate these emissions, we closely monitor the mileage and fuel consumption of vehicles and ensure efficient usage of vehicles. The Group keeps track on the actual usage periodically, and the air pollutant emissions are as follows:

Air Pollutants <sup>2</sup>	Unit	2024	2023
<b>Singapore</b>			
Nitrogen Oxides (NOx)	kg	43.17	62.54
Sulphur Oxides (SOx)	kg	1.17	1.69
Particulate Matters (PM)	kg	1.55	2.25
<b>China<sup>3</sup></b>			
Nitrogen Oxides (NOx)	kg	0.00 <sup>4</sup>	–
Sulphur Oxides (SOx)	kg	0.00 <sup>4</sup>	–
Particulate Matters (PM)	kg	0.00 <sup>4</sup>	–
<b>Total</b>			
Nitrogen Oxides (NOx)	kg	43.17	62.54
Sulphur Oxides (SOx)	kg	1.17	1.69
Particulate Matters (PM)	kg	1.55	2.25

<sup>2</sup> Data were estimated based on the following assumptions: (1) the emission standard is Euro VI Emission Standards for Motor Vehicles; and (2) the average fuel consumption per 100 km is 21 litres. The emissions amount was calculated with reference to the Vehicle Emission Schemes of Singapore, Euro VI Emission Standards for Motor Vehicles and Appendix 2: Reporting Guidance on Environmental KPIs issued by the Stock Exchange.

<sup>3</sup> With the expansion of the reporting scope, data from China are disclosed starting from this Year.

<sup>4</sup> There were no air pollutant emissions in China, as electric vehicle was used and there was no combustion of fuels in stationary sources.

# Environmental, Social and Governance Report

## Greenhouse Gas Emissions Management

Regarding the Group's operations in Singapore, GHG emissions were mainly generated from fuel consumption of mobile vehicles and purchased electricity in dormitories and warehouses. For the operations in China, GHG emissions were mainly generated from the electricity consumption during the manufacturing of minimally invasive surgery medical products. In terms of fuel consumption for mobile vehicles in Singapore, our total diesel consumption has decreased from 105,063 litres in 2023 to 72,533 litres in 2024. Correspondingly, our carbon dioxide ("CO<sub>2</sub>") emissions from the use of vehicles also reduced from 282,500 kg in 2023 to 194,867 kg in 2024. While diesel consumption and CO<sub>2</sub> emissions per lorry decreased from 8,082 litres and 21,731 kg per lorry in 2023 respectively to 5,579 litres and 14,990 kg per lorry in 2024 respectively.

The Group's GHG emissions by scopes are as follows:

GHG Emissions <sup>5</sup>	Unit	2024	2023
<b>Singapore</b>			
Scope 1	tCO <sub>2</sub> e	195.52	283.44
Scope 2	tCO <sub>2</sub> e	548.55	354.31
Total GHG Emissions	tCO <sub>2</sub> e	744.07	637.76
Intensity	tCO <sub>2</sub> e/employee <sup>6</sup>	1.76	0.99
<b>China<sup>7</sup></b>			
Scope 1	tCO <sub>2</sub> e	0.00 <sup>8</sup>	–
Scope 2	tCO <sub>2</sub> e	54.63	–
Total GHG Emissions	tCO <sub>2</sub> e	54.63	–
Intensity	tCO <sub>2</sub> e/million SGD revenue <sup>9</sup>	2.11	–
<b>Total</b>			
Scope 1 <sup>10</sup>	tCO <sub>2</sub> e	195.52	283.44
Scope 2 <sup>11</sup>	tCO <sub>2</sub> e	603.18	354.31
Total GHG Emissions	tCO <sub>2</sub> e	798.7	637.76

<sup>5</sup> The calculation of GHG emissions is based on the Energy Statistic Manual and Oil information: database documentation (July 2024 edition) published by the International Energy Agency, latest Assessment Report released by the Intergovernmental Panel on Climate Change ("IPCC"), latest Greenhouse Gas (GHG) Emissions Measurement and Reporting Guidelines Appendix to Part II: Monitoring Plan and Reckonable Emissions Calculator (Apr 2024) issued by the National Environmental Agency of Singapore, the Grid Emission Factor provided by Energy Market Authority of Singapore and 2021 Carbon Dioxide Emission Factor for Electricity issued by the Ministry of Ecology and Environment and the National Bureau of Statistics of the People's Republic of China.

<sup>6</sup> The total number of employees of the Group in Singapore as at the end of December 2023 and 2024 were 641 and 422 respectively.

<sup>7</sup> With the expansion of the reporting scope, data from China are disclosed starting from this Year. The Scope 2 emission is calculated based on the operations of all subsidiaries in China, as they operate in shared offices.

<sup>8</sup> There were no Scope 1 emissions in China, as electric vehicle was used and there was no combustion of fuels in stationary sources.

<sup>9</sup> The total revenue of the China business in FY2024 was 25.927 million Singapore Dollar (SGD).

<sup>10</sup> Scope 1 refers to the direct emissions from the business operations owned or controlled by the Group.

<sup>11</sup> Scope 2 refers to the indirect energy emissions caused by the internal consumption of purchased electricity within the Group and the electricity consumption of electric vehicles.

# Environmental, Social and Governance Report

Our GHG emissions were mainly related to electricity consumption (Scope 2), followed by diesel consumption of mobile vehicles (Scope 1). The GHG emission intensity in the Reporting Period slightly decreased compared to that of the previous year. The biggest contributor to the Group's GHG emission was from electricity consumption, which was mainly attributed to the use of lighting system, air-conditioning, office equipment and the manufacturing of minimally invasive surgery medical products.

Recognising the impact of carbon and other GHG emissions on the global climate and the environment, the Group encourages the employees to turn off the lights, air-conditioners and electrical equipment when not in use and use energy-saving light bulbs such as light-emitting diode ("LED") instead. For example, our lorries in Singapore will undergo regular maintenance, and we instruct our drivers to switch off idling engines. In the future, the Group will continue to monitor its GHG emissions and improve the collection and monitoring of GHG emissions data, so as to reduce energy consumption and carbon emissions.

## Waste Management

The principal business of the Group is providing manpower supply in Singapore, while providing minimally invasive surgery solution and medical products and related service in China. The manufacturing of minimally invasive surgery medical products does not involve heavy industry. Therefore, there is a minimal direct impact on the environment and there was no generation of hazardous waste during the Reporting Period.

The non-hazardous waste at our dormitories in Singapore, our offices and production sites in China are properly disposed. We also promote the adoption of the "3R" principle (reduce, reuse and recycle) among our employees, in order to enhance waste reduction. As the collection and management of non-hazardous waste in China is collectively managed and handled by the industrial park and property management company, we are unable to track and report the volume of non-hazardous waste generated by our operations in that region. The amount of non-hazardous waste generated is as follows:

Non-hazardous Waste <sup>12</sup>	Unit	2024	2023
<b>Singapore</b>			
Non-hazardous Waste	tonnes	29.31	35.00
Intensity	tonnes/employee <sup>13</sup>	0.07	0.05

In the future, the Group will continue to enhance waste management and improve the data collection processes to effectively reduce waste generation at its source.

<sup>12</sup> Data was estimated from the latest Waste Statistics and Overall Recycling Table provided by the National Environmental Agency of Singapore and Volume-to-Weight Conversion Factors issued by the U.S. Environmental Protection Agency.

<sup>13</sup> The total number of employees of the Group in Singapore as at the end of December 2023 and 2024 were 641 and 422 respectively.

# Environmental, Social and Governance Report

## Use of Resources

### Energy Conservation

The Group's energy consumption includes diesel and purchased electricity. We have implemented various energy-saving measures such as the use of energy saving lightings and energy efficient air-conditioning systems. We also encourage employees to turn off the lights, air-conditioners and electrical appliances when not in use.

During the Reporting Period, the Group's main source of energy consumption was the purchased electricity, followed by diesel. Our diesel consumption is derived from the motor vehicle used to provide shuttle service for workers, and direct energy consumption has dropped by approximately 35% in this Year. This reduction is primarily due to a decrease in the total number of employees, which has led to a lower demand for the shuttle services. Our electricity consumption in Singapore increased by 57%, going from 850.08 MWh in 2023 to 1,331.44 MWh in 2024. This rise is attributable to the two new dormitories. The following table shows the total energy consumption of the Group:

Energy Consumption <sup>14,15</sup>	Unit	2024	2023
<b>Singapore</b>			
Direct Energy Consumption			
– Diesel	MWh	730.49	1,124.51
Indirect Energy Consumption			
– Purchased Electricity	MWh	1,331.44	850.08
Total Energy Consumption	MWh	2,061.93	1,974.59
Intensity	MWh/employee <sup>16</sup>	4.89	3.08
<b>China<sup>17</sup></b>			
Direct Energy Consumption	MWh	0.00 <sup>18</sup>	–
Indirect Energy Consumption			
– Purchased Electricity	MWh	91.17	–
Total Energy Consumption	MWh	91.17	–
Intensity	MWh/million SGD revenue <sup>19</sup>	3.52	–
<b>Total</b>			
Direct Energy Consumption	MWh	730.49	1,124.51
Indirect Energy Consumption	MWh	1,422.61	850.08
Total Energy Consumption	MWh	2,153.11	1,974.59

<sup>14</sup> The calculation of energy consumption is based on the Energy Statistic Manual and Oil information: database documentation (July 2024 edition) published by the International Energy Agency and Reckonable Emissions Calculator (Apr 2024) issued by the National Environmental Agency of Singapore.

<sup>15</sup> Numbers have been subject to rounding. Any discrepancies between the total shown and the sum of the amounts listed are due to rounding.

<sup>16</sup> The total number of employees of the Group in Singapore as at the end of December 2023 and 2024 were 641 and 422 respectively.

<sup>17</sup> With the expansion of the reporting scope, data from China are disclosed starting from this Year. The electricity consumption is calculated based on the operations of all subsidiaries in China, as they operate in shared offices.

<sup>18</sup> There was no direct energy consumption in China, as electric vehicle was used and there was no combustion of fuels in stationary sources.

<sup>19</sup> The total revenue of the China business in FY2024 was 25.927 million Singapore Dollar (SGD).

# Environmental, Social and Governance Report

## Water Conservation

Our water consumption and wastewater discharge primarily stem from domestic needs in our dormitories. Meanwhile, the manufacturing of minimally invasive surgery medical products does not involve significant amounts of water usage. In other words, the Group does not primarily engage in businesses which produce a large amount of industrial wastewater.

In Singapore, fresh water is a precious resource, and it is vital that we shall proactively work together to safeguard and preserve our water resources. As such, we have established an environmental management system that comprises measures and work procedures that are required to be followed by our employees, including but not limited to, internal policies on water and energy conservation.

To ensure our workers are committed to reducing water usage, we have placed reminders near our water taps to remind our foreign workers to turn off the faucet while not in use. We have also installed water efficient fittings such as press taps and dual flush water cisterns at our dormitories.

In addition, we inspect our water consumption regularly and repair dripping faucets or hoses in a timely manner. Our dormitories have also implemented various water efficient and water saving facilities to reduce water usage. Our dormitory operating subsidiary, Nichefield Pte. Ltd. received an award from the Water Supply (Network) Department of Singapore's National Water Agency for running the Woodlands Dormitory as a water efficient (basic) building in November 2016.

There is no issue in sourcing water for dormitory purpose in Singapore and manufacturing purpose in China. Singapore has built a robust, diversified and sustainable water supply from four water sources known as the Four National Taps – (i) water from local catchment; (ii) imported water; (iii) high-grade reclaimed water known as NEWater; and (iv) desalinated water. In integrating the water system and maximising the efficiency of each of the Four National Taps, Singapore has overcome its lack of natural water resources to meet the needs of a growing nation. In China, we use municipal water supply.

Our water consumption at our dormitories are as follows:

<b>Water Consumption</b>	<b>Unit</b>	<b>2024</b>	<b>2023</b>
<b>Singapore</b>			
Water Consumption	m <sup>3</sup>	<b>187,347.00</b>	185,799.40
Intensity	m <sup>3</sup> /employee <sup>20</sup>	<b>443.95</b>	289.86
<b>China<sup>21</sup></b>			
Water Consumption	m <sup>3</sup>	<b>350.00</b>	–
Intensity	m <sup>3</sup> /million SGD revenue <sup>22</sup>	<b>13.50</b>	–
<b>Total</b>			
Total Water Consumption	m <sup>3</sup>	<b>187,697.00</b>	185,799.40

<sup>20</sup> The total number of employees of the Group in Singapore as at the end of December 2023 and 2024 were 641 and 422 respectively.

<sup>21</sup> With the expansion of the reporting scope, data from China are disclosed starting from this Year. The water consumption is calculated based on the operations of all subsidiaries in China, as they operate in shared offices.

<sup>22</sup> The total revenue of the China business in FY2024 was 25.927 million Singapore Dollar (SGD).

# Environmental, Social and Governance Report

From 2023 to 2024, our water consumption in Singapore slightly increased from 185,799 m<sup>3</sup> to 187,347 m<sup>3</sup>. This growth is primarily linked to the expanded operations of our Singapore-based businesses, and heavily involved in providing dormitory services to external organizations. As these new dormitories became occupied, water usage has correspondingly increased.

## **Packaging Material**

As the Group's business activities in Singapore mainly involve in providing manpower outsourcing and ancillary services to building and construction contractors, information regarding the packaging material used in Singapore is not applicable.

For the manufacturing of minimally invasive surgery medical products in China, the Group utilises a variety of packaging materials, including:

<b>Packaging Material</b>	<b>Unit</b>	<b>2024</b>	<b>2023</b>
<b>China<sup>23</sup></b>			
Bubble Wrap	kg	<b>70.00</b>	–
Other Plastic	kg	<b>13.00</b>	–
Paper	kg	<b>27.00</b>	–
Total Packaging Material	kg	<b>110.00</b>	–
Intensity	kg/million SGD revenue <sup>24</sup>	<b>4.24</b>	–

## **The Environmental and Natural Resources**

### **Paper Conservation**

The Group has adopted green office practices to reduce consumption and the impact on the environment. During the Reporting Period, our operations in China consumed 0.32 tonnes of office paper, while our business in Singapore used 0.24 tonnes of office paper.

In order to reduce waste paper, we have developed the following measures:

- Reusing single-sided paper to minimise paper consumption, provided that the paper does not contain any confidential information;
- Deploying recycling bins to collect used paper products such as waste papers, posters, letters and envelopes;
- Saving paper by doing two-sided printing and writing on both sides of the papers;

<sup>23</sup> With the expansion of the reporting scope, data from China are disclosed starting from this Year.

<sup>24</sup> The total revenue of the China business in FY2024 was 25.927 million Singapore Dollar (SGD).

# Environmental, Social and Governance Report

- Encouraging employees to bring their own cup and avoiding paper cups usage;
- Reusing stationeries such as file folders and envelopes; and
- Reusing packaging boxes.

We have put in place various ways to help reduce the emissions from our daily operation and save resources consumption with the goal of minimising the impact on the environment.

## Responding to Climate Change

Climate change is one of the biggest global challenges faced by society nowadays. The Group has committed to acting for our climate and our communities. The increase in the frequency of extreme weather, such as strong winds, heavy rainfall, tides and floods, may impact the logistics and supply chains, hence affect our business operations and income. Heavy rainfall, rising tides, and floods can also cause serious damage to our assets such as offices, production sites, dormitories and warehouses, resulting in financial losses. Although such incidents are beyond everyone’s control, the Group believes that all stakeholders should work together to address climate change.

The Group has identified a series of climate-related risks and opportunities relevant to our assets and services which are significant to us. These transition and physical risks are discussed in the sections below.

	Risks	Opportunities
Short term (0 – 2 year)	<ul style="list-style-type: none"> <li>• Physical risks from extreme weather events, such as heatwaves, water stress, sea level rise and flooding</li> <li>• Securing the skills and capability required to implement climate strategy</li> </ul>	<ul style="list-style-type: none"> <li>• New services to help communities decarbonise</li> <li>• Technologies to enhance the performance of operation and energy efficiency</li> </ul>
Medium term (0 – 5 years)	<ul style="list-style-type: none"> <li>• Transition risks – Implementation of low-carbon policies for the operation</li> <li>• Transition risks – Supply and demand for certain products and services may change as climate related risks and opportunities are increasingly taken into account</li> </ul>	<ul style="list-style-type: none"> <li>• Transitioning to low carbon economy market to meet government decarbonisation targets</li> <li>• Opportunities arising from transition enablers</li> </ul>
Medium to long term (5+ years)	<ul style="list-style-type: none"> <li>• Transition risks – Potential new regulation and policies for the industries</li> <li>• Transition risks – the Group reputation may be impacted due to changing customer or community perceptions of said the Group’s contribution to or detraction from the transition to a lower-carbon economy</li> </ul>	<ul style="list-style-type: none"> <li>• Transitioning to low carbon economy market to meet government decarbonisation targets</li> <li>• Opportunities arising from transition enablers</li> <li>• To work as a pioneer in the industry and build up the relevant reputations</li> </ul>

# Environmental, Social and Governance Report

Physical climate risks have the potential to damage the integrity of the Group's assets or interrupt the supply chains by affecting the transportation of raw materials and components necessary for our manufacturing operations in China. Also, our service delivery in Singapore may also be disrupted directly. The Group already has set up a range of measures in place to enhance the reliance of its operations, including contingency plans for extreme weather or emergencies.

Transition climate risks can potentially increase the operational cost and legal risk due to change of policy, technology development, digitalization, relevant risk affected to supply and demand, and reputation due to public perceptions. The Group has already identified the relevant risks and keeps monitoring the market and policy updates.

## EMPLOYMENT AND LABOUR PRACTICES

Our business operation is subject to employment and labour requirements pursuant to the laws in our operational locations. This includes but not limited to Employment Act (Chapter 91), Retirement and Re-employment Act, Employment of Foreign Manpower Act (Chapter 91A), Employment Act and Employment (Children and Young Persons) Regulations, Workplace Safety and Health Act (Chapter 354A) in Singapore. In China, our operations comply with regulations, such as Labour Contract Law of the PRC (《中華人民共和國勞動合同法》), Labour Law of the PRC (《中華人民共和國勞動法》), Social Insurance Law of the PRC (《社會保險法》), Law of the PRC on the Prevention and Control of Occupational Diseases (《中華人民共和國職業病防治法》), Law of the PRC on the Protection of Women's Rights and Interests (《中華人民共和國婦女權益保障法》), Law of the PRC on the Protection of Minors (《中華人民共和國未成年人保護法》). In Hong Kong, we adhere to regulations, including but not limited to the Employment Ordinance, the Employees' Compensation Ordinance, the Employment of Children Regulations, Occupational Safety and Health Ordinance.

During the Year, the Group was not aware of any material non-compliance with the laws and regulations regarding employment, child and forced labour, occupational health and safety that have a significant impact on the Group.

### Employment

The Group's continuing success as a leading organization is primarily dependent on its employees and effective leadership. We believe that our people are our greatest assets as the success of the Group and its services is primarily dependent on our people. We have implemented the following human resource philosophy:

- Fundamental respect for each individual;
- Recruitment of qualified individuals;
- Retention of valuable employees;
- Training, development and education to promote and develop individual success and increase overall value to the Group;
- A fair and firm management;

# Environmental, Social and Governance Report

- Creating a conducive working environment; and
- Inspiration and encouragement for a high level of employee morale through recognition, effective communication and constant feedback.

## ***Human Resources Policy***

Firmly believing that human resources (“**HR**”) is one of the most valuable assets towards corporate success, we have put in place recruitment policies and a staff appraisal system. Internal employment and incentive processes are standardised and regulated by the management of the Group, and strictly executed by the HR department to attract and retain valuable talents.

In line with our HR policy, our HR department is responsible for conducting our staff interview, probation, training, employee data maintenance, termination and resignation, performance evaluation and feedback mechanism, compensation, payroll, leave application and other HR matters.

## ***Staff Handbook***

All employees are given a staff handbook which they are required to adhere to. Our staff handbook details out the general terms and conditions of employment as well as certain employment procedures of the Group. It includes conditions of employment, holidays and leaves, employee benefits, performance appraisal and promotion, Code of Conduct and other matters such as disposal of confidential papers and energy conservation. All staff members must behave in accordance with the principles stated in the Staff Handbook and Code of Conduct. Employees who violate any of the Group’s policies or procedure, as outlined in all manuals, will face disciplinary action.

## ***Diversity and Equality***

The Group embrace differences and recognise that diverse perspectives are important to our business success. As a responsible employer, the Group is committed to promoting equal opportunities and eliminating discrimination in all aspects of employment, training and career development. We promote equal opportunity with a strong emphasis on merit-based promotions.

The Group is dedicated to developing a positive and harmonious workplace for employees, ensuring that every employee is treated equally and fairly, free from discrimination in respect of age, disability, religious belief, gender, sexual orientation, race, marital status, political belief and nationality, or any other category defined by law in all aspects of employment including recruitment, promotion, and opportunities for training, pay and benefits. Employees who act with malicious intent towards any colleague within the Group, engage in fighting, use abusive language, or make threats towards any person will face disciplinary action.

## ***Response to Harassment and Discrimination***

The Group applies equal enforcement of policies at all personnel levels and across all business and operation units throughout the Group. Due to the gravity of our commitment, the Group confidentially reviews all accusations of harassment or discrimination in an effort to determine the truth and whether or not further investigation is necessary. All accusations will be treated seriously, and the Group does not assume guilt. The rights of both the accused and the individual claiming to have experienced harassment or discrimination will be protected. Violation of the Group’s policy regarding harassment and discrimination will lead to disciplinary action.

# Environmental, Social and Governance Report

## ***Hiring of Foreign Workers in Singapore***

We are required to comply with the rules and regulation as stipulated by the Ministry of Manpower (“**MOM**”) of Singapore. HR staff manage the work permit application. HR staff would login to the MOM website to monitor the employment quota for the Group on a weekly basis. The HR staff is responsible for ensuring that there is no quota exceedance while simultaneously maximising employment opportunities in the most effective manner. Our current recruitment process for foreign workers provides equal opportunity in employment practices without discrimination in race and religion.

## ***Performance Appraisal***

Our transparent promotion practices take into account various factors such as business needs, increased scope of employment and responsibility, capability and contributions to the Group, as well as endorsements from the senior management.

The Group has a systematic and standardised appraisal system to evaluate employees’ performances, assess their capabilities and determine whether they are in line with the Group’s business development. It also provides a basis for promotion, salary increment and a communication platform for employees and management to set mutually acceptable and measurable performance standards, and career development opportunities.

Salaries are reviewed annually and discretionary bonuses are paid on a periodic basis with reference to individual performance appraisals and the Group’s performance.

## ***Promotion***

The Group provides opportunities for internal promotion rather than hiring externally, where appropriate. Promotions are considered based on employees’ performance in their current roles, their potential for the promoted position, and the availability of job vacancies.

## ***Remuneration***

Individual compensation is adjusted based on Group-wide guidelines, which take into account changes in economic and local market conditions, as well as individual experience level and performance. The Group’s objective is to ensure that the base remuneration is competitive in the marketplace and provides incentives for those who make the greatest contributions to our business.

In Singapore, worker wages are paid on a half-monthly basis. The wages department prepares the payroll summary for workers after considering factors such as normal time, overtime, incentives, allowances and other deductions. The system automatically computes the total wages after the data entry. Incentives and allowance rates are stated in the contracts. Incentives, such as night shift incentives and public holiday incentives, are paid based on the date and time recorded on the timecards. Allowances are paid based on the number of full days worked as recorded on the timecards.

# Environmental, Social and Governance Report

For the office staff in Singapore and all our staff members in China, the wages are paid on a monthly basis. Additional work time beyond regular working hours may be required for office staff members to facilitate accommodation of urgent tasks or tasks with strict deadlines, especially during peak periods or to ensure adequate coverage for colleagues on leave, in order to avoid any disruption in workflow. Staff who work overtime under these conditions are entitled to claim meal and transportation allowances. Staff members who are not eligible for overtime claims may still be allowed to claim for work done on non-working days, rest days and public holidays.

## ***Employee Welfare***

The Group ensures all employees are entitled to be paid for annual leave, medical leave, marriage leave, maternity leave, parental leave, childcare leave, adoption leave, national service leave, unpaid infant care leave and other statutory leaves and holidays in accordance with the local law across different operational locations. This arrangement safeguards our employees' basic rights. Other benefits that are available to eligible employees include complimentary lunches, marriage leave, compassionate leave, medical insurance scheme, Central Provident Fund contributions in Singapore, performance bonus and long service awards. To foster a harmonious working environment and encourage collaboration, we organised various initiatives throughout the Year, including company gatherings, and gift distributions to celebrate several traditional Chinese festivals.

## ***Dismissal***

The Group ensures all employees are protected under the employment protection laws of our operational locations. Our procedures generally include:

- Whenever an employee has handed in his or her resignation letter or being laid off, our HR executive or head of HR department will interview him or her to find out the reason of resignation;
- When we terminate an employment contract, the dismissed employee shall be given either his or her due notice or wages in lieu of notice, and the notice should not be served during his or her annual leave and maternity leave;
- An employee cannot be dismissed when she has been confirmed pregnant by a qualified medical doctor or has given notice of pregnancy to the Company.

## ***Grievance Procedure and Resolution***

The Group promotes an atmosphere of openness and transparency where any problem, complaint, suggestion, or question receives a prompt response from supervisors and management. In the event that employees have disagreements with established rules of conduct, policies, or practices, they are encouraged to express their concerns through the problem resolution procedure.

# Environmental, Social and Governance Report

## Total Workforce

As at 31 December 2024, we have 488 employees. Our staff are remunerated according to their scope of employment and responsibilities. Our staff are based in Singapore, Mainland China and Hong Kong region. The distribution of the Group's employees is as follow:

Number of Employees as at 31 December	2024	2023
<b>Total number of employees in Singapore</b>	<b>422</b>	641
By Gender		
– Male	<b>403</b>	624
– Female	<b>19</b>	17
By Age Group		
– Below 30	<b>144</b>	222
– 30-50	<b>236</b>	379
– Above 50	<b>42</b>	40
By Employment Type		
– Full time	<b>414</b>	636
– Part time	<b>8</b>	5
<b>Total number of employees in China and Hong Kong<sup>25</sup></b>	<b>66</b>	–
By Gender		
– Male	<b>40</b>	–
– Female	<b>26</b>	–
By Age Group		
– Below 30	<b>7</b>	–
– 30-50	<b>47</b>	–
– Above 50	<b>12</b>	–
By Employment Type		
– Full time	<b>64</b>	–
– Part time	<b>2</b>	–
<b>Overall number of employees</b>	<b>488</b>	641
By Gender		
– Male	<b>443</b>	624
– Female	<b>45</b>	17
By Age Group		
– Below 30	<b>151</b>	222
– 30-50	<b>283</b>	379
– Above 50	<b>54</b>	40
By Employment Type		
– Full time	<b>478</b>	636
– Part time	<b>10</b>	5
By Geographical Region		
– Singapore	<b>422</b>	641
– Mainland China	<b>58</b>	–
– Hong Kong	<b>8</b>	–

For the Year, the Group had no violation record on relevant laws and regulations regarding employment that have significant impact on the Group.

<sup>25</sup> With the expansion of the reporting scope, data from China and Hong Kong are disclosed starting from this Year.

# Environmental, Social and Governance Report

## Employee Turnover Rate

The employee's turnover rates by gender are 52.1% and 35.6% for male employee and female employee respectively. The employee's turnover rates by age group are 51.0%, 56.5%, 18.5% for those age below 30, between 30-50 and above 50 respectively.

<b>Employee Turnover Rate</b> <sup>26</sup>	<b>2024</b>	2023
<b>Employee turnover rate in Singapore</b>	<b>51.9%</b>	15.4%
By Gender		
– Male	<b>52.9%</b>	15.5%
– Female	<b>31.6%</b>	11.8%
By Age Group		
– Below 30	<b>50.0%</b>	9.9%
– 30-50	<b>58.5%</b>	19.0%
– Above 50	<b>21.4%</b>	12.5%
<b>Employee turnover rate in China and Hong Kong</b> <sup>27</sup>	<b>42.4%</b>	–
By Gender		
– Male	<b>45.0%</b>	–
– Female	<b>38.5%</b>	–
By Age Group		
– Below 30	<b>71.4%</b>	–
– 30-50	<b>46.8%</b>	–
– Above 50	<b>8.3%</b>	–
<b>Overall employee turnover rate</b>	<b>50.6%</b>	15.4%
By Gender		
– Male	<b>52.1%</b>	15.5%
– Female	<b>35.6%</b>	11.8%
By Age Group		
– Below 30	<b>51.0%</b>	9.9%
– 30-50	<b>56.5%</b>	19.0%
– Above 50	<b>18.5%</b>	12.5%
By Geographical Region		
– Singapore	<b>51.9%</b>	15.4%
– Mainland China	<b>39.7%</b>	–
– Hong Kong	<b>62.5%</b>	–

<sup>26</sup> Employee turnover rate was calculated by dividing number of employees left in the corresponding employee category with total number of employees in the corresponding category as at the end of the reporting period.

<sup>27</sup> With the expansion of the reporting scope, data from China and Hong Kong are disclosed starting from this Year.

# Environmental, Social and Governance Report

## Health and Safety

Safety is integral to our business operations. The Group recognises the importance of a safe and healthy work environment as its cornerstone of success and aims to ensure the health and safety of our employees are well taken care of. We also place emphasis on occupational health and work safety and provide regular training on workplace health and safety for our employees. The Staff Handbook also stated that all employees should strictly adhere to safety standards and comply with regulations regarding occupational safety.

We are committed to protecting the health and safety of the employees and the community. We require all employees to comply with all the relevant occupational health and safety regulations, and do our utmost to provide them with a safe and healthy working environment and protect them from occupational hazards. This includes providing the employees with the necessary protective equipment and medical insurance. Also, we have engaged third party service providers to perform pest control at our self-operated dormitories in Singapore from time to time.

Due to the nature of works at construction sites, risks of accidents or injuries to our deployed workers are inherent. We have established a safety management system with reference to the Occupational Health & Safety Assessment Series ("**OHSAS 18001**") standards. This provides a framework for monitoring and evaluating the implementation of our safety policies and measures, from planning to actual implementation in daily operations, in an effort to provide our employees with a safe and healthy working environment.

Since 2009, the occupational health and safety management systems put in place by our operating subsidiaries, KT&T Engineers and Constructors Pte. Ltd. and Tenshi Resources Pte. Ltd., have been certified to be in accordance with the requirements of the OHSAS 18001:2007 standards.

We encourage our employees to inform us of any health and safety issues in their workplace so that we can eliminate or reduce the risk and work together to alleviate any health and safety risks to a minimum.

During the Year, the Group was not aware of any material non-compliance with laws and regulations relating to occupational health and safety that have a significant impact on the Group.

### ***Number and Rate of Work-related Fatalities***

There were no work-related fatalities that occurred during the past three years including the financial year ended 31 December 2024.

### ***Lost Days due to Work Injury***

In Singapore, the total number of lost days due to work-related injuries in FY2024 were same as that in FY2023, totalling 365 days. Meanwhile, in China, there were no lost days due to work-related injuries during the same period.

# Environmental, Social and Governance Report

## Development and Training

We believe that our employees and foreign workers should be equipped with knowledge and skills needed to thrive in a rapidly evolving industry. Their development and training are instrumental to improving productivity and ensure sustainable growth of the Group. The Group has implemented the Performance Management and Development Process (“**PMDP**”), which plays a critical role in the people strategy. It aims to support employees in fulfilling their personal potential while assisting the Group in achieving its strategic objectives. The PMDP enables employees to establish clear work expectations that align with the Group’s priorities, receive feedback that enhance their competencies and career, and receive guidance that improve their performance to meet their development needs. An annual planning process, which includes goal setting at the beginning of the year, as well as development planning and competency assessment, will be conducted in collaboration with employees and their managers.

Recognising that knowledge and skills of our employees are vital to the Group’s continued business growth and success, relevant policy has been implemented to encourage employees to attend appropriate courses to enhance their competence for performance improvement and career development. In view of this, the Group has organised workshops, seminars and training programmes that cover various aspects to improve employees’ level of skills and knowledge and maximise their potential. They are also encouraged to enrol in job-related courses to enrich themselves. Additionally, the Group also encourages our employees to participate in various qualification examinations and training activities based on operational needs.

In order to provide quality service to our customers, we constantly send our foreign workers in Singapore to different types of training courses covering a wide range of areas such as inhouse rebar, carpentry and plastering training; coretrade for plumbing and pipe fittings; coretrade for precast concrete component erection; work-at-height; construction safety; rigger & signal; boom lift; tunnelling; confine space; and welder. In FY2024, we allocated approximately S\$30,385.5 towards workers training initiatives.

# Environmental, Social and Governance Report

## Percentage of Employees Trained

Senior management arrange for themselves and attend training courses according to their own professional requirements and needs from time to time at their own discretion. The number of trained employees and corresponding percentage by gender and employee category are as follow:

### Number of Trained Employees (Corresponding Percentage)<sup>28</sup>

	2024	2023
<b>Number of trained employees in Singapore</b>	<b>271 (64%)</b>	261 (41%)
By Gender		
– Male	<b>270 (67%)</b>	261 (42%)
– Female	<b>1 (5%)</b>	0 (0%)
By Employee Category		
– Senior Management	<b>1 (50%)</b>	0 (0%)
– Middle Management	<b>0 (0%)</b>	0 (0%)
– General Staff	<b>1 (2%)</b>	0 (0%)
– Workers	<b>269 (72%)</b>	261 (44%)
<b>Number of trained employees in China and Hong Kong<sup>29</sup></b>	<b>25 (38%)</b>	–
By Gender		
– Male	<b>18 (45%)</b>	–
– Female	<b>7 (27%)</b>	–
By Employee Category		
– Senior Management	<b>2 (33%)</b>	–
– Middle Management	<b>8 (47%)</b>	–
– General Staff	<b>15 (35%)</b>	–
– Workers	<b>–<sup>30</sup></b>	–
<b>Overall number of trained employees</b>	<b>296 (61%)</b>	261 (41%)
By Gender		
– Male	<b>288 (65%)</b>	261 (42%)
– Female	<b>8 (18%)</b>	0 (0%)
By Employee Category		
– Senior Management	<b>3 (38%)</b>	0 (0%)
– Middle Management	<b>8 (40%)</b>	0 (0%)
– General Staff	<b>16 (19%)</b>	0 (0%)
– Workers	<b>269 (72%)</b>	261 (44%)

<sup>28</sup> Percentage of trained employee was calculated by dividing number of trained employees in the corresponding employee category with total number of employees in the corresponding category as at the end of the Reporting Period.

<sup>29</sup> With the expansion of the reporting scope, data from China and Hong Kong are disclosed starting from this Year.

<sup>30</sup> There are no workers in China and Hong Kong, therefore, this data is not applicable.

# Environmental, Social and Governance Report

## Average Training Hours per Employee

The average training hours completed by workers increased from approximately 5.94 hours in FY2023 to approximately 7.01 hours in FY2024. The average training hours per employee by gender and employee category are as follow:

<b>Training Hours (Average Training Hours per Employee)<sup>31</sup></b>	<b>2024</b>	2023
<b>Training hours in Singapore</b>	<b>3,320.0 (7.87)</b>	3,807.5 (5.94)
By Gender		
– Male	<b>3,316.0 (8.23)</b>	3,807.5 (6.10)
– Female	<b>4.0 (0.21)</b>	0 (0.00)
By Employee Category		
– Senior Management	<b>3.0 (1.50)</b>	0 (0.00)
– Middle Management	<b>0.0 (0.00)</b>	0 (0.00)
– General Staff	<b>4.0 (0.10)</b>	0 (0.00)
– Workers	<b>3,313.0 (8.83)</b>	3,807.5 (6.49)
<b>Training hours in China and Hong Kong<sup>32</sup></b>	<b>100.0 (1.52)</b>	–
By Gender		
– Male	<b>72.0 (1.80)</b>	–
– Female	<b>28.0 (1.08)</b>	–
By Employee Category		
– Senior Management	<b>8.0 (1.33)</b>	–
– Middle Management	<b>32.0 (1.88)</b>	–
– General Staff	<b>60.0 (1.40)</b>	–
– Workers	<b>–<sup>33</sup></b>	–
<b>Overall training hours</b>	<b>3,420.0 (7.01)</b>	3,807.5 (5.94)
By Gender		
– Male	<b>3,388.0 (7.65)</b>	3,807.5 (6.10)
– Female	<b>32.0 (0.71)</b>	0 (0.00)
By Employee Category		
– Senior Management	<b>11.0 (1.38)</b>	0 (0.00)
– Middle Management	<b>32.0 (1.60)</b>	0 (0.00)
– General Staff	<b>64.0 (0.75)</b>	0 (0.00)
– Workers	<b>3,313.0 (8.83)</b>	3,807.5 (6.49)

<sup>31</sup> Average training hour was calculated by dividing the total training hour in the corresponding employee category with total number of employees in the corresponding category as at the end of the Reporting Period.

<sup>32</sup> With the expansion of the reporting scope, data from China and Hong Kong are disclosed starting from this Year.

<sup>33</sup> There are no workers in China and Hong Kong, therefore, this data is not applicable.

# Environmental, Social and Governance Report

## Labour Standards

The Group firmly adopts a zero-tolerance policy on child labour and forced labour. Our HR department, recruitment department and our site coordinators are responsible for implementing this policy. We do not employ any person below the legal age of majority at our workplace. No employee should be made to work against his/her will or work as bonded/forced labour, or subject to corporal punishment or coercion. Also, our suppliers are expected to follow the same standard of labour practices when working with us.

The HR and recruitment departments, along with the administrative department, maintain employment contracts and relevant documentation for all employees and foreign workers. If any instances of child or forced labor are discovered, the Group will promptly conduct a thorough investigation and take appropriate remedial action.

During the Year, the Group was not aware of any material non-compliance with the laws and regulations regarding child and forced labour that have a significant impact on the Group.

## OPERATING PRACTICES

Our business operation is subject to the operating requirements pursuant to the laws in our operational locations. This includes but not limited to Consumer Protection (Trade Descriptions and Safety Requirements) Act (Chapter 53), Consumer Protection (Consumer Goods Safety Requirements) Regulations, the Trade Marks Act (Chapter 332) and Personal Data Protection Act, Prevention of Corruption Act of Singapore and Corruption, Drug Trafficking And Other Serious Crimes (Confiscation of Benefits) Act of Singapore. In China, our operations comply with regulations, such as Measures for the Supervision and Administration of Medical Device Production (《醫療器械生產監督管理辦法》), Provisions on the Administration of Instructions and Labels of Medical Devices (《醫療器械說明書和標籤管理規定》), Measures for the Administration of Medical Device Adverse Event Monitoring and Re-evaluation (《醫療器械不良事件監測和再評價管理辦法》), Patent Law of the PRC (《中華人民共和國專利法》), Trademark Law of the PRC (《中華人民共和國商標法》), Copyright Law of the PRC (《中華人民共和國著作權法》), the Anti-Unfair Competition Law of the People's Republic of China (《中華人民共和國反不當競爭法》), the Anti-Money Laundering Law of the People's Republic of China (《中華人民共和國反洗錢法》). In Hong Kong, we adhere to regulations, including but not limited to the Prevention of Bribery Ordinance.

During the Year, the Group was not aware of any material non-compliance with the laws and regulations relating to health and safety, advertising, labelling and privacy matters that would have a significant impact on the Group.

# Environmental, Social and Governance Report

## **Supply Chain Management**

To ensure effective supply chain management in relation to environmental and social risks, we will monitor, evaluate, and assess our suppliers regularly based on our operational requirements across various locations. Recognising the importance of promoting environmentally preferable products and services, we will integrate environmentally friendly procurement practices in supplier selection whenever feasible.

### ***Our Services in Singapore***

In managing the environmental and social risks of our supply chain, we will perform assessments on all our suppliers before engaging them and maintain an approved vendor list. We appoint suppliers based on strict ethical standards, which enhance the confidence of our customers. We hold our vendors to the same high ethical standards that we set for our staff. We will also monitor and assess our suppliers annually whereby those with poor performance will be removed from our approved vendor list.

### *New Supplier Assessment*

Our new suppliers are assessed based on capability, past track records, achievements and results of financial due diligence.

### *Monitoring of Suppliers and Subcontractors*

We evaluate and monitor our suppliers' performance based on (1) the quality of service; (2) the timeliness in completing the required service or delivering of goods; (3) responsiveness; and (4) compliance with relevant rules and regulations. Suppliers' unsatisfactory performance will lead to their removal from our approved vendor list.

### ***Our Manufacturing in China***

As a medical equipment manufacturer in China, we recognise the critical significance of ensuring the safety of the materials utilised in our manufacturing processes. In managing the environmental and social risks of our supply chain, we strive to ensure that all materials meet the highest safety and quality standards, adhering to both local regulations and international standards. To support our quality management system, we have established the "Procurement Control Procedure", which governs our procurement process in China and guarantees that all purchased products meet our specified safety and quality requirements.

### *Supplier Classification*

To maintain high standards of quality and safety of our final products, the Procurement Department, in collaboration with the Research and Development ("**R&D**") Department, will categorise procurement materials based on their impact on the final products. This classification allows us to implement tailored inspection and evaluation processes that align with the significance of each material type, ultimately enhancing the reliability and safety of our final products.

# Environmental, Social and Governance Report

## *Supplier Assessment and Evaluation*

The selection of all suppliers, regardless of their classification, is carried out in strict adherence to all relevant laws and regulations. We rigorously verify that industrial and commercial suppliers meet the necessary qualifications and ensure their products are packaged and labelled in compliance with applicable technical standards and production requirements.

The Procurement Department is responsible for coordinating supplier evaluation procedures, maintaining a comprehensive record of qualified suppliers, and executing procurement operations in response to requests from other departments.

For procurement materials classified as critically and directly impacting the performance and safety of our final products, the Procurement Department, in collaboration with the R&D Department and Quality Department, conducts a comprehensive evaluation of suppliers through detailed supplier questionnaires. This evaluation focuses on key areas such as:

- their quality management systems, such as ISO13485 or ISO9001 certifications or equivalent local medical equipment production licenses
- their product quality, service capabilities, and technical support
- their product quality, pricing, delivery capabilities

Apart from the supplier questionnaires, we employ a range of assessment methods including sample evaluations, historical performance reviews, and on-site evaluations of their capabilities and quality management systems. Suppliers who meet our stringent criteria are added to the Qualified Supplier List upon management approval. To ensure continuous improvement, the Procurement Department will also promptly collect market information to seek more suitable suppliers and updates the list of qualified suppliers according to established Procedures.

## *Suppliers Monitoring*

Suppliers who have a significant impact on our final products are required to enter into procurement agreements and quality assurance agreements, which clearly define quality standards, verification methods, and dispute resolution mechanisms. For purchased products, verification methods are defined during the establishment of procurement contracts. Upon passing inspection, they are approved for use in production. For non-conforming products, the Procurement Department will either reject them or follow established Procedures for their disposal.

To ensure continuous improvement and alignment with our quality and safety standards, we conduct annual assessments of these suppliers based on feedback from our Quality, R&D, and Production Departments. Suppliers demonstrating outstanding performance will be prioritised in the following year's procurement selections, while those with unsatisfactory performance may have their qualified supplier status revoked. In instances where serious quality issues arise, the Procurement Department mandates that suppliers implement corrective and preventive actions. If there is no significant improvement after two attempts, their qualified supplier status will be immediately revoked, demonstrating our commitment to maintaining high standards of quality across our supply chain.

# Environmental, Social and Governance Report

## *Our Suppliers*

During the Reporting Period, our overall supplier breakdown is as follows:

<b>Number of Suppliers</b>	<b>2024</b>	2023
<b>Number of Supplier in Singapore</b>	<b>7</b>	6
– Landlord	<b>2</b>	2
– Power Supply	<b>2</b>	1
– Water Supply	<b>1</b>	1
– Meal Supply	<b>1</b>	1
– Diesel Supply	<b>1</b>	1
<b>Number of Suppliers in China<sup>34</sup></b>	<b>535</b>	–
– Direct materials (including raw materials, plastics, hardware, electronics, packaging materials, etc.)	<b>210</b>	–
– Indirect materials (including equipment, maintenance supplies, office supplies, etc.)	<b>300</b>	–
– Services (including software services, technical support, training, etc.)	<b>25</b>	–
<b>Overall</b>	<b>542</b>	6

## **Product Responsibility**

Product responsibility is a fundamental aspect of our operations, ensuring that we uphold the highest standards of quality, safety, and compliance across our services and manufacturing processes. We are dedicated to maintaining the trust of our customers and stakeholders by actively managing the risks associated with our products and services. This commitment spans both our operations in Singapore and our manufacturing activities in China.

## *Our Services in Singapore*

As the business nature in Singapore does not involve any manufacturing process, product responsibility issues, such as product recall and product complaints, are not directly related to our business in Singapore. There were no service complaints made by customers during the Year. As consistent with before, we are committed to offering superior quality services to our customers by satisfying their expectations and needs.

<sup>34</sup> With the expansion of the reporting scope, data from China are disclosed starting from this Year.

# Environmental, Social and Governance Report

## *Quality Control Measures*

The quality control measures adopted by the Group in respect of our foreign workers include the following:

(i) Service Quality

We conduct regular evaluations on our foreign workers' performance. Our team of site coordinators conducts routine inspections at the relevant work sites to ascertain our customers' satisfaction with the service quality of our deployed workers. Furthermore, our sales managers will usually make follow-up telephone calls to our customers shortly after the deployment to obtain their feedback, and attend to the complaints received from our customers, if any. If our customers consider the performance of any deployed workers unsatisfactory, we will be pursuant to the relevant contract terms and arrange for appropriate replacement in the following workday after receiving their requests. We will determine whether we will terminate and/or renew the employment of our foreign workers upon their expiration based on the evaluation results.

(ii) Daily Management

While our foreign workers are under the supervision and control of our customers during their deployment, we generally require our customers to give a series of undertakings to us regarding the management of our deployed workers. Moreover, in the employment contracts with our foreign workers, we typically require them to closely follow our in-house dormitory rules, report to work on time as required by us and accept our assignment of jobs at different work sites of our customers from time to time.

(iii) Customer Service and Complaint Handling

We provide in-house trainings to our foreign workers on rebarring and other general construction works, and arrange external training courses on specialised construction works for them. We also provide briefings to our deployed workers on their service standard and work safety measures before the commencement of work.

(iv) Health and Safety

Pursuant to the Workplace Safety and Health Act of Singapore, all our employed workers will attend the safety induction course conducted by an onsite safety officer appointed by the main contractor of the work site on their first day of employment. In addition, our site operations team will provide briefings to our deployed workers on their service standard and work safety measures before the commencement of work.

## *Data Protection*

We respect customer data privacy and are committed to preventing customer data leakage or loss. Every employee must follow local regulations in relation to personal data privacy in order to safeguard customer data. Clients' and the Group's records should be maintained confidentiality. Collected customer personal data is only accessible by authorised personnel and those who handle it with care. For example, confidential documents are kept in the office premises and the doors are properly closed and locked. All confidential papers are properly disposed of by shredding.

# Environmental, Social and Governance Report

Employees who distribute or disclose privileged information of the Group or its clients to third parties without obtaining proper approval from management will face disciplinary action. All employees are required to sign the non-disclosure agreement and to comply with the terms and conditions stated, both during the period of employment and after resignation. Employees are also required to complete the exit clearance form and return laptops or computers to the IT department before leaving. Additionally, they must return office access cards and employment passes to the finance department.

## *Intellectual Property Rights*

The Group strives to protect its own intellectual property (“IP”) rights and respects third party IP rights. All our business activities comply with all related applicable laws and regulations in Singapore. In Singapore, we have registered our operating subsidiary, KT&T Engineers and Constructors Pte. Ltd.’s, logo in Singapore on 18 September 2017 and it will be up for renewal on 18 September 2027. We will monitor and keep track of the validity of these trademarks and shall take the necessary action to protect our IP rights.

## *Advertising and Labelling*

As the scope under review in Singapore only involved the manpower outsourcing, dormitory and IT services industries, it did not produce any goods in general. Our advertising and labelling activities are mainly flyers which are distributed to new customers. Currently, we are reducing our hard copy flyers and switching to electronic forms.

During the Year, the Group was not aware of any material non-compliance with the laws and regulations relating to health and safety, advertising, labelling and privacy matters that would have a significant impact on the Singapore business.

## ***Our Manufacturing in China***

As a medical equipment manufacturer operated in China, we recognise the crucial importance of the quality and safety of our products. We are fully committed to adhering to all relevant regulations regarding medical equipment manufacturing in China, including Measures for the Supervision and Administration of Medical Device Production (《醫療器械生產監督管理辦法》), Provisions on the Administration of Instructions and Labels of Medical Devices (《醫療器械說明書和標籤管理規定》) and Measures for the Administration of Medical Device Adverse Event Monitoring and Re-evaluation (《醫療器械不良事件監測和再評價管理辦法》). During the Reporting Period, our products in China were still undergoing the product trial process and had not yet been officially launched on the market. Therefore, the Group was not aware of any material non-compliance related to advertising, labelling, or privacy matters concerning our products and services in China. Additionally, we did not receive any complaints regarding our products and services, nor were there any product recalls due to health or safety concerns in China.

The Group have implemented a comprehensive management approach to continuously oversee, monitor and ensure the quality and safety of our medical equipment products. This approach spans every stage of production, from research and development to design, manufacturing, launch, and sales. In addition, we are certificated with ISO13485:2016, a globally recognised standard for quality management systems in the design and production of medical devices, demonstrating that our manufacturing processes have met the high standards of safety and quality.

# Environmental, Social and Governance Report

## *Risk Management Measures*

In order to ensure the suitability of each product for its intended use, comprehensive risk management control has been implemented across the entire product cycle to reduce risks to a level acceptable to patients or users. As outlined in the “Risk Management Control Procedure”, we will systematically conduct risk management for medical products. This includes the identification, assessment, evaluation, and control of product-related risks. To support this process, all personnel involved in this risk management process should have the necessary expertise in medical device products and risk management techniques, and undergo appropriate training.

## *Quality Assurance Measures*

To uphold the highest standards of product quality and patient safety, we have implemented robust quality assurance measures, including the “Internal Quality System Audit Control Procedure” and the “Preventive Action Control Procedure”. These procedures serve as a vital tool for identifying areas of improvement and fostering cross-departmental collaboration to develop effective solutions that mitigate risks and enhance overall quality. This enables us to consistently deliver high-quality products to our customers and patients. In instances where potential non-conformance issues are identified, we proactively develop, analyse, and implement cross-departmental preventive action plans.

## *Customer Complaints Follow-up*

If any quality issues are identified during the product’s validity period, we offer exchanges or refunds to ensure customer satisfaction. In the case of serious defects in product quality, the sales department will pass over the relevant information to the quality department, following the “Advisory Notification and Product Recall Control Procedure”, “Adverse Event Reporting Control Procedure”, and “Preventive Action Control Procedure”. If necessary, the Company will arrange a follow-up interview.

## *Product Recall Procedures*

To ensure that corrective and preventive measures can be taken promptly when any adverse events are identified, we have implemented the “Adverse Event Reporting Control Procedure” and “Advisory Notification and Product Recall Control Procedure”. These Procedures provides a clear and structured framework for identifying, categorising, notifying, and managing product quality issues.

Upon receiving a report of a suspected adverse event from our customers, our company management will immediately notify the relevant regulatory authorities. We will also conduct a comprehensive analysis to identify and trace the root cause of the event. Even in the absence of reported incidents, if any potential performance or functional failures are identified, we take proactive measures to mitigate the risk and prevent the occurrence of adverse events.

We will also work closely with relevant regulatory authorities to take swift and decisive actions, which may include issuing advisory notifications, initiating proactive product recalls, documenting the incidents and implementing post-recall measures (e.g., warnings, inspections, repairs, relabelling, modifying and improving instructions, software upgrades, replacements, or destruction of affected products). Additionally, we implement corrective and preventive measures to minimise the risk of recurrence of adverse events.

# Environmental, Social and Governance Report

## *Advertising and Labelling Procedures*

By implementing the “Service Control Procedure”, the Group provides guidance on the text descriptions for medical devices, including labels, packaging, and manuals, ensuring that customers can accurately use the products by referring to the instructions and labels. Additionally, before any product is sold, it must include a Qualified Certificate and a Product Manual. These documents are essential to confirm the product’s compliance with quality standards and to provide users with the necessary information for proper usage.

## *Intellectual Property Rights and Data Protection*

In China, we consider IP to be one of our most valuable assets. This includes patents, trademarks, proprietary software, trade secrets, copyrights, as well as the scientific and technological expertise and experience gained through our business operations. All employees are required to adhere strictly to our confidentiality policies. In the event of unauthorised disclosure of company secrets that results in economic losses, we reserve the right to pursue legal action to protect our interests.

As a medical equipment manufacturer, we may also receive various data and materials from our customers, including samples, detailed product drawings, actual photos, equipment, and moulds. To ensure the protection of our customers’ data, privacy and intellectual property, such as patent technologies, product specifications, design drawings, management practices, and trade secrets, we have implemented strict confidentiality controls. As such, all data and materials provided by our customers will be used solely for the purposes they have authorised.

During the Year, the Group was not aware of any material non-compliance with the laws and regulations relating to health and safety, advertising, labelling and privacy matters that would have a significant impact on China’s business.

## **Anti-corruption**

The Group operates with a high standard of integrity and ethics. Employees are required to behave in a manner that demonstrates integrity, ethics and professionalism. It is necessary for them to comply with the applicable laws and regulations of the countries and regions in which the Group operates, including but not limited to the Prevention of Corruption Act of Singapore and Corruption, Drug Trafficking And Other Serious Crimes (Confiscation of Benefits) Act of Singapore, the Anti-Money Laundering Law of the People’s Republic of China (《中華人民共和國反洗錢法》) and the Prevention of Bribery Ordinance of Hong Kong SAR.

The Group has established relevant internal regulations, which are outlined in the Staff Handbook, to monitor the behaviour of our staff. Employees who violate any of the following will face disciplinary action:

- Misappropriation, misuse, destruction, or damage of any Group’s property;
- Acts of dishonesty;
- Breach of trust;
- Misuse of position power, whether apparent or actual; and
- Conflict of interest or the appearance of a conflict of interest on all matters.

# Environmental, Social and Governance Report

Prior to staff appointments, anti-money laundry checks and reference checks with previous employers may be conducted when it is appropriate. Bankruptcy searches will also be conducted in Singapore through the website: [www.isis.gov.sg](http://www.isis.gov.sg). Additionally, a credit check will be performed to access the financial status of each employee, including whether there is a self-exclusion made for the visitation of Casinos.

The Group has implemented gift and entertainment policy and fraud investigation policy to minimise risks of fraud, corruption and bribery. Any gifts or hospitality given to any personnel by a client on account of our client service relationship requires the approval of the manager. Employees must not use their position or authority to facilitate the provision, lending, gifting, or any other benefit-related activities involving the company's funds or assets. They should not accept any property or receive bribes in any form. Additionally, they must not collect or solicit kickbacks, fees, or other benefits in relation to the business activities of others or other companies. All employees are required to become acquainted with and abide by these policies and procedures. Every employee is required to understand the relevant policies.

The below procedures are currently equipped to ensure our foreign workers in Singapore are not being extorted:

- 1) Renew their permits based on their work performance, disciplinary issues and their acceptance; and
- 2) Put on posters on dormitories to inform foreign workers of their employment rights.

We have also organised training sessions for our employees in Mainland China, inviting law firms to explain and highlight key considerations during the contract fulfilment process, based on anti-corruption laws and regulations in mainland China, while strictly adhering to professional ethics. This ensures that every employee clearly understands the Group's integrity requirements and policies, fostering a unified effort in combating corruption.

As we are not a financial institution, cross-border transactions are not generally expected. Despite the Group has no anti-money laundering policy in place, all receipts of monies are matched to the customer invoices before banking in and all payments are matched to valid supplier invoices before processing payment. The Group is committed to further enhancing its anti-corruption system, developing its anti-money laundering policy and providing regular trainings to its employees in the future.

Any unethical approach in connection with the Group's business should be reported to the management. We provide channels for our employees to report instances that they believe to be unethical or in breach of the Group's policies. The Group's whistleblowing policy allows employees to report suspicious cases in a confidential manner.

During the Year, the Group was not aware of any material breach of laws and regulations relating to bribery, extortion, fraud and money laundering involving the Group or our employees that have a significant impact on the Group.

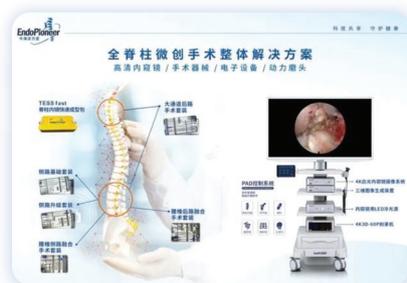
# Environmental, Social and Governance Report

## COMMUNITY INVESTMENT

The Group recognises the inextricable connection between its continuous success and community prosperity. As a responsible and constructive corporate citizen, the Group has continually demonstrated its unwavering dedication to making a difference by providing sponsorships to a wide range of charitable organizations. These efforts include active support for initiatives focused on programs dedicated to raising awareness and enhancing the quality of life for individuals with autism, as well as those facing intellectual disability. During the Reporting Period, we contributed a total of S\$108,000 to these vital causes, reinforcing our dedication to making a positive impact in the communities we serve.

As we transition our operations into the provision of minimally invasive surgery solution and medical products and related service in China, we remain unwavering in our commitment to safeguarding the well-being of individuals and communities. In the rapidly advancing field of minimally invasive spinal technology, we are dedicated to driving innovation in spinal surgery and empowering orthopaedic surgeons through enhanced mastery and application of endoscopic techniques. By fostering collaboration within the medical community, we aim to improve patient outcomes and contribute to the broader advancement of healthcare. Through these efforts, the Group continues to align its business objectives with the broader goal of sustainable development, ensuring that our growth contributes to the well-being of both current and future generations.

On 17 November 2024, we successfully held a high-level training course on endoscopic spine surgery at the Tong Ren Hospital of Shanghai Jiao Tong University School of Medicine (上海交通大學醫學院附屬同仁醫院). Notably, the training featured advanced equipment from our subsidiary, Shanghai Jinhai Pioneer Medical Technology Co., Ltd.<sup>35</sup> (“**Jinhai Pioneer**”) (上海今海派力亞醫療科技有限公司), including its spinal minimally invasive surgical system. This system incorporates endoscopic tools and equipment, complemented by our state-of-the-art imaging and display systems. The combination of high-quality surgical instruments and high-definition imaging demonstrated exceptional effectiveness during the procedures. The advancement of endoscopic spine technology relies on continuous learning and collaboration. With this in mind, Jinhai Pioneer has expressed its intention to continue organising high-level academic seminars in the future. Through ongoing technological innovation and service enhancements, we aim to help equip young doctors with advanced skills, improve clinical treatment standards, and drive the growth and development of the spinal technology market.



**Spinal Minimally Invasive Surgical System**



**High-level Training Course on Endoscopic Spine Surgery**



<sup>35</sup> The English name of the subsidiaries of the Company referred herein represent the management's best efforts in translating the Chinese name of this company as no English name has been registered.

# Environmental, Social and Governance Report

## The Stock Exchange “ESG Guide” Content Index

Subject Areas, Aspects, General Disclosures and KPIs		Section
<b>Subject Area A. Environmental</b>		
<b>Aspect A1: Emissions</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1	The types of emissions and respective emissions data.	Emissions
KPI A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions
KPI A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Environmental Targets; Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Environmental Targets; Emissions

# Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs		Section
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Use of Resources
KPI A2.2	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Use of Resources
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Environmental Targets; Use of Resources
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Environmental Targets; Use of Resources
KPI A2.5	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Use of Resources
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	The Environmental and Natural Resources
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environmental and Natural Resources
<b>Aspect A4: Climate Change</b>		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Responding to Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Responding to Climate Change

# Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs		Section
<b>Subject Area B. Social</b>		
<b>Employment and Labour Practices</b>		
<b>Aspect B1: Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type (for example, full- or part-time), age group and geographical region.	Total Workforce
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employee Turnover Rate
<b>Aspect B2: Health and Safety</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer  relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Number and Rate of Work-related Fatalities
KPI B2.2	Lost days due to work injury.	Lost Days due to Work Injury
KPI B2.3	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety

# Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs		Section
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Percentage of Employees Trained
KPI B3.2	The average training hours completed per employee by gender and employee category.	Average Training Hours per Employee
<b>Aspect B4: Labour Standards</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
<b>Operating Practices</b>		
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management

# Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs	Section
<b>Aspect B6: Product Responsibility</b>	
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.
KPI B6.2	Number of products and service related complaints received and how they are dealt with.
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.
KPI B6.4	Description of quality assurance process and recall procedures.
KPI B6.5	Description of consumer data protection and privacy policies, and how they are implemented and monitored.

# Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs		Section
<b>Aspect B7: Anti-corruption</b>		
General Disclosure	Information on (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
<b>Community</b>		
<b>Aspect B8: Community Investment</b>		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment

# Independent Auditor's Report



## TO THE SHAREHOLDERS OF JINHAİ MEDICAL TECHNOLOGY LIMITED

*(Incorporated in the Cayman Islands with limited liability)*

### OPINION

We have audited the consolidated financial statements of Jinhai Medical Technology Limited (the “**Company**”) and its subsidiaries (collectively referred to as the “**Group**”) set out on pages 100 to 171, which comprise the consolidated statement of financial position as at 31 December 2024, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

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

### BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“**HKSAs**”) issued by the Hong Kong Institute of Certified Public Accountants (the “**HKICPA**”). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the “**Code**”), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### KEY AUDIT MATTERS

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

#### Inventories

Refer to Note 22 to the consolidated financial statements.

The Group tested the amount of inventories for impairment. This impairment test is significant to our audit because the balance of inventories of S\$2,769,000 as at 31 December 2024 is material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on estimates.

# Independent Auditor's Report

## **KEY AUDIT MATTERS** *(Continued)*

### **Inventories** *(Continued)*

Our audit procedures included, among others:

- Assessing the Group's procedures on ordering and holding of inventories;
- Evaluating the Group's impairment assessment;
- Assessing the marketability of the inventories;
- Assessing the ageing of the inventories;
- Assessing the net realisable values of the inventories; and
- Checking subsequent sales and usage of the inventories.

We consider that the Group's impairment test for inventories is supported by the available evidence.

### **Trade receivables**

Refer to Note 23 to the consolidated financial statements.

The Group tested the amount of trade receivables for impairment. This impairment test is significant to our audit because the balance of trade receivables of S\$4,856,000 as at 31 December 2024 is material to the consolidated financial statements. In addition, the Group's impairment test involves application of judgement and is based on estimates.

Our audit procedures included, among others:

- Assessing the Group's procedures on granting credit limits and credit periods to customers;
- Assessing the Group's relationship and transaction history with the customers;
- Evaluating the Group's impairment assessment;
- Assessing ageing of the debts;
- Assessing creditworthiness of the customers;
- Checking subsequent settlements from the customers; and
- Assessing the disclosure of the Group's exposure to credit risk in the consolidated financial statements.

We consider that the Group's impairment test for trade receivables is supported by the available evidence.

# Independent Auditor's Report

## OTHER INFORMATION IN THE ANNUAL REPORT

The directors are responsible for the other information. The other information comprises all the information in the Company's annual report, but does not include the consolidated financial statements and our auditor's report thereon.

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

# Independent Auditor's Report

## **AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS** *(Continued)*

A further description of our responsibilities for the audit of the consolidated financial statements is located at the HKICPA's website at:

<https://www.hkicpa.org.hk/en/Standards-setting/Standards/Our-views/auditre>

This description forms part of our auditor's report.

### **ZHONGHUI ANDA CPA Limited**

*Certified Public Accountants*

### **Yeung Hong Chun**

*Audit Engagement Director*

Practising Certificate Number P07374

Hong Kong, 28 March 2025

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 December 2024

	Notes	2024 S\$'000	2023 S\$'000
<b>Revenue</b>	7	<b>50,241</b>	45,644
Cost of sales and services		<b>(38,764)</b>	(33,615)
<b>Gross profit</b>		<b>11,477</b>	12,029
Other income, gains and losses, net	8	<b>2,635</b>	1,598
Selling expenses		<b>(11)</b>	(13)
Administrative expenses		<b>(31,942)</b>	(15,941)
Reversal of provision/(provision) for expected credit losses on trade and other receivables		<b>387</b>	(669)
Finance costs	9	<b>(773)</b>	(221)
<b>Loss before tax</b>		<b>(18,227)</b>	(3,217)
Income tax expense	10	<b>(28)</b>	(895)
<b>Loss for the year</b>	11	<b>(18,255)</b>	(4,112)
<b>Other comprehensive (expense)/income after tax:</b>			
<i>Item that will not be reclassified to profit or loss:</i>			
Fair value changes of equity investment at fair value through other comprehensive income		<b>(2)</b>	–
<i>Items that may be reclassified to profit or loss:</i>			
Exchange differences on translating foreign operations		<b>(854)</b>	(120)
Realisation of foreign currency translation reserves from disposal of a subsidiary		<b>–</b>	133
		<b>(854)</b>	13
<b>Other comprehensive (expense)/income for the year, net of tax</b>		<b>(856)</b>	13
<b>Total comprehensive expense for the year</b>		<b>(19,111)</b>	(4,099)
<b>Loss for the year attributable to:</b>			
– Owners of the Company		<b>(17,965)</b>	(3,141)
– Non-controlling interests		<b>(290)</b>	(971)
		<b>(18,255)</b>	(4,112)
<b>Total comprehensive expense for the year attributable to:</b>			
– Owners of the Company		<b>(18,820)</b>	(3,060)
– Non-controlling interests		<b>(291)</b>	(1,039)
		<b>(19,111)</b>	(4,099)
<b>Loss per share</b>			
– Basic and diluted		<b>(0.35)</b>	(0.06)

H3C 14

# Consolidated Statement of Financial Position

as at 31 December 2024

	Notes	2024 S\$'000	2023 S\$'000
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	15	2,756	2,085
Right-of-use assets	16	3,540	4,344
Investment properties	17	21,308	12,512
Goodwill	18	522	–
Equity investment at fair value through other comprehensive income	21	556	558
Deferred tax assets	30	21	39
		<b>28,703</b>	19,538
<b>Current assets</b>			
Inventories	22	2,769	2,097
Trade receivables	23	4,856	5,531
Other receivables, deposits and prepayments	24	7,472	8,294
Investments at fair value through profit or loss	20	4,479	6,564
Current tax assets		142	–
Bank and cash balances	25	10,446	20,196
		<b>30,164</b>	42,682
<b>TOTAL ASSETS</b>		<b>58,867</b>	62,220
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Share capital	31	2,252	2,252
Reserves	33	29,554	35,222
		<b>31,806</b>	37,474
Equity attributable to owners of the Company		<b>31,806</b>	37,474
Non-controlling interests		973	16
<b>Total equity</b>		<b>32,779</b>	37,490

# Consolidated Statement of Financial Position

as at 31 December 2024

	Notes	2024 S\$'000	2023 S\$'000
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Lease liabilities	29	2,731	3,478
<b>Current liabilities</b>			
Trade and other payables	26	10,207	13,230
Contract liabilities	27	1,359	534
Borrowings	28	10,800	4,717
Lease liabilities	29	991	1,886
Current tax liabilities		–	885
		<b>23,357</b>	21,252
<b>Total liabilities</b>		<b>26,088</b>	24,730
<b>Net current assets</b>		<b>6,807</b>	21,430
<b>Total assets less current liabilities</b>		<b>35,510</b>	40,968
<b>NET ASSETS</b>		<b>32,779</b>	37,490
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>58,867</b>	62,220

The consolidated financial statements were approved and authorised for issue by the board of directors on 28 March 2025 and signed on its behalf by:

**CHEN Guobao**

*Chairman and executive director*

**WANG Zhenfei**

*Executive director*

# Consolidated Statement of Changes in Equity

for the year ended 31 December 2024

Attributable to owners of the Company										
	Share capital	Share premium	Share-based payment reserve	Merger reserve	Exchange reserve	Equity investment revaluation reserve	Retained profits/ losses	Total	Non-controlling interests	Total equity
Notes	(Note 31) S\$'000	(Note 33(c)(i)) S\$'000	(Note 33(c)(ii)) S\$'000	(Note 33(c)(iii)) S\$'000	(Note 33(c)(iv)) S\$'000	(Note 33(c)(v)) S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2023	2,142	14,959	-	1,350	(204)	-	6,121	24,368	224	24,592
Loss for the year	-	-	-	-	-	-	(3,141)	(3,141)	(971)	(4,112)
Other comprehensive expense for the year	-	-	-	-	(52)	-	-	(52)	(68)	(120)
Realisation of foreign currency translation reserves from disposal of a subsidiary	-	-	-	-	133	-	-	133	-	133
Total comprehensive income/(expense) for the year	-	-	-	-	81	-	(3,141)	(3,060)	(1,039)	(4,099)
Issue of shares	31 110	17,360	-	-	-	-	-	17,470	-	17,470
Disposal of subsidiary	34(c) -	-	-	-	-	-	-	-	(534)	(534)
Capital injection from non-controlling shareholders	-	-	-	-	-	-	-	-	1,105	1,105
Purchase of non-controlling interests	34(e) -	-	-	-	-	-	(1,304)	(1,304)	260	(1,044)
Changes in equity for the year	110	17,360	-	-	81	-	(4,445)	13,106	(208)	12,898
At 31 December 2023	2,252	32,319	-	1,350	(123)	-	1,676	37,474	16	37,490
<b>At 1 January 2024</b>	<b>2,252</b>	<b>32,319</b>	<b>-</b>	<b>1,350</b>	<b>(123)</b>	<b>-</b>	<b>1,676</b>	<b>37,474</b>	<b>16</b>	<b>37,490</b>
Loss for the year	-	-	-	-	-	-	(17,965)	(17,965)	(290)	(18,255)
Other comprehensive expense for the year	-	-	-	-	(853)	(2)	-	(855)	(1)	(856)
Total comprehensive expense for the year	-	-	-	-	(853)	(2)	(17,965)	(18,820)	(291)	(19,111)
Acquisition of subsidiary	34(b) -	-	-	-	-	-	-	-	829	829
Share-based payments	35 -	-	13,152	-	-	-	-	13,152	-	13,152
Capital injection from non-controlling shareholders	-	-	-	-	-	-	-	-	419	419
Changes in equity for the year	-	-	13,152	-	(853)	(2)	(17,965)	(5,668)	957	(4,711)
<b>At 31 December 2024</b>	<b>2,252</b>	<b>32,319</b>	<b>13,152</b>	<b>1,350</b>	<b>(976)</b>	<b>(2)</b>	<b>(16,289)</b>	<b>31,806</b>	<b>973</b>	<b>32,779</b>

# Consolidated Statement of Cash Flows

for the year ended 31 December 2024

	2024 S\$'000	2023 S\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Loss before tax	(18,227)	(3,217)
Adjustments for:		
Depreciation of property, plant and equipment	316	297
Depreciation of right-of-use assets	1,217	833
Depreciation of investment properties	3,486	2,972
Finance costs	773	221
Government grant	(71)	(182)
Dividend income	(270)	(303)
Interest revenue	(18)	(56)
Loss on disposal of property, plant and equipment, net	–	235
Changes in fair value of investments at fair value through profit or loss, net	(270)	1,040
Loss/(gain) on disposal of investments at fair value through profit or loss	38	(21)
Gain on disposal of a subsidiary	(17)	(220)
Gain on lease termination	(8)	–
(Reversal of provision)/provision for expected credit losses on trade and other receivables	(387)	669
Equity-settled share-based payments	13,152	–
<b>Operating (loss)/profit before changes in working capital</b>	<b>(286)</b>	<b>2,268</b>
Change in inventories	(672)	(1,872)
Change in trade and other receivables, deposits and prepayments	1,893	(6,063)
Change in trade and other payables	(4,212)	5,819
Change in contract liabilities	825	(1,559)
<b>Cash used in operations</b>	<b>(2,452)</b>	<b>(1,407)</b>
Government grant received	71	182
Income tax paid	(874)	(685)
<b>Net cash used in operating activities</b>	<b>(3,255)</b>	<b>(1,910)</b>

# Consolidated Statement of Cash Flows

for the year ended 31 December 2024

	Notes	2024 S\$'000	2023 S\$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of equity investment at fair value through other comprehensive income		–	(558)
Purchase of property, plant and equipment		(992)	(1,235)
Purchase of investment property		(11,169)	–
Proceeds from disposal of property, plant and equipment		(17)	568
Proceeds from disposal of investments at fair value through profit or loss		2,355	–
Acquisition of subsidiary	34(a) and (b)	300	(6,795)
Disposal of subsidiary	34(c) and (d)	17	1,153
Dividend received		270	303
Interest received		18	56
<b>Net cash used in investing activities</b>		<b>(9,218)</b>	<b>(6,508)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Interest paid		(773)	(221)
Capital injection from non-controlling shareholders		419	1,105
Purchase of non-controlling interests	34(e)	–	(1,044)
Repayment of lease liabilities		(2,406)	(3,687)
Bank loans raised		6,349	–
Repayment of bank loans		(656)	–
Proceeds from issue of shares		–	17,470
<b>Net cash generated from financing activities</b>		<b>2,933</b>	<b>13,623</b>
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>			
Effect of foreign exchange rate changes		(210)	(394)
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR</b>		<b>20,196</b>	<b>15,385</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR</b>		<b>10,446</b>	<b>20,196</b>
<b>ANALYSIS OF CASH AND CASH EQUIVALENTS</b>			
Bank and cash balances		10,446	20,196

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 1. GENERAL INFORMATION

Jinhai Medical Technology Limited (the “**Company**”) was incorporated in the Cayman Islands with limited liability. The address of its registered office is P.O. Box 31119, Grand Pavillion, Hibiscus Way, 802 West Bay Road, Grand Cayman, KY1-1205, Cayman Islands. The address of the headquarters and principal place of business in the People’s Republic of China (the “**PRC**”) is 3rd Floor, Block East, 1275 Meichuan Road, Putuo District, Shanghai, the PRC. The address of its principal place of business in Hong Kong is 3rd Floor, GF Tower, 81 Lockhart Road, Wan Chai, Hong Kong. The address of its principal place of business in the Republic of Singapore (“**Singapore**”) is 31 Sungei Kadut Avenue, Singapore 729660. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company and the principal activities of its operating subsidiaries of the Company is set out in note 19 to the consolidated financial statements.

In the opinion of the directors of the Company, as at 31 December 2024, Full Fortune International Co., Limited, a company incorporated in the Republic of Seychelles, is the immediate and ultimate parent and Mr. CHEN Guobao is the ultimate controlling party of the Company.

## 2. ADOPTION OF NEW AND REVISED IFRS ACCOUNTING STANDARDS

In the current year, the Company and its subsidiaries (collectively referred to as the “**Group**”) has adopted all the new and revised IFRS Accounting Standards issued by the International Accounting Standards Board (the “**IASB**”) that are relevant to its operations and effective for its accounting year beginning on 1 January 2024. IFRS Accounting Standards comprise International Financial Reporting Standards (“**IFRS**”); International Accounting Standards; and Interpretations. The adoption of these new and revised IFRS Accounting Standards did not result in significant changes to the Group’s accounting policies, presentation of the Group’s consolidated financial statements and amounts reported for the current year and prior years.

The Group has not applied the new and revised IFRS Accounting Standards that have been issued but are not yet effective. The Group has already commenced an assessment of the impact of these new and revised IFRS Accounting Standards but is not yet in a position to state whether these new and revised IFRS Accounting Standards would have a material impact on its results of operations and financial position.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES

These consolidated financial statements have been prepared in accordance with IFRS Accounting Standards issued by the IASB, accounting principles generally accepted in Hong Kong and the applicable disclosures required by the Rules Governing the Listing of Securities on the Stock Exchange (the “**Listing Rules**”) and by the Hong Kong Companies Ordinance.

These consolidated financial statements have been prepared under the historical cost convention, as modified by investments which are carried at their fair values.

The preparation of consolidated financial statements in conformity with IFRS Accounting Standards requires the use of certain key assumptions and estimates. It also requires the directors to exercise its judgements in the process of applying the accounting policies. The areas involving critical judgements and areas where assumptions and estimates are significant to these consolidated financial statements, are disclosed in note 4 to the consolidated financial statements.

The material accounting policies applied in the preparation of these consolidated financial statements are set out below.

### Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity’s returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties, to determine whether it has control. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company’s share of the net assets of that subsidiary plus any remaining goodwill relating to that subsidiary and any related accumulated foreign currency translation reserve.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES *(Continued)*

### **Consolidation** *(Continued)*

Non-controlling interests represent the equity in subsidiaries not attributable, directly or indirectly, to the Company. Non-controlling interests are presented in the consolidated statement of financial position and consolidated statement of changes in equity within equity. Non-controlling interests are presented in the consolidated statement of profit or loss and other comprehensive income as an allocation of profit or loss and total comprehensive income for the year between the non-controlling shareholders and owners of the Company.

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

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions (i.e. transactions with owners in their capacity as owners). The carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

### **Business combination and goodwill**

The acquisition method is used to account for the acquisition of a subsidiary in a business combination. The cost of acquisition is measured at the acquisition-date fair value of the assets given, equity instruments issued, liabilities incurred and contingent consideration. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received. Identifiable assets and liabilities of the subsidiary in the acquisition are measured at their acquisition-date fair values.

The excess of the cost of acquisition over the Company's share of the net fair value of the subsidiary's identifiable assets and liabilities is recorded as goodwill. Any excess of the Company's share of the net fair value of the identifiable assets and liabilities over the cost of acquisition is recognised in consolidated profit or loss as a gain on bargain purchase which is attributed to the Company.

In a business combination achieved in stages, the previously held equity interest in the subsidiary is remeasured at its acquisition-date fair value and the resulting gain or loss is recognised in consolidated profit or loss. The fair value is added to the cost of acquisition to calculate the goodwill.

If the changes in the value of the previously held equity interest in the subsidiary were recognised in other comprehensive income (for example, equity investments at fair value through other comprehensive income), the amount that was recognised in other comprehensive income is recognised on the same basis as would be required if the previously held equity interest were disposed of.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES *(Continued)*

### **Business combination and goodwill** *(Continued)*

Goodwill is tested annually for impairment or more frequently if events or changes in circumstances indicate that it might be impaired. Goodwill is measured at cost less accumulated impairment losses. The method of measuring impairment losses of goodwill is the same as that of other assets as stated in the accounting policy below. Impairment losses of goodwill are recognised in consolidated profit or loss and are not subsequently reversed. Goodwill is allocated to cash-generating units that are expected to benefit from the synergies of the acquisition for the purpose of impairment testing.

The non-controlling interests in the subsidiary are initially measured at the non-controlling shareholders' proportionate share of the net fair value of the subsidiary's identifiable assets and liabilities at the acquisition date.

### **Foreign currency translation**

#### **(a) Functional and presentation currency**

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

#### **(b) Transactions and balances in each entity's financial statements**

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

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. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES *(Continued)*

### Foreign currency translation *(Continued)*

#### *(c) Translation on consolidation*

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- (i) Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- (ii) Income and expenses are translated at average exchange rates (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- (iii) All resulting exchange differences are recognised in the exchange reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities and of borrowings are recognised in the exchange reserve. When a foreign operation is sold, such exchange differences are recognised in consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

### Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses.

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

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal useful lives are as follows:

Leasehold building	Over the terms of lease of 3 to 12 years
Leasehold improvements	Shorter of 3 years or over the lease terms
Office equipment	3 years
Motor vehicles	5 years
Furniture and fittings	3 to 5 years
Computers	1 to 3 years
Plant and machinery	5 to 10 years

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES *(Continued)*

### **Property, plant and equipment** *(Continued)*

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

Assets under construction is stated at cost less impairment losses. Depreciation begins when the relevant assets are available for use.

The gain or loss on disposal of equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

### **Investment properties**

Investment properties are land and buildings held to earn rentals and/or for capital appreciation. An investment property is measured initially at its cost including all direct costs attributable to the property.

After initial recognition, the investment property is stated at cost less accumulated depreciation and impairment losses. The depreciation is calculated using the straight line method to allocate the cost to the residual value over the shorter of remaining useful life or over the lease terms of the relevant lease.

The gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in profit or loss.

### **Leases**

#### ***The Group as lessee***

Leases are recognised as right-of-use assets and corresponding lease liabilities when the leased assets are available for use by the Group. Right-of-use assets are stated at cost less accumulated depreciation and impairment losses. Depreciation of right-of-use assets is calculated at rates to write off their cost over the shorter of the asset's useful life and the lease term on a straight-line basis. The principal useful lives are as follows:

Leasehold land and office premises	Over lease term of 2 to 19 years
Motor vehicles	5 years

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES *(Continued)*

### **Leases** *(Continued)*

#### ***The Group as lessee*** *(Continued)*

Right-of-use assets are measured at cost comprising the amount of the initial measurement of the lease liabilities, lease payments prepaid, initial direct costs and the restoration costs. Lease liabilities include the net present value of the lease payments discounted using the interest rate implicit in the lease if that rate can be determined, or otherwise the Group's incremental borrowing rate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease term so as to produce a constant periodic rate of interest on the remaining balance of the lease liability.

Payments associated with short-term leases and leases of low-value assets are recognised as expenses in profit or loss on a straight-line basis over the lease terms. Short-term leases are leases with an initial lease term of 12 months or less. Low-value assets are assets of value below United States dollars 5,000.

#### ***The Group as lessor***

Leases that do not substantially transfer to the lessees all the risks and rewards of ownership of assets are accounted for as operating leases. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

### **Inventories**

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average basis. The cost of finished goods and work in progress comprises raw materials, direct labour and an appropriate proportion of all production overhead expenditure, and where appropriate, subcontracting charges. Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to make the sale.

### **Recognition and derecognition of financial instruments**

Financial assets and financial liabilities are recognised in the statement of financial position when the Group becomes a party to the contractual provisions of the instruments.

Financial assets are derecognised when the contractual rights to receive cash flows from the assets expire; the Group transfers substantially all the risks and rewards of ownership of the assets; or the Group neither transfers nor retains substantially all the risks and rewards of ownership of the assets but has not retained control on the assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received is recognised in profit or loss.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES *(Continued)*

### **Recognition and derecognition of financial instruments** *(Continued)*

Financial liabilities are derecognised when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognised and the consideration paid is recognised in profit or loss.

### **Financial assets**

Financial assets are recognised and derecognised on a trade date basis where the purchase or sale of an asset is under a contract whose terms require delivery of the asset within the timeframe established by the market concerned, and are initially recognised at fair value, plus directly attributable transaction costs except in the case of investments at fair value through profit or loss. Transaction costs directly attributable to the acquisition of investments at fair value through profit or loss are recognised immediately in profit or loss.

Financial assets of the Group are classified as under the following categories:

- Financial assets at amortised cost;
- Equity investments at fair value through other comprehensive income; and
- Investments at fair value through profit or loss.

#### **(a) Financial assets at amortised cost**

Financial assets (including trade and other receivables) are classified under this category if they satisfy both of the following conditions:

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

They are subsequently measured at amortised cost using the effective interest method less loss allowance for expected credit losses.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES *(Continued)*

### **Financial assets** *(Continued)*

#### **(b) Equity investments at fair value through other comprehensive income**

On initial recognition, the Group can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments that are not held for trading as at fair value through other comprehensive income.

Equity investments at fair value through other comprehensive income are subsequently measured at fair value with gains and losses arising from changes in fair values recognised in other comprehensive income and accumulated in the equity investment revaluation reserve. On derecognition of an investment, the cumulative gains or losses previously accumulated in the equity investment revaluation reserve are not reclassified to profit or loss.

Dividends on these investments are recognised in profit or loss, unless the dividends clearly represent a recovery of part of the cost of the investment.

#### **(c) Investments at fair value through profit or loss**

Financial assets are classified under this category if they do not meet the conditions to be measured at amortised cost and the conditions of debt investments at fair value through other comprehensive income unless the Group designates an equity investment that is not held for trading as at fair value through other comprehensive income on initial recognition.

Investments at fair value through profit or loss are subsequently measured at fair value with any gains or losses arising from changes in fair values recognised in profit or loss. The fair value gains or losses recognised in profit or loss are net of any interest income and dividend income. Interest income and dividend income are recognised in profit or loss.

### **Loss allowances for expected credit losses**

The Group recognises loss allowances for expected credit losses on financial assets at amortised cost. Expected credit losses are the weighted average of credit losses with the respective risks of a default occurring as the weights.

At the end of each reporting period, the Group measures the loss allowance for a financial instrument at an amount equal to the expected credit losses that result from all possible default events over the expected life of that financial instrument ("**lifetime expected credit losses**") for trade receivables, or if the credit risk on that financial instrument has increased significantly since initial recognition.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES *(Continued)*

### **Loss allowances for expected credit losses** *(Continued)*

If, at the end of the reporting period, the credit risk on a financial instrument (other than trade receivables) has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to the portion of lifetime expected credit losses that represents the expected credit losses that result from default events on that financial instrument that are possible within 12 months after the reporting period.

The amount of expected credit losses or reversal to adjust the loss allowance at the end of the reporting period to the required amount is recognised in profit or loss as an impairment gain or loss.

### **Cash and cash equivalents**

For the purpose of the consolidated statement of cash flows, cash and cash equivalents represent cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term highly liquid investments which are readily convertible into known amounts of cash and subject to an insignificant risk of change in value. Bank overdrafts which are repayable on demand and form an integral part of the Group's cash management are also included as a component of cash and cash equivalents.

### **Financial liabilities and equity instruments**

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

### **Borrowings**

Borrowings are initially recognised at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

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

### **Trade and other payables**

Trade and other payables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES *(Continued)*

### Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

### Revenue from contracts with customers

Revenue is measured based on the consideration specified in a contract with a customer with reference to the customary business practices and excludes amounts collected on behalf of third parties. For a contract where the period between the payment by the customer and the transfer of the promised product or service exceeds one year, the consideration is adjusted for the effect of a significant financing component.

The Group recognises revenue when it satisfies a performance obligation by transferring control over a product or service to a customer. Depending on the terms of a contract and the laws that apply to that contract, a performance obligation can be satisfied over time or at a point in time. A performance obligation is satisfied over time if:

- the customer simultaneously receives and consumes the benefits provided by the Group's performance;
- the Group's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
- the Group's performance does not create an asset with an alternative use to the Group and the Group has an enforceable right to payment for performance completed to date.

If a performance obligation is satisfied over time, revenue is recognised by reference to the progress towards complete satisfaction of that performance obligation. Otherwise, revenue is recognised at a point in time when the customer obtains control of the product or service.

### Other revenue

Interest income is recognised using the effective interest method.

Dividend income is recognised when the shareholders' rights to receive payment are established.

Rental income is recognised on a straight-line basis over the lease term.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES *(Continued)*

### Employee benefits

#### *(a) Short-term employee benefits*

Short-term benefit obligations, including accumulated compensated absences, are measured on an undiscounted basis and are expensed as the related service is provided. A provision is recognised for the amount expected to be paid under short-term cash bonuses if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided.

#### *(b) Pension obligations*

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

As prescribed by the Central Provident Fund (“**CPF**”) Board of Singapore, the Group’s employees employed in Singapore who are Singapore citizens or permanent residents are required to join the CPF scheme. The Group contributes up to 17% of monthly salary capped at S\$102,000 per annum (“**p.a.**”) per employee.

The Group also operates a Mandatory Provident Fund Scheme (the “**MPF scheme**”) under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance and not previously covered by the defined benefit retirement plan. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees’ relevant income, subject to a cap of monthly relevant income of Hong Kong dollars (“**HK\$**”) 30,000.

The Company’s subsidiaries operating in the People’s Republic of China (“**PRC**”) participate in a central defined contribution retirement benefit plan managed by the local municipal government in the locations in which they operate. Contributions are made based on a percentage of the companies’ payroll costs and are charged to the consolidated statement of profit or loss as they become payable in accordance with the rules of the central defined contribution retirement benefit plan.

The central pension scheme is responsible for the entire pension obligations payable to all retired employees and the Group has no further obligations for the pension payments on post-retirement benefits beyond the monthly contributions.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES *(Continued)*

### **Share-based payments**

The Group issues equity-settled share-based payments to certain directors and employees.

Equity-settled share-based payments to directors and employees are measured at the fair value (excluding the effect of non market-based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non market-based vesting conditions.

When the share options are exercised, the amount previously recognised in share-based payment reserve will be transferred to share capital and share premium. When the share options are forfeited or lapsed after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share-based payment reserve will be transferred to retained profits/accumulated losses.

### **Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

To the extent that funds are borrowed generally and used for the purpose of obtaining a qualifying asset, the amount of borrowing costs eligible for capitalisation is determined by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate is the weighted average of the borrowing costs applicable to the borrowings of the Group that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

### **Government grants**

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

### **Taxation**

Income tax represents the sum of the current tax and deferred tax.

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

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES *(Continued)*

### **Taxation** *(Continued)*

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

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

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

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

### **Segment reporting**

Operating segments and the amounts of each segment item reported in the consolidated financial statements are identified from the financial information provided regularly to the Group's most senior executive management for the purpose of allocating resources and assessing the performance of the Group's various lines of business.

Individually material operating segments are not aggregated for financial reporting purposes unless the segments have similar economic characteristics and are similar in respect of the nature of products and services, the nature of production processes, the type or class of customers, the methods used to distribute the products or provide the services, and the nature of the regulatory environment. Operating segments which are not individually material may be aggregated if they share a majority of these criteria.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES *(Continued)*

### Related parties

A related party is a person or entity that is related to the Group.

- (a) A person or a close member of that person's family is related to the Group if that person:
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Company or of a parent of the Company.
- (b) An entity is related to the Group if any of the following conditions applies:
  - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group. If the Group is itself such a plan, the sponsoring employers are also related to the Group.
  - (vi) The entity is controlled or jointly controlled by a person identified in (a).
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
  - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to a parent of the Company.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES *(Continued)*

### **Impairment of assets**

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets except deferred tax assets, investments, inventories and receivables to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of any impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, the carrying amount of the asset or cash-generating unit is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset or cash-generating unit is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset or cash-generating unit in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### **Provisions and contingent liabilities**

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 3. MATERIAL ACCOUNTING POLICIES *(Continued)*

### Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

## 4. KEY SOURCES OF ESTIMATION UNCERTAINTY

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

### Allowance for slow-moving inventories

Allowance for slow-moving inventories is made based on the ageing and estimated net realisable value of inventories. The assessment of the allowance amount involves judgement and estimates. Where the actual outcome in future is different from the original estimate, such difference will impact the carrying value of inventories and allowance charge/write-back in the period in which such estimate has been changed.

### Impairment loss for bad and doubtful debts

The Group makes impairment loss for bad and doubtful debts based on assessments of the recoverability of the trade and other receivables, including the current creditworthiness and the past collection history of each debtor. Impairments arise where events or changes in circumstances indicate that the balances may not be collectible. The identification of bad and doubtful debts requires the use of judgement and estimates. Where the actual result is different from the original estimate, such difference will impact the carrying value of the trade and other receivables and doubtful debt expenses in the year in which such estimate has been changed.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 5. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, price risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

### (a) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group entities. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group will monitor its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

### (b) Price risk

The Group's investments at fair value through profit or loss and equity investment at fair value through other comprehensive income are measured at fair value at the end of each reporting period. Therefore, the Group is exposed to equity security price risk. The directors of the Group manage this exposure by maintaining a portfolio of investments with different risk profiles.

As at 31 December 2024, if the fair value of the investments increase/decrease by 8%, loss before tax would have been S\$358,000 (2023: S\$525,000) lower/higher and equity investment revaluation reserve would have been S\$44,000 (2023: S\$45,000) higher/lower, arising as a result of the fair value gain/loss of the investments.

### (c) Credit risk

The carrying amount of trade and other receivables, investments and bank and cash balances included in the consolidated statement of financial position represents the Group's maximum exposure to credit risk in relation to the Group's financial assets.

All of the Group's trade receivables are originated from its business operations in Singapore, except for S\$3,240,000 (2023: S\$3,847,000) from its business operations in the PRC.

The Group has policies in place for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts.

At the end of the reporting period, the Group reviews the recoverable amount of debtors to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, management considers that the Group's credit risk is significantly reduced.

The credit risk on investments and bank and cash balances are limited because the counterparties are banks with high credit-ratings assigned by international credit-rating agencies.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 5. FINANCIAL RISK MANAGEMENT *(Continued)*

### (c) Credit risk *(Continued)*

The Group's internal credit risk categorisation is as follows:

Category	Definition	Loss provision
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month expected credit loss ("ECL")
Doubtful	Amount is less than 30 days past due or there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit impaired
In default	Amount is less than 90 days past due or there is evidence indicating the asset is credit-impaired	Lifetime ECL – credit impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

A summary of the Group's exposures to credit risk for trade receivables, other receivables and deposits is as follows:

	Internal credit risk categorisation	12-month/lifetime ECL	Gross carrying amounts S\$'000	Provision for loss allowance S\$'000	Net carrying amounts S\$'000
<b>At 31 December 2024</b>					
Trade receivables	(Note (i))	Lifetime ECL	6,124	(1,268)	4,856
Other receivables and deposits (Note (ii))	Performing	12-month ECL	5,918	-	5,918
Other receivables (Note (ii))	In default	Lifetime ECL	24	(24)	-
<b>At 31 December 2023</b>					
Trade receivables	(Note (i))	Lifetime ECL	7,213	(1,682)	5,531
Other receivables and deposits (Note (ii))	Performing	12-month ECL	5,032	-	5,032
Other receivables (Note (ii))	In default	Lifetime ECL	17	(17)	-

Notes:

- (i) The Group adopted a simplified approach to measure the lifetime ECL for trade receivables by reference to historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.
- (ii) Goods and services tax ("GST") and value-added tax ("VAT") recoverables are excluded.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 5. FINANCIAL RISK MANAGEMENT *(Continued)*

### (d) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis, based on undiscounted cash flows, of the Group's financial liabilities is as follows:

	<b>Less than 1 year or on demand S\$'000</b>	<b>Between 1 and 2 years S\$'000</b>	<b>Between 2 and 5 years S\$'000</b>	<b>Over 5 years S\$'000</b>
<b>At 31 December 2024</b>				
Trade and other payables*	9,379	–	–	–
Borrowings	11,899	–	–	–
Lease liabilities	1,295	1,168	1,308	880
	<b>22,573</b>	<b>1,168</b>	<b>1,308</b>	<b>880</b>

At 31 December 2023

Trade and other payables*	11,157	–	–	–
Borrowings	4,928	–	–	–
Lease liabilities	2,284	1,182	2,259	950
	<b>18,369</b>	<b>1,182</b>	<b>2,259</b>	<b>950</b>

\* GST and VAT payables are excluded.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 5. FINANCIAL RISK MANAGEMENT *(Continued)*

### (e) Interest rate risk

The Group's borrowings bear interests at fixed interest rates and therefore are subject to fair value interest rate risks.

The Group's bank deposits and borrowings bear interests at fixed interest rates and therefore are subject to fair value interest rate risks.

### (f) Categories of financial instruments at 31 December

Notes	<b>2024</b> <b>S\$'000</b>	2023 S\$'000
<b>Financial assets:</b>		
Investments at fair value through profit or loss		
– Designated as such upon initial recognition	<b>4,479</b>	6,564
Equity investment at fair value through other comprehensive income	<b>556</b>	558
Financial assets at amortised cost (including cash and cash equivalents)		
– Trade receivables	<b>4,856</b>	5,531
– Other receivables and deposits	<b>5,918</b>	5,032
– Bank and cash balances	<b>10,446</b>	20,196
<b>Financial liabilities:</b>		
Financial liabilities at amortised cost		
– Trade and other payables	<b>9,379</b>	11,157
– Borrowings	<b>10,800</b>	4,717
– Lease liabilities	<b>3,722</b>	5,364

Notes:

(i) GST and VAT recoverables are excluded.

(ii) GST and VAT payables are excluded.

### (g) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 6. FAIR VALUE MEASUREMENTS

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. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly (i.e. derived from prices).

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

### (a) Disclosures of level in fair value hierarchy

Description	Fair value measurements using:		
	Level 1 S\$'000	Level 3 S\$'000	Total S\$'000
<i>Recurring fair value measurements:</i>			
<b>At 31 December 2024</b>			
Investments at fair value through profit or loss			
– Listed equity investments	3,838	–	3,838
– Listed fund investments	641	–	641
Equity investment at fair value through other comprehensive income			
– Unlisted fund investment	–	556	556
<b>Total recurring fair value measurements</b>	<b>4,479</b>	<b>556</b>	<b>5,035</b>
<b>At 31 December 2023</b>			
Investments at fair value through profit or loss			
– Listed equity investments	5,955	–	5,955
– Listed fund investments	609	–	609
Equity investment at fair value through other comprehensive income			
– Unlisted fund investment	–	558	558
<b>Total recurring fair value measurements</b>	<b>6,564</b>	<b>558</b>	<b>7,122</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 6. FAIR VALUE MEASUREMENTS *(Continued)*

### (b) Reconciliation of assets measured at fair value based on level 3

<b>Description:</b>	<b>Equity investment at fair value through other comprehensive income Unlisted fund investment S\$'000</b>
At 1 January 2023	–
Purchase	558
<b>At 31 December 2023 and 1 January 2024</b>	<b>558</b>
Total losses recognised in other comprehensive income	(2)
<b>At 31 December 2024</b>	<b>556</b>

### (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at the end of the reporting period

The Group's chief financial officer is responsible for the fair value measurements of assets required for financial reporting purposes, including level 3 fair value measurements. The chief financial officer reports directly to the board of directors for these fair value measurements. Discussions of valuation processes and results are held between the chief financial officer and the Board at least twice a year.

For level 3 fair value measurements, the Group has a team that manages the valuation exercise of level 3 financial instruments for financial reporting purposes. The team manages the valuation exercise of the investments on a case-by-case basis. At least twice every year, the team would use valuation techniques to determine the fair value of the Group's level 3 financial instruments.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 6. FAIR VALUE MEASUREMENTS *(Continued)*

### (c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at the end of the reporting period *(Continued)*

#### *Level 3 fair value measurements*

Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value
					2024 S\$'000
<i>Equity investment at fair value through other comprehensive income</i>					
- Unlisted fund investment	Share of net assets	N/A	N/A	N/A	556
Description	Valuation technique	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value
					2023 S\$'000
<i>Equity investment at fair value through other comprehensive income</i>					
- Unlisted fund investment	Latest transaction price	N/A	N/A	N/A	558

The valuation technique was changed from "Latest transaction price" to "Share of net assets" as the transaction price was arrived at for more than a year ago and no longer constituted an appropriate reference for the most recent valuation and "Share of net assets" is a more appropriate approach.

## 7. REVENUE AND SEGMENT INFORMATION

Revenue represents the consideration specified in contracts with customers for the provision of minimally invasive surgery solution and medical products and relative service in the PRC, and provision of manpower outsourcing and ancillary services, dormitory services, information technology ("IT") services and construction ancillary services in Singapore during the year.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 7. REVENUE AND SEGMENT INFORMATION *(Continued)*

Information is reported to executive directors, being the chief operating decision maker of the Group ("CODM"), for the purposes of resource allocation and performance assessment. The accounting policies are the same as the Group's accounting policies described in note 3 to the consolidated financial statements. The CODM reviews revenue by nature of services, comprising provision of manpower outsourcing and ancillary services to contractors of construction projects, provision of dormitory services, provision of IT services and provision of construction ancillary services, and products relating to provision of minimally invasive surgery solution and medical and related service fee and the respective profit or loss for the year as a whole. Accordingly, only entity-wide disclosures on Services and Products, major customers and geographical information are presented in accordance with IFRS 8 Operating Segments.

Disaggregation of revenue from contracts with customers:

	<b>2024</b> <b>S\$'000</b>	2023 S\$'000
Geographical markets		
– The PRC	<b>25,927</b>	20,431
– Singapore	<b>15,895</b>	16,598
Revenue from contracts with customers	<b>41,822</b>	37,029
Rental income arising from provision of dormitory services	<b>8,419</b>	8,615
Total revenue	<b>50,241</b>	45,644
Timing of revenue recognition		
At a point in time		
– Products		
– Provision of minimally invasive surgery solution and medical products and related service fee	<b>25,927</b>	20,431
Over time		
– Services		
– Provision of manpower outsourcing and ancillary services	<b>15,116</b>	15,750
– Provision of IT services	<b>500</b>	476
– Provision of construction ancillary services	<b>279</b>	372
	<b>15,895</b>	16,598
Revenue from contracts with customers	<b>41,822</b>	37,029
Rental income arising from provision of dormitory services	<b>8,419</b>	8,615
Total revenue	<b>50,241</b>	45,644

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 7. REVENUE AND SEGMENT INFORMATION *(Continued)*

(i) Sale of products

Revenue is recognised when the control of the products has transferred, being when the products are delivered to a customer, there is no unfulfilled obligation that could affect the customer's acceptance of the products and the customer has obtained legal titles to the products.

(ii) Provision of manpower outsourcing and ancillary services

The Group provides manpower outsourcing and ancillary services such as transportation and accommodation for workers outsourced to its customers. Such services are recognised as performance obligations are satisfied over time.

(iii) Provision of IT services

Revenue from the provision of IT maintenance services is recognised as performance obligations are satisfied over time.

(iv) Provision of construction ancillary services

Revenue from the provision of construction ancillary services is recognised as performance obligations are satisfied over time.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 7. REVENUE AND SEGMENT INFORMATION *(Continued)*

Information about reportable segment profit or loss, assets and liabilities:

	Products	Services	Others (Note (i))	Total
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Year ended 31 December 2024</b>				
Revenue – external	25,927	24,314	–	50,241
Finance costs	(246)	(424)	(103)	(773)
Changes in fair value of investments at fair value through profit or loss, net	–	295	(25)	270
(Loss)/gain on disposal of investments at fair value through profit or loss	–	(62)	24	(38)
Reversal of provision/(provision) for ECL on trade and other receivables	16	375	(4)	387
Depreciation	(778)	(3,631)	(610)	(5,019)
Handling fee income	–	–	561	561
(Loss)/profit before tax	(3,645)	1,700	(16,282)	(18,227)
Income tax expense	–	(28)	–	(28)
(Loss)/profit for the year	(3,645)	1,672	(16,282)	(18,255)
Addition to segment non-current assets (Note (ii))				
– Property, plant and equipment	147	166	675	988
– Right-of-use assets	328	69	–	397
– Investment properties	–	12,282	–	12,282
<b>At 31 December 2024</b>				
Segment assets	19,780	34,867	4,220	58,867
Segment liabilities	(7,199)	(16,552)	(2,337)	(26,088)

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 7. REVENUE AND SEGMENT INFORMATION *(Continued)*

Information about reportable segment profit or loss, assets and liabilities: *(Continued)*

	Products	Services	Others (Note (i))	Total
	S\$'000	S\$'000	S\$'000	S\$'000
Year ended 31 December 2023				
Revenue – external	20,431	25,213	–	45,644
Finance costs	(56)	(126)	(39)	(221)
Loss on disposal of property, plant and equipment, net	(235)	–	–	(235)
Changes in fair value of investments at fair value through profit or loss, net	–	(1,042)	2	(1,040)
Gain on disposal of investments at fair value through profit or loss	–	21	–	21
Provision for ECL on trade and other receivables	(542)	(127)	–	(669)
Depreciation	(651)	(3,112)	(339)	(4,102)
Handling fee income	–	–	2,169	2,169
(Loss)/profit before tax	(2,178)	1,912	(2,951)	(3,217)
Income tax expense	(28)	(867)	–	(895)
(Loss)/profit for the year	(2,206)	1,045	(2,951)	(4,112)
Addition to segment non-current assets (Note (ii))				
– Property, plant and equipment	1,056	–	196	1,252
– Right-of-use assets	2,402	–	1,059	3,461
– Investment properties	–	2,830	–	2,830
At 31 December 2023				
Segment assets	23,725	31,929	6,566	62,220
Segment liabilities	(7,772)	(14,852)	(2,106)	(24,730)

Notes:

- (i) Others relating to corporate office functions.
- (ii) Excluding financial instruments, goodwill and deferred tax assets.

Save for a customer whose revenue contributed approximately forty eight percents (2023: forty two percents) of total revenue for the year ended 31 December 2024, there was no other individual customer that contributed over 10% of total revenue of the Group during the years ended 31 December 2024 and 2023.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 7. REVENUE AND SEGMENT INFORMATION *(Continued)*

	<b>2024</b> <b>S\$'000</b>	2023 S\$'000
Non-current assets (including property, plant and equipment, right-of-use assets, investment properties and goodwill) located at		
– The PRC	<b>4,378</b>	4,192
– Singapore	<b>22,271</b>	13,387
– Hong Kong	<b>1,477</b>	1,362

## 8. OTHER INCOME, GAINS AND LOSSES, NET

	<b>2024</b> <b>S\$'000</b>	2023 S\$'000
Handling fee income	<b>561</b>	2,169
Government grant	<b>71</b>	182
Dividend income from listed investments	<b>270</b>	303
Interest revenue	<b>18</b>	56
Forfeiture of customer deposits	<b>165</b>	9
Work injury/workmen compensation claims	<b>185</b>	100
Sub-leasing income	<b>411</b>	188
Loss on disposal of property, plant and equipment, net	<b>–</b>	(235)
Changes in fair value of investments at fair value through profit or loss, net	<b>270</b>	(1,040)
(Loss)/gain on disposal of investments at fair value through profit or loss	<b>(38)</b>	21
Gain on lease termination	<b>8</b>	–
Gain on disposal of a subsidiary	<b>17</b>	220
Gain/(loss) on foreign exchange, net	<b>284</b>	(632)
Others	<b>413</b>	257
	<b>2,635</b>	1,598

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 9. FINANCE COSTS

	2024 S\$'000	2023 S\$'000
Interest on:		
– Lease liabilities	402	202
– Borrowings	371	19
	<b>773</b>	221

## 10. INCOME TAX EXPENSE

	2024 S\$'000	2023 S\$'000
<b>Current tax</b>		
– Enterprise income tax of the PRC		
– Provision for the year	–	28
– Singapore corporate income tax		
– Provision for the year	10	741
– Under provision in prior years	–	7
	<b>10</b>	748
Total current tax	<b>10</b>	776
<b>Deferred tax (Note 30)</b>		
– Current	18	1
– Under provision in prior years	–	118
Total deferred tax	<b>18</b>	119
Total income tax expense	<b>28</b>	895

The income tax provision of the Group in respect of operations in the PRC was calculated at the tax rate of 25% (2023: 25%) on the estimated assessable profit for the year ended 31 December 2024, based on existing legislation, interpretation and practices in respect thereof.

Singapore corporate income tax is provided at 17% (2023: 17%) based on the estimated assessable profit for the year.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 10. INCOME TAX EXPENSE *(Continued)*

The reconciliation between the income tax expense and the product of loss before tax multiplied by Singapore corporate income tax rate is as follows:

	<b>2024</b> <b>S\$'000</b>	2023 S\$'000
Loss before tax	<b>(18,227)</b>	(3,217)
Tax at Singapore corporate income tax rate of 17% (2023: 17%)	<b>(3,099)</b>	(547)
Tax effect of income that is not taxable	<b>(227)</b>	(616)
Tax effect of expenses that are not deductible	<b>2,384</b>	960
Tax effect of tax concessions and partial tax exemption	–	(246)
Tax effect of tax losses not recognised as deferred tax assets	<b>1,469</b>	1,425
Tax effect of different tax rates of subsidiaries operating in other jurisdiction	<b>(212)</b>	(175)
Tax effect of utilisation of previously unrecognised and unused tax losses	<b>(287)</b>	(31)
Under provision in prior years	–	125
Income tax expense	<b>28</b>	895

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 11. LOSS FOR THE YEAR

The Group's loss for the year is stated after charging/(crediting) the following:

	<b>2024</b>	2023
	<b>S\$'000</b>	S\$'000
Depreciation of property, plant and equipment	<b>316</b>	297
Depreciation of right-of-use assets	<b>1,217</b>	833
Depreciation of investment properties	<b>3,486</b>	2,972
Gross rental income from investment properties	<b>(8,419)</b>	(8,615)
Direct operating expenses of investment properties that		
– generated rental income	<b>3,486</b>	2,894
– did not generate rental income	<b>2,293</b>	982
Research and development expenditure	<b>850</b>	633
Auditor's remuneration		
– auditor of the Company	<b>189</b>	180
– other auditors	<b>135</b>	109
	<b>324</b>	289
Cost of inventories sold	<b>24,768</b>	19,390
Staff costs including directors' emoluments		
– Salaries, wages and other benefits	<b>13,333</b>	13,854
– Contributions to defined contribution plans	<b>696</b>	628
– Foreign worker levy	<b>3,364</b>	3,842
– Equity-settled share-based payments	<b>13,152</b>	–
	<b>30,545</b>	18,324

No contribution was forfeited (by the Group on behalf of its employees who leave the defined contribution schemes prior to vesting fully in such contributions) and be used by the Group to reduce the existing level of contributions.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 12. DIRECTORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS

The emoluments of each director and chief executive, disclosed pursuant to the applicable Listing Rules, were as follows:

Name of directors	Notes	Contributions			Total S\$'000	
		Fees S\$'000	Salaries and allowance S\$'000	to defined contribution plans S\$'000		Equity-settled share-based payments S\$'000
<b>Year ended 31 December 2024</b>						
<i>Executive directors:</i>						
Mr. CHEN Guobao		-	619	3	-	622
Mr. WANG Zhenfei ( <i>Chief executive officer</i> )		-	351	3	659	1,013
Mr. LI Yunping	(i)	-	87	-	-	87
Mr. DAI Yong	(ii)	-	36	4	-	40
<i>Independent non-executive directors:</i>						
Mr. YAN Jianjun		21	-	-	-	21
Mr. FAN Yimin		21	-	-	-	21
Ms. YANG Meihua		21	-	-	-	21
<i>Non-executive directors:</i>						
Mr. WANG Huasheng		33	-	-	-	33
Mr. YU Mingyang	(iii)	18	-	-	-	18
Total		114	1,093	10	659	1,876

Year ended 31 December 2023

<i>Executive directors:</i>						
Mr. CHEN Guobao		-	334	3	-	337
Mr. WANG Zhenfei ( <i>Chief executive officer</i> )		-	108	3	-	111
Mr. LI Yunping	(i)	50	36	-	-	86
<i>Independent non-executive directors:</i>						
Mr. YAN Jianjun		21	-	-	-	21
Mr. FAN Yimin		21	-	-	-	21
Ms. YANG Meihua		21	-	-	-	21
<i>Non-executive directors:</i>						
Mr. WANG Huasheng		33	-	-	-	33
Mr. YU Mingyang	(iii)	13	-	-	-	13
Total		159	478	6	-	643

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 12. DIRECTORS', CHIEF EXECUTIVE'S AND FIVE HIGHEST PAID EMPLOYEES' EMOLUMENTS *(Continued)*

The emoluments of each director and chief executive, disclosed pursuant to the applicable Listing Rules, were as follows: *(Continued)*

Notes:

- (i) Redesignated from non-executive director to executive director on 31 July 2023.
- (ii) Appointed on 5 August 2024, and resigned on 28 January 2025.
- (iii) Appointed on 31 July 2023 and resigned on 5 August 2024.

There was no arrangement under which a director waived or agreed to waive any emoluments during the year ended 31 December 2024 (2023: nil).

The five highest paid employees of the Group during the year included nil director (2023: 1 director) whose emoluments are reflected in the analysis presented above. The emoluments of the remaining 5 (2023: 4) individuals are set out below:

	<b>2024</b>	2023
	<b>S\$'000</b>	S\$'000
Salaries and allowances	<b>1,679</b>	1,905
Discretionary bonus	<b>2,492</b>	3,240
Contributions to defined contribution plans	<b>137</b>	181
Equity-settled share-based payments	<b>9,888</b>	–
	<b>14,196</b>	5,326

The emoluments fell within the following band:

	<b>Number of individuals</b>	
	<b>2024</b>	2023
HK\$0 to HK\$1,000,000	–	1
HK\$1,500,001 to HK\$2,000,000	–	1
HK\$7,500,001 to HK\$8,000,000	<b>3</b>	–
HK\$8,000,001 to HK\$8,500,000	–	1
HK\$15,000,001 to HK\$20,000,000	<b>1</b>	–
HK\$20,000,001 to HK\$25,000,000	–	1
HK\$40,000,001 to HK\$45,000,000	<b>1</b>	–

During the year, no emoluments were paid by the Group to any of the directors or the highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 13. DIVIDEND

No dividend was paid or declared by the Company for the years ended 31 December 2024 and 2023.

## 14. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following:

	<b>2024</b> <b>S\$'000</b>	2023 S\$'000
<u>Loss</u>		
Loss for the purpose of calculating basic and diluted loss per share	<b>(17,965)</b>	(3,141)

	<b>2024</b> <b>'000</b>	2023 '000 (Restated)
<u>Number of shares</u>		
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	<b>5,170,000</b>	4,971,370

The calculation of basic loss per share attributable to owners of the Company for the year ended 31 December 2024 is based on the loss for the year attributable to owners of the Company of S\$17,965,000 (2023: S\$3,141,000) and the weighted average number of ordinary shares of 5,170,000,000, adjusted by the share subdivision completed on 12 December 2024 (2023 (restated): 4,971,370,000 ordinary shares, adjusted by the share subdivision completed on 12 December 2024) in issue during the year.

The effects of all potential ordinary shares are anti-dilutive for the years ended 31 December 2024 and 2023.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 15. PROPERTY, PLANT AND EQUIPMENT

	Leasehold building	Leasehold improvements	Office equipment	Motor vehicles	Furniture and fittings	Computers	Plant and machinery	Assets under construction	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<u>Cost</u>									
At 1 January 2023	4,165	1,964	145	751	274	450	2,984	987	11,720
Addition	-	52	29	198	3	10	22	938	1,252
Disposal	-	-	(37)	-	-	-	(549)	(256)	(842)
Acquisition of a subsidiary (Note 34(a))	-	12	-	-	-	-	-	-	12
Disposal of a subsidiary (Note 34(c))	-	(83)	(55)	-	-	(18)	(2,153)	-	(2,309)
Exchange difference	-	(11)	(3)	(3)	-	(1)	(214)	(32)	(264)
<b>At 31 December 2023 and 1 January 2024</b>	<b>4,165</b>	<b>1,934</b>	<b>79</b>	<b>946</b>	<b>277</b>	<b>441</b>	<b>90</b>	<b>1,637</b>	<b>9,569</b>
Addition	-	683	105	82	17	13	-	88	988
Disposal	-	-	-	-	-	-	-	(17)	(17)
Transfer	-	365	-	-	-	-	1,343	(1,708)	-
Exchange difference	-	12	-	7	-	-	-	-	19
<b>At 31 December 2024</b>	<b>4,165</b>	<b>2,994</b>	<b>184</b>	<b>1,035</b>	<b>294</b>	<b>454</b>	<b>1,433</b>	<b>-</b>	<b>10,559</b>
<u>Accumulated depreciation and impairment</u>									
At 1 January 2023	4,165	1,755	58	751	261	438	34	-	7,462
Charge for the year	-	70	17	6	6	-	198	-	297
Disposal	-	-	(6)	-	-	-	(33)	-	(39)
Disposal of a subsidiary (Note 34(c))	-	(30)	(13)	-	-	(1)	(185)	-	(229)
Exchange difference	-	(3)	(1)	-	-	-	(3)	-	(7)
<b>At 31 December 2023 and 1 January 2024</b>	<b>4,165</b>	<b>1,792</b>	<b>55</b>	<b>757</b>	<b>267</b>	<b>437</b>	<b>11</b>	<b>-</b>	<b>7,484</b>
Charge for the year	-	156	64	49	10	5	32	-	316
Exchange difference	-	2	-	1	-	-	-	-	3
<b>At 31 December 2024</b>	<b>4,165</b>	<b>1,950</b>	<b>119</b>	<b>807</b>	<b>277</b>	<b>442</b>	<b>43</b>	<b>-</b>	<b>7,803</b>
<u>Carrying amount</u>									
<b>At 31 December 2024</b>	<b>-</b>	<b>1,044</b>	<b>65</b>	<b>228</b>	<b>17</b>	<b>12</b>	<b>1,390</b>	<b>-</b>	<b>2,756</b>
At 31 December 2023	-	142	24	189	10	4	79	1,637	2,085

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 16. LEASES AND RIGHT-OF-USE ASSETS

Disclosures of lease-related items:

### At 31 December

Right-of-use assets

- Leasehold land and office premises
- Motor vehicles

2024 S\$'000	2023 S\$'000
3,479	4,330
61	14
<b>3,540</b>	4,344

The maturity analysis, based on undiscounted cash flows, of the Group's lease liabilities is as follows:

- Less than 1 year
- Between 1 and 2 years
- Between 2 and 5 years
- Over 5 years

1,295	2,284
1,168	1,182
1,308	2,259
880	950
<b>4,651</b>	6,675

### Year ended 31 December

Depreciation of right-of-use assets

- Leasehold land and office premises
- Motor vehicles

1,194	778
23	55
<b>1,217</b>	833

Interest on lease liabilities

402	202
-----	-----

Expenses related to short-term leases

2,063	23
-------	----

Expenses related to leases of low-value assets that are not short-term leases

26	26
----	----

Total cash outflow for leases

4,897	3,938
-------	-------

Addition to right-of-use assets

397	3,461
-----	-------

The Group makes monthly lease payments for the use of a land parcel on which its investment properties are erected. This leasehold land, which has been recognised as a right-of-use asset, is classified as an investment property given it is held solely for the purposes of holding the related investment property building.

There are no externally imposed covenants on these property lease arrangements.

The Group has acquired motor vehicles under hire purchase arrangements to render logistics support. These motor vehicles are recognised as the Group's right-of-use assets. The hire purchase agreements for motor vehicles prohibit the Group from subleasing them to third parties.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 17. INVESTMENT PROPERTIES

	<b>Leasehold land and building</b> S\$'000
<u>Cost</u>	
At 1 January 2023	4,554
Addition	2,830
Acquisition of a subsidiary (Note 34(a))	11,572
Expiry of lease	(1,443)
<b>At 31 December 2023 and 1 January 2024</b>	<b>17,513</b>
Addition	12,282
Expiry of lease	(2,950)
<b>At 31 December 2024</b>	<b>26,845</b>
<u>Accumulated depreciation</u>	
At 1 January 2023	3,472
Depreciation	2,972
Expiry of lease	(1,443)
<b>At 31 December 2023 and 1 January 2024</b>	<b>5,001</b>
Depreciation	3,486
Expiry of lease	(2,950)
<b>At 31 December 2024</b>	<b>5,537</b>
<u>Carrying amounts</u>	
<b>At 31 December 2024</b>	<b>21,308</b>
At 31 December 2023	12,512

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 17. INVESTMENT PROPERTIES *(Continued)*

Details of the Group's investment properties are as follows:

Property location	Description/existing use	Gross floor/land area	Tenure
10 Kian Teck Crescent Singapore 628876	Storage for tent fabrication, piping, metal work, plumbing, and timber	4,389 square metre ("sqm")	18 years leasehold tenure matured on 31 May 2042
5 Neythal Road Singapore 628572	Steel structure fabrication and scaffolding storage, solid surface and quartz tabletop fabrication and storage, logistics and warehousing	8,624.8 sqm	5 years leasehold tenure matured on 14 March 2029

As at 31 December 2024, the fair value of Level 3 investment properties was S\$22,080,000 (2023: S\$13,600,000) which was determined by the direct comparison approach carried out by an independent firm of professional valuer who has appropriate recognised professional qualification and recent experience in the location and category of the investment properties being valued.

The Group leases out dormitory bed spaces located at its investment properties under operating leases. The lease term ranges from six months to one year.

As at 31 December 2024, the carrying amount of investment properties pledged as security for the Group's borrowings amounted to S\$21,308,000 (2023: S\$11,539,000).

The Group's revenue from rental income derived from investment properties is set out in note 11 to the consolidated financial statements.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 18. GOODWILL

	S\$'000
<b>Cost and carrying amount</b>	
<b>At 1 January 2023, 31 December 2023 and 1 January 2024</b>	–
Arising on acquisition of a subsidiary (Note 34(b))	522
<b>At 31 December 2024</b>	<b>522</b>

Goodwill acquired in a business combination is allocated, at acquisition, to the cash generating units (“CGUs”) that are expected to benefit from that business combination. The carrying amount of goodwill had been allocated as follows:

	2024 S\$'000	2023 S\$'000
Provision of minimally invasive surgery solution and medical products	522	–

The recoverable amounts of the CGUs are determined on the basis of their value in use using discounted cash flow method. The key assumptions for the discounted cash flow method are those regarding the discount rates, growth rates and budgeted gross margin and revenue during the period. The Group estimates discount rates using pre-tax rates that reflect current market assessments of the time value of money and the risks specific to the CGUs. The growth rates are based on long-term average economic growth rate of the geographical area in which the businesses of the CGUs operate. Budgeted gross margin and revenue are based on past practices and expectations on market development.

The Group prepares cash flow forecasts derived from the most recent financial budgets approved by the directors for the next five years with the residual period using the growth rate of 3% (2023: nil). This rate does not exceed the average long-term growth rate for the relevant markets.

The rate used to discount the forecast cash flows from the Group’s provision of minimally invasive surgery solution and medical products activities is 13.4% (2023: nil).

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 19. SUBSIDIARIES

Particulars of the subsidiaries as at 31 December 2024 are as follows:

Name	Place of incorporation/ registration and operation	Issued and paid up capital	Percentage of ownership interest/voting power/profit sharing	Principal activities
<b>Directly held:</b>				
Hong Kong Jinhai Enterprise Development Company Limited	Hong Kong	HK\$1	100% (2023: 100%)	Investment holding
<b>Indirectly held:</b>				
Tenshi Resources International Pte. Ltd.	Singapore	S\$50,000	100% (2023: 100%)	Provision of manpower services
Accenovate Engineering Pte. Ltd.	Singapore	S\$100,000	100% (2023: 100%)	Provision of manpower services
Keito Engineering & Construction Pte. Ltd.	Singapore	S\$500,000	100% (2023: 100%)	Provision of manpower services
KT&T Engineers and Constructors Pte. Ltd.	Singapore	S\$150,000	100% (2023: 100%)	Provision of manpower services
KT&T Resources Pte. Ltd.	Singapore	S\$50,000	100% (2023: 100%)	Provision of manpower services
Nichefield Pte. Ltd.	Singapore	S\$150,000	100% (2023: 100%)	Provision of dormitory services
Accenovate Consulting (Asia) Pte. Ltd.	Singapore	S\$200,000	100% (2023: 100%)	Provision of IT services and construction ancillary services
KT&T Global Pte. Ltd.	Singapore	S\$200,000	100% (2023: 100%)	Provision of construction ancillary services
Simplex FM Services Pte. Ltd.	Singapore	S\$50,000	100% (2023: 100%)	Provision of manpower services
Neuhaus Engineering Pte. Ltd.	Singapore	S\$2,490,000	100% (2023: 100%)	Provision of engineering design and consultancy activities and accommodation for foreign workers dormitory provider

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 19. SUBSIDIARIES (Continued)

Particulars of the subsidiaries as at 31 December 2024 are as follows: (Continued)

Name	Place of incorporation/ registration and operation	Registered capital	Percentage of ownership interest/voting power/profit sharing	Principal activities
<b>Indirectly held:</b>				
Jinhai Technology Development (Ningbo) Company Limited (" <b>Jinhai Technology Ningbo</b> ") (Notes (i) and (ii))	PRC	HK\$100,000,000	100% (2023: 100%)	Investment holdings
Shanghai Jinhai Xiehuan Medical Technology Company Limited (" <b>Jinhai Xiehuan</b> ") (Note (i))	PRC	Renminbi (" <b>RMB</b> ") 5,000,000	55% (2023: 55%)	Provision of minimally invasive surgery solution and medical products and related services
Shanghai Jinhai Medical Technology Company Limited (Note (i))	PRC	RMB30,000,000	100% (2023: 100%)	Provision of minimally invasive surgery solution products
Shanghai Jinhai Baoxi Technology Company Limited (" <b>Jinhai Baoxi</b> ") (Note (i))	PRC	RMB10,000,000	55% (2023: 55%)	Provision of graphene material products
Jinhai Technology Development (Shanghai) Company Limited (Note (i))	PRC	RMB10,000,000	100% (2023: 100%)	Investment holdings
Shanghai Jinhai Pioneer Medical Technology Company Limited (" <b>Jinhai Pioneer</b> ") (Note (i))	PRC	RMB10,000,000	55% (2023: 0%)	Provision of minimally invasive surgery solution products and medical products
Shanghai Jinhai Human Resources Company Limited (Note (i))	PRC	RMB10,000,000	100% (2023: 100%)	Provision of manpower services
Shanghai Fushijia Manpower Services Company Limited (Note (i))	PRC	RMB5,000,000	100% (2023: 0%)	Provision of manpower services

Notes:

- (i) The English name of the subsidiaries of the Company referred herein represent the management's best efforts in translating the Chinese name of this company as no English name has been registered.
- (ii) Jinhai Technology Ningbo is wholly-owned foreign enterprise established in the PRC.

The above table lists the subsidiaries of the Company which, in the opinion of the directors of the Company, principally affected the results or assets of the Group. To give details of other subsidiaries of the Company would, in the opinion of the directors of the Company, result in particulars of excessive length.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 19. SUBSIDIARIES (Continued)

The following table shows information of the subsidiary of the Company that have non-controlling interests (“**NCI**”) material to the Group. The summarised financial information represents amounts before inter-company eliminations.

<b>Name</b>	<b>Jinhai Xiehuan</b>	
	<b>2024</b>	2023
Principal place of business and country of incorporation	<b>PRC</b>	PRC
Percentage of ownership interest/voting rights held by NCI	<b>45%</b>	45%
	<b>S\$'000</b>	S\$'000
<b>At 31 December</b>		
Non-current assets	<b>257</b>	64
Current assets	<b>5,123</b>	5,797
Non-current liabilities	<b>(134)</b>	(39)
Current liabilities	<b>(4,408)</b>	(4,856)
Net assets	<b>838</b>	966
Accumulated NCI	<b>120</b>	220
<b>Year ended 31 December</b>		
Revenue	<b>25,522</b>	19,764
Loss	<b>(221)</b>	(8)
Total comprehensive expense	<b>(12)</b>	(27)
Loss allocated to NCI	<b>(99)</b>	(4)
Net cash (used in)/generated from operating activities	<b>(125)</b>	228
Net cash used in investing activities	<b>(1)</b>	(1)
Net cash generated from/(used in) financing activities	<b>35</b>	(13)
Net (decrease)/increase in cash and cash equivalents	<b>(91)</b>	214

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 19. SUBSIDIARIES (Continued)

The following table shows information of the subsidiary of the Company that have non-controlling interests (“**NCI**”) material to the Group. The summarised financial information represents amounts before inter-company eliminations. (Continued)

Name	Jinhai Baoxi	
	2024	2023
Principal place of business and country of incorporation	<b>PRC</b>	PRC
Percentage of ownership interests/voting rights held by NCI	<b>45%</b>	45%
	<b>S\$'000</b>	S\$'000
<b>At 31 December</b>		
Non-current assets	<b>1,754</b>	1,715
Current assets	<b>412</b>	2,386
Current liabilities	<b>(1,860)</b>	(3,721)
Net assets	<b>306</b>	380
Accumulated NCI	<b>477</b>	(446)
<b>Year ended 31 December</b>		
Loss	<b>(70)</b>	(635)
Loss allocated to NCI	<b>(32)</b>	(286)
Net cash (used in)/generated from operating activities	<b>(1,808)</b>	2,685
Net cash used in investing activities	<b>(69)</b>	(906)
Net cash generated from financing activities	<b>-</b>	130
Net (decrease)/increase in cash and cash equivalents	<b>(1,877)</b>	1,909

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 19. SUBSIDIARIES (Continued)

The following table shows information of the subsidiary of the Company that have non-controlling interests ("NCI") material to the Group. The summarised financial information represents amounts before inter-company eliminations. (Continued)

<b>Name</b>	<b>Jinhai Pioneer</b>
	<b>2024</b>
Principal place of business and country of incorporation	<b>PRC</b>
Percentage of ownership interests/voting rights held by NCI	<b>45%</b>
	<b>S\$'000</b>
<b>At 31 December</b>	
Current assets	<b>1,525</b>
Current liabilities	<b>(35)</b>
Net assets	<b>1,490</b>
Accumulated NCI	<b>671</b>
<b>Year ended 31 December</b>	
Revenue	<b>52</b>
Loss	<b>(352)</b>
Loss allocated to NCI	<b>(158)</b>
Net cash used in operating activities	<b>(476)</b>
Net decrease in cash and cash equivalents	<b>(476)</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 20. INVESTMENTS AT FAIR VALUE THROUGH PROFIT OR LOSS

	<b>2024</b> <b>S\$'000</b>	2023 S\$'000
Listed equity investments	<b>3,838</b>	5,955
Listed fund investments	<b>641</b>	609
	<b>4,479</b>	6,564

## 21. EQUITY INVESTMENT AT FAIR VALUE THROUGH OTHER COMPREHENSIVE INCOME

	<b>2024</b> <b>S\$'000</b>	2023 S\$'000
Unlisted fund investment	<b>556</b>	558

The above investment is intended to be held for the medium to long-term. Designation of this investment as equity investment at fair value through other comprehensive income can avoid the volatility of the fair value change of this investment to the profit or loss.

## 22. INVENTORIES

	<b>2024</b> <b>S\$'000</b>	2023 S\$'000
Raw materials	<b>465</b>	331
Work-in-progress	<b>339</b>	224
Finished goods	<b>1,965</b>	1,542
	<b>2,769</b>	2,097

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 23. TRADE RECEIVABLES

The credit terms to customers range from 3 to 30 days from the invoice date for trade receivables.

	<b>2024</b> <b>S\$'000</b>	2023 S\$'000
Trade receivables	<b>6,124</b>	7,213
Less: provision for loss allowance	<b>(1,268)</b>	(1,682)
Carrying amount	<b>4,856</b>	5,531

The ageing analysis of trade receivables, based on due date, and net of provision for loss allowance is as follows:

	<b>2024</b> <b>S\$'000</b>	2023 S\$'000
Not due	<b>2,460</b>	3,458
1 day to 30 days	<b>1,944</b>	785
31 days to 60 days	<b>131</b>	1,272
Over 60 days	<b>321</b>	16
	<b>4,856</b>	5,531

Reconciliation of loss allowance for trade receivables:

	<b>2024</b> <b>S\$'000</b>	2023 S\$'000
<b>At 1 January</b>	<b>1,682</b>	968
Loss allowance recognised, net of those derecognised due to settlement	<b>(414)</b>	663
Acquisition of a subsidiary	<b>–</b>	51
<b>At 31 December</b>	<b>1,268</b>	1,682

The Group adopted a simplified approach to measure the lifetime ECL for trade receivables by reference to historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 23. TRADE RECEIVABLES *(Continued)*

	Current	Past due			Total
		1 – 30 days	31 – 60 days	Over 60 days	
<b>At 31 December 2024</b>					
ECL rate	0.4%	0.4%	0.8%	79.6%	
Total gross carrying amounts (S\$'000)	2,470	1,952	132	1,570	6,124
Lifetime ECL (S\$'000)	(10)	(8)	(1)	(1,249)	(1,268)
<b>At 31 December 2023</b>					
ECL rate	0.7%	0.4%	1.0%	99.0%	
Total gross carrying amounts (S\$'000)	3,484	788	1,285	1,656	7,213
Lifetime ECL (S\$'000)	(26)	(3)	(13)	(1,640)	(1,682)

## 24. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2024 S\$'000	2023 S\$'000
Deposits	2,330	3,335
GST and VAT recoverables	634	1,196
Prepayment to suppliers	473	1,084
Other prepayments	447	982
Advances to staff	2,618	815
Staff loan	112	114
Other receivables	882	785
	<b>7,496</b>	8,311
Less: provision for loss allowance	(24)	(17)
	<b>7,472</b>	8,294

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 24. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS *(Continued)*

Reconciliation of loss allowance for other receivables:

	2024 S\$'000	2023 S\$'000
<b>At 1 January</b>	<b>17</b>	24
Loss allowance recognised, net of those derecognised due to settlement	<b>27</b>	6
Amounts written off	<b>(20)</b>	(13)
<b>At 31 December</b>	<b>24</b>	17

## 25. BANK AND CASH BALANCES

As at 31 December 2024, the bank and cash balances of the Group denominated in RMB amounted to S\$7,396,000 (2023: S\$10,571,000). Conversion of RMB into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations.

## 26. TRADE AND OTHER PAYABLES

	2024 S\$'000	2023 S\$'000
Trade payables	<b>5,129</b>	5,462
Accrued operating expenses	<b>2,543</b>	2,371
GST and VAT payables	<b>828</b>	2,073
Customer deposits received	<b>1,231</b>	2,717
Accrued directors' emoluments	<b>168</b>	130
Other payables	<b>308</b>	477
	<b>10,207</b>	13,230

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

	2024 S\$'000	2023 S\$'000
Within 30 days	<b>1,872</b>	5,068
31 days to 90 days	<b>3,134</b>	145
91 days to 365 days	<b>92</b>	249
Over 365 days	<b>31</b>	–
	<b>5,129</b>	5,462

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 27. CONTRACT LIABILITIES

<b>At</b>	<b>31 December 2024 S\$'000</b>	31 December 2023 S\$'000	1 January 2023 S\$'000
Provision of minimally invasive surgery solution and medical products and related service	<b>730</b>	400	1,992
Provision of manpower services and ancillary services	<b>335</b>	–	–
Provision of IT services	<b>125</b>	125	101
Provision of dormitory services	<b>169</b>	9	–
Total contract liabilities	<b>1,359</b>	534	2,093

Transaction prices allocated to performance obligations unsatisfied at the end of the year and expected to be recognised as revenue in the year ended 31 December:

– 2025	<b>1,359</b>	–
– 2024	<b>N/A</b>	534
	<b>1,359</b>	534

<b>Year ended 31 December</b>	<b>2024 S\$'000</b>	2023 S\$'000
Revenue recognised in the year that was included in contract liabilities at the beginning of the year	<b>534</b>	2,093
Significant changes in contract liabilities during the year:		
Increase due to operations in the year	<b>13,176</b>	8,723
Transfer of contract liabilities to revenue	<b>(12,351)</b>	(10,282)

A contract liability is recognised for customers' payments for the Group's provision of sales of minimally invasive surgery solution products, manpower services and ancillary services, IT services and dormitory services which the Group has billed prior to commencement of the service and delivery of the product to the customer.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 28. BORROWINGS

	<b>2024</b> <b>S\$'000</b>	2023 S\$'000
Secured bank borrowing (Note)	<b>9,852</b>	4,717
Unsecured other borrowing	<b>948</b>	–
	<b>10,800</b>	4,717
The borrowings are repayable as follows:		
Within one year	<b>10,800</b>	4,717
	<b>10,800</b>	4,717
Less: amount due for settlement within 12 months (shown under current liabilities)	<b>(10,800)</b>	(4,717)
Amount due for settlement after 12 months (shown under non-current liabilities)	–	–

Note: The borrowings is secured by a legal mortgage over investment properties of a subsidiary of the Company and joint and several personal guarantee of the directors of a subsidiary of the Company.

The effective interest rate of borrowings as at 31 December 2024 were between the range of 0%-5.34% (2023: at 4.62%) p.a..

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 29. LEASE LIABILITIES

	<b>Lease payments</b>	
	<b>2024</b>	2023
	<b>S\$'000</b>	S\$'000
Within one year	<b>1,295</b>	2,284
Over one year but within two years	<b>1,168</b>	1,182
Over two years but within five years	<b>1,308</b>	2,259
Over five years	<b>880</b>	950
	<b>4,651</b>	6,675
Less: Future finance charge	<b>(929)</b>	(1,311)
Present value of lease liabilities	<b>3,722</b>	5,364
Analysed as:		
– Non-current	<b>2,731</b>	3,478
– Current	<b>991</b>	1,886
	<b>3,722</b>	5,364

As at 31 December 2024, the weighted average incremental borrowing rates ranged from 4.1% to 6.7% (2023: 3.1% to 12.9%) p.a.. Interest rates are fixed at the contract dates and thus expose the Group to fair value interest rate risk.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 30. DEFERRED TAX

The following are the deferred tax assets recognised by the Group:

	<b>Accelerated tax depreciation</b> S\$'000	<b>Unutilised tax losses</b> S\$'000	<b>Right-of-use asset</b> S\$'000	<b>Total</b> S\$'000
At 1 January 2023	21	118	19	158
Charge to profit or loss	(1)	(118)	-	(119)
<b>At 31 December 2023 and 1 January 2024</b>	<b>20</b>	<b>-</b>	<b>19</b>	<b>39</b>
Charge to profit or loss	(18)	-	-	(18)
<b>At 31 December 2024</b>	<b>2</b>	<b>-</b>	<b>19</b>	<b>21</b>

At the end of the reporting period, the Group has estimated unutilised tax losses of S\$19,827,000 (2023: S\$15,630,000) that can be carried forward against future taxable income. No deferred tax asset has been recognised due to the unpredictability of future profit streams. The estimated unutilised tax losses of subsidiaries in PRC of S\$8,168,000 (2023: S\$2,462,000) expire in year 2026 to 2029 (2023: 2026 to 2028). Other estimated unutilised tax losses will be carried forward indefinitely.

## 31. SHARE CAPITAL

### Ordinary shares of HK\$0.0025 (2023: HK\$0.01) each

	<b>Number of ordinary shares '000</b>	<b>Amount HK\$'000</b>
Authorised:		
<b>At 1 January 2023, 31 December 2023 and 1 January 2024</b>	<b>2,000,000</b>	<b>20,000</b>
Subdivision of shares (Note (i))	<b>6,000,000</b>	<b>-</b>
<b>At 31 December 2024</b>	<b>8,000,000</b>	<b>20,000</b>
	<b>'000</b>	<b>S\$'000</b>
Issued and fully paid:		
At 1 January 2023	<b>1,230,000</b>	<b>2,142</b>
Issue of shares (Note (ii))	<b>62,500</b>	<b>110</b>
<b>At 31 December 2023 and 1 January 2024</b>	<b>1,292,500</b>	<b>2,252</b>
Subdivision of shares (Note (i))	<b>3,877,500</b>	<b>-</b>
<b>At 31 December 2024</b>	<b>5,170,000</b>	<b>2,252</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 31. SHARE CAPITAL *(Continued)*

### Ordinary shares of HK\$0.0025 (2023: HK\$0.01) each *(Continued)*

Notes:

- (i) On 12 December 2024, every one (1) existing issued and unissued Share of par value of HK\$0.01 each in the share capital of the Company into four (4) Subdivided Shares of par value of HK\$0.0025 each in the share capital of the Company.
- (ii) On 18 October 2023, the Company issued 62,500,000 ordinary new shares at a subscription price of HK\$1.6 per share for a total cash consideration of HK\$100,000,000 (equivalent to S\$17,470,000).

### Capital management

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Group's overall strategy remains unchanged from prior year.

The capital structure of the Group consists of debt, which includes lease liabilities, borrowings, and equity, which includes share capital, share premium, share-based payment reserve, merger reserve, exchange reserve, equity investment revaluation reserve, retained profits/(accumulated losses) and non-controlling interests.

The management of the Group reviews the capital structure from time to time. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations by the management, the Group will balance its overall capital structure through the payment of dividends, the issue of new shares and new debts.

The gearing ratios of the Group are as follows:

	<b>2024</b> <b>S\$'000</b>	2023 S\$'000
Total debt	<b>14,522</b>	10,081
Total equity	<b>32,779</b>	37,490
Gearing ratio	<b>44%</b>	27%

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	2024 S\$'000	2023 S\$'000
<b>ASSETS</b>		
<b>Non-current assets</b>		
Investments in subsidiaries	–	–
<b>Current assets</b>		
Other receivables and prepayments	46	37
Amounts due from subsidiaries	16,541	18,560
Bank and cash balances	22	22
	<b>16,609</b>	18,619
<b>TOTAL ASSETS</b>	<b>16,609</b>	18,619
<b>EQUITY AND LIABILITIES</b>		
<b>Equity</b>		
Share capital	2,252	2,252
Reserves	7,930	10,074
<b>Total equity</b>	<b>10,182</b>	12,326
<b>Liabilities</b>		
<b>Current liabilities</b>		
Other payables	538	518
Amounts due to subsidiaries	5,889	5,775
<b>Total liabilities</b>	<b>6,427</b>	6,293
<b>NET ASSETS</b>	<b>10,182</b>	12,326
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>16,609</b>	18,619

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 33. RESERVES

### (a) The Group

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of profit or loss and other comprehensive income and the consolidated statement of changes in equity.

### (b) The Company

	Share premium S\$'000	Share-based payment reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
At 1 January 2023	14,959	–	(20,299)	(5,340)
Total comprehensive expense for the year	–	–	(1,946)	(1,946)
Issue of shares	17,360	–	–	17,360
<b>At 31 December 2023 and 1 January 2024</b>	<b>32,319</b>	<b>–</b>	<b>(22,245)</b>	<b>10,074</b>
Total comprehensive expense for the year	–	–	(15,296)	(15,296)
Share-based payments	–	13,152	–	13,152
<b>At 31 December 2024</b>	<b>32,319</b>	<b>13,152</b>	<b>(37,541)</b>	<b>7,930</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 33. RESERVES *(Continued)*

### (c) Nature and purpose of reserves

#### (i) *Share premium*

Under the Companies Law of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which the dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

#### (ii) *Share-based payment reserve*

Share-based payment reserve represents the fair value of the actual or estimated number of unexercised share options granted to directors and employees of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 3 to the consolidated financial statements.

#### (iii) *Merger reserve*

Merger reserve represents the difference between the value of shares issued by the Company in exchange for the value of shares acquired in respect of the acquisition of subsidiaries accounted for under the pooling-of-interest method.

#### (iv) *Exchange reserve*

Exchange reserve comprises all foreign exchange differences arising from the translation of the financial statements of foreign operations. The reserve is dealt with in accordance with the accounting policies in note 3 to the consolidated financial statements.

#### (v) *Equity investment revaluation reserve*

Equity investment revaluation reserve comprises the cumulative net change in the fair value of equity investments at fair value through other comprehensive income held at the end of the reporting period and is dealt with in accordance with the accounting policy in note 3 to the consolidated financial statements.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (a) Acquisition of Neuhaus Engineering Pte. Ltd.

On 20 October 2023, the Group acquired 100% interests in Neuhaus Engineering Pte. Ltd. ("**Neuhaus**"), a company established in the Singapore with limited liabilities, at a cash consideration of S\$6,911,000. The acquisition was completed on 30 November 2023.

At the date of acquisition, Neuhaus owned investment property for provision of dormitory and did not have any staff, relating to strategic management, operational and resource management processes. The directors of the Company consider that the acquisition of Neuhaus does not constitute a business combination.

	S\$'000
Net assets acquired:	
Property, plant and equipment	12
Right-of-use assets	25
Investment properties	11,572
Trade receivables	70
Deposits and prepayments	154
Bank and cash balances	116
Trade and other payables	(205)
Borrowings	(4,745)
Lease liabilities	(28)
Current tax liabilities	(60)
	<hr/>
	6,911
	<hr/>
Total consideration transferred – satisfied by cash	6,911
	<hr/>
Net cash outflow arising on acquisition:	
Cash consideration paid	6,911
Less: cash and cash equivalents acquired	(116)
	<hr/>
	6,795
	<hr/>

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

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

### (b) Acquisition of Jinhai Pioneer

On 11 October 2024 (“**Date of Acquisition**”), the Group acquired 55% of issued share capital of Jinhai Pioneer, a company established in the PRC with limited liabilities, at a cash consideration of RMB8,250,000 (equivalent to approximately S\$1,535,000). Jinhai Pioneer was engaged in the provision of minimally invasive surgery solutions and medical products during the year.

The fair value of the identifiable assets and liabilities of Jinhai Pioneer acquired as at its Date of Acquisition is as follows:

	S\$'000
Net assets acquired:	
Other receivables, deposits and prepayments	9
Bank and cash balances	1,835
Other payables	(2)
	<b>1,842</b>
Net assets acquired of	
Non-controlling interests	(829)
Goodwill	522
	<b>1,535</b>
Total consideration transferred – satisfied by cash	<b>1,535</b>
Net cash inflow arising on acquisition:	
Cash consideration paid	1,535
Less: cash and cash equivalents acquired	(1,835)
	<b>(300)</b>

The non-controlling interest in Jinhai Pioneer was measured by reference to the proportionate share of recognised amounts of net assets of Jinhai Pioneer.

The goodwill arising on the acquisition of Jinhai Pioneer is attributable to the anticipated profitability of the distribution of the Group’s products in the new markets and the anticipated future operating synergies from the combination.

Jinhai Pioneer contributed approximately S\$52,000 and S\$352,000 to the Group’s revenue and loss for the year respectively for the period between the Date of Acquisition and the end of the reporting period.

If the acquisition had been completed on 1 January 2024, total Group revenue for the year would have been S\$50,252,000 and loss for the year would have been S\$18,365,000. The proforma information is for illustrative purposes only and is not necessarily an indication of the revenue and results of operations of the Group that actually would have been achieved had the acquisition been completed on 1 January 2024, nor is intended to be a projection of future results.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

### (c) Disposal of Anhui Jinhai Hanxi Technology Company Limited (“Anhui Jinhai Hanxi”)

On 8 November 2023, Jinhai Technology Ningbo (as the transferor) entered into the Equity Transfer Agreement with Wuhan Hanxi Technology Company Limited (“**Wuhan Hanxi**”) (as the transferee) and Anhui Jinhai Hanxi, pursuant to which Jinhai Technology Ningbo has agreed to sell and Wuhan Hanxi has agreed to purchase 60% equity interest in Anhui Jinhai Hanxi, for a total consideration of RMB6,200,000 (equivalent to approximately S\$1,154,000). The disposal was completed on 21 November 2023.

Net assets at the date of disposal were as follows:

	S\$'000
Property, plant and equipment	2,080
Right-of-use assets	56
Inventories	734
Trade and other receivables, deposits and prepayments	690
Fixed bank deposits	930
Bank and cash balances	1
Trade and other payables	(1,236)
Borrowings	(1,861)
Lease liabilities	(59)
	<hr/>
Net assets disposed of	1,335
Release of foreign currency translation reserve	133
Non-controlling interests	(534)
Gain on disposal of a subsidiary	220
	<hr/>
Total consideration – satisfied by cash	1,154
	<hr/>
Net cash inflow arising on disposal:	
Cash consideration received	1,154
Cash and cash equivalents disposed of	(1)
	<hr/>
	1,153
	<hr/>

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

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

### (d) Disposal of Priceless Developments Limited

On 31 July 2024, Real Value Global Limited (“**Real Value**”) (as the vendor), a wholly-owned subsidiary of the Company, entered into the Sale and Purchase Agreement with Mr. Ong Shen Chieh (“**Mr. Ong**”) (as the purchaser), pursuant to which Real Value has agreed to sell and Mr. Ong has agreed to purchase, 1 share representing the entire issued share capital of Priceless Developments Limited, along with its wholly-owned subsidiary, Kanon Global, for a total consideration of S\$20,000. The disposal was completed on 1 August 2024.

Net assets at the date of disposal were as follows:

	S\$'000
Bank and cash balances	3
Net assets disposed of	3
Gain on disposal of a subsidiary	17
Total consideration satisfied by cash	20
Net cash inflow arising on disposal:	
Cash consideration received	20
Cash and cash equivalents disposed of	(3)
	17

### (e) Purchase of non-controlling interests

During the year ended 31 December 2023, the Group acquired 43% interests in a 57% subsidiary, Shanghai Jinhai Medical Technology Company Limited, from the non-controlling shareholders at a cash consideration of RMB5,560,000 (equivalent to approximately S\$1,044,000).

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS *(Continued)*

### (f) Changes in liabilities arising from financing activities

The following table shows the Group's changes in liabilities arising from financing activities during the year:

	<b>Lease liabilities</b>	<b>Borrowings</b>	<b>Total liabilities from financing activities</b>
	S\$'000	S\$'000	S\$'000
At 1 January 2023	2,513	1,936	4,449
Changes in cash flows	(3,889)	(19)	(3,908)
Non-cash changes			
– Acquisition of a subsidiary (Note 34(a))	28	4,745	4,773
– Disposal of a subsidiary (Note 34(c))	(59)	(1,861)	(1,920)
– Addition	6,847	–	6,847
– Interest charged	202	19	221
– Exchange difference	(278)	(103)	(381)
<b>At 31 December 2023 and 1 January 2024</b>	<b>5,364</b>	<b>4,717</b>	<b>10,081</b>
Changes in cash flows	<b>(2,808)</b>	<b>5,322</b>	<b>2,514</b>
Non-cash changes			
– Addition	<b>397</b>	<b>–</b>	<b>397</b>
– Interest charged	<b>402</b>	<b>371</b>	<b>773</b>
– Exchange difference	<b>367</b>	<b>390</b>	<b>757</b>
<b>At 31 December 2024</b>	<b>3,722</b>	<b>10,800</b>	<b>14,522</b>

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 35. SHARE-BASED PAYMENTS

The Company operates a share option scheme (the "**Share Option Scheme**") adopted on 29 December 2023.

The purposes of the Share Option Scheme are (i) to provide Eligible Participants (as defined below) with the opportunity to acquire proprietary interests in the Company and to encourage Eligible Participants to work towards enhancing the value of the Company and its Shares for the benefit of the Company and its Shareholders as a whole; (ii) to motivate Eligible Participants to contribute to the success of the Group's operations; and (iii) to provide the Company with a flexible means of retaining, incentivising, rewarding, remunerating, compensating and/or providing benefits to Eligible Participants.

Eligible participants of the Share Option Scheme include: (a) director(s) and employee(s) of the Company or any of its subsidiaries (including persons who are granted Options, share options or awards as an inducement to enter into employment contracts with the Company or any of its subsidiaries) (the "**Employee Participants**"); (b) person(s) who provide services to the Group on a continuing or recurring basis in its ordinary and usual course of business which are in the interests of the long-term growth of the Group, including but not limited to person(s) who work for the Company as independent contractors (including advisers, consultants, contractors, suppliers, agents, entities providing research, development or other technological support and service providers of any member of the Group) where the continuity and frequency of their services are akin to those of employees, but excluding placing agents or financial advisers providing advisory services for fundraising, mergers or acquisitions or professional service providers such as auditors or valuers who provide assurance, or are required to perform their services with impartiality and objectivity (the "**Service Providers**"); and (c) directors and employees of the holding companies, fellow subsidiaries or associated companies of the Company objectivity (the "**Related Entity Participants**") (collectively "**Eligible Participants**").

The total number of Shares to be issued upon exercise of all options to be granted under the Share Option Scheme and any other Share Option Scheme adopted by the Group must not in aggregate exceed 10% of the Shares in issue as at the date of the shareholders' approval in general meeting (the "**Scheme Mandate Limit**"). The Company may renew the Scheme Mandate Limit with shareholders' approval provided that each such renewal may not exceed 10% of the Shares in issue as at the date of the shareholders' approval.

Unless approved by shareholders of the Company, the total number of Shares issued and to be issued upon exercise of the options granted under the Share Option Scheme and any other share option scheme of the Group (including both exercised or outstanding options) to each participant in any 12-month period shall not exceed 1% of the issued Shares of the Company for the time being.

The vesting period for options shall not be less than 12 months.

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 35. SHARE-BASED PAYMENTS *(Continued)*

An option may be accepted by a participant within 21 days from the date of the offer for grant of the option. An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period to be notified by the Board to each grantee, which period must expire no later than 10 years the date on which the offer for grant of the option is made.

As set out in the Share Option Scheme, the Options granted or conditionally granted are subject to, among others, (i) clawback mechanism at the discretion of the Board (and the Remuneration Committee, in the case of grant of Options to Directors and senior management of the Group) in the event of misconduct (such as: (a) any material misstatements or omissions in the Company's financial statements by a Grantee; (b) any violation by a Grantee of confidentiality or non-competition obligations owed to the Group, or any leakage by such Grantee of the Group's trade secrets, intellectual property or proprietary information; (c) any termination of employment contracts by a Grantee without notice or payment in lieu of notice; (d) any conviction of any criminal offence by a Grantee involving integrity or honesty; or (e) any conduct of a Grantee that has material adverse effect to the reputation or interests of the Group); and (ii) lapse of Options upon occurrence of certain events as stipulated in the Share Option Scheme, including but not limited to cessation of employment of the Grantees.

The exercise price is determinable by the directors and is at least the highest of:

- (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of grant;
- (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of grant; and
- (c) the nominal value of the Shares on the date of grant.

Share options do not confer rights on the holder to dividends or to vote at shareholders' meetings.

Details of the specific categories of share options granted on 9 January 2024 are as follows:

<b>Tranche</b>	<b>Vesting period</b>	<b>Exercise period</b>	<b>Percentage of share options to be vested</b>
First	9 January 2024 to 30 April 2025	1 May 2025 to 9 January 2034	20%
Second	9 January 2024 to 30 April 2026	1 May 2026 to 9 January 2034	30%
Third	9 January 2024 to 30 April 2027	1 May 2027 to 9 January 2034	50%

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 35. SHARE-BASED PAYMENTS *(Continued)*

Details of the share options outstanding during the year are as follows:

	Number of share options '000	Weighted average exercise price HK\$
<b>At 1 January 2023, 31 December 2023 and 1 January 2024</b>	–	N/A
Granted	128,605	2.540
Lapsed	(1,293)	2.540
Subdivision of shares (Note)	381,933	N/A
<b>At 31 December 2024</b>	<b>509,245</b>	<b>0.635</b>
<b>Exercisable at 31 December 2024</b>	–	N/A

Note: The Company's share subdivision is completed on 12 December 2024, details please refer to note 31 to the consolidated financial statements. The number and weighted average exercise price of outstanding and exercisable share options are adjusted to 509,245,000 and HK\$0.635 respectively.

The share options outstanding at the end of the year have a remaining contractual life of 9 years.

The closing price of the ordinary shares of the Company on the date of grant of share options was HK\$2.54.

Details of the share options granted on 9 January 2024 was as follows:

Estimated fair value of options: HK\$185,820,000

These fair value were calculated using binomial option pricing model.

Exercise price: HK\$2.54

Risk free interest rate: 3.48%

Expected volatility: 60.59%

Expected life of the options: 10 years

Expected dividend yield: Nil

Expected volatility was determined by calculating the historical volatility of the Company's share prices.

# Notes to the Consolidated Financial Statements

for the year ended 31 December 2024

## 36. CONTINGENT LIABILITIES

As at 31 December 2024, the Group did not have any significant contingent liabilities (2023: nil).

## 37. CAPITAL COMMITMENTS

The Group's capital commitments at the end of the reporting period are as follows:

	2024 S\$'000	2023 S\$'000
Investment property		
– Contracted but not provided for	–	9,162

## 38. RELATED PARTY TRANSACTIONS

In addition to those related party transactions and balances disclosed elsewhere in notes to the consolidated financial statements, the Group had the following transactions with its related parties during the year:

	2024 S\$'000	2023 S\$'000
Sub-leasing income received from a related company (Note)	38	–
Borrowing from the ultimate holding company	875	–

Note: A related company is classified as a related party to the Group, as Mr. CHEN Guobao, the executive director of the Company, is the ultimate beneficial shareholder of this related company.

## 39. EVENTS AFTER THE REPORTING PERIOD

The Directors confirm that no major event that affects the Group after 31 December 2024 and up to the date of this annual report.

## 40. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements were approved and authorised for issue by the board of directors on 28 March 2025.

# Five Years Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the consolidated financial statements is set out below:

## RESULTS

	<b>2024</b> <b>S\$'000</b>	<b>Year ended 31 December</b>			
		2023 S\$'000	2022 S\$'000	2021 S\$'000 (Restated)	2020 S\$'000
Revenue	<b>50,241</b>	45,644	22,280	21,896	22,472
Gross profit	<b>11,477</b>	12,029	10,116	7,727	8,855
(Loss)/profit before tax	<b>(18,227)</b>	(3,217)	784	(62)	1,426
(Loss)/profit for the year	<b>(18,255)</b>	(4,112)	116	(498)	1,263
Total comprehensive (expense)/income for the year attributable to owners of the Company	<b>(18,820)</b>	(3,060)	93	(100)	1,288

## ASSETS AND LIABILITIES

	<b>2024</b> <b>S\$'000</b>	<b>As at 31 December</b>			
		2023 S\$'000	2022 S\$'000	2021 S\$'000 (Restated)	2020 S\$'000 (Restated)
<b>Assets</b>					
Non-current assets	<b>28,703</b>	19,538	6,969	3,061	6,966
Current assets	<b>30,164</b>	42,682	33,302	30,708	32,531
Total assets	<b>58,867</b>	62,220	40,271	33,769	39,497
<b>Liabilities</b>					
Non-current liabilities	<b>2,731</b>	3,478	1,681	279	756
Current liabilities	<b>23,357</b>	21,252	13,998	9,466	14,366
Total liabilities	<b>26,088</b>	24,730	15,679	9,745	15,122
<b>Total equity</b>	<b>32,779</b>	37,490	24,592	24,024	24,375