

Cool Link (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8491

2025

ANNUAL REPORT

CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)

GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.

Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to high market volatility than securities traded on the Main Board of the Stock Exchange and no assurance is given that there will be a liquid market in the securities traded on GEM.

Hong Kong Exchanges and Clearing Limited and the Stock Exchange take no responsibility for the contents of this report, make no representation as to its accuracy or completeness and expressly disclaim any liability whatsoever for any loss howsoever arising from or in reliance upon the whole or any part of the contents of this report.

This report, for which the directors (the “Directors”) of Cool Link (Holdings) Limited (the “Company” and together with its subsidiaries, the “Group”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief the information contained in this report is accurate and complete in all material respects and not misleading or deceptive, and there are no other matters the omission of which would make any statement herein or this report misleading.

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Corporate Information

As of 27 March 2026

BOARD OF DIRECTORS

Executive Directors

Mr. Tan Seow Gee (*Co-chairman*)

Mr. Guo Guixian (*Co-chairman*)

Mr. Gay Teo Siong

Mr. Xie Renren

Independent non-executive Directors

Ms. Chan Oi Chong

Ms. Luk Huen Ling Claire

Mr. Peng Xiukai (Resigned on 27 May 2025)

Ms. Chan Wai Nga (appointed on 27 May 2025)

AUDIT COMMITTEE

Ms. Chan Wai Nga (*Chairlady*)
(appointed on 27 May 2025)

Ms. Chan Oi Chong

Ms. Luk Huen Ling Claire

Mr. Peng Xiukai (Resigned on 27 May 2025)

REMUNERATION COMMITTEE

Ms. Chan Oi Chong (*Chairlady*)

Mr. Gay Teo Siong

Ms. Luk Huen Ling Claire

Mr. Peng Xiukai (Resigned on 27 May 2025)

Ms. Chan Wai Nga (appointed on 27 May 2025)

NOMINATION COMMITTEE

Ms. Luk Huen Ling Claire (*Chairlady*)

Ms. Chan Oi Chong

Mr. Gay Teo Siong

Mr. Peng Xiukai (Resigned on 27 May 2025)

Ms. Chan Wai Nga (appointed on 27 May 2025)

COMPLIANCE OFFICER

Mr. Tan Seow Gee

COMPANY SECRETARY

Mr. Chow Justin Ting Fun

AUTHORISED REPRESENTATIVES

Mr. Tan Seow Gee

Mr. Chow Justin Ting Fun

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE IN THE CAYMAN ISLANDS

Conyers Trust Company (Cayman) Limited

Cricket Square, Hutchins Drive

P.O. Box 2681

Grand Cayman KY1-1111

Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Boardroom Share Registrars (HK) Limited

Room 2103B, 21/F.

148 Electric Road

North Point

Hong Kong

AUDITOR

Prism Hong Kong Limited

Certified Public Accountants

Units 1903A-1905, 19.F

8 Observatory Road

Tsim Sha Tsui, Kowloon

Hong Kong

Corporate Information

As of 27 March 2026

PRINCIPAL BANKER

United Overseas Bank Limited
80 Raffles Place, UOB Plaza
Singapore 048624

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681
Grand Cayman KY1-111
Cayman Islands

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

Unit 2007, level 20, K11 Atelier,
Victoria Dockside,
18 Salisbury Road,
Tsim Sha Tsui,
Hong Kong

HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

No. 33 Chin Bee Crescent
Singapore 619901

COMPANY'S WEBSITE

<http://www.coollink.com.sg>

STOCK CODE

8491

Chairman's Statement

Dear Shareholders,

On behalf of the Board of Director (the "Board"), I am pleased to present the annual report of the Group for the year ended 31 December 2025.

For the year ended 31 December 2025, the Group recorded total revenue of approximately S\$29.4 million, maintained at a similar level compared with the previous financial year. The Group recorded a loss of approximately S\$1.6 million for the year ended 31 December 2025 as compared to a loss of approximately S\$4.2 million for the year ended 31 December 2024. The increase in loss was mainly attributable to the i) recognition of impairment losses on interests in associate; and ii) increase in administrative expenses.

Going forward, despite the unfavorable and challenging business environment, the Group will continuously focus its efforts to expand its business by broadening the customer base and cultivate new clients for long term growth. In addition, the Group continues to seek for different business and investment opportunities. The Group will also put in place sound corporate governance and effective cost controls to maximise the return to the shareholders.

On behalf of the Board, I would like to express my sincere gratitude to the relentless support of all our valuable shareholders, investors, suppliers, business partners and customers. The management team and all staff members of the Group will continue striving for better results for the Group and bringing returns to the shareholders. The Group has also explored new business opportunities to maximize the interest of the Company and its shareholders as a whole and shoulder its corporate social responsibilities on contributing the society.

Tan Seow Gee

Chairman and Executive Director

Hong Kong, 27 March 2026

Management Discussion and Analysis

BUSINESS REVIEW

The Group is principally engaged in food and healthcare supplies business in Singapore and Hong Kong and trading of footwear in PRC. During the year ended 31 December 2025, the Group continued to supply products to ship chandlers, retailers and customers who are in the related service industry.

The Group's suppliers mainly comprise manufacturers and trading companies around the globe, including but not limited to Asia, Europe and Middle East. The process of procuring products from our overseas suppliers requires coordination between our suppliers (who are either original manufacturers, or trading companies), overseas freight forwarders, local freight forwarders and us. Our local suppliers deliver their products to our warehouse directly at their own cost. On occasion, where the need is urgent, we may collect the products from these local suppliers ourselves.

As regards our typical sales process, we maintain an orderly system established for customers to enquire and obtain quotations for products. We coordinate and communicate with customers on their orders. Once such requests for quotations are received, we prepare quotations based on our product offering, stock level and price. Once our response is received and accepted by the customer, the customer then submits a purchase order to us. We receive the purchase order, then issue invoices for the accepted orders and arrange for packing and delivery.

We supply various types of food products mainly including canned food and packaged beverages in the dry category, various dairy products in the chilled category and ice cream and frozen cakes and pies in the frozen category to our customers, who consist mainly of ship chandlers based in Singapore. Our major products being sold include cheeses, juices, milk, ice-cream and bread etc. We also provide certain value-added food processing services. For example, we import different types of food products and repackage them according to the recipes and instructions from customer.

For the year ended 31 December 2025, the Group recorded total revenue of approximately S\$29.4 million, maintained at a similar level when compared with the previous financial year. The Group recorded a loss of approximately S\$1.6 million for the year ended 31 December 2025 as compared to a loss of approximately S\$4.2 million for the year ended 31 December 2024. The decrease in loss was mainly attributable to the i) decrease in impairment losses on interests in associate, ii) decrease in administrative expenses; and iii) decrease in selling and distribution cost.

OUTLOOK

Due to the global economic downturn and poor market sentiment, many of the businesses operated in Singapore and Hong Kong are adversely affected. However, the Group will continue its effort to promote its brand as well as to provide quality products and seize business opportunities in various regions.

The Group has been continuously exploring different opportunities to broaden its income stream and strengthen its market presence. Those disruptions pose threat on affecting the entire world and make the outlook highly uncertain. However, the Board remains optimistic and taking necessary actions to ensure the impact to our core businesses is minimized, through dedication and expansion so as to deliver sustainable growth and profitability to the Group. Looking forward, the Group will continue to adopt diversified strategies with a view to grasping all valuable business opportunities for the Group to advance its business model and to growth in the coming years.

Management Discussion and Analysis

FINANCIAL REVIEW

Revenue

The Group's revenue maintained at similar level of S\$29.4 million for the year ended 31 December 2025 as compared to 2024.

Cost of Sales

The Group's cost of sales increased by approximately S\$0.4 million or approximately 1.8% from approximately S\$22.0 million for the year ended 31 December 2024 to approximately S\$22.4 million for the year ended 31 December 2025. The increase in cost of sales was mainly due to the increase in inventory cost.

Gross Profit and Gross Profit Margin

The Group's overall gross profit decreased by approximately S\$0.4 million or approximately 5.4% from approximately S\$7.4 million for the year ended 31 December 2024 to approximately S\$7.0 million for the year ended 31 December 2025. The Group's overall gross profit margin decreased from 25.2% for the year ended 31 December 2024 to 23.7% for the year ended 31 December 2025 was mainly due to the increase in inventory cost.

Selling and Distribution Costs

The Group's selling and distribution costs decreased by approximately S\$1.3 million or approximately 43.3% from approximately S\$3.0 million for the year ended 31 December 2024 to approximately S\$1.7 million for the year ended 31 December 2025. The decrease was primarily due to decrease in marketing expenses.

Administrative and Other Operating Expenses

The Group's administrative and other operating expenses decrease by approximately S\$0.9 million or approximately 11.8% from approximately S\$7.6 million for the year ended 31 December 2024 to approximately S\$6.7 million for the year ended 31 December 2025. The decrease was primarily due to the decrease in staff costs.

Finance Costs

The Group's finance costs decreased by approximately S\$113,000 or approximately 22.8% from approximately S\$496,000 for the year ended 31 December 2024 to approximately S\$383,000 for the year ended 31 December 2025. The decrease was mainly due to the decreases in interest expenses on bank borrowings.

Management Discussion and Analysis

Income Tax expenses

The Group recorded an income tax expenses of approximately S\$44,000 for the year ended 31 December 2025 as compared to income tax credit of approximately S\$12,000 for the year ended 31 December 2024. The increase in income tax expenses is due to the increase in profit of Singapore operation.

Loss for the Year

The Group's loss for the year which was decreased by approximately S\$2.6 million from approximately S\$4.2 million for the year ended 31 December 2024 to approximately S\$1.6 million for the year ended 31 December 2025. The decrease in loss was mainly attributable to the i) decrease in impairment losses on interests in associate, ii) decrease in administrative expenses; and iii) decrease in selling and distribution cost.

CAPITAL STRUCTURE

The change of capital structure of the Group during the year ended 31 December 2025 are summarized as below:

Rights issue

On 20 November, 2023, the Board proposed to implement the rights issue on the basis of three (3) right share for every one (1) Share at the subscription price of HK\$0.335 per rights share, to raise gross proceeds of approximately HK\$100.2 million before expenses by way of the rights issue of 298,956,000 rights shares, to the qualifying shareholders of the Company (the "Rights Issue"). The prospectus regarding the Rights Issue was published on 25 January 2024. The Rights Issues was completed on 12 April 2024. The details of the Rights Issues were disclosed in the Company's announcements dated 20 November 2023, 22 November 2023, 21 December 2023, 12 January 2024 and 31 December 2025. The Group expects that the unutilised net proceeds of HK\$34.2 million will be used by second half of 2026.

The Group regularly reviews and manages its capital structure to ensure that the Group will be able to continue as a going concern while maximising the return to its shareholders through optimisation of the debt and equity balance.

As at 31 December 2025, the capital structure of the Group consisted of bank borrowings, lease liabilities, cash and cash equivalents and total equity of the Group, comprising share capital, share premium, other reserve and retained profits.

Details of the Company's share capital are set out in note 33 to the consolidated financial statements in this report.

Management Discussion and Analysis

LIQUIDITY AND FINANCIAL RESOURCES

During the year ended 31 December 2025, the Group's working capital was mainly financed by internal resources and other borrowings. As at 31 December 2025, the quick ratio of the Group was approximately 1.71 times (2024: 2.13 times). The decrease was mainly due to the increase of other payables by approximately S\$1.4 million.

GEARING RATIO

The total borrowings, comprising bank borrowings and lease liabilities and promissory notes, of the Group as at 31 December 2025 were approximately S\$7.5 million (2024: S\$7.4 million). The Group's gearing ratio as at 31 December 2025 was approximately 35.5% (2024: 31.5%), which is calculated as the Group's total borrowings over the Group's total equity. The increase in gearing ratio was mainly due to the decrease in total equity.

FOREIGN EXCHANGE RISK

The Group's business is principally denominated in Singapore dollars and Hong Kong Dollars. As certain trade payables are denominated in other currencies, such as Euro, Malaysia Ringgit, Australian Dollar and United States dollars, therefore, the Group is exposed to foreign currency exchange risk. No currency hedging arrangement had been made by the Group during the year ended 31 December 2025. The Directors have positive attitude to regular monitor the exposure to foreign exchange so as to reduce the foreign rate risk to minimal.

CAPITAL EXPENDITURE

During the year ended 31 December 2025, the Group invested approximately S\$118,000 for capital expenditure which was primarily related to the Group's purchases of property, plant and equipment.

CAPITAL COMMITMENTS

As at 31 December 2025, the Group did not have material capital commitments.

CHARGES ON THE GROUP'S ASSETS

As at 31 December 2025, the Group has pledged its bank deposits, land and buildings and investment properties with net book value amounted to approximately S\$1.5 million (2024: 1.5 million), approximately S\$6.7 million (2024: S\$7.1 million) and approximately S\$0.6 million (2024: S\$0.6 million) respectively, for certain banking facilities granted to the Group.

SIGNIFICANT INVESTMENT, MATERIAL ACQUISITION AND DISPOSAL OF SUBSIDIARIES AND AFFILIATED COMPANIES

Save as disclosed in this annual report, during the year ended 31 December 2025, the Group did not have any significant investment, material acquisition nor disposal of subsidiaries and affiliated companies.

Management Discussion and Analysis

FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS

Save as disclosed in the Circular of the Company dated 25 January 2024 (the “Circular”), the Group did not have other future plans for material investments or capital assets as at 31 December 2025.

CONTINGENT LIABILITIES

As at 31 December 2025, the Group had contingent liabilities in respect of performance bonds issued in favour of certain suppliers in its ordinary course of business amounting to S\$1,274,000 (2024: S\$1,033,000). The guarantees in respect of performance bonds issued by bank are secured by bank deposits, land and buildings and investment properties of the Group and corporate guarantee of the Company.

INFORMATION ON EMPLOYEES

As at 31 December 2025, the Group employed 69 employees (2024: 60 employees) with total staff cost (including directors’ emoluments) of approximately S\$4.1 million incurred for the year ended 31 December 2025 (2024: S\$4.8 million). The Group’s remuneration packages are generally structured with reference to market terms and individual merits. In addition, the Group also provides various training courses to enhance the employees’ skills and capabilities in all aspects.

USE OF PROCEEDS

Up to 31 December 2025, the net proceeds from the Rights Issue had been applied as follows:

	Use of net proceeds HK\$'000	Unutilised net proceeds as at 1 January 2025 HK\$'000	Utilised amount during the year HK\$'000	Unutilised net proceeds as at 31 December 2025 HK\$'000
Working capital	38,900	–	–	–
Repayment of promissory notes	18,000	–	–	–
Potential merger and acquisition	30,000	30,000	–	30,000
Acquisition and replacing of property, plant and equipment	6,000	4,900	708	4,192
Upgrading of I.T. system	2,000	–	–	–
Promotion and marketing expenses	3,000	–	–	–
	97,900	34,900	708	34,192

The future plans and use of proceeds as stated in the Prospectus were based on the best estimation and assumption of future market conditions made by the Group at the time of preparing the Prospectus. The actual use of proceeds was applied in accordance with the actual development of the Group’s business and the industry conditions. The Group expects that the unutilised net proceeds will be used by second half of 2026.

Report of the Directors

The Directors of the Company presents herewith the annual report together with the audited consolidated financial statements of the Group for the year ended 31 December 2025.

PRINCIPAL ACTIVITIES

The principal activity of the Company is investment holding while the Group is principally engaged in food and healthcare supplies business.

The activities of its principal subsidiaries are set out in note 39 to the consolidated financial statements.

BUSINESS REVIEW

The business review of the Group for the year ended 31 December 2025 is set out in the section headed "Management Discussion and Analysis" of this annual report.

RESULTS AND APPROPRIATIONS

The results of the Group for the year ended 31 December 2025 and the state of affairs of the Group as at 31 December 2025 are set forth in the consolidated financial statements on pages 41 to 127 of this annual report.

The Board does not recommend the payment of a final dividend for the year ended 31 December 2025 (2024: Nil).

FINANCIAL SUMMARY

A summary of the results, assets and liabilities of the Group for the past 5 years ended 31 December 2025, as extracted from the audited consolidated financial statements in the annual report, is set out on page 128. This summary does not form part of the consolidated financial statements in the annual report.

RESERVES

Movements in reserves of the Group during the year are set out in the consolidated statement of changes in equity on page 128 of this annual report.

DISTRIBUTABLE RESERVES

As at 31 December 2025, the Company's reserves available for distribution to owners comprising share premium less accumulated losses, amounted to approximately S\$10.3 million (2024: S\$11.9 million).

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment during the year are set out in note 14 to the consolidated financial statements of this annual report.

Report of the Directors

INVESTMENT PROPERTIES

Details of the investment properties as at 31 December 2025 are shown as below:

Location	Existing use	Lease term
27 Tuas Bay Walk #04-01 Westview Food Factory Singapore 637127	Industrial	30 years commencing from 22 July 2013
27 Tuas Bay Walk #04-02 Westview Food Factory Singapore 637127	Industrial	30 years commencing from 22 July 2013

SHARE CAPITAL

Details of movements in share capital of the Company during the year are set out in note 33 to the consolidated financial statements of this annual report.

DIRECTORS

The Directors during the year ended 31 December 2025 and up to the date of this report were:

Executive Directors

Mr. Tan Seow Gee (*Co-chairman*)

Mr. Guo Guixian (*Co-chairman*)

Mr. Gay Teo Siong

Mr. Xie Renren

Independent Non-Executive Directors

Ms. Chan Oi Chong

Ms. Luk Huen Ling Claire

Mr. Peng Xiukai

(resigned on 27 May 2025)

Ms. Chan Wai Nga

(appointed on 27 May 2025)

In accordance with the Company's articles of association (the "Articles of Association"), at each annual general meeting (the "AGM") one third of the Directors for the time being shall retire from office by rotation provided that every Director shall be subject to retirement at an AGM at least once every three years. The Directors to retire by rotation shall include any Director who wishes to retire and not offer himself/herself for re-election.

Any Director appointed to fill a casual vacancy shall hold office until the first general meeting of members after his/her appointment and be subject to re-election at such meeting and any Director appointed as an addition to the existing board shall hold office only until the next following AGM of the Company and shall then be eligible for re-election.

Report of the Directors

The Company has received annual written confirmation of her independence from each of the independent non-executive Directors pursuant to Rule 5.09 of the GEM Listing Rules and the Company considers all the independent non-executive Directors to be independent.

DIRECTORS' SERVICE CONTRACTS

Each of the executive Directors has entered into a service agreement with the Company for a term of three years commencing from 22 September 2017 and will continue thereafter until terminated in accordance with the terms of the service agreement.

The non-executive Director has entered into a letter of appointment with the Company for a term of three years and will continue thereafter until terminated in accordance with the terms of the appointment letter.

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

Save as aforesaid, none of the Directors has or is proposed to have a service contract with the Company or any of its subsidiaries (other than contracts expiring or determinable by the Group within one year without the payment of compensation (other than statutory compensation)).

BIOGRAPHIES OF DIRECTORS AND SENIOR MANAGEMENT

The biographical details of the Directors and senior management are disclosed in the section headed "Biographies of Directors and Senior Management" on pages 33 to 35 of this annual report.

DIRECTORS' REMUNERATIONS

Details of the remunerations of the Directors are set out in note 11 to the consolidated financial statements of this annual report.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the paragraph headed "Directors' and chief executives' interests and short positions in shares, underlying shares and debentures of the Company and its associated corporation" below, at no time during the year was the Company, its holding company, or any of its subsidiaries or fellow subsidiaries a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares or underlying shares in, or debentures of, the Company or its associated corporations.

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

There has been no transaction, arrangement or contract of significance to which the Company, its holding company, or any of its subsidiaries or fellow subsidiaries was a party and in which a Director or an entity connected with the Director is or was materially interested, either directly or indirectly, subsisting during or at the end of the year.

Report of the Directors

EQUITY-LINKED AGREEMENTS

Saved for the share option scheme adopted by the Company on 30 August 2017 (“Share Option Scheme”) as disclosed in the section headed “Share Option Scheme” of this Report of the Directors, the Company has not entered into any equity-linked agreement for the year ended 31 December 2025.

MAJOR CUSTOMERS AND SUPPLIERS

Sales to the Group’s five largest customers accounted for approximately 45.1% and sales to the Group’s largest customer amounted to approximately 12.2% of the total sales for the year ended 31 December 2025. Purchases from the Group’s five largest suppliers accounted for approximately 29.9% and purchases from the Group’s largest supplier amounted to approximately 9.7% of the total cost of purchases for the year ended 31 December 2025.

To the best knowledge of the Directors, neither the Directors, their close associates, nor any shareholders (which to the knowledge of the Directors owned more than 5% of the Company’s issued shares), had any beneficial interest in any of the Group’s five largest customers or suppliers during the year ended 31 December 2025.

DONATIONS

During the year ended 31 December 2025 and 2024, no charitable donation was made.

RELATED PARTY TRANSACTIONS

Related party transactions of the Group during the year are disclosed in note 36 to the consolidated financial statements. To the best knowledge of the Directors, none of these related party transactions constitutes connected transactions that need to be disclosed under the GEM Listing Rules.

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

Neither the Company nor any of its subsidiaries has purchased, sold or redeemed any of the Company’s listed securities during the year ended 31 December 2025.

COMPETITION AND CONFLICT OF INTERESTS

None of the Directors or substantial shareholders of the Company or any of their respective associates has engaged in any business that competes or may compete with the business of the Group or has any other conflict of interests with the Group during the year ended 31 December 2025.

COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standards of corporate governance to safeguard the interests of its shareholders and to enhance corporate value. The Company’s corporate governance practices are based on the principles and code provision as set out in the Corporate Governance Code (“**CG Code**”) in Appendix 15 to the GEM Listing Rules. The Company had complied with the code provisions in the CG Code during the year ended 31 December 2025.

Report of the Directors

DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings set out in rules 5.48 to 5.67 of the GEM Listing Rules as the code of conduct regarding Directors' securities transactions in securities of the Company.

PRE-EMPTIVE RIGHTS

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

MANAGEMENT CONTRACTS

During the year ended 31 December 2025, the Company did not enter into or have any management and administration contracts (other than a contract of service with any Director or any person under the full-time employment of the Company) in respect of the whole or any substantial part of the business of the Company.

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

As at 31 December 2025, the interests and short positions of the Directors or 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 to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO, or pursuant to Section 352 of the SFO, to be entered in the register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to Rule 5.46 to 5.67 of the GEM Listing Rules, were as follows:

Long position in shares and underlying shares of the Company

Name	Capacity/ Nature of interest	Number of shares held interested	Number of underlying shares held	Approximate percentage of shareholding (Note 1)
Mr. Tan Seow Gee	Beneficial owner/Personal interest	11,760,000	—	2.95%
Mr. Gay Teo Siong ("Mr. Gay")	Beneficial owner/Personal interest/	13,107,000	—	3.29%
Ms. Yeo Poh Choo ("Ms. Yeo")	Interest of spouse	13,107,000 (Note 2)	—	3.29%
Zumegnsi Technology Group Limited	Beneficial owner	59,670,000 (Note 3)	—	14.97%
Mr. Guo Guixian	Beneficial owner	26,865,000 (Note 3)	—	6.74%

Report of the Directors

Notes:

1. The percentage is calculated on the basis of the total number of issued Shares as at 31 December 2025 (i.e. 398,606,168 Shares).
2. By virtue of the SFO, Mr. Gay, being the spouse of Ms. Yeo, was deemed to be interested in all Shares held by Ms. Yeo.
3. Mr. Guo owns 26,865,000 shares, representing 6.74% of the total issued share capital of the Company. Mr. Guo also owned 70% of the share in Zumegnsi Technology Group Limited (formerly known as Elephant International Holdings Group Limited), which owns 59,670,000 Shares, representing 14.97% of the total issued share capital of the Company. As such, Mr. Guo is deemed to be interested in 86,535,000 shares, representing 21.71% of the total issued share capital of the Company.

Save as disclosed above, as at 31 December 2025, none of the Directors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which would have to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which was required, pursuant to section 352 of the SFO, to be entered in the register referred to therein, or pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules to be notified to the Company and the Stock Exchange.

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

So far is known to the Directors, as at 31 December 2025, the following persons/entities (other than the Directors or chief executives of the Company) had an interest or short position in the shares or underlying shares of the Company which would fall to be disclosed to the Company under Division 2 and 3 of Part XV of the SFO or as recorded in the register of the Company required to be kept under section 336 of the SFO were as follows:

Long positions in Shares and underlying Shares

Name	Capacity/ Nature of interest	Number of shares held/interested	Approximate percentage of shareholding
Yuen Meta (International) Securities Limited	Trustee of Plan/Others	36,445,000 shares (Note 1)	9.14%

Note 1: These 36,445,000 shares were held by Excellent Success Investments Limited, which was the trustee of the Plan adopted with effect from 14 September 2021.

Save as disclosed above, as at 31 December 2025, no other interests or short positions in the shares or underlying shares of the Company which were required to be notified to the Company under Divisions 2 and 3 of Part XV of the SFO or were recorded in the register required to be kept by the Company under section 336 of the SFO.

SHARE OPTION SCHEME

The Company has adopted the share option scheme (the “Scheme”) on 30 August 2017. The purpose of the Scheme is to advance the interests of the Company and the shareholders by enabling the Company to grant options to attract, retain and reward the eligible persons and to provide the eligible persons an incentive or reward for their contribution to the Group and by enabling such persons' contribution to further advance the interests of the Group. The principal terms of the Scheme are summarised in the section headed “Share Option Scheme” in Appendix V to the Prospectus.

No share options were granted or exercised or cancelled or lapsed during the year ended 31 December 2025.

Report of the Directors

(1) Purpose

The purpose of the Share Option Scheme is to advance the interests of the Company and the shareholders by enabling the Company to grant options to attract, retain and reward the eligible persons and to provide the eligible persons an incentive or reward for their contribution to the Group and by enabling such persons' contribution to further advance the interests of the Group.

(2) Eligible person

Eligible persons include (i) any Directors (whether executive or non-executive and whether independent or not) and any employee (whether full time or part time) of the Group; (ii) any consultants or advisers (in the areas of legal, technical, financial or corporate managerial) of the Group (whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid); any provider of goods and/or services to the Group; any customer of the Group; or any holder of securities issued by any member of the Group; and (iii) any other person, who at the sole discretion of the Board, has contributed to the Group.

(3) Total number of shares available for issue

As of the date of this report, the total number of shares in respect of which options may be granted under this Share Option Scheme and any other share option schemes shall not in aggregate exceed 275,200 shares, being approximately 0.07% of the total number of shares in issue. The number of share options available for grant under scheme mandate at 1 January 2025 and 31 December 2025 were 275,200.

(4) Total maximum entitlement of each eligible person

Unless there is prior approval from the Company's shareholders, the total number of shares issued and to be issued upon exercise of the options granted to each eligible person (including both exercise and outstanding options under the Share Option Scheme) in any 12-month period shall not exceed 1% of the issued shares. Where any further grant of options to an eligible person would result in excess of such limit, such further grant must be subject to the approval of the Company's shareholders at general meeting with such eligible person and his close associates abstaining for voting.

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

Options granted must be taken up within ten business days from the date of grant. The amount payable by the grantee to the Company on acceptance of the offer shall be a nominal amount to be determined by the Board. Options may be exercised at any time during a period commencing on or after the date on which the option is accepted and granted and expiring on a date to be notified by the Board to each grantee which shall not be more than 10 years from the date on which the option is accepted and granted.

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

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

Report of the Directors

(7) Subscription price of shares

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

- (a) the closing price per share as stated in the Stock Exchange's daily quotation sheet on the offer date;
- (b) the average of the closing prices per share as stated in the Stock Exchange's daily quotation sheets for the five business days immediately preceding the offer date; and
- (c) the nominal value of the share.

(8) Life of the Share Option Scheme

The Share Option Scheme shall be valid and effective for a period of ten years commencing from the date of adoption, after which period no further options will be offered or granted but the provisions of the Share Option Scheme shall remain in full force and effect in all other aspects with respect to options granted during the life of the Share Option Scheme.

SHARE AWARD PLAN

On 14 September 2021, the Company adopted the Share Award Plan (the "**Plan**") in which the Group's employees (whether full time or part time, but exclude directors), providers of goods and/or services, customers, consultants, advisers of the Group or any invested entity, and holders of securities issued by any member of the Group will be entitled to participate (the "**Eligible Participant(s)**").

The objectives of the Plan are to (i) recognize and reward the contribution of certain Eligible Participants to the growth and development of the Group through an award of Shares and to give incentives thereto in order to retain them for the continual operation and development of the Group; and (ii) attract and remain suitable personnel for further development of the Group.

The Plan shall be subject to the administration of the Board and the trustee in accordance with the plan rules and the trust deed of the Plan. The Plan will be valid and effective from the adoption date (i.e. 14 September 2021) and will terminate on the earlier of (i) the tenth anniversary date of the adoption date; and (ii) such date of early termination as determined by the Board provided that such termination will not affect any subsisting rights of any Selected Participant under the Plan. As at the date of this report, the remaining life of the Plan is less than 7 years.

The maximum number of Share to be subscribed for and/or purchased by the Trustee by applying Trust Fund for each calendar year for the purpose of the Plan shall not exceed 10% of the total number of issued Shares as at the beginning of such calendar year subject to adjustment in the event of capitalization issue or right issue. The Directors shall not instruct the Trustee to subscribe and/or purchase any Shares for the purpose of the Plan when such subscription and/or purchase will result in the said limit being exceeded. The maximum number of Shares which may be awarded to a Selected Participant under the Plan, shall not exceed 1% of the total number of issued Shares during any 12-month period. No amount is payable on application or acceptance of the award and the period within which payments or calls must or may be made or loans for such purposes must be repaid.

Report of the Directors

A sum of approximately HK\$13,525,000 has been used to acquire 36,445,000 shares from the market by the trustee of the Plan which is available for grant as at 31 December 2025, representing 9.14% of issued shares at the date of reporting period. As at 31 December 2025, no shares have been granted under the Plan.

Details of the Plan were set out in the announcements of the Company dated 14 September 2021 and 23 November 2021.

Subscribing for such new Shares at such price to be determined by the Board for subscription by the Trustee by utilising the Trust Fund, subject to compliance by the Company with the relevant GEM Listing Rules. The purchase price of the share award should be at the prevailing market price according to the instructions set out in the purchase notice within the price range.

For the year ended 31 December 2025, the number of shares that may be issued in respect of options and awards granted under the Scheme and the Plan are 36,445,000 during the year ended 31 December 2025 divided by the weighted average number of shares of the relevant class in issue of 398,606,168 shares for the period is 9.14%.

The total number of shares available for issue under the Scheme and the Plan is 36,445,000, representing 9.14% of the issued shares as at the date of the this announcement.

EMOLUMENT POLICY

The remuneration committee is responsible for reviewing and determining the remuneration and compensation packages of the Directors and senior management of the Group with reference to salaries paid by comparable companies, time commitment and responsibilities of the Directors and performance of the Group.

The Company has adopted a Share Option Scheme and Share Award Plan as an incentive to Directors and eligible employees, details of the scheme is set out in the paragraph headed "Share Option Scheme" and "Share Award Plan" in this annual report.

CONNECTED TRANSACTIONS

During the year ended 31 December 2025, the Company had not entered into any connected transaction which is subject to the disclosure requirements under the GEM Listing Rules.

CORPORATE GOVERNANCE

The Company is committed to maintaining a high standard of corporate governance. Information on the corporate governance practices adopted by the Company is set out in the Corporate Governance Report on pages 22 to 32.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group realises the importance of environmental protection in pursuing a long-term sustainability. In particular, the Group promotes energy saving and recycling of materials in the headquarters such as turning off idle lightings, air-conditioning and electrical appliances and using recycled papers for printing and copying. The Group is committed to improving environmental sustainability and will closely monitor the performance. In accordance with Appendix 20 to the GEM Listing Rules, the Company's Environmental, Social and Governance Report will be available on its website within five months after the end of financial year.

Report of the Directors

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

As far as the Board is aware, the Group has complied with the relevant laws and regulations that have a significant impact on the business and operation of the Group. During the year ended 31 December 2025, there was no material breach or non-compliance with the applicable laws and regulations by the Group.

RELATIONSHIP WITH SUPPLIERS, CUSTOMERS AND OTHER STAKEHOLDERS

The Group understands the importance of maintaining a good relationship with its suppliers, customers and other stakeholders to meet its immediate and long-term goals. During the year ended 31 December 2025, there was no material or significant dispute between the Group and its suppliers, customers and/or stakeholders.

PRINCIPAL RISKS AND UNCERTAINTIES

Business Risk

The Group may be unable to retain or replace the Group's major customers. While the Group has good working relationships with the customers, there is no assurance that they will continue to place orders with the Group at all or at current levels in the future. In the event that the Group's major customers significantly reduce their orders with the Group, the business and results of operations of the Group will be adversely affected. As such, the Group is also exposed to inventory risk and stock obsolescence if the Group is unable to predict with certainty the customers' demands.

Economic and Political Risk

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

Financial Risk

The Group is exposed to financial risks related to foreign currency, interest rate, credit and liquidity in the normal course of business. For details of such financial risks, please refer to note 45 to the consolidated financial statements.

People Risk

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

Report of the Directors

SUFFICIENCY OF PUBLIC FLOAT

Based on the information that is publicly available to the Company and to the best knowledge of the Directors, the Company has maintained the prescribed minimum public float under the GEM Listing Rules during the year ended 31 December 2025 and thereafter up to the date of this report.

PERMITTED INDEMNITY PROVISION

Pursuant to the Articles of Association of the Company, subject to the applicable laws and regulations, every Director shall be indemnified and secured harmless out of the assets and profits of the Company against all actions, costs, charges, losses, damages and expenses which they or any of them may incur or sustain in or about the execution of their duty in their offices. Such permitted indemnity provision has been in force throughout the year. The Company has arranged appropriate directors' and officers' liability insurance coverage for the directors and officers of the Group.

EVENTS AFTER THE REPORTING PERIOD

There have been no significant subsequent event occurred after 31 December 2025 and up to the date of this annual report which require disclosure.

AUDITOR

The consolidated financial statements for the year ended 31 December 2025 have been audited by Prism Hong Kong Limited. A resolution will be proposed at the forthcoming AGM of the Company to re-appoint Prism Hong Kong Limited as the auditor of the Company.

On behalf of the Board

Tan Seow Gee

Co-chairman and Executive Director

Hong Kong, 27 March 2026

Corporate Governance Report

CORPORATE GOVERNANCE PRACTICES

The Company has embraced the mission of delivering quality and innovative value-added products and services. Through the Company's operational practices, policies, and interaction with its stakeholders, including but not limited to customers, investors, suppliers and employees, it is reflected that the Company aims to achieve sustainable growth and success with its culture of building a long-term sustainable business. The Board recognises the importance of good corporate governance practices in safeguarding the interest of the shareholders, and the Company is committed to maintaining and achieving a high standard of corporate governance to enhance corporate value, business growth, accountability and transparency.

The Company has applied the principles and code provisions of the Corporate Governance Code (the "CG Code") as set out in Appendix 15 to the GEM Listing Rules. During the year ended 31 December 2025, to the best knowledge of the Board, the Company has complied with all the applicable code provisions set out in the CG Code.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Pursuant to code provision C.2.1 of the CG Code, the roles of chairman and chief executive officer are separate and not performed by the same individual in order to balance the distribution of power. Mr. Tan Seow Gee and Mr. Guo Guixian are currently the co-chairman of the Company (the "Co-chairman") and Mr. Gay Teo Siong is the chief executive officer of the Company (the "Chief Executive Officer") they are independent and not connected with each other except for being officers of the Company.

CODE OF CONDUCT FOR SECURITIES TRANSACTIONS BY DIRECTORS

The Group has adopted the required standard of dealing, as set out in Rules 5.48 to 5.67 of the GEM Listing Rules, as the code of conduct for securities transactions by the Directors in respect of the shares of the Company. Having made specific enquiry of all Directors, all Directors have confirmed that they have complied with the required standard of dealings and the code of conduct for securities transactions by Directors during the year ended 31 December 2025.

BOARD OF DIRECTORS

Composition

During the year ended 31 December 2025 and up to the date of this report, the Directors were:

Executive Directors

Mr. Tan Seow Gee (*Co-chairman*)

Mr. Guo Guixian (*Co-chairman*)

Mr. Gay Teo Siong

Mr. Xie Renren

Independent Non-Executive Directors

Ms. Chan Oi Chong

Ms. Luk Huen Ling Claire

Mr. Peng Xiukai

Ms. Chan Wai Nga

(resigned on 27 May 2025)

(appointed on 27 May 2025)

Corporate Governance Report

Responsibilities

The Board takes the responsibility to oversee all major matters of the Company, including but not limited to formulating and approving the overall strategies and business performance of the Company, monitoring the financial performance and internal control as well as overseeing the risk management system of the Company and monitoring the performance of senior executives. The Board is also responsible for performing the corporate governance duties, including the developing and reviewing the Company's policies and practices on corporate governance. The day-to-day management, administration and operations of the Group are delegated to the senior management of the Company. The delegated functions and work tasks are reviewed by the Board periodically.

Liability insurance for Directors was maintained by the Company with coverage for any legal liabilities which may arise in the course of performing their duties.

As of the date of this annual report, the Board comprises four executive Directors, namely Mr. Tan Seow Gee, Mr. Guo Guixian, Mr. Gay Teo Siong and Mr. Xie Renren; and three independent non-executive Directors, namely Ms. Chan Oi Chong, Ms. Luk Huen Ling Claire and Ms. Chan Wai Nga.

The biographic details of the Directors are set out in the section headed "Biographies of Directors and Senior Management" on pages 33 to 35 of this annual report. The Directors have no other financial, business, family or other material/relevant relationship with each other.

The Company has complied with the requirements under Rule 5.05(1) and (2), and 5.05A of the GEM Listing Rules during the year ended 31 December 2025. All independent non-executive Directors also meet the guidelines for assessment of their independence as set out in Rule 5.09 of the GEM Listing Rules.

APPOINTMENT AND RE-ELECTION OF DIRECTORS

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

BOARD MEETINGS AND PROCEDURES

Board members were provided with complete, adequate and timely information to allow them to fulfill their duties properly. In compliance with code provision C.5.3 of the CG Code, at least 14 days' notice has been given for a regular Board meeting to give all Directors an opportunity to attend. Notice, agenda and board papers of regular Board meetings are sent to all Directors within reasonable time and at least 3 days prior to the meetings. Directors are free to contribute and share their views at meetings and major decisions will only be taken after deliberation at Board meetings. Directors who are considered having conflict of interests or material interests in the proposed transactions or issues to be discussed will not be counted in the quorum of meeting and will abstain from voting on the relevant resolutions. Full minutes are prepared after the meetings and the draft minutes are sent to all Directors for their comments before the final version of which are endorsed in the subsequent Board meeting.

Corporate Governance Report

Details of the attendance of the Board meetings, the Company's audit committee (the "Audit Committee") meetings, the Company's remuneration committee (the "Remuneration Committee") meetings, the Company's nomination committee (the "Nomination Committee") meetings and general meeting of the Company held during the year ended 31 December 2025 are summarised as follows:

	Meetings attended/Meetings eligible to attend					
	Board meeting	Audit Committee meeting	Remuneration Committee meeting	Nomination Committee meeting	AGM	EGM
Executive Directors						
Mr. Tan Seow Gee	7/7	N/A	N/A	N/A	1/1	N/A
Mr. Gay Teo Siong	7/7	N/A	4/4	4/4	1/1	N/A
Mr. Guo Guixian		N/A	N/A	N/A	N/A	N/A
Mr. Xie Renren		N/A	N/A	N/A	N/A	N/A
Independent Non-Executive Directors						
Ms. Chan Oi Chong	7/7	3/3	3/3	3/3	1/1	N/A
Ms. Luk Huen Ling Claire	7/7	3/3	3/3	3/3	1/1	N/A
Mr. Peng Xiukai (Resigned on 27 May 2025)	3/7	2/3	3/3	2/3	N/A	N/A
Ms. Chan Wai Nga (appointed on 27 May 2025)	3/7	1/3	0/3	0/3	1/1	

BOARD COMMITTEES

The Board has established specific committees, namely the Audit Committee, the Remuneration Committee and the Nomination Committee to oversee particular aspects of the Company's affairs. The written terms of reference of the Audit Committee, the Remuneration Committee and the Nomination Committee are posted on the respective websites of the Stock Exchange and the Company. All the Board committees should report to the Board on their decisions or recommendations made.

The Board is responsible for performing the functions set out in code provision A.2.1 of the CG Code. The Board reviewed the Company's corporate governance policies and practices, continuous professional development of Directors and senior management of the Company, the Company's policies and practices on compliance with legal and regulatory requirements, the code of conduct applicable to employees and Directors and the Company's compliance with the CG Code and disclosure in the Corporate Governance Report.

Corporate Governance Report

AUDIT COMMITTEE

The Company established an Audit Committee on 30 August 2017 with written terms of reference in compliance with Rule 5.28 of the GEM Listing Rules and the CG Code. The Audit Committee comprises three independent non-executive Directors and a non-executive Director: Ms. Chan Oi Chong, Ms. Luk Huen Ling Claire, and Mr. Peng Xiukai (resigned on 25 May 2025), and Ms. Chan Wai Nga (appointed on 25 May 2025). Ms. Chan Wai Nga was appointed to serve as the Chairlady of the Audit Committee on 27 May 2025. The primary duties of the Audit Committee are mainly to make recommendations to the Board on the appointment and dismissal of the external auditor, review the financial statements and information and provide advice in respect of financial reporting and oversee the risk management and internal control systems of the Company.

During the year ended 31 December 2025, the Audit Committee reviewed and discussed the relevant quarterly, interim and annual financial statements, results announcements and reports of the Group; reviewed the risk management and internal control systems of the Group; and reviewed the effectiveness of the Group's internal audit function. The Audit Committee is of the opinion that the consolidated financial statements of the Group for the year ended 31 December 2025 comply with applicable accounting standards, GEM Listing Rules and that adequate disclosures have been made.

REMUNERATION COMMITTEE

The Company established a Remuneration Committee on 30 August 2017 with written terms of reference in compliance with Rule 5.34 of the GEM Listing Rules and the CG Code. The Remuneration Committee comprises three independent non-executive Directors and one executive Director: Ms. Chan Oi Chong, Ms. Luk Huen Ling Claire, Mr. Gay Teo Siong, Mr. Peng Xiukai (resigned on 27 May 2025), and Ms. Chan Wai Nga (appointed on 27 May 2025). Ms. Chan Oi Chong was appointed as the chairlady of the Remuneration Committee. The primary functions of the Remuneration Committee are to make recommendations to the Board on the overall remuneration policy and the structure relating to all Directors and senior management of the Group, review performance-based remuneration and ensure that none of the Directors determine their own remuneration.

During the year ended 31 December 2025, the Remuneration Committee reviewed and made recommendation to the Board on the remuneration policy and structure of the Company and the remuneration packages of all Directors and senior management of the Group; reviewed management's remuneration proposals with reference to the Board's corporate goals and objectives; and ensure that none of the Directors determine their own remuneration.

NOMINATION COMMITTEE

The Company established a Nomination Committee on 30 August 2017 with written terms of reference in compliance with Rule 5.36A of the GEM Listing Rules and the CG Code. The Nomination Committee comprises three independent non-executive Directors and one an executive Director: Ms. Luk Huen Ling Claire, Ms. Chan Oi Chong, Mr. Gay Teo Siong, Mr. Peng Xiukai (resigned on 27 May 2025), and Ms. Chan Wai Nga (appointed on 27 May 2025).

Corporate Governance Report

Ms. Luk Huen Ling Claire was appointed as the chairlady of the Nomination Committee. The primary functions of the Nomination Committee are to review the structure, size and composition (including the skills, knowledge and experience) of the Board at least annually and make recommendations to the Board on any proposed changes to the Board to complement the Company's corporate strategy; identify individuals suitably qualified as potential Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships; to assess the independence of the independent non-executive Directors; and make recommendations to the Board on the appointment or reappointment of Directors and succession planning of Directors, in particular that of the Board's Chairman and the chief executive.

During the year ended 31 December 2025, the Nomination Committee reviewed the structure, size, composition and diversity of the Board; made recommendations to the Board on the re-appointment of retiring Directors; and assessed the independence of the independent non-executive Directors.

Board Nomination Policy

The Board adopted a nomination policy in compliance with the CG Code with effect from 1 January 2019, which establishes written guidelines to Nomination Committee to identify individuals suitably qualified to become Board members and make recommendations to the Board on the selection of individuals nominated for directorships with reference to the formulated criteria. The Board is ultimately responsible for selection and appointment of new Directors.

The Board, through the delegation of its authority to the Nomination Committee, has used its best efforts to ensure that Directors appointed to the Board possess the relevant background, experience and knowledge in business, finance and management skills critical to the Group's business to enable the Board to make sound and well considered decisions. Collectively, they have competencies in areas which are relevant and valuable to the Group.

Nomination Process

The Nomination Committee shall assess whether any vacancy on the Board has been created or is expected on a regular basis or as required.

The Nomination Committee utilises various methods for identifying director candidates, including recommendations from Board members, management, and professional search firms. All director candidates, including incumbents and candidates nominated by shareholders are evaluated by the Nomination Committee based upon the director qualifications. While director candidates will be evaluated on the same criteria through review of resume, personal interview and performance of background checks. The Nomination Committee retains the discretion to establish the relative weighting of such criteria, which may vary based on the composition, skill sets, age, gender and experiences of the collective Board rather than on the individual candidate for the purpose of diversity perspectives appropriate to the requirement of the Company's business.

Selection Criteria

The Nomination Committee will take into account whether a candidate has the qualifications, skills, experience and gender diversity that add to and complement the range of skills, experience and background of existing Directors by considering the highest personal and professional ethics and integrity of the director candidates, proven achievement and competence in the nominee's field and the ability to exercise sound business judgment, skills that are complementary to those of the existing Board, the ability to assist and support management and make significant contributions to the Company's success and such other factors as it may deem are in the best interests of the Company and its shareholders. The Company shall review and reassess the nomination policy and its effectiveness on a regular basis or as required.

Corporate Governance Report

DIVERSITY OF THE BOARD

The Board has adopted policy in relation to the diversity of the members of the Board and the summary of the policy is as follows:

- (1) selection of Board members will be based on a range of diversity perspectives, which would include but not limited to gender, age, cultural and educational background, professional experience, skills, knowledge and length of service; and
- (2) the Nomination Committee will monitor the implementation of the diversity policy from time to time to ensure its effectiveness.

The Board shall review such policy and its implementation and effectiveness on an annual basis to ensure the effectiveness of the policy. The Nomination Committee will also continue to give adequate consideration to the abovementioned measurable perspectives when making recommendations of candidates' appointment to the Board.

As at the date of this annual report, the Board comprises Directors with both genders, diverse background and experiences. The Board has a balanced composition for its executive Directors being in possession of extensive industrial expertise and experience in the operation of Group's business and the independent non-executive Directors contributing their independent opinions and judgements, which facilitate an effective decision-making process for the Board. The composition of the Board is reviewed on an annual basis by the Nomination Committee.

The Board also recognizes the importance of diversity at the workforce level. As at 31 December 2025, the Group had a total of 55 employees, of which 32 were male and 23 were female. The gender ratio of the Group's workforce (including senior management) was approximately 58% male to 42% female.

As the plans for the Group in terms of gender diversity in workforce, the Group will periodically review internal records on gender diversity, identify suitable female candidates for relevant positions within the Company, and try to ensure that there is gender diversity when recruiting staff at mid to senior level and training female staff with the aim of promoting them to the senior management or directorship of the Company, so as to maintain the balance of gender diversity in the foreseeable future.

NON-EXECUTIVE DIRECTOR

The non-executive Director has been appointed for a fixed term and is subject to retirement by rotation and re-election at the AGM.

INDEPENDENT NON-EXECUTIVE DIRECTORS

All independent non-executive Directors have been appointed for a fixed term. Every Director is subject to re-election on retirement by rotation in accordance with the Articles of Association. The Company has received from each of the independent non-executive Directors an annual confirmation of independence pursuant to Rule 5.09 of the GEM Listing Rules and considers the independent non-executive Directors to be independent as at the date of this annual report.

Corporate Governance Report

DIRECTORS' TRAINING AND CONTINUING PROFESSIONAL DEVELOPMENT

The Group has adopted policy in relation to the diversity of the members of the Board and the summary of the policy is as follows:

In compliance with the code provision C.1.4 of the CG Code, all Directors shall participate in continuous professional development to develop and refresh their knowledge and skills to ensure that their contribution to the Board remains informed and relevant.

The Group continuously updates the Directors on the latest developments regarding the GEM Listing Rules and other applicable regulatory requirements, so as to ensure that the Directors are aware of their responsibilities and obligations as well as to maintain good corporate governance practices.

During the year ended 31 December 2025, all Directors, namely Mr. Tan Seow Gee, Mr. Guo Guixian, Mr. Gay Teo Siong, Mr. Xie Renren, and Ms. Chan Wai Nga (appointed on 27 May 2025), Ms. Chan Oi Chong, Ms. Luk Huen Ling Claire and Mr. Peng Xiukai (Resigned on 27 May 2025) have confirmed that they have participated in continuing professional development such as attending seminars, conferences and reading materials, newspapers and journals.

COMPANY SECRETARY

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

The Company has appointed Mr. Chow Justin Ting Fun ("Mr. Chow") as the Company Secretary. He has complied with all the required qualifications, experiences and training requirements under the GEM Listing Rules. For the year ended 31 December 2025, Mr. Chow has complied with the GEM Listing Rules by taking not less than 15 hours of relevant professional training. The biographic of Mr. Chow is set out in the section headed "Biographies of Directors and Senior Management" of this report.

AUDITOR'S REMUNERATION

During the year ended 31 December 2025, the Group has engaged its external auditor, Prism Hong Kong Limited. The remuneration paid/payable to the external auditor in respect of audit services and non-audit services amounted to HK\$660,000 and nil respectively for the year ended 31 December 2025.

DIRECTORS' REMUNERATION AND FIVE HIGHEST PAID INDIVIDUALS

Details of the Directors' remuneration and five highest paid individuals set out in note 11 to the consolidated financial statements.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibilities for overseeing the preparation of the financial statements which give a true and fair view of the state of affairs of the Group. In preparing the financial statements, appropriate accounting policies and standards are selected and applied consistently. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Company's ability to continue as a going concern.

Corporate Governance Report

RISK MANAGEMENT AND INTERNAL CONTROL

The Board is accountable for overseeing the Group's risk management, including the risks relating to the Company's environmental, social and governance ("ESG") performance and internal control systems and reviewing their effectiveness, while the management are responsible for implementing and maintaining the internal controls systems that covers governance, compliance, risk management (including ESG risks), financial and operational controls to safeguard the Group's assets and stakeholders' interests. However, such systems are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss. Procedures are in place to identify major business risks and evaluate potential financial implications. The Board recognizes the importance of identifying and addressing ESG-related risks, including those related to climate, and believes that a focus on managing these factors can result in an enhanced and long-lasting business value for the Group.

The Group has formulated a risk management policy and adopted a three-tier risk management approach to identify, assess and manage different types of risks. At the first line of defence, business units are responsible for identifying, assessing and monitoring risk associated with each business or transaction. The management, as the second line of defence, defines rule sets and models, provides technical support, develops new system and oversees portfolio management. It ensures that risks are within acceptable range and that the first line of defence is effective. As the final line of defence, the independent consultant, as an internal audit function, assists the Audit Committee to review the first and second lines of defence.

The Group is committed to the identification, evaluation and management of risks associated with its business activities through ongoing assessment, by considering the likelihood and impact of each identified risk. The Group has implemented an effective control system which includes a defined management structure with limits of authority, a sound management system and periodic review of the Group's performance by the Audit Committee and the Board.

Through the Audit Committee, the Board has conducted an annual review of the effectiveness of the Group's risk management (including ESG risks) and internal control systems for the year ended 31 December 2025, covering the material financial, operational and compliance controls, which are considered effective and adequate. The Audit Committee has reviewed the adequacy of resources, staff qualifications and experience, training programmes and budget of the accounting, internal audit and financial reporting functions on an annual basis.

Based on the framework for risk management (including ESG risks) and internal control system established by the Group, the Board and the Audit Committee admitted that through the review of risk management (including ESG risks) and internal control systems of the Group, it can evaluate and improve its effectiveness. The Board, with the concurrence of the Audit Committee, considered that such systems, including financial, operational and compliance were effective and adequate for the year ended 31 December 2025 based on the work performed and report prepared by the independent consultant. The Company will perform the ongoing assessment to update all material risk factors on a regular basis. In any case, review on risk management (including ESG risks) and internal control system will be conducted annually.

Corporate Governance Report

Internal Audit

During the year ended 31 December 2025, the Group had engaged an independent internal control consultant to assess the Group's overall internal controls and to give recommendations to make any enhancement. It was reported that there were no material deficiencies in relation to the Group's internal controls. The Board is of the view that the internal control measures of the Group are adequately and effectively monitoring its business operations for the year ended 31 December 2025.

Inside Information

The Group has adopted and implemented its own disclosure policy aiming to provide a general guide to the Directors and senior management of the Company in handling of confidential information and/or monitoring of information disclosure pursuant to applicable laws and regulations in compliance with the GEM Listing Rules and SFO and shall seek legal advice where necessary.

The disclosure policy provides the procedures and internal controls for the handling and dissemination of inside information by publication of the announcement to the respective websites of the Stock Exchange and the Company on a timely basis to enable the public, namely shareholders, institutional investors, potential investors and other stakeholders of the Company to access the latest information of the Group, unless such information fall within the safe harbours with the SFO. The management has notified all employees to comply with the disclosure policy. Briefing and training on the implementation of the policy have been provided to Directors, officers and senior management of the Group. The Board emphasises that only the authorised representatives registered in the Stock Exchange are authorised to speak on behalf of the Company.

WHISTLEBLOWING POLICY

The Company has adopted arrangement, including a whistleblowing policy and the policy of anti-corruption to allow and encourage employees and other stakeholders to raise concerns, in confidential, about possible improprieties in financial reporting, internal control, criminal action, compliance and other malpractices or other matters. All the concerns received will be handled confidential in prompt and fair manner. The Board shall regularly review such arrangement, conduct independent investigation on these matters if necessary, and considers appropriate follow-up action.

SHAREHOLDERS' RIGHT

One of the measures to safeguard the shareholders' interests and rights is to separate resolutions proposed at the shareholders' meetings on each substantial issue, including the election of individual Directors, for shareholders' consideration and voting. All resolutions put forward at the shareholders' meetings will be voted by poll pursuant to the GEM Listing Rules and the poll voting results will be posted on the Stock Exchange's website and the Company's website after the relevant shareholders' meeting.

Corporate Governance Report

Extraordinary general meeting may be convened by the Board on requisition of shareholders holding not less than one-tenth of the paid up capital of the Company or by such shareholders who made the requisition (the “Requisitionists”) (as the case may be) pursuant to article 58 of the Articles of Association. Such requisition must state the object of business to be transacted at the meeting and must be signed by the Requisitionists and deposited at the registered office of the Company or the Company’s principal place of business in Hong Kong. Shareholders should follow the requirements and procedures as set out in such article for convening an extraordinary general meeting. Shareholders may put forward proposals at general meetings by sending the same to the Company at the principal office of the Company in Hong Kong.

Shareholders may send written enquiries or requests in respect of their rights to the Company’s principal business address in Hong Kong.

INVESTOR RELATIONS

The Company believes that maintaining a high level of transparency is a key to enhancing investor relations. It is committed to a policy of open and timely disclosure of corporate information to its shareholders and the public. The Company updates its shareholders on its latest business developments and financial performance through its annual, interim and quarterly reports. The Company’s website provides an effective communication platform to the public and the shareholders.

COMMUNICATION WITH SHAREHOLDERS

The AGM provides a useful forum for the shareholders to exchange views with the Board. The Chairman as well as the chairlady/chairman of the Audit Committee, the Remuneration Committee and the Nomination Committee are pleased to answer the enquiries raised by the shareholders. Separate resolutions are proposed at general meetings on each substantially separate issue, including the election of individual directors. The Company has also established a shareholders’ communication policy to ensure that the shareholders’ views and concerns are appropriately addressed. Such policy is reviewed annually to ensure its implementation and effectiveness. All the announcements and circulars are published on the Company’s website and on the Stock Exchange’s website.

CONSTITUTIONAL DOCUMENTS

During the year ended 31 December 2025 and up to the date of this annual report, there was no significant change in constitutional documents of the Company.

PROCEDURES FOR PUTTING FORWARD PROPOSALS AT GENERAL MEETINGS BY SHAREHOLDERS

Pursuant to article 85 of the Articles of Association, no person (other than a retiring Director) shall be eligible for election to the office of Director at any general meeting unless 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/her willingness to be elected shall have been lodged at the head office or at the office of the branch share registrar and transfer office of the Company in Hong Kong no earlier than the day after the despatch of the notice of the general meeting appointed for such election and end no later than 7 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 7 days. The procedures for shareholders to propose a person for election as a Director is posted on the website of the Company.

Corporate Governance Report

DIVIDEND POLICY

The Company has adopted a general dividend policy (the “Dividend Policy”) that aims to provide its shareholders out of the Group’s profit attributable to shareholders in any financial year. In proposing any dividend payout, the Company shall take into account, among other things, the Group’s actual and expected financial results, the general economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Company, the Company’s liquidity position, current and future operations, statutory and regulatory restrictions and so on.

The Company does not have any pre-determined dividend distribution proportion or distribution ratio. The declaration, payment and amount of dividends will be subject to the Board’s discretion. The Board will review and re-assess the Dividend Policy on a regular basis.

Biographies of Directors and Senior Management

DIRECTORS

Executive Directors

Mr. Tan Seow Gee (陳少義) (“Mr. D Tan”), aged 52, is an executive Director. He was appointed as the Chairman and compliance officer of the Company on 17 March 2017. He co-founded the Group together with Mr. Gay Teo Siong in March 2001 and is currently the managing director of the Group. He is responsible for the overall strategic planning, management and operation of the Group. In particular, he is responsible for maintaining and improving profit margins of the Group’s business and to source and launch new products and services. He is a managing director of Cool Link & Marketing Pte. Ltd (“Cool Link Marketing”) since 27 March 2001. He is also a director of Open Treasure Enterprises Limited (“Open Treasure Enterprises”) since 27 December 2016.

Mr. D Tan has not less than 21 years of experience in the distribution industry, primarily focusing on local and overseas business trading including import of supplies and export of product.

Prior to establishing the Group, Mr. D Tan ran a number of partnership businesses, namely Cool Link & Marketing which was in the business of wholesale of ice cream and Jun Chuan Discus Farm which was in the business of operation of fish hatcheries and fish farms. He was also the sole proprietor of Sheng Huat Packing & Transport which was in the business of manufacture of wooden containers. All these business enterprises have been terminated prior to the establishment of the Group.

Please refer to the paragraph headed “Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporation” in this annual report for Mr. D Tan’s interest in shares as at 31 December 2025 which would fall to be disclosed to the Company under provision of Divisions 2 and 3 of Part XV of the SFO.

Mr. Guo Guixian (郭桂先) (“Mr. Guo”), aged 53, is an executive Director. He was appointed as the Co-Chairman of the Company on 10 March 2025. He has over 21 years of experience in the manufacturing and marketing industry. Mr. Guo was the founder of Ganzhou Zumengsi Sporting Goods Co., Ltd. (贛州足夢思體育用品有限公司), a company engaged in the wholesale of health technology sports products and equipment, and was responsible for strategic planning and corporate management of the company.

Please refer to the paragraph headed “Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporation” in this annual report for Mr. Guo’s interest in shares as at 31 December 2025 which would fall to be disclosed to the Company under provision of Divisions 2 and 3 of Part XV of the SFO.

Mr. Gay Teo Siong (倪朝祥) (“Mr. R Gay”), aged 64, is an executive Director and the Chief Executive Officer. He co-founded the Group together with Mr. D Tan in March 2001. He is primarily responsible for the overall management of the Group. He has been a director of Cool Link Marketing since 27 March 2001 and Open Treasure Enterprises since 27 December 2016.

Mr. R Gay has over 22 years of experience in the distribution industry, based on his experience in the Group.

Prior to establishing the Group, Mr. R Gay ran a number of partnership businesses. He owned Cool Link & Marketing which was in the business of wholesale of ice cream, Jun Chuan Discus Farm which was in the business of operation of fish hatcheries and fish farms and Rui En which was in the business of providing business support services. Save for Rui En which was terminated in March 2005, all the other business enterprises have been terminated prior to establishing the Group.

Please refer to the paragraph headed “Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporation” in this annual report for Mr. R Gay’s interest in shares as at 31 December 2025 which would fall to be disclosed to the Company under provision of Divisions 2 and 3 of Part XV of the SFO.

Biographies of Directors and Senior Management

Mr. Xie Renren (“Mr. Xie”), aged 40, was appointed as the executive Director of the Company on 17 October 2024. He has over 9 years experiences in marketing industry. He was the director of a food and beverage company in China responsible for overseeing all aspects of marketing function to develop and implement marketing campaign, as well as branding activity of the company. Mr. Xie graduated from Tianjian University of Commerce Boustead College with a bachelor’s degree in accounting in 2008. Mr. Xie has been a tutor of a business education company in China since 2020.

Please refer to the paragraph headed “Directors’ and Chief Executives’ Interests and Short Positions in Shares, Underlying Shares and Debentures of the Company and its Associated Corporation” in this annual report for Mr. Xie’s interest in shares as at 31 December 2025 which would fall to be disclosed to the Company under provision of Divisions 2 and 3 of Part XV of the SFO.

Independent Non-Executive Directors

Ms. Chan Oi Chong (陳愛莊) (“Ms. Chan”), aged 49, was appointed as an independent non-executive Director on 30 August 2017. Ms. Chan has more than 22 years of financial and auditing experience. Ms. Chan graduated from the Hong Kong University of Science of Technology in November 1998 with Bachelor of Business Administration degree in Accounting. She is a member of the Hong Kong Institute of Certified Public Accountants, a member to the Association of Chartered Certified Accountants in October 2001 and became a fellow of the association in October 2006.

Ms. Chan has been appointed as an independent non-executive director of Get Nice Holdings Limited (stock code: 0064), a company listed on Main Board of the Stock Exchange since 4 November 2022.

Ms. Luk Huen Ling Claire (陸萱凌) (formerly known as “Luk Yung Yung Claire”) (“Ms. Luk”), aged 47, was appointed as an independent non-executive Director on 4 February 2019. She has over 14 years of experience in corporate communications and marketing. She worked as head of communications, Asia at Aedas Limited between March 2010 and December 2010. From November 2006 to May 2008 she worked as a wardrobe manager at the Ocean Park, one of the largest theme parks in Hong Kong where she was responsible for sections strategic planning, administration and management of all wardrobe staff. In addition, Ms. Luk also gained experiences in marketing, business development and investor relation activities in previous engagements. She joined Roma (meta) Group Limited (stock code: 8072), a company listed on the GEM of the Stock Exchange as a senior consultant in December 2008 and became marketing director of the group in February 2011. In November 2014, Ms. Luk founded ST8GE Group Limited, a company specialising in corporate training and team building and is primarily responsible for the overall corporate management.

Ms. Luk has been appointed as an independent non-executive director of DL Holdings Group Limited (formerly known as Season Pacific Holdings Limited) (stock code: 1709), a company listed on the Main Board of the Stock Exchange from September 2015 to September 2020, Hon Corporation Limited (stock code: 8259), a company listed on the GEM of the Stock Exchange since 30 November 2019 and Orient Securities International Holdings Limited (stock code: 8001), a company listed on the GEM of the Stock Exchange since 17 February 2023 respectively.

Ms. Luk obtained a bachelor’s degree in fine arts from the Hong Kong Academy for Performing Arts in July 2003 and a master’s degree of business in marketing from the University of Technology, Sydney, Australia in March 2010.

Biographies of Directors and Senior Management

SENIOR MANAGEMENT

Ms. Yeo Poh Choo (楊寶珠) (“Ms. Yeo”), aged 64, is the account executive of the Group. She joined the Group on 1 July 2004 as an account executive and is also a director of Cool Link Marketing since 1 July 2008. She is the spouse of Mr. R Gay.

Ms. Yeo has over 20 years of experience in managing and overseeing the accounts receivables collection.

Prior to joining the Group, she worked at Asea Brown Boveri Pte Ltd where she received a service award for 15 years of service with Asea Brown Boveri Pte Ltd in November 1996. She owned Rui En which was in the business of business support services which has been terminated in March 2005.

Ms. Yeo has successfully completed the Effective Personal Productivity course in October 2006 conducted by SMI Strategic Management Consultancy Pte Ltd.

COMPANY SECRETARY

Mr. Chow Justin Ting Fun (周廷勳) (“Mr. Chow”) was appointed as the company secretary on 24 September 2020. Mr. Chow, aged 40, obtained a Bachelor Degree in Laws from the University of Bedfordshire (formerly known as University of Luton) in 2005, a Post Certificate in Laws from the City University of Hong Kong in 2006 and a Master Degree in Laws from the University College London in 2008. Mr. Chow has over 17 years of experience in the legal field. He is the founding partner of Justin Chow & Co., Solicitors LLP and has been admitted as a solicitor of the High Court of Hong Kong since January 2010.

Independent Auditor's Report



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TO THE SHAREHOLDERS OF COOL LINK (HOLDINGS) LIMITED

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Cool Link (Holdings) Limited (the “Company”) and its subsidiaries (the “Group”) set out on pages 41 to 127, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, the consolidated statement of changes in equity and the 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 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”) 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 (“HKSA”) issued by 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. The key audit matters we identified are:

Independent Auditor's Report

KEY AUDIT MATTERS *(Continued)*

The Key Audit Matter

How the matter was addressed in our audit

1. Impairment assessment of trade receivables

Refer to Note 22 to the consolidated financial statements and the accounting policies in Note 4.21 to the consolidated financial statements

The Group has trade receivables of approximately S\$5,590,000, net of loss allowance for trade receivables of approximately S\$180,000 as at 31 December 2025. The Group generally allows a credit period ranged from cash on delivery to 60 days to its customers.

During the year ended 31 December 2025, net impairment loss on trade receivable of approximately S\$87,000 was recognised.

The loss allowance is estimated by taking into account the credit loss experience, aging of trade receivables, customers' repayment history and financial position and an assessment of both the current and forecast general economic conditions, all of which involve a significant degree of management judgement.

Our audit procedures in relation to management's impairment assessment on trade receivables included the following:

- Assessed the competency, objectivity and independence of the management's expert engaged by the management;
- Obtained an understanding of the internal control and processes over the impairment assessment on trade receivables by management;
- Assessed the grouping of trade receivables by considering the nature of the debtors and credit risk characteristics;
- Tested the accuracy and completeness of the data used by management to develop the historical loss rates and assessing the sufficiency, reliability and relevance of that data;
- Assessed the appropriateness of the impairment loss methodology, testing the calculation of the historical loss rates and evaluating the reasonableness of the forward-looking adjustments made to reflect current and forecast future economic conditions;
- Tested the aging of trade receivables on a sample basis;
- Tested the calculation of expected credit loss provisions applying the provision rates to the age categories of the trade receivables outstanding at the reporting date; and
- Engaging auditor's valuation expert to assist us in evaluating the valuation methodologies and key assumptions adopted by the Group's external valuer in the valuations of trade receivables.

Independent Auditor's Report

KEY AUDIT MATTERS *(Continued)*

The Key Audit Matters

How the matter was addressed in our audit

2. Fair value measurement of financial assets at fair value through other comprehensive income ("FVTOCI")

Refer to Note 20 to the consolidated financial statements and the accounting policies in Note 4.12 to the consolidated financial statements

As at 31 December 2025, the carrying amount of the Group's investments in unlisted equity instrument classified as financial assets at FVTOCI amounted to S\$1,997,000.

During the year ended 31 December 2025, change in fair value loss of financial assets at FVTOCI of approximately S\$350,000 is recognised in other comprehensive income.

The management of the Group engaged independent professional valuers as management's expert to estimate the fair values of the unlisted equity instruments. In determining the fair value, the management's expert adopted a market-based approach using the guideline transaction method in the valuation.

The valuation involves the estimates and judgments, e.g. selection of the comparable companies and certain specific assumptions in the valuation.

We identified the fair value measurement of financial assets at FVTOCI as a key audit matter due to significant on the amount and the judgments and estimates applied by the management and the management's expert of the Group.

Our audit procedures in relation to the fair value measurement of financial assets at FVTOCI included the following:

- Assessed the competency, objectivity and independence of the management's expert engaged by the management;
- Assessed the reasonableness of the valuation methodology and key assumptions used;
- Discussed with the management of the Group and the management's expert on the fair values measurement of the unlisted equity instruments including the valuation model adopted and key assumptions used;
- Checked the arithmetic accuracy of the valuation;
- Considered the adequacy of the Group's disclosure in respect of the valuation; and
- Engaging auditor's valuation expert to assist us in evaluating the valuation methodologies and key assumptions adopted by the Group's external valuer in the valuations of financial assets.

OTHER INFORMATION

The directors of the Company are responsible for the other information. The other information comprises all the information in the 2025 annual report of the Company, 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.

Independent Auditor's Report

RESPONSIBILITIES OF DIRECTORS OF THE COMPANY AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

In preparing the consolidated financial statements, the directors of the Company 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 of the Company either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The directors of the Company assisted by the Audit Committee are responsible for overseeing the Group's financial reporting process.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with the terms of our engagements, 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.

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

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the Company.

Independent Auditor's Report

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

- conclude on the appropriateness of the Company's directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units as a basis for forming an opinion on the Group within the Group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purpose of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Prism Hong Kong Limited

Certified Public Accountants

Chin Wang Leung

Practising Certificate Number: P07806

Hong Kong

27 March 2026

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Notes	2025 S\$'000	2024 S\$'000
Revenue	6(a)	29,362	29,461
Cost of sales		(22,406)	(22,049)
Gross profit		6,956	7,412
Other income and gains, net	6(b)	453	699
Impairment loss on intangible assets	18	(270)	(26)
Impairment loss on interests in associates	19	–	(1,132)
Selling and distribution cost		(1,682)	(2,961)
Administrative and other operating expenses		(6,654)	(7,628)
Finance costs	8	(383)	(496)
Share of results of associates		–	(41)
Loss before tax		(1,580)	(4,173)
Income tax (expenses)/credit	9	(44)	12
Loss for the year attributable to owners of the Company	10	(1,624)	(4,161)
Loss per share			
Basic and diluted (S\$ cent)	13	(0.41)	(1.27)

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	2025 S'000	2025 S'000
Loss for the year	(1,624)	(4,161)
Other comprehensive income/(expense) for the year:		
Items that will not be reclassified subsequently to profit or loss:		
Change in fair value of financial assets at fair value through other comprehensive income ("FVTOCI")	(350)	(931)
Items that may be reclassified subsequently to profit or loss:		
Exchange differences arising on translation of financial statements of foreign operations	(391)	(147)
Share of other comprehensive income/(expense) of associates	-	41
Other comprehensive expense for the year	(741)	(1,037)
Total comprehensive expense for the year attributable to owners of the Company	(2,365)	(5,198)

The notes on pages 49 to 127 form part of these consolidated financial statements.

Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 S\$'000	2024 S\$'000
Non-current assets			
Property, plant and equipment	14	7,155	7,816
Right-of-use assets	15	2,565	2,107
Investment properties	16	1,055	1,116
Goodwill	17	–	–
Other intangible assets	18	–	525
Interests in associates	19	–	–
Financial assets at FVTOCI	20	1,997	2,347
Pledged bank deposits	25	1,500	1,500
Total non-current assets		14,272	15,411
Current assets			
Inventories	21	6,214	7,317
Trade receivables	22	5,590	5,767
Income tax recoverable		–	41
Deposits, prepayments, and other receivables	23	3,373	1,537
Financial assets at fair value through profit or loss (“FVTPL”)	24	11	12
Cash and cash equivalents	25	7,174	6,842
Total current assets		22,362	21,516
Current liabilities			
Trade payables	26	3,452	3,231
Accruals, other payables and deposits received	27	4,152	2,785
Amount due to a director	32	449	–
Income tax payable		18	–
Bank borrowings	28	495	435
Lease liabilities	29	888	230
Promissory notes	30	–	–
Total current liabilities		9,454	6,681
Net current assets		12,908	14,835
Total assets less current liabilities		27,180	30,246

Consolidated Statement of Financial Position

As at 31 December 2025

	Notes	2025 S\$'000	2024 S\$'000
Non-current liabilities			
Bank borrowings	28	4,060	4,571
Lease liabilities	29	2,029	2,128
Deferred tax liabilities	31	64	155
Total non-current liabilities		6,153	6,854
NET ASSETS		21,027	23,392
Capital and reserves			
Share capital	33	13,877	13,877
Reserves		7,150	9,515
TOTAL EQUITY		21,027	23,392

The consolidated financial statements on pages 41 to 127 were approved and authorised for issue by the board of directors on 27 March 2026 and are signed on its behalf by:

Tan Seow Gee
Director

Gay Teo Siong
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Share capital	Share premium	Other reserve	Translation reserve	Share option reserve	Shares held under share award scheme	Financial assets at FVTOCI reserve (non-recycling)	Accumulated losses	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
	(note 33)	(note 34)	(note 34)	(note 34)	(note 34)	(note 34)	(note 34)		
At 1 January 2024	3,471	16,063	2,490	70	-	(791)	(771)	(6,773)	13,759
Loss for the year	-	-	-	-	-	-	-	(4,161)	(4,161)
Other comprehensive income for the year:									
Change in fair value of financial assets at FVTOCI	-	-	-	98	-	-	(1,029)	-	(931)
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	(147)	-	-	-	-	(147)
Share of other comprehensive expense of associates	-	-	-	41	-	-	-	-	41
	-	-	-	(8)	-	-	(1,029)	-	(1,037)
Total comprehensive expense for the year	-	-	-	(8)	-	-	(1,029)	(4,161)	(5,198)
Issue of shares upon share placing (Note 33(b))	10,406	6,757	-	-	-	-	-	-	17,163
Treasury shares purchased	-	-	-	-	-	(2,332)	-	-	(2,332)
At 31 December 2024	13,877	22,820	2,490	62	-	(3,123)	(1,800)	(10,934)	23,392

The notes on pages 49 to 127 form part of these consolidated financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Share capital S\$'000 (note 33)	Share premium S\$'000 (note 34)	Other reserve S\$'000 (note 34)	Translation reserve S\$'000 (note 34)	Share option reserve S\$'000 (note 34)	Shares held under share award scheme S\$'000 (note 34)	Financial assets at FVTOCI reserve (non- recycling) S\$'000 (note 34)	Accumulated losses S\$'000	Total equity S\$'000
At 1 January 2025	13,877	22,820	2,490	62	-	(3,123)	(1,800)	(10,934)	23,392
Loss for the year	-	-	-	-	-	-	-	(1,624)	(1,624)
Other comprehensive income for the year:									
Change in fair value of financial assets at FVTOCI	-	-	-	(133)	-	-	(217)	-	(350)
Exchange differences arising on translation of financial statements of foreign operations	-	-	-	(391)	-	-	-	-	(391)
	-	-	-	(524)	-	-	(217)	-	(741)
Total comprehensive expense for the year	-	-	-	(524)	-	-	(217)	(1,624)	(2,365)
At 31 December 2025	13,877	22,820	2,490	(462)	-	(3,123)	(2,017)	(12,558)	21,027

The notes on pages 49 to 127 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 S\$'000	2024 S\$'000
OPERATING ACTIVITIES			
Loss before tax		(1,580)	(4,173)
Adjustments for:			
Interest expenses	8	383	496
Interest income	6(b)	(364)	(350)
Amortisation of other intangible assets	10	43	90
Depreciation of property, plant and equipment	10	772	751
Depreciation of investment properties	10	61	61
Depreciation of right-of-use assets	10	844	266
Impairment loss on trade receivables	10	87	(267)
Fair value loss on financial assets at FVTPL	6(b)	1	1
Impairment loss on intangible assets	18	270	26
Impairment loss on interests in associates	19	–	1,132
Loss on disposal of property, plant and equipment	10	7	–
Write-off of inventories	21	53	615
Share of results of associates		–	41
Operating cash flows before movements in working capital		577	(1,311)
Decrease/(increase) in inventories		1,050	(4,290)
Decrease in trade receivables		90	2,471
Increase in deposits, prepayments and other receivables		(1,836)	(857)
Increase/(decrease) in trade payables		221	(959)
Increase/(decrease) in accruals, other payables and deposits received		1,367	(112)
Cash generated from (used in) operations		1,469	(5,058)
Income tax paid		(60)	(209)
NET CASH GENERATED FROM (USED IN) OPERATING ACTIVITIES		1,409	(5,267)

The notes on pages 49 to 127 form part of these consolidated financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Notes	2025 S\$'000	2024 S\$'000
INVESTING ACTIVITIES			
Purchases of property, plant and equipment	14	(118)	(190)
Interest received on promissory note		334	317
Bank interest received		30	33
NET CASH GENERATED FROM INVESTING ACTIVITIES		246	160
FINANCING ACTIVITIES			
Proceeds from issue of shares on rights issue		-	17,163
Shares purchased under share award scheme		-	(2,332)
Repayment of bank borrowings		(451)	(441)
Payment of lease liabilities		(920)	(353)
Repayment of promissory notes		-	(3,217)
Interest paid on promissory notes		-	(73)
Interest paid on bank borrowings	8	(206)	(302)
Increase in amount due to a director		449	-
NET CASH (USED IN) GENERATED FROM FINANCING ACTIVITIES		(1,128)	10,445
NET INCREASE IN CASH AND CASH EQUIVALENTS		527	5,338
Effect of foreign exchange rate changes		(195)	(103)
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR		6,842	1,607
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR, REPRESENTED BY BANK BALANCES AND CASH		7,174	6,842

The notes on pages 49 to 127 form part of these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

1. GENERAL INFORMATION

Cool Link (Holdings) Limited (the “Company”) was incorporated as an exempted company with limited liability in the Cayman Islands on 27 January 2017. The shares of the Company were listed on GEM of The Stock Exchange of Hong Kong Limited (the “Stock Exchange”) on 22 September 2017.

The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business of the Company is 33 Chin Bee Crescent, Singapore, 619901.

The principal activity of the Company is investment holding. Details of the principal activities of the Company’s subsidiaries are set out in Note 39 to the consolidated financial statements.

The functional currencies of the Company and the subsidiaries (hereinafter collectively referred to as the “Group”) incorporated in Singapore are Singapore dollars (“S\$”) while that of the subsidiaries established in Hong Kong and the People’s Republic of China (the “PRC”) are Hong Kong dollars (“HK\$”) and Renminbi (“RMB”) respectively. For the purpose of presenting the consolidated financial statements, the Group adopted S\$ as its presentation currency which is the same as the functional currency of the Company.

2. BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with HKFRS Accounting Standards issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“GEM Listing Rules”) and by the Hong Kong Companies Ordinance.

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS

In the current year, the Group has applied, for the first time, the following new and amendments to HKFRS Accounting Standards issued by the HKICPA, which are effective for the Group’s financial year beginning 1 January 2025:

Amendments to HKAS 21	Lack of Exchangeability
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The application of the new and amendments to HKFRS Accounting Standards in the current year has had no material effect on the Group’s financial performance and positions for the current and prior periods and/or on the disclosures set out in these consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

3. APPLICATION OF NEW AND AMENDMENTS TO HKFRS ACCOUNTING STANDARDS *(Continued)*

New and amendments to HKFRS Accounting Standards issued but not yet effective

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

HKFRS 18	Presentation and Disclosure in Financial Statements ²
HKFRS 19	Subsidiaries without Public Accountability: Disclosures ²
Amendments to HKFRS 9 and HKFRS 7	Amendments to the Classification and Measurement of Financial Instruments ¹
Amendments to HKAS 21	Translation to a Hyperinflationary Presentation Currency ²
Amendments to HKFRS Accounting Standards	Annual Improvements to HKFRS Accounting Standards – Volume 11 ¹
Amendments to HKFRS 9 and HKFRS 7	Contracts Referencing Nature-dependent Electricity ¹
Amendments to HKFRS 10 and HKAS 28	Sale or Contribution of Assets between an Investor and its Associate or Joint Venture ³

¹ Effective for annual periods beginning on or after 1 January 2026

² Effective for annual periods beginning on or after 1 January 2027

³ No mandatory effective date yet determined but available for adoption

The directors of the Company anticipate that, except as describe below, the application of the new and amendments to HKFRS Accounting Standards will have no material impact on the results and the financial position of the Group.

HKFRS 18 – Presentation and Disclosure in Financial Statements

HKFRS 18 sets out requirements on presentation and disclosures in financial statements and will replace HKAS 1 “Presentation of Financial Statements”. HKFRS 18 introduces new requirements to present specified categories and defined subtotals in the statement of profit or loss; provide disclosures on management-defined performance measures in the notes to the financial statements and improve aggregation and disaggregation of information to be disclosed in the financial statements. Minor amendments to HKAS 7 “Statement of Cash Flows” and HKAS 33 “Earnings per Share” are also made.

HKFRS 18, and the consequential amendments to other HKFRS Accounting Standards, will be effective for annual periods beginning on or after 1 January 2027, with early application permitted.

The application of HKFRS 18 is not expected to have material impact on the financial position of the Group but is expected to affect the presentation of the consolidated statement of profit or loss and consolidated statement of cash flows and disclosures in the future consolidated financial statements. The Group will continue to assess the impact of HKFRS 18 on the consolidated financial statements of the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES

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

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

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

The material accounting policies are set out below.

4.1 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company entities controlled by the Company and its subsidiaries.

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

The Group includes the income and expenses of a subsidiary in the consolidated financial statements from the date it gains control until the date when the Group ceases to control the subsidiary. Intra-group transactions, balances and unrealised gains and losses on transactions between group companies are eliminated in preparing the consolidated financial statements. Where unrealised losses on sales of intra-group asset are reversed on consolidation, the underlying asset is also tested for impairment from the Group's perspective.

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 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.

In the Company's statement of financial position, an investment in a subsidiary is stated at cost less impairment loss, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

4.2 Business combination and goodwill

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

Goodwill is measured as the excess of the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree, and the fair value of the Group's previously held equity interest in the acquiree (if any) over the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed. If, after re-assessment, the net of the acquisition-date amounts of the identifiable assets acquired and liabilities assumed exceeds the aggregate of the consideration transferred, the amount of any non-controlling interests in the acquiree and the fair value of the acquirer's previously held interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Non-controlling interests, unless as required by another standards, are measured at acquisition-date fair value except for non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation are initially measured either at fair value or at the present ownership instruments' proportionate share in the recognised amounts of the acquiree's identifiable net assets on a transaction-by-transaction basis.

Goodwill arising from a business combination is carried at cost less accumulated impairment losses, if any.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units (or groups of cash-generating units) that is expected to benefit from the synergies of the combination.

A cash-generating unit (or groups of cash-generating units) to which goodwill has been allocated is tested for impairment annually or more frequently when there is indication that the unit may be impaired. For goodwill arising on an acquisition in a reporting period, the cash-generating unit (or groups of cash-generating units) to which goodwill has been allocated is tested for impairment before the end of that reporting period. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit on a pro rata basis based on the carrying amount of each asset in the unit (or groups of cash-generating units). Any impairment loss for goodwill is recognised directly in profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods.

On disposal of the relevant cash-generating unit, the attributable amount of goodwill is included in the determination of the amount of profit or loss on disposal.

The Group's policy for goodwill relating to an associate is set out in "Associates" below.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

4.3 Associates

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

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

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

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

4.3 Associates *(Continued)*

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture. When the Group retains an interest in the former associate or a joint venture and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with HKFRS 9. The difference between the carrying amount of the associate or a joint venture at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate or a joint venture is included in the determination of the gain or loss on disposal of the associate or joint venture. In addition, the Group accounts for all amounts previously recognised in other comprehensive income in relation to that associate or joint venture on the same basis as would be required if that associate or joint venture had directly disposed of the related assets or liabilities. Therefore, if a gain or loss previously recognised in other comprehensive income by that associate or joint venture would be reclassified to profit or loss on the disposal of the related assets or liabilities, the Group reclassifies the gain or loss from equity to profit or loss (as a reclassification adjustment) when the associate or joint venture is disposed of.

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

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

4.4 Intangible assets

Intangible assets acquired in a business combination

Intangible assets acquired in a business combination are recognised separately from goodwill and are initially recognised at their fair value at the acquisition date (which is regarded as their cost).

Subsequent to initial recognition, intangible assets with finite useful lives are carried at costs less accumulated amortisation and any accumulated impairment losses (see the accounting policies in respect of impairment losses on tangible and intangible assets below). Amortisation for intangible assets with finite useful lives is recognised on a straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

4.5 Foreign currency translation

Transactions and balances in each entity's financial statements

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

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

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:

- 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;
- income and expenses are translated at average exchange rates for the period (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
- all resulting exchange differences are recognised in other comprehensive income and accumulated in the equity under the heading of translation reserve.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

4.5 Foreign currency translation *(Continued)*

Translation on consolidation (Continued)

Goodwill and fair value adjustments on identifiable assets acquired arising on an acquisition of a foreign operation are treated as assets and liabilities of that foreign operation and retranslated at the rate of exchange prevailing at the end of each reporting period. Exchange differences arising are recognised in other comprehensive income.

4.6 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and the costs directly attributable to the acquisition of the items.

Ownership interests in leasehold land and buildings

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

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognised impairment loss. Costs include professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group’s accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

4.6 Property, plant and equipment *(Continued)*

Ownership interests in leasehold land and buildings (Continued)

Depreciation is recognised so as to write off the cost of assets their residual values over their estimated useful lives, using the straight-line method, at the following rates per annum:

Land and building	4 – 5%
Computers	25%
Furniture and fittings	20 – 25%
Kitchen equipment	25%
Machinery and equipment	25%
Motor vehicles	17%
Renovation	20 – 33%

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

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

4.7 Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rental income and/or for capital appreciation. These include land held for a currently undetermined future use and property that is being constructed or developed for future use as investment property.

Owned investment properties are initially measured at cost, including any directly attributable expenditure. Subsequent to initial recognition, investment properties are stated at cost less subsequent accumulated depreciation and any accumulated impairment losses. Depreciation is recognised so as to write off the cost of investment properties over their estimated useful lives and after taking into account of their estimated residual value, using the straight-line method.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

4.8 Leasing

Definition of a lease

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

The Group as lessee

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

Right-of-use assets

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date and any initial direct costs, less lease incentives received.

Right-of-use assets are subsequently measured at cost less accumulated depreciation and impairment losses and adjusted for any remeasurement of lease. They are depreciated over the shorter period of lease term and useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

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

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

Lease liabilities

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

4.8 Leasing *(Continued)*

The Group as lessee (Continued)

Lease liabilities (Continued)

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable payments based on an index or rate, and amounts expected to be payable under a residual value guarantee. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payment of penalties for terminating a lease, if the lease term reflects the Group exercising the option to terminate.

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

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

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

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using revised discount rate.
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used).
- A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

4.8 Leasing *(Continued)*

The Group as lessee (Continued)

Lease Modification

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

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

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

The Group as lessor

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

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

4.9 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost of inventories are calculated using the first-in-first-out method. Cost comprises all costs of purchase, Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and costs necessary to make the sale.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

4.10 Cash and cash equivalents

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

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents, as defined above, net of outstanding bank overdrafts which are repayable on demand and form an integral part of the Group's cash management. Such overdrafts are presented as short-term borrowings in the consolidated statement of financial position.

4.11 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 and financial liabilities are initially measured at fair value, except for trade receivables arising from contracts with customers which are initially measured in accordance with HKFRS 15. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at FVTPL) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at FVTPL are recognised immediately in profit or loss.

4.12 Financial assets

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

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets. Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, FVTOCI, and FVTPL.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

4.12 Financial assets *(Continued)*

Financial assets at amortised cost

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

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

After initial recognition, these are measured at amortised cost using the effective interest method and are subject to impairment. Interest income from these financial assets is included in 'other income and gains' line item (Note 6(b)).

Amortised cost and effective interest method

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

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

Equity instruments designated as at FVTOCI

On initial recognition, the Group may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognised by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the financial assets at FVTOCI reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings or will continue to be held in financial assets at FVTOCI reserve.

Dividends from investments in equity instruments are recognised in profit or loss when the Group's right to receive the dividends is established, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'other income and gains/losses' line item (Note 6(b)).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

4.12 Financial assets *(Continued)*

Financial assets at FVTPL

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

- Investments in equity instruments are classified as at FVTPL, unless the Group designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortised cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortised cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Group has not designated any debt instruments as at FVTPL.

Derecognition of financial assets

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

4.13 Financial liabilities and equity instruments

Classification as debt or equity

Debt and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a group entity are recognised at the proceeds received, net of direct issue costs.

Financial liabilities

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

4.13 Financial liabilities and equity instruments *(Continued)*

Financial liabilities subsequently measured at amortised cost

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

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

Derecognition of financial liabilities

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

4.14 Revenue from contracts from customers

Revenue is recognised to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Group uses a five-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer
- Step 2: Identify the performance obligations in the contract
- Step 3: Determine the transaction price
- Step 4: Allocate the transaction price to the performance obligations in the contract
- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

The Group recognised revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to customers.

A performance obligation represents a good or service (or a bundle of goods or services) that is distinct or a series of distinct goods or services that are substantially same.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

4.14 Revenue from contracts from customers *(Continued)*

Control is transferred over time and revenue is recognised over time by reference to the progress towards complete satisfaction of the relevant performance obligation if one of the following criteria is met:

- The customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs;
- 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.

Otherwise, revenue is recognised at a point in time when the customer obtains control of the distinct goods or service.

Revenue is measured based on the consideration specified in a contract with a customer, excludes amounts collected on behalf of third parties, value added tax or other sales taxes and is after deduction of any trade discounts.

The Group recognised revenue from sales of goods.

Revenue from sales of goods is recognised at a point in time when the control of the goods is transferred to the customers. Control of the goods is considered transferred to customers at the time of delivery.

Some of the Group's contracts with customers from the sales of goods provides customers a volume rebate if the customers purchase more than certain volume of product in a calendar year. The volume rebates give rise to variable consideration. The Group applies the most likely amount method to estimate the variable consideration. A refund liability would be recognised based on the estimate of the expected to be paid to customer's volume-based rebates.

In case of the existence of consideration payable to a customer in the contract, the Group accounts for consideration payable to a customer as a reduction of the transaction price and, therefore, of revenue unless the payment to the customer is in exchange for a distinct good or service. The Group recognises the reduction of revenue at the later of recognising relevant revenue and paying (or promising to pay) the consideration.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

4.14 Revenue from contracts from customers *(Continued)*

Principal versus agent

When another party is involved in providing goods or services to a customer, the Group determines whether the nature of its promise is a performance obligation to provide the specified goods or services itself (i.e. the Group is a principal) or to arrange for those goods or services to be provided by the other party (i.e. the Group is an agent).

The Group is a principal if it controls the specified good or service before that good or service is transferred to a customer.

The Group is an agent if its performance obligation is to arrange for the provision of the specified good or service by another party. In this case, the Group does not control the specified good or service provided by another party before that good or service is transferred to the customer. When the Group acts as an agent, it recognises revenue in the amount of any fee or commission to which it expects to be entitled in exchange for arranging for the specified goods or services to be provided by the other party.

4.15 Contract liability

A contract liability is recognised when a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

4.16 Government grants

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

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

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

The benefit of a government loan at a below-market rate of interest is treated as a government grant, measured as the difference between proceeds received and the fair value of the loan based on prevailing market interest rates.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

4.17 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 added to 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 borrowing pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

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

4.18 Employee benefits

Short-term employee benefits

Short-term employee benefits are employee benefits (other than termination benefits) that are expected to be settled wholly before twelve months after the end of the annual reporting period in which the employees render the related service. Short-term employee benefits are recognised in the year when the employees render the related service.

Defined contribution retirement plan

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to profit or loss represents contributions payable by the Group to the funds.

Termination benefits

Termination benefits are recognised at the earlier of the dates when the Group can no longer withdraw the offer of those benefits, and when the Group recognises restructuring costs and involves the payment of termination benefits.

4.19 Equity-settled share-based payment transactions

Share options granted to employees

The fair value of services received determined by reference to the fair value of share options granted at the date of grant is recognised as an expense in full at the grant date when the share options granted vest immediately, with a corresponding increase in equity (share options reserve).

When share options are exercised, the amount previously recognised in share options reserve will be transferred to share premium. When the share options are forfeited after the vesting date or are still not exercised at the expiry date, the amount previously recognised in share options reserve will be transferred to retained earnings.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

4.19 Equity-settled share-based payment transactions *(Continued)*

Shares held under share award scheme

Own equity instruments which are repurchased and held by the Company or the Group (treasury shares) are recognised directly in equity at cost. No gain or loss is recognised in the statement of profit or loss on the purchase, sale, issue or cancellation of the Group's own equity instruments.

4.20 Taxation

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

The tax currently payable is based on taxable profit for the year. Taxable profit differs from "loss before tax" as reported in the consolidated statement of profit or loss and other comprehensive income because of income or expense that are taxable or deductible in other years and 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 each reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax base used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary difference to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from the initial recognition 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 associated with investments in subsidiaries and associates, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

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

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

4.20 Taxation *(Continued)*

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 on either (i) the same taxable entity; or (ii) different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

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

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies HKAS 12 Income Taxes requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

Current and deferred tax are recognised in profit or loss. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

4.21 Impairment losses on property, plant and equipment, right-of-use assets and intangible assets (other than impairment of goodwill set out in accounting policy of goodwill above)

At the end of the reporting period, the Group reviews the carrying amounts of its property, plant and equipment, right-of-use assets and intangible assets with finite useful lives 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 the impairment loss, if any. When it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating unit, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

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 for which the estimates of future cash flows have not been adjusted.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

4.21 Impairment losses on property, plant and equipment, right-of-use assets and intangible assets (other than impairment of goodwill set out in accounting policy of goodwill above) *(Continued)*

If the recoverable amount of an asset (or a cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or the cash-generating unit) is reduced to its recoverable amount. For corporate assets or portion of corporate assets which cannot be allocated on a reasonable and consistent basis to a cash-generating unit, the Group compares the carrying amount of a group of cash-generating units, including the carrying amounts of the corporate assets or portion of corporate assets allocated to that group of cash-generating units, with the recoverable amount of the group of cash-generating units. In allocating the impairment loss, the impairment loss is allocated first to reduce the carrying amount of any goodwill (if applicable) and then to the other assets on a pro-rata basis based on the carrying amount of each asset in the unit or the group of cash-generating units. The carrying amount of an asset is not reduced below the highest of its fair value less costs of disposal (if measurable), its value in use (if determinable) and zero. The amount of the impairment loss that would otherwise have been allocated to the asset is allocated pro rata to the other assets of the unit or the group of cash-generating units. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or the 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 had no impairment loss been recognised for the asset (or the cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately.

4.22 Impairment of financial assets

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

4.22 Impairment of financial assets *(Continued)*

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's operations.

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

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular debtor, e.g. a significant increase in the credit spread, the credit default swap prices for the debtor, or the length of time or the extent to which the fair value of a financial asset has been less than its amortised cost;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

4.22 Impairment of financial assets *(Continued)*

Significant increase in credit risk *(Continued)*

Despite the foregoing, the Group assumes that the credit risk on a debt instrument has not increased significantly since initial recognition if the debt instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a debt instrument to have low credit risk when the asset has external credit rating of 'investment grade' in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of 'performing'. Performing means that the counterparty has a strong financial position and there is no past due amounts.

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

Definition of default

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

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

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

Credit-impaired financial assets

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

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

4.22 Impairment of financial assets *(Continued)*

Credit-impaired financial assets *(Continued)*

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

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written-off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

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

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

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

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

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

4.23 Financial guarantee contracts

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by a group entity are initially measured at their fair values and, if not designated as at FVTPL and do not arise from a transfer of a financial asset, are subsequently measured at the higher of:

- the amount of the loss allowance determined in accordance with HKFRS 9; and
- the amount initially recognised less, where appropriate, cumulative amortisation recognised over the guarantee period.

4.24 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 2025

4. MATERIAL ACCOUNTING POLICIES *(Continued)*

4.25 Fair value measurement

When measuring fair value except value-in-use of property, plant and equipment, intangible assets and right-of-use assets for the purpose of impairment assessment, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs. Specifically, the Group categorised the fair value measurements into three levels, based on the characteristics of inputs, as follow:

Level 1	—	Quoted (unadjusted) market prices in active markets for identical assets or liabilities.
Level 2	—	Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.
Level 3	—	Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

At the end of the reporting period, the Group determines whether transfer occur between levels of the fair value hierarchy for assets and liabilities which are measured at fair value on recurring basis by reviewing their respective fair value measurement.

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 4, the directors of the Company are required to make judgements, estimates and assumptions about the amounts of assets, liabilities, revenue and expenses reported and disclosures made in the consolidated financial statements. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

(a) Critical judgements in applying accounting policy

The following are the critical judgements, apart from those involving estimations (see below), that the directors of the Company have made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised and disclosures made in the consolidated financial statements.

(i) *Determining the method to estimate variable consideration and assessing the constraint for the sales of goods*

Certain contracts for the sales of goods include volume rebates of approximately S\$660,000 (2024: S\$613,000) that give rise to variable consideration. In estimating the variable consideration, the Group is required to use either the expected value method or the most likely amount method based on which method better predicts the amount of consideration to which it will be entitled.

In estimating the variable consideration for the sales of goods with volume rebates, the Group determines that the most likely amount method is appropriate given the contracts have only two possible outcomes.

Before including any amount of revenue in the transaction price, the Group considers whether the amount of variable consideration is constrained. The Group determines that the estimates of variable consideration are not constrained based on its historical experience, business forecast and the current economic environment, as well as the uncertainty being resolved within a short period of time.

(ii) *Principal versus agent consideration*

The Group engages in trading of food and beverage products and footwear. The Group reassessed whether the Group should continue to recognise revenue on gross basis based on the requirements in HKFRS 15. The Group concluded that the Group acts as the principal for such transactions as it controls the specified good before it is transferred to the customer after taking into consideration indicators such as that the Group is primarily responsible for fulfilling the promise to provide the goods. The Group has inventory risk and discretion in establishing selling prices of the goods.

(b) Key sources of estimation uncertainty

The following are 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 resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

(b) Key sources of estimation uncertainty *(Continued)*

(i) Allowance recognised in respect of trade receivables

The impairment provisions for trade receivables are based on assumptions about ECL. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, bases on the number of days that an individual receivable is outstanding as well as the Group's historical experience and forward-looking information at the end of the reporting period. Changes in these assumptions and estimates could materially affect the result of the assessment and it may be necessary to make additional impairment charge to the consolidated statement of profit or loss and other comprehensive income. At 31 December 2025, the carrying amount of trade receivables was approximately S\$5,590,000 (2024: S\$5,767,000), with accumulated impairment loss of trade receivables of approximately S\$180,000 (2024: S\$93,000). During the year ended 31 December 2025, net impairment loss on trade receivable of approximately S\$87,000 (2024: reversal of impairment loss S\$267,000) was recognised.

(ii) Impairment of goodwill and other intangible assets

The management of the Group performed the impairment assessment on the separate acquired intangible assets by identifying the indication of possible impairment of such intangible assets. Once identified, the management of the Group performed impairment testing, which requires an estimation of the recoverable amount of the cash-generating units to which such intangible assets have been allocated.

The management of the Group performed impairment testing annually, or if there is indication of possible impairment identified, for the goodwill.

Determining whether goodwill and other intangible assets are impaired requires an estimation of the value-in-use of the cash-generating units to which goodwill and other intangible assets have been allocated. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate the present value. The future cash flow is estimated based on past performance and expectation for market development. As the current environment is uncertain, the estimated cash flows and discount rate are subject to higher degree of estimation uncertainty. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2025, the carrying amounts of goodwill and other intangible assets were Nil (2024: Nil) and approximately Nil (2024: S\$525,000), respectively, with accumulated impairment losses on goodwill and other intangible assets of S\$2,550,000 (2024: S\$2,550,000) and S\$4,710,000 (2024: S\$4,440,000), respectively. Details of the impairment assessment are set out in Note 18.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

(b) Key sources of estimation uncertainty *(Continued)*

(iii) *Impairment of interests in associates*

The management of the Group performed impairment testing if there is indication of possible impairment identified, for the interests in associates.

Determining whether interests in associates are impaired requires an estimation of the value-in-use of the interests in associates. The value-in-use calculation requires the Group to estimate the future cash flows expected to arise from the interests in associates and a suitable discount rate in order to calculate the present value. The future cash flow is estimated based on past performance and expectation for market development. As the current environment is uncertain, the estimated cash flows and discount rate are subject to higher degree of estimation uncertainty. Where the actual future cash flows are less than expected, a material impairment loss may arise. As at 31 December 2025, the carrying amount of interests in associates was Nil (2024: Nil), with accumulated impairment losses on interests in associates of approximately S\$3,374,000 (2024: S\$3,374,000). Details of the impairment assessment are set out in Note 19.

(iv) *Estimated impairment of property, plant and equipment, investment properties and right-of-use assets*

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

The future cash flow is estimated based on past performance and expectation for market development. As the current environment is uncertain, the estimated cash flows and discount rate are subject to higher degree of estimation uncertainty. Changing the assumptions and estimates, including the discount rates or the growth rate in the cash flow projections, could materially affect the recoverable amounts.

As at 31 December 2025, the carrying amounts of property, plant and equipment, investment properties and right-of-use assets were approximately S\$7,155,000, S\$1,055,000 and S\$2,565,000 (2024: S\$7,816,000, S\$1,116,000 and S\$2,107,000), respectively.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

(b) Key sources of estimation uncertainty *(Continued)*

(v) *Estimated useful life of property, plant and equipment, right-of-use assets, investment properties and other intangible assets*

The Group's management determines the estimated useful lives and residual values for its property, plant and equipment, right-of-use assets, investment properties and other intangible assets. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment, right-of-use assets, investment properties and other intangible assets of similar nature and functions. Management will increase the depreciation/amortisation charge where useful lives are less than previously estimated lives. It will write-off or write-down technically obsolete or nonstrategic assets that have been abandoned or sold. Actual economic lives may differ from estimated useful lives; actual residual values may differ from estimated residual values. Periodic review could result in a change in depreciable lives and residual values and therefore depreciation/amortisation expense in the future periods. The carrying amounts of property, plant and equipment, right-of-use assets, investment properties and other intangible assets with finite useful life as at 31 December 2025 were approximately S\$7,155,000, S\$2,565,000, S\$1,055,000 and Nil (2024: S\$7,816,000, S\$2,107,000, S\$1,116,000 and S\$525,000), respectively.

(vi) *Allowance for inventories*

Allowance for 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. As at 31 December 2025 the carrying amount of inventories was approximately S\$6,214,000 (2024: S\$7,317,000), allowance of approximately S\$53,000 was made based on estimated net realisable value of inventories (2024: S\$615,000).

(vii) *Income taxes*

Determining income tax provisions involves judgement on the future tax treatment of certain transactions. The Group carefully evaluates tax implications of transactions and tax provisions are set up accordingly. The tax treatment of such transactions is reconsidered periodically to take into account all changes in tax legislations. Deferred tax assets are recognised for tax losses not yet used and temporary deductible differences. As those deferred tax assets can only be recognised to the extent that it is probable that future taxable profit will be available against which the unused tax credits can be utilised, management judgement is required to assess the probability of future taxable profits. Management's assessment is constantly reviewed and additional deferred tax assets are recognised if it becomes probable that future taxable profits will allow the deferred tax assets to be recovered.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

5. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY *(Continued)*

(b) Key sources of estimation uncertainty *(Continued)*

(viii) Fair value measurement of financial assets at FVTOCI

The estimation of fair value of unlisted equity instruments includes some assumptions not supported by observable market prices or rates. As at 31 December 2025, the carrying amount of the unlisted equity instruments classified as FVTOCI was approximately S\$1,997,000 (2024: S\$2,347,000). During the year ended 31 December 2025, fair value loss of financial assets at FVTOCI of approximately S\$350,000 (2024: fair value loss S\$931,000) was recognised in other comprehensive income. The management of the Group engaged independent professional valuers as management's expert to estimate the fair values of the unlisted equity instruments. In determining the fair value, the management's expert adopted a market-based approach using the guideline transaction method in the valuation.

The valuation involves the estimates and judgments, e.g. selection of the comparable companies and certain specific assumptions in the valuation. The fair value of financial assets at FVTOCI is subject to the judgments and estimates applied by the management and the management's expert of the Group.

6. REVENUE AND OTHER INCOME AND GAINS, NET

(a) Revenue from contracts with customers within the scope of HKFRS 15 recognised is as follows:

	2025 S\$'000	2024 S\$'000
Sales of goods	29,362	29,461

The following table provides information about disaggregation of revenue from contracts with customers:

	2025 S\$'000	2024 S\$'000
Disaggregated by types of customers		
Ship supply customers	29,168	29,290
Other wholesale and retail customers	194	171
	29,362	29,461
Timing of revenue recognition		
At a point in time	29,362	29,461

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

6. REVENUE AND OTHER INCOME AND GAINS, NET *(Continued)*

- (a) Revenue from contracts with customers within the scope of HKFRS 15 recognised is as follows: *(Continued)*

Transaction price allocated to the remaining performance obligations

All of the Group's remaining performance obligations for contracts with customers are for periods of one year or less. As permitted under HKFRS 15, the transaction price allocated to these unsatisfied contracts is not disclosed.

- (b) An analysis of the Group's other income and gains/(losses) is as follows:

	2025	2024
	S\$'000	S\$'000
Interest income	30	33
Interest income from promissory note	334	317
Exchange (loss)/gain, net	(131)	63
Fair value loss on financial assets at FVTPL	(1)	(1)
Government grants (note a)	36	55
Rental income from investment properties	169	203
Others	16	29
	453	699

Notes:

- a. Government grants comprised cash subsidies from (1) government for subsidising the Group's operation; and (2) related job support scheme. There are no unfulfilled conditions and other contingencies affected to the receipts of those subsidies.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. SEGMENT INFORMATION

The Group identifies its operating segments and prepared segment information based on the regular internal financial information reported to the Group's executive directors, being the chief operating decision maker ("CODM") for the purpose of resources allocation to the Group's business components and review of these components' performance.

For the year ended 31 December 2025, the Group engaged in a new business for trading of footwear in the PRC.

Specifically, the Group's reportable and operating segments under HKFRS 8 are as follows:

- | | |
|-----------------------------------|--|
| 1. Food and beverage in Singapore | – Trading of food and beverage products in Singapore |
| 2. Food and beverage in Hong Kong | – Trading of food and beverage products in Hong Kong |
| 3. Footwear in the PRC | – Trading of footwear in the PRC |

Segment revenue and results

For the year ended 31 December 2025

	Food and beverage products in Singapore S\$'000	Food and beverage products in Hong Kong S\$'000	Footwear in PRC S\$'000	Total S\$'000
Revenue from contracts with customers				
At a point in time	28,191	746	425	29,362
Reportable segment revenue	28,191	746	425	29,362
Reportable segment gain/(loss)	(113)	(142)	58	(197)
Other income				334
Unallocated corporate and other expenses				(1,668)
Finance costs				(49)
Loss before tax				(1,580)
Income tax expenses				(44)
Loss for the year				(1,624)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. SEGMENT INFORMATION *(Continued)*

Segment revenue and results *(Continued)*

For the year ended 31 December 2024

	Food and beverage products in Singapore S\$'000	Food and beverage products in Hong Kong S\$'000	Total S\$'000
Revenue from contracts with customers			
At a point in time	29,461	–	29,461
Reportable segment revenue	29,461	–	29,461
Reportable segment loss	(476)	(860)	(1,336)
Other income			320
Unallocated corporate and other expenses			(3,084)
Finance costs			(73)
Loss before tax			(4,173)
Income tax credit			12
Loss for the year			(4,161)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. SEGMENT INFORMATION *(Continued)*

Geographical information

During the year ended 31 December 2025, the Group's operations are located in Singapore, Hong Kong and the PRC (2024: Singapore and Hong Kong).

Information about the Group's revenue from external customers is presented based on location at which the goods are delivered. Information about the Group's non-current assets is presented based on the geographical location of the assets.

	2025	2024
	S\$'000	S\$'000
Revenue from external customers		
Singapore	27,955	29,287
Hong Kong	111	–
Indonesia	68	59
Malaysia	746	106
PRC	425	–
Other	57	9
	29,362	29,461
Non-current assets		
	2025	2024
	S\$'000	S\$'000
Singapore	10,775	11,039
Hong Kong	–	525
	10,775	11,564

Note: Non-current assets excluded financial assets at FVTOCI, pledged bank deposits and interests in associates.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities

The following is an analysis of the Group's assets and liabilities by reportable and operating segments:

As at 31 December 2025

	Food and beverage products in Singapore S\$'000	Food and beverage products in Hong Kong S\$'000	Footwear in PRC S\$'000	Total S\$'000
ASSETS				
Segment assets	23,548	2,543	1,633	27,724
Unallocated items:				
Right-of-use assets				558
Financial assets at FVTOCI				1,997
Deposits, prepayments and other receivables				1,020
Financial assets at fair value through profit or loss ("FVTPL")				11
Cash and cash equivalents				5,324
Total assets				36,634
LIABILITIES				
Segment liabilities	10,989	11	1,578	12,578
Unallocated items:				
Accruals, Other payables and deposits received				1,959
Amount due to a director				449
Lease liabilities				621
Total liabilities				15,607

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. SEGMENT INFORMATION *(Continued)*

Segment assets and liabilities *(Continued)*

As at 31 December 2024

	Food and beverage products in Singapore S\$'000	Food and beverage products in Hong Kong S\$'000	Total S\$'000
ASSETS			
Segment assets	24,425	2,966	27,391
Unallocated items:			
Intangible assets			525
Financial assets at FVTOCI			2,347
Deposits, prepayments and other receivables			689
Financial assets at fair value through profit or loss ("FVTPL")			12
Cash and cash equivalents			5,963
Total assets			<u>36,927</u>
LIABILITIES			
Segment liabilities	11,636	1,027	12,663
Unallocated items:			
Accruals, Other payables and deposits received			781
Deferred tax liabilities			91
Total liabilities			<u>13,535</u>

For the purpose of monitoring segment performances and allocating resources between segments:

- all assets are allocated to reportable and operating segments, other than certain right-of-use assets, intangible assets, financial assets at FVTOCI, deposits, prepayments and other receivables, financial assets at FVTPL and cash and cash equivalents.
- all liabilities are allocated to reportable and operating segments, other than certain accruals, other payables and deposits received, amount due to a director, deferred tax liabilities and lease liabilities.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

7. SEGMENT INFORMATION *(Continued)*

Information about major customers

Revenue from customers of the corresponding year contributing over 10% of the total revenue of the Group are as follows:

	2025	2024
	S\$'000	S\$'000
Customer A ¹	4,234	3,158
Customer B ¹	2,727	3,590

Note 1: Revenue from food and beverage products in Singapore.

8. FINANCE COSTS

	2025	2024
	S\$'000	S\$'000
Interest on bank borrowings	206	302
Interest on lease liabilities	177	121
Interest on promissory notes	–	73
	383	496

9. INCOME TAX EXPENSES/(CREDIT)

Income tax has been recognised in profit or loss as following:

	2025	2024
	S\$'000	S\$'000
Current tax		
– Singapore	116	–
– PRC	3	–
– Hong Kong	–	–
	119	–
Deferred tax (Note 31)	(75)	(12)
Income tax expenses/(credit)	44	(12)

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

9. INCOME TAX EXPENSES/(CREDIT) (Continued)

Pursuant to the rules and regulations of the Cayman Islands and the British Virgin Islands (the "BVI"), the Group is not subject to any taxation under the jurisdictions of the Cayman Islands and the BVI.

Singapore income tax has been provided at the rate of 17% on the estimated assessable profits for the year.

Under the two-tiered profits tax rates regime of Hong Kong Profits Tax, the first HK\$2 million of profits of qualifying corporation will be taxed at 8.25%, and profits above HK\$2 million will be taxed at 16.5%. Hong Kong profits tax of the qualified entity of the Group is calculated in accordance with the two-tiered profits tax rates regime. The profits of other Group entities in Hong Kong not qualifying for the two-tiered profits tax rates regime will continue to be taxed at the flat rate of 16.5%.

Under the Law of the PRC on Enterprise Income Tax (the "EIT Law") and implementation Regulation of the EIT Law, the tax rate of the PRC subsidiaries is 25%. No provision for PRC EIT has been made in the consolidated financial statements for the year ended 31 December 2024 as the subsidiaries in the PRC had no taxable profits.

The tax expense for the year can be reconciled to the loss before tax per the consolidated statement of profit or loss and other comprehensive income as follows:

	2025 S\$'000	2024 S\$'000
Loss before tax	(1,580)	(4,173)
Tax calculated at the statutory rate of 17% (2024: 17%)	(269)	(709)
Tax effect to share of results of associates	–	7
Tax effect of income not taxable for tax purpose	(12)	(45)
Tax effect of expenses not deductible for tax purpose	926	519
Tax effect of temporary differences not recognised	(606)	(65)
Effect of different tax rates of subsidiaries operating in other jurisdictions	28	15
Tax effect of tax losses not recognised	23	278
Effect of tax exemption granted to a Singapore subsidiary	(46)	(12)
Income tax expenses/(credit)	44	(12)

Details of the deferred taxation are set out in note 31.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

10. LOSS FOR THE YEAR

Loss for the year has been arrived at after charging/(crediting):

	2025	2024
	S\$'000	S\$'000
Employee benefit expenses (including directors' remuneration) (Note 11)		
– Salaries and welfare	3,968	4,676
– Defined contributions (note a)	118	91
	4,086	4,767
Auditor's remuneration	109	103
Cost of inventories recognised as expenses		
– Cost of inventories sold	22,353	21,434
– Write-down of inventories	53	615
Amortisation of other intangible assets (included in administrative and other operating expenses)	43	90
Depreciation of property, plant and equipment	772	751
Depreciation of investment properties	61	61
Depreciation of right-of-use assets	844	266
Impairment loss on trade receivables recognised/(reversed) (Note 45(iii))	87	(267)
Impairment loss on intangible asset	270	26
Loss on disposal of property, plant and equipment	7	–
Net foreign exchange loss/(gain)	131	(63)
Direct operating expenses (including repairs and maintenance arising on rent-earning investment properties)	42	43
Lease charges:		
– Short-term leases (leases with lease term shorter than 12 months)	146	235

Note (a): Contributions paid and payable by the Group to the schemes amounting to approximately S\$118,000 (2024: S\$91,000). No contributions payable to the schemes at the year end were included in other payables. There were no unutilised forfeited contributions as at 31 December 2025 (2024: Nil).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

11. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS

(a) Directors' emoluments

Directors' and chief executive's emoluments, disclosed pursuant to the Listing Rules, section 383(1) of the Hong Kong Companies Ordinance and Part 2 of the Companies (Disclosure of information about Benefits of Directors) Regulation, is as follows:

	Fees S\$'000	Salaries, allowances and benefits in kind S\$'000	Discretionary bonuses S\$'000	Defined contributions S\$'000	Share- based payments S\$'000	Total S\$'000
Year ended 31 December 2025						
Executive directors:						
Mr. Tan Seow Gee ("Mr. D Tan")	20	288	280	13	-	601
Mr. Gay Teo Siong ("Mr. R Gay")	20	288	280	9	-	597
Mr. Xie Renren (Note (iii))	79	-	-	-	-	79
Mr. Guo Guixian (Noted (iv))	79	-	-	-	-	79
Independent non-executive directors:						
Ms. Chan Oi Chong	20	-	-	-	-	20
Ms. Luk Huen Ling Claire	20	-	-	-	-	20
Mr. Peng Xiukai (Note (ii))	8	-	-	-	-	8
Ms. Chan Wai Nga (Note (v))	12	-	-	-	-	12
Total	258	576	560	22	-	1,416
Year ended 31 December 2024						
Executive directors:						
Mr. Tan Seow Gee ("Mr. D Tan")	21	288	869	14	-	1,192
Mr. Gay Teo Siong ("Mr. R Gay")	21	288	869	9	-	1,187
Mr. Xie Renren (Note (iii))	17	-	-	-	-	17
Mr. Guo Guixian (Noted (iv))	-	-	-	-	-	-
Non-executive director:						
Mr. Tang Tsz Kin (Note (i))	15	-	-	-	-	15
Independent non-executive directors:						
Ms. Chan Oi Chong	21	-	-	-	-	21
Ms. Luk Huen Ling Claire	21	-	-	-	-	21
Mr. Peng Xiukai (Note (ii))	21	-	-	-	-	21
Total	137	576	1,738	23	-	2,474

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

11. DIRECTORS' EMOLUMENTS AND FIVE HIGHEST PAID INDIVIDUALS *(Continued)*

(a) Directors' emoluments *(Continued)*

Notes:

- (i) Mr. Tang Tsz Kin was appointed as the non-executive director of the Company with effect from 28 March 2023. Mr. Tang Tsz Kin resigned as the non-executive director of the Company with effect from 17 October 2024.
- (ii) Mr. Peng Xiukai was appointed as the independent non-executive director of the Company with effect from 31 January 2024. Mr. Peng Xiukai resigned as the independent non-executive director of the Company with effect from 27 May 2025.
- (iii) Mr. Xie Renren was appointed as the executive director of the Company with effect from 17 October 2024.
- (iv) Mr. Guo Guixian was appointed as the executive director of the Company with effect from 27 December 2024.
- (v) Ms. Chan Wai Nga was appointed as the independent non-executive director of the Company with effect from 27 May 2025.

Mr. R Gay is also the chief executive of the Company and his emoluments disclosed above include those for services rendered by him as Chief Executive.

Neither the directors nor any of the highest paid individuals waived or agreed to waive any emoluments in the years ended 31 December 2025 and 2024.

No emoluments were paid by the Group to any directors or any of the highest paid individuals of the Group as an inducement to join or upon joining the Group or as compensation for loss of office as a director of any member of the Group or of any other office in connection with the management of the affairs of any member of the Group (2024: Nil).

(b) Five highest paid individuals

Of the five individuals with the highest emoluments in the Group, two (2024: two) were directors of the Company whose emoluments are included in the disclosures in Note (a) above. The emoluments of the remaining three (2024: three) individuals were as follows:

	2025	2024
	S\$'000	S\$'000
Salaries, allowances and benefits in kind	430	334
Discretionary bonuses	–	–
Defined contributions	26	24
	456	358

Their emoluments were within the following bands:

	2025	2024
	No. of	No. of
	employees	employees
Nil to HK\$1,000,000 (equivalent to Nil to S\$176,000)	3	3

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

12. DIVIDENDS

No dividend was paid or proposed during the year ended 31 December 2025, nor has any dividend been proposed since the end of the reporting period (2024: Nil).

13. LOSS PER SHARE

The calculation of the basic and diluted loss per share is based on the following:

	2025	2024
	S\$'000	S\$'000
Loss		
Loss attributable to owners of the Company	(1,624)	(4,161)
	2025	2024
Weighted average number of ordinary shares for the purpose of calculating basic and diluted loss per share	398,606,168	326,814,834

The diluted loss per share is the same as the basic loss per share as the computation of diluted loss per share does not assume the exercise of the Company's share options since their exercise would result in an anti-dilutive effect on loss per share for the years ended 31 December 2025 and 2024.

For the year ended 31 December 2025, the weighted average number of ordinary shares for the purpose of basic loss per share has not been adjusted. For the year ended 31 December 2024, the weighted average number of ordinary shares for the purpose of basic loss per share has been adjusted for the rights issues completed in 2024.

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For the year ended 31 December 2025

14. PROPERTY, PLANT AND EQUIPMENT

	Land and buildings S\$'000	Computers S\$'000	Furniture and fittings S\$'000	Kitchen equipment S\$'000	Machinery and equipment S\$'000	Motor vehicles S\$'000	Renovation S\$'000	Total S\$'000
Cost								
At 1 January 2024	10,295	151	72	22	1,286	720	1,970	14,516
Additions	-	144	8	-	-	-	163	315
Written off	-	-	-	-	-	(13)	-	(13)
At 31 December 2024 and 1 January 2025	10,295	295	80	22	1,286	707	2,133	14,818
Additions	-	5	-	1	16	-	96	118
Disposal	-	(9)	-	-	-	-	-	(9)
At 31 December 2025	10,295	291	80	23	1,302	707	2,229	14,927
Accumulated depreciation and impairment loss								
At 1 January 2024	2,695	132	63	21	882	683	1,788	6,264
Charge for the year	468	44	6	1	115	10	107	751
Written-off	-	-	-	-	-	(13)	-	(13)
At 31 December 2024 and 1 January 2025	3,163	176	69	22	997	680	1,895	7,002
Charge for the year	468	40	5	1	114	8	136	772
Disposal	-	(2)	-	-	-	-	-	(2)
At 31 December 2025	3,631	214	74	23	1,111	688	2,031	7,772
Carrying amount								
At 31 December 2025	6,664	77	6	-	191	19	198	7,155
At 31 December 2024	7,132	119	11	-	289	27	238	7,816

As at 31 December 2025, the Group's land and buildings with an aggregate net carrying amount of approximately S\$6,664,000 (2024: S\$7,132,000) have been pledged to secure banking facilities granted to the Group (Note 28).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

15. RIGHT-OF-USE ASSETS

	Leasehold land S\$'000	Office premises S\$'000	Motor vehicles S\$'000	Total S\$'000
Cost				
At 1 January 2024	1,975	98	980	3,053
Addition	–	–	388	388
Written-off	–	(98)	(522)	(620)
At 31 December 2024 and 1 January 2025	1,975	–	846	2,821
Addition	–	1,116	148	1,264
Remeasurement	(311)	–	–	(311)
At 31 December 2025	1,664	1,116	994	3,774
Accumulated depreciation and impairment loss				
At 1 January 2024	290	98	680	1,068
Charge for the year	114	–	152	266
Written-off	–	(98)	(522)	(620)
At 31 December 2024 and 1 January 2025	404	–	310	714
Charge for the year	112	558	174	844
Remeasurement	(349)	–	–	(349)
At 31 December 2025	167	558	484	1,209
Carrying amount				
At 31 December 2025	1,497	558	510	2,565
At 31 December 2024	1,571	–	536	2,107

Lease liabilities of approximately S\$2,917,000 (2024: S\$2,358,000) were recognised with related right-of-use assets of approximately S\$2,565,000 (2024: S\$2,107,000) as at 31 December 2025. The lease agreements do not impose any covenants other than the security interests in the leased assets that are held by the lessor. Leased assets may not be used as security for borrowing purposes.

The lease terms of lease arrangements for leasehold land, office premises and motor vehicles are generally ranged from 2 to 14 years (2024: 2 to 15 years).

Additions to the right-of-use assets for the year ended 31 December 2025 amounted to approximately S\$1,264,000 (2024: S\$388,000), due to new leases of motor vehicles and office premises (2024: motor vehicles).

Details of total cash outflow for leases is set out in Note 43.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

15. RIGHT-OF-USE ASSETS *(Continued)*

Amounts recognised in profit or loss

	2025	2024
	S\$'000	S\$'000
Depreciation expense on right-of-use assets	844	266
Interest expense on lease liabilities	177	121
Expense relating to short-term leases	146	235

16. INVESTMENT PROPERTIES

S\$'000

Cost

At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025 **1,540**

Accumulated depreciation

At 1 January 2024 363
Charge for the year 61

At 31 December 2024 and 1 January 2025 424
Charge for the year 61

At 31 December 2025 **485**

Carrying amount

At 31 December 2025 **1,055**

At 31 December 2024 1,116

Fair value

At 31 December 2025 **1,538**

At 31 December 2024 1,670

The fair value of the Group's investment properties as at 31 December 2025 was approximately S\$1,538,000 (2024: S\$1,670,000). The fair value has been arrived at based on a valuation carried out by an independent valuer not connected with the Group. The valuation was determined by direct comparison method based on market observable transactions of similar properties and adjusted to reflect the conditions and locations of the subject properties.

The investment properties are measured using direct comparison approach subsequent to initial recognition at fair value based on Level 3 of fair value hierarchy. Significant unobservable input used was the recent sales prices of comparable properties on a price per square feet basis.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

16. INVESTMENT PROPERTIES *(Continued)*

The estimated useful lives of the investment properties are from 23 to 27 years (2024: 23 to 27 years). The investment properties are stated at cost less accumulated depreciation and any impairment loss.

As at 31 December 2025, the Group's investment properties with an aggregate net carrying amount of approximately S\$599,000 (2024: S\$633,000) have been pledged to secure banking facilities granted to the Group (Note 28).

17. GOODWILL

	S\$'000
Cost	
At 1 January 2024	2,485
Exchange alignment	92
<hr/>	
At 31 December 2024 and 1 January 2025	2,577
Exchange alignment	(148)
<hr/>	
At 31 December 2025	2,429
<hr/>	
Accumulated impairment	
At 1 January 2024	2,485
Exchange realignment	92
<hr/>	
At 31 December 2024 and 1 January 2025	2,577
Exchange realignment	(148)
<hr/>	
At 31 December 2025	2,429
<hr/>	
Carrying amount	
At 31 December 2025 and 31 December 2024	–
<hr/>	

Goodwill arising from the business combination was fully impaired during the year ended 31 December 2022.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

18. OTHER INTANGIBLE ASSETS

	Trademarks S\$'000
Cost	
At 1 January 2024	6,185
Exchange realignment	227
<hr/>	
At 31 December 2024 and 1 January 2025	6,412
Exchange realignment	(369)
<hr/>	
At 31 December 2025	6,043
<hr/>	
Accumulated depreciation and impairment	
At 1 January 2024	5,564
Charge for the year	90
Impairment loss recognised during the year	26
Exchange realignment	207
<hr/>	
At 31 December 2024 and 1 January 2025	5,887
Charge for the year	43
Impairment loss recognised during the year	270
Exchange realignment	(157)
<hr/>	
At 31 December 2025	6,043
<hr/>	
Carrying amount	
At 31 December 2025	-
<hr/>	
At 31 December 2024	525
<hr/>	

The trademarks as part of business combination during the year ended 31 December 2021 have finite useful lives. Such intangible assets are amortised on a straight-line basis over the useful lives of 10 years.

During the year ended 31 December 2025, impairment loss for other intangible assets amounted to approximately S\$270,000 (2024: S\$26,000) was recognised in the profit or loss.

For the purpose of impairment testing, goodwill and other intangible assets arising from the business combination was allocated to one individual CGU of the Group, which is included in the Group's CGU of Bright Path Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

18. OTHER INTANGIBLE ASSETS (Continued)

The recoverable amount of this CGU has been determined based on value-in-use calculation, which uses cash flow projections based on financial budgets approved by the management of the Company covering a five-year period, and a discount rate of Nil (2024: 20.78%). Cash flows beyond the five-year period are extrapolated using the estimated weighted average growth rate of Nil (2024: 2.50%) for the CGU. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry.

During the year ended 31 December 2025, Goodwill has been fully impaired and impairment has been allocated pro rata to other assets to the extent the carrying amount of the asset is not reduced below the highest of its fair value less costs of disposal, its value in use and zero. The recoverable amount of Bright Path Group CGU amounted to approximately Nil as at 31 December 2025 (2024: S\$525,000).

Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of CGU of Bright Path Group to exceed the aggregate recoverable amount of Bright Path Group.

19. INTERESTS IN ASSOCIATES

	2025 S\$'000	2024 S\$'000
Cost of investments in associates	-	3,547
Impairment loss recognised	-	(3,374)
Share of post-acquisition losses and other comprehensive expense, net of dividends received	-	(173)
	-	-

The Group has discontinued the recognition of its share of losses of associates because the share of losses of the associate exceeded the Group's interest in the associate and the Group has no obligation to take up further losses. The amounts of the Group's unrecognised share of losses of this associate for the current year and cumulatively were S\$81,000 (2024: S\$41,000) and S\$122,000 (2024: S\$41,000), respectively.

During the year ended 31 December 2024, the Group recognised an impairment loss of approximately S\$1,132,000 in relation to interests in associates due to the unforeseen business environment in the near future.

The recoverable amount of interests in associates as at 31 December 2024 was determined based on value-in-use calculation, which uses cash flow projections based on financial budgets approved by the management of the Company covering a five-year period, and a discount rate of 18.11%. Cash flows beyond the five-year period are extrapolated using the estimated weighted average growth rate of 2.50% for the interests in associates. This growth rate is based on the relevant industry growth forecasts and does not exceed the average long-term growth rate for the relevant industry.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

19. INTERESTS IN ASSOCIATES *(Continued)*

Management believes that any reasonably possible change in any of these assumptions would not cause the aggregate carrying amount of interests in associates to exceed the aggregate recoverable amount of interests in associates.

Details of the Group's associates at 31 December 2025 and 2024 are as follows:

Name of entity	Form of business	Principal place of incorporation and operation	Class of shares held	Proportion of ownership interest or participating shares held by the Group	Proportion of voting power held by the Group	Principal activity
Gold Reign Limited	Corporate	The BVI	Ordinary	Nil (2024: 49%)	Nil (2024: 49%)	Investment holding
Le The Limited	Corporate	Hong Kong	Ordinary	Nil (2024: 29%)	Nil (2024: 29%)	Trading and supply of tea and food related products

The financial information and carrying amount, in aggregate, of the Group's interests in associates, that are not individually material and are accounted for using the equity method are set out below:

	2025 S\$'000	2024 S\$'000
The Group's share of losses	-	(41)

20. FINANCIAL ASSETS AT FVTOCI

	2025 S\$'000	2024 S\$'000
Unlisted equity investments	1,997	2,347

The unlisted equity investment represented the Group's equity interests in an unlisted entity which is principally engaged in video game development business in Hong Kong. At 31 December 2025, the fair value of the unlisted equity instrument was derived based on market approach. The valuation was carried out by Access Partner Consultancy & Appraisals Limited, an independent firm of qualified professional value is not connected with the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

20. FINANCIAL ASSETS AT FVTOCI (Continued)

During the year ended 31 December 2023, the Group entered into an agreement with an independent third party to acquire 4.54% ownership interests in Blissful Link Investments Limited at a consideration of approximately to HK\$17,800,000 (equivalent to approximately S\$3,049,000). The consideration was settled by a promissory note issued by the Company (note 30).

As 31 December 2025, the fair value is estimated to approximately S\$1,997,000 and a change in fair value loss of approximately S\$350,000 (2024: fair value loss of approximately S\$931,000) was recognised in other comprehensive income.

The Group designated its investment in unlisted equity instruments as FVTOCI (non-recycling), as the Group intended to hold this equity investment for long term strategic purpose.

Details of fair value measurement are set out in note 45(vi).

21. INVENTORIES

	2025	2024
	S\$'000	S\$'000
Inventories for resale	6,214	7,317

During the year ended 31 December 2025, S\$53,000 written-down value for inventories was recognised in consolidated statement of profit or loss and other comprehensive income (2024: S\$615,000).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

22. TRADE RECEIVABLES

	2025	2024
	S\$'000	S\$'000
Receivables at amortised cost comprised:		
Trade receivables	5,770	5,860
Less: allowance for impairment of trade receivables	(180)	(93)
	5,590	5,767

At as 31 December 2025, the gross amount of trade receivables arising from contracts with customers amounted to approximately S\$5,770,000 (2024: S\$5,860,000).

The Group allows credit period ranging from cash on delivery to 60 days to its trade customers. The following is an aging analysis of trade receivables net of allowance for impairment of trade receivables presented based on the invoice date, at the end of the reporting period.

	2025	2024
	S\$'000	S\$'000
0 to 30 days	2,935	4,602
31 to 90 days	2,140	1,144
91 to 180 days	515	21
	5,590	5,767

Further details on the Group's credit policy and credit risk arising from trade receivables are set out in Note 45(iii).

Trade receivables are denominated in the following currencies:

	2025	2024
	S\$'000	S\$'000
S\$	5,395	5,767
HK\$	195	–
	5,590	5,767

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

23. DEPOSITS, PREPAYMENTS AND OTHER RECEIVABLES

	2025 S\$'000	2024 S\$'000
Deposits	387	376
Prepayments	203	235
Interest receivables	651	317
Rental income receivable	–	39
Advance to suppliers	2,132	570
	3,373	1,537

24. FINANCIAL ASSETS AT FVTPL

	2025 S\$'000	2024 S\$'000
Equity securities listed in Hong Kong, denominated in HK\$	11	12

25. PLEDGED DEPOSITS/CASH AND CASH EQUIVALENTS

Pledged bank deposits

As at 31 December 2025, pledged bank deposits of S\$1,500,000 (2024: S\$1,500,000) represents deposits pledged to banks to secure banking facilities granted to the Group (Note 28). The pledged deposits are denominated in S\$ and carry fixed interest rate of 2.0% (2024: 2.0%) per annum. The pledged bank deposits have a maturity of 12 months (2024: 24 months) and was therefore classified as non-current assets (2024: non-current assets).

Cash and cash equivalents

	2025 S\$'000	2024 S\$'000
Cash at banks and in hand	7,174	6,842

Bank balances earn interest at floating rates based on daily bank deposit rates.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

25. PLEDGED DEPOSITS/CASH AND CASH EQUIVALENTS *(Continued)*

Cash and cash equivalents are denominated in the following currencies:

	2025	2024
	S\$'000	S\$'000
S\$	1,738	866
US\$	13	11
EURO ("EUR")	59	–
RMB	40	–
HK\$	5,324	5,965
	7,174	6,842

26. TRADE PAYABLES

	2025	2024
	S\$'000	S\$'000
Trade payables	3,452	3,231

The credit period is generally ranging from cash on delivery to 60 days. The following is an aging analysis of trade payables presented based on the invoice date at the end of the reporting period.

	2025	2024
	S\$'000	S\$'000
0 to 30 days	966	1,842
31 to 90 days	1,518	362
91 to 180 days	–	–
Over 180 days	968	1,027
	3,452	3,231

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

26. TRADE PAYABLES (Continued)

Trade payables are denominated in the following currencies:

	2025 S\$'000	2024 S\$'000
S\$	1,314	1,511
EUR	292	125
HK\$	968	1,027
Malaysia Ringgit ("RM")	304	244
AUD	334	276
US\$	240	48
	3,452	3,231

27. ACCRUALS, OTHER PAYABLES AND DEPOSITS RECEIVED

	2025 S\$'000	2024 S\$'000
Accruals	2,093	2,221
Contract liabilities (note a)	1,029	–
Other payables	829	259
Rental deposits received	83	28
Refund liabilities (note b)	118	277
	4,152	2,785
Classified as:		
Non-current liabilities	–	–
Current liabilities	4,152	2,785
	4,152	2,785

Note:

- (a) Contract liabilities include short-term advances received to deliver goods in relation to the trading of footwear.
- (b) Refund liabilities relates to volume rebate if the customers purchase more than certain volume of product in a calendar year. The volume rebates give rise to variable consideration. The Group applies the most likely amount method to estimate the variable consideration. A refund liability is recognised based on the estimate of the expected to be paid to customer's volume-based rebates.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

27. ACCRUALS, OTHER PAYABLES AND DEPOSITS RECEIVED *(Continued)*

Accruals, other payables and deposits received are denominated in the following currencies:

	2025	2024
	S\$'000	S\$'000
S\$	1,790	2,169
RMB	1,571	–
HK\$	791	616
	4,152	2,785

28. BANK BORROWINGS

	2025	2024
	S\$'000	S\$'000
Carrying amount repayable (based on scheduled repayment dates set out in the loan agreements):		
Within one year	495	435
More than one year, but not exceeding two years	511	458
More than two years, but not exceeding five years	1,630	1,519
After five years	1,919	2,594
	4,555	5,006
Classified as:		
Non-current liabilities	4,060	4,571
Current liabilities	495	435
	4,555	5,006

Notes:

- (a) Bank borrowings are interest-bearing at the banks' base lending rate adjusted by certain basis points per annum. As at 31 December 2025, the Group's bank borrowings effective interest rate was 3.19% per annum (2024: 5.07% per annum). All bank borrowings are denominated in S\$.
- (b) The Group's banking facilities are secured by:
 - (i) the pledge of land and buildings of the Group with net carrying amount of approximately S\$6,664,000 as at 31 December 2025 (2023: S\$7,132,000) (Note 14);
 - (ii) the pledge of investment properties of the Group with net carrying amount of approximately S\$599,000 as at 31 December 2025 (2024: S\$633,000) (Note 16);
 - (iii) the pledge of fixed deposits of the Group of approximately S\$1,500,000 (2024: S\$1,500,000) (Note 25); and
 - (iv) corporate guarantee provided by the Company as set out in Note 36(a).
- (c) The Group's aggregate banking facilities amount to approximately S\$6,105,000 (2024: S\$6,556,000), of which approximately S\$4,555,000 (2024: S\$5,006,000) have been utilised as at 31 December 2025.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

29. LEASE LIABILITIES

The following table shows the remaining contractual maturities of the Group's lease liabilities:

	2025	2024
	S\$'000	S\$'000
Present value of minimum lease payments:		
Due within one year	888	230
Due in the second to fifth years	692	710
Due after the fifth year	1,337	1,418
	2,917	2,358
Less: Amount due for settlement within one year (shown under current liabilities)	(888)	(230)
Amount due for settlement after one year	2,029	2,128

The Group considers that no extension option or termination option would be exercised at the lease commencement date. All leases are for leasehold land and leasing motor vehicles. The remaining lease periods are from 1 month to 14 years (2024: 1 months to 15 years).

The Group's obligations are secured by the lessors' title to the leased assets for such lease.

The weighted average incremental borrowing rates applied to lease liabilities range from 5.25% to 5.26% (2024: 5.26% to 5.53%).

During the year ended 31 December 2025, the Group entered into a number of new lease agreements in respect of motor vehicles and office premises (2024: motor vehicles) and recognised lease liability of approximately S\$1,264,000 (2024: S\$388,000).

Details of total cash outflow for leases is set out in Note 43.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

30. PROMISSORY NOTES

During the year ended 31 December 2021, a 2.80% coupon promissory note (“Promissory Note I”) was issued in connection with the acquisition of subsidiaries which was payable on maturity in July 2021.

Promissory Note with nominal value of HK\$44,000,000 (equivalent to approximately S\$7,503,000) bears interest at a fixed rate of 2.80% per annum. The effective interest rate of the Promissory Note was 2.72%.

The Group repaid part of Promissory Note in the principal amount of approximately HK\$16,400,000 (equivalent to approximately S\$2,820,000) during the year ended 31 December 2021.

On 15 July 2021, the Group entered into extension agreement with the Promissory Note holder, pursuant to which the maturity date of the promissory note was extended to 31 October 2023 and the interest rate remains unchanged at 2.80% per annum.

The Group repaid part of Promissory Note I in the principal amount of approximately HK\$13,020,000 (equivalent to approximately S\$2,291,000) during the year ended 31 December 2022.

On 17 October 2022, the Group entered into extension agreement with the Promissory Note holder, pursuant to which the maturity date of the promissory note was extended to 30 April 2023 and the interest rate remains unchanged at 2.80% per annum.

The Group repaid part of Promissory Note I in the principal amount of approximately HK\$12,755,000 (equivalent to approximately S\$2,155,000) during the year ended 31 December 2023.

During the year ended 31 December 2023, a 8.00% coupon promissory note (“Promissory Note II”) was issued in connection with the acquisition of financial assets (Note 20) which is payable on maturity in April 2024.

Promissory Note II with nominal value of HK\$17,800,000 (equivalent to approximately S\$3,049,000) bears interest at a fixed rate of 8.00% per annum. The effective interest rate of the Promissory Note II was 8.00%.

All promissory notes and were fully settled during the year ended 31 December 2024.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

31. DEFERRED TAX LIABILITIES

Details of the deferred tax liabilities recognised and movements during the year are as follows:

	Accelerated tax depreciation S\$'000	Intangible assets S\$'000	Total S\$'000
At 1 January 2024	64	103	167
Credited to profit or loss for the year (Note 9)	–	(12)	(12)
At 31 December 2024 and 1 January 2025	64	91	155
Credited to profit or loss for the year (Note 9)	–	(75)	(75)
Exchange realignment	–	(16)	(16)
At 31 December 2025	64	–	64

As at 31 December 2025, the Group has estimated unused tax losses of approximately S\$4,617,000 (2024: S\$4,475,000) that are available for offsetting against future taxable profits. The estimated unused tax losses may be carried forward indefinitely. No deferred tax asset has been recognised due to the unpredictability of future profit streams.

As at 31 December 2025, the Group has deductible temporary differences of approximately S\$180,000 (2024: S\$93,000). No deferred tax asset has been recognised in relation to such deductible temporary difference as it is not probable that taxable profit will be available against which the deductible temporary differences can be utilised.

32. AMOUNT DUE TO A DIRECTOR

The amount is unsecured, interest-free and repayable on demand.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

33. SHARE CAPITAL

	2025		2024	
	Number of shares	S\$'000	Number of shares	S\$'000
Authorised:				
At beginning and end of the year	500,000,000	17,337	500,000,000	17,337
Issued and fully paid:				
At beginning of the year	398,606,168	13,877	99,652,000	3,471
Issue of share under rights issue (Note (a))	-	-	298,954,168	10,406
At end of the year	398,606,168	13,877	398,606,168	13,877

Notes:

- (a) On 20 November 2023, the Company announced a proposed rights issue on the basis of three rights shares for every one existing shares in issue at a subscription price of HK\$0.335 per right share to raise up to HK\$100.2 million before expenses by issuing 298,956,000 right shares to the qualifying shareholders. The rights issue will be completed in April 2024 and the number of shares in issue of the Company will be increased by 298,956,000.
- (b) On 28 March 2024, the Board announces that 257,360,000 out of the 257,361,832 unsubscribed rights shares and Non-Qualifying Shareholder ("NQS") unsold rights shares were placed by the placing agent to fifteen independent places at the price of HK\$0.335 per share. All the placees (or their ultimate beneficial owners) are independent third parties and no placee has become a substantial shareholder immediately following the compensatory arrangements. Since the placing price is equal to the subscription price, no net gain will be distributed to the no action shareholders or the non-qualifying shareholders.

As all the conditions with respect to the rights issue have been fulfilled, the rights issue has become unconditional. 298,954,168 rights shares, representing almost 100% of the total number of rights shares under the rights issue, will be allotted and issued. The gross and net proceeds raised from the rights issue (including the compensatory arrangements) are approximately HK\$100.1 million (equivalent S\$17,532,000) and HK\$98.1 million (equivalent S\$17,182,000), respectively.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

34. RESERVES

(a) The Group

Details of the movements on the Group's reserves are set out in the consolidated statement of changes in equity.

The following describes the nature and purpose of each reserve within owners' equity:

Share premium

The share premium represents the excess of the proceeds received over the nominal value of the Company's shares issued.

Other reserve

The other reserve represents the difference between the investment costs in subsidiaries and the nominal value of the issued share capital of the Group's subsidiaries.

Translation reserve

The translation 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 set out in Note 4.5 to the consolidated financial statements.

Share option reserve

The share option reserve represents the fair value of the actual or estimated number of unexercised share options granted to employees of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in Note 4.19 to the consolidated financial statements.

Shares held under share award scheme

Shares held under share award scheme represents the amount paid on the repurchase of shares held under share award scheme in accordance with the accounting policy adopted for shares held under share award scheme in Note 4.19 to the consolidated financial statements.

Financial assets at FVTOCI reserve

The financial assets at FVTOCI reserve comprises the cumulative net change in the fair value of financial assets at FVTOCI held at the end of the reporting period and is dealt with in accordance with the accounting policy in Note 4.11 to the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

34. RESERVES (Continued)

(b) The Company

	Share premium	Contributed surplus*	Translation reserve	Shares held under share award scheme	Share option reserve	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 January 2024	16,063	10,958	69	(791)	-	(6,778)	19,521
Loss and total comprehensive income for the year	-	-	(162)	-	-	(14,415)	(14,577)
Issue of shares upon rights issue (Note 33(b))	6,757	-	-	-	-	-	6,757
Shares purchased under share award scheme (Note 40)	-	-	-	(2,332)	-	-	(2,332)
At 31 December 2024 and 1 January 2025	22,820	10,958	(93)	(3,123)	-	(21,193)	9,369
Loss and total comprehensive income for the year	-	-	(354)	-	-	(4,492)	(4,846)
At 31 December 2025	22,820	10,958	(447)	(3,123)	-	(25,685)	4,523

* The contributed surplus of the Company represented the difference between the net asset value of the subsidiary acquired and the nominal value of the share capital of the Company issued in exchange thereof pursuant to the group reorganisation completed on 5 September 2017.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

35. LEASE COMMITMENTS

As lessor

As at 31 December 2025 and 2024, future minimum lease rental receivables under noncancellable operating leases of the Group are as follows:

	2025 S\$'000	2024 S\$'000
Within one year	278	60
After 1 year but within 2 years	387	–
	665	60

The Group leases its investment properties (Note 16) under operating leases. The leases run for an initial period of 2 to 3 years (2024: 2 to 3 years), with options to renew the lease terms upon expiry when all terms are re-negotiated. None of these leases includes any contingent rentals.

36. RELATED PARTY TRANSACTIONS

(a) As at 31 December 2025, the Company had executed corporate guarantee to secure banking facility granted to the subsidiary amounted to approximately S\$14,046,000 (2024: S\$14,046,000). Under the guarantee, the Company would be liable to pay the bank if the bank is unable to recover the bank borrowings. As at 31 December 2025 and 2024, there is no outstanding balance of bank borrowings under the guarantee contract.

(b) Transaction with key management personnel

The Company's directors are key management personnel of the Group whose remunerations are disclosed in Note 11.

The remuneration of directors of the Company is determined by the remuneration committee having regard to the performance of individuals and market trends.

37. CONTINGENT LIABILITIES

As at 31 December 2025, the Group had contingent liabilities in respect of performance bonds issued in favour of certain suppliers in its ordinary course of business amounting to approximately S\$1,274,000 (2024: S\$1,033,000). The guarantees in respect of performance bonds issued by bank are secured by bank deposits, land and buildings and investment properties of the Group and corporate guarantee of the Company.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

38. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

	Note	2025 S\$'000	2024 S\$'000
Non-current assets			
Investments in associates		–	3,561
Investments in subsidiaries (Note i)		8,752	8,684
Right-of-use assets		558	–
		9,310	12,245
Current assets			
Prepayments		945	611
Amounts due from subsidiaries (Note ii)		4,604	4,950
Financial assets at FVTPL		11	12
Cash and cash equivalents		5,323	5,971
		10,883	11,544
Current liabilities			
Accruals and other payables		723	543
Amount due to a director		449	–
Lease liability		621	–
		1,793	543
Net current assets		9,090	11,001
Net assets		18,400	23,246
Equity			
Share capital		13,877	13,877
Reserves	34(b)	4,523	9,369
Total equity		18,400	23,246

Notes:

- i. As at 31 December 2025, investments in subsidiaries are carried at cost of approximately S\$8,752,000 (2024: S\$8,684,000) less accumulated impairment loss of approximately S\$2,274,000 (2024: S\$2,274,000).
- ii. The amounts are unsecured, interest-free and repayable on demand.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

39. PARTICULARS OF SUBSIDIARIES

Details of subsidiaries as at 31 December 2025 and 2024 are as follows:

Company name	Place of incorporation and form of business structure	Principal place of operation	Issued and paid-up ordinary share capital/ registered capital	Proportion of ownership interest/ voting power held by the Company		Principal activities
				Direct	Indirect	
Amazing Well Limited	BVI, limited liability company	BVI	US\$1	100% (2024: 100%)	–	Investment holding
Galaxy Pop Limited	BVI, limited liability company	BVI	US\$1	100% (2024: 100%)	–	Investment holding
Open Treasure Enterprises Limited	BVI, limited liability company	BVI	US\$100	100% (2024: 100%)	–	Investment holding
Bright Path Group Limited	BVI, limited liability company	BVI	US\$1	–	100% (2024: 100%)	Investment holding
Cool Link Marketing Pte Limited	Singapore, limited liability company	Singapore	S\$100,000	–	100% (2024: 100%)	Food supplies business
Cool Link Trading (HK) Limited	Hong Kong, limited liability company	Hong Kong	HK\$100	–	100% (2024: 100%)	Inactive
Dove Biotech Hong Kong Limited	Hong Kong, limited liability company	Hong Kong	HK\$10,000	–	100% (2024: 100%)	Inactive
Sea Link Pacific Limited	Hong Kong, limited liability company	Hong Kong	HK\$100	–	100% (2024: 100%)	Wine business
Cool Link Trading Internationality Limited (HK)	Hong Kong, limited liability company	Hong Kong	HK\$10,000	–	100% (2024: 100%)	Investment holding
Globe Taste Traders Limited (BVI)	BVI, limited liability company	BVI	US\$50,000	100% (2024: 100%)	–	Investment holding
深圳市笑道科技有限公司	PRC, limited liability company	PRC	RMB500,000	–	100% (2024: 100%)	Footwear business

None of the subsidiaries had issued any debt securities at the end of the year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

40. SHARE OPTIONS SCHEME

The Company operates a share option scheme (the “Scheme”) for the purpose of providing incentives and rewards to eligible participants who contribute to the success of the Group’s operations. Eligible participants include (i) any Directors (whether executive or non-executive and whether independent or not) and any employee (whether full time or part time) of the Group; (ii) any consultants or advisers (in the areas of legal, technical, financial or corporate managerial) of the Group (whether on an employment or contractual or honorary basis or otherwise and whether paid or unpaid); any provider of goods and/or services to the Group; any customer of the Group; or any holder of securities issued by any member of the Group; and (iii) any other person, who at the sole discretion of the Board, has contributed to the Group. The Scheme became effective on 30 August 2017 and, unless otherwise cancelled or amended, will remain in force for 10 years from that date.

The maximum number of unexercised share options currently permitted to be granted under the Scheme is an amount equivalent, upon their exercise, to 10% of the shares of the Company in issue at any time. The maximum number of shares issuable under share options to each eligible participant in the Scheme within any 12-month period is limited to 1% of the shares of the Company in issue at any time. Any further grant of shares options in excess of this limit is subject to shareholders’ approval in a general meeting.

Share options granted to a director, chief executive or substantial shareholder of the Company, or to any of their associates, are subject to approval in advance by the independent non-executive directors. In addition, any share options granted to a substantial shareholder or an independent non-executive director of the Company, or to any of their associates, in excess of 0.1% of the shares of the Company in issue at any time or with an aggregate value (based on the price of the Company’s shares at the date of the grant) in excess of HK\$5 million, within any 12-month period, are subject to shareholders’ approval in advance in a general meeting.

The offer of a grant of share options may be accepted within 10 days from the date of the offer. The amount payable by the grantee to the Company on acceptance of the offer shall be a nominal amount to be determined by the Board. The exercise period of the share options granted is determinable by the directors and commences after a certain vesting period and ends on a date which is not later than five years from the date of the offer of the share options or the expiry date of the Scheme, if earlier.

The exercise price of the share options is determinable by the directors, but may not be less than the highest of (i) the Stock Exchange closing price of the Company’s shares on the date of the offer of the share options; (ii) the average Stock Exchange closing price of the Company’s shares for the five trading days immediately preceding the date of the offer; and (iii) the nominal value of the Company’s shares on the date of the offer, when applicable.

Share options do not confer rights on the holder to dividends or to vote at shareholders’ meetings.

As at 31 December 2025 and 2024, no share option was granted or outstanding during the year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

41. SHARE AWARD PLAN

On 14 September 2021, the Company adopted the share award plan (the “Plan”) in which the Group’s employees (whether full time or part time, but excluding directors), providers of goods and/or services, customers, consultants, advisers of the Group or any invested entity, and holders of securities issued by any member of the Group will be entitled to participate (the “Eligible Participant(s)”).

The objectives of the Plan are to (i) recognise and reward the contribution of certain Eligible Participants to the growth and development of the Group through an award of shares and to give incentives thereto in order to retain them for the continual operation and development of the Group; and (ii) attract and remain suitable personnel for further development of the Group.

The Plan shall be subject to the administration of the Board and the trustee in accordance with the plan rules and the trust deed of the Plan. The Plan will be valid and effective from the adoption date (i.e. 14 September 2021) and will terminate on the earlier of (i) the tenth anniversary date of the adoption date; and (ii) such date of early termination as determined by the Board provided that such termination will not affect any subsisting rights of any Selected Participant under the Plan.

The maximum number of share to be subscribed for and/or purchased by the Trustee by applying Trust Fund for each calendar year for the purpose of the Plan shall not exceed 10% of the total number of issued shares as at the beginning of such calendar year subject to adjustment in the event of capitalisation issue or right issue. The Directors shall not instruct the Trustee to subscribe and/or purchase any shares for the purpose of the Plan when such subscription and/or purchase will result in the said limit being exceeded. The maximum number of shares which may be awarded to a Selected Participant under the Plan, shall not exceed 1% of the total number of issued shares during any 12-month period.

During the year ended 31 December 2022, a sum of approximately HK\$4,556,000 (equivalent to approximately S\$791,000) was used to acquire 5,795,000 shares from the market by the trustee of the Plan. The amount paid on the repurchase of these shares was debited to the shares held under the shares held under share award scheme account. As at the date of this report, the remaining life of the plan is less than 7 years.

No shares have been granted under the Plan in both years ended 31 December 2024 and 2025.

42. MAJOR NON-CASH TRANSACTIONS

During the year ended 31 December 2025, the Group entered into certain lease contracts in which additions to right-of-use assets and lease liabilities amounting to approximately S\$1,264,000 (2024: S\$388,000) was recognised at the lease commencement date respectively.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

43. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

For the year ended 31 December 2025

	Bank borrowings S\$'000 (Note 28)	Lease liabilities S\$'000 (Note 29)	Promissory notes S\$'000 (Note 30)	Total S\$'000
As at 1 January 2025	5,006	2,358	-	7,364
Cash flows:				
Repayment of bank borrowings	(451)	-	-	(451)
Interest paid on bank borrowings	(206)	-	-	(206)
Capital element of lease rentals paid	-	(743)	-	(743)
Interest element of lease rentals paid	-	(177)	-	(177)
Non-cash:				
Interest expenses	206	177	-	383
Remeasurement	-	38	-	38
Additions of lease liabilities	-	1,264	-	1,264
As at 31 December 2025	4,555	2,917	-	7,472

For the year ended 31 December 2024

	Bank borrowings S\$'000 (Note 28)	Lease liabilities S\$'000 (Note 29)	Promissory notes S\$'000 (Note 30)	Total S\$'000
As at 1 January 2024	5,447	2,202	3,217	10,866
Cash flows:				
Repayment of bank borrowings	(441)	-	-	(441)
Interest paid on bank borrowings	(302)	-	-	(302)
Capital element of lease rentals paid	-	(232)	-	(232)
Interest element of lease rentals paid	-	(121)	-	(121)
Repayment of promissory notes	-	-	(3,217)	(3,217)
Interest paid on promissory notes	-	-	(73)	(73)
Non-cash:				
Interest expenses	302	121	73	496
Additions of lease liabilities	-	388	-	388
As at 31 December 2024	5,006	2,358	-	7,364

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

44. FINANCIAL INSTRUMENTS BY CATEGORY

As at 31 December 2025 and 2024, the carrying amounts of each of the categories of financial instruments are as follows:

	2025 S\$'000	2024 S\$'000
Financial assets at FVTOCI		
Unlisted equity instruments	1,997	2,347
Financial assets at FVTPL		
Listed equity securities in Hong Kong	11	12
Financial assets at amortised cost		
Trade receivables	5,590	5,767
Deposits and other receivables	1,038	732
Pledged bank deposits	1,500	1,500
Cash and cash equivalents	7,174	6,842
	15,302	14,841
Financial liabilities at amortised cost		
Trade payables	3,452	3,231
Accruals, other payables and deposits received	3,123	2,785
Bank borrowings	4,555	5,006
	11,130	11,022

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to a variety of financial risks in the normal course of business. The Group does not have written risk management policies and guidelines. However, the directors meet periodically to analyse and formulate strategies to manage the Group's exposure to market risks (specifically to foreign currency risk, interest rate risk and other price risk), credit risk and liquidity risk. Generally, the Group utilises conservative strategies on its risk management. The Group's exposure to market risk is kept to minimum. The Group has not used any derivatives or other instruments for hedging purposes. The Group does not hold or issue derivative financial instruments for trading purposes. The directors review and agree policies for managing each of these risks and they are summarised below.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(i) Foreign currency risk

The Group operates in Singapore, PRC and Hong Kong with most of the transactions denominated and settled in S\$, RMB, HK\$, RM, AUD, EUR and US\$. No foreign currency risk has been identified for the financial assets and financial liabilities denominated in S\$, RMB and HK\$/US\$, which are the functional currencies of the subsidiaries in Singapore, PRC and Hong Kong to which these transactions relate.

The Group currently does not have a foreign exchange hedging policy. However, the management of the Group monitors foreign exchange exposure and will consider hedging significant foreign exchange exposure should the need arise.

The following table indicates the approximate effect on the result for the year in response to reasonably possible changes in the foreign exchange rates, with all other variables held constant, to which the Group has significant exposure at the end of the reporting period. The appreciation and depreciation of 4% in S\$ exchange rate against foreign currencies represents management's assessment of a reasonably possible change in currency exchange rate over the year.

	Loss for the year (decrease)/increase by	
	2025 S\$'000	2024 S\$'000
RM to S\$		
Appreciation by 4%	10	8
Depreciation by 4%	(10)	(8)
EUR to S\$		
Appreciation by 4%	8	4
Depreciation by 4%	(8)	(4)
AUD to S\$		
Appreciation by 4%	11	9
Depreciation by 4%	(11)	(9)
RMB to S\$		
Appreciation by 4%	2	–
Depreciation by 4%	(2)	–

The measures to manage foreign currency risk have since prior years and are considered to be effective.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(ii) Interest rate risk

The Group is exposed to cash flow interest rate risk in relation to variable-rate cash and cash equivalents (Note 25) and bank borrowings (Note 28). It is the Group's policy to keep its borrowings at floating rate of interest so as to minimise the fair value interest rate risk.

At 31 December 2025, it is estimated that a general increase/decrease of 50 basis points in interest rates, with all other variables held constant, would increase/decrease the Group's loss for the year (through the impact on the Group's bank borrowings which are subject to floating interest rate) by approximately S\$19,000 (2024: S\$21,000). No impact would be on other components of consolidated equity in response to the general increase/decrease in interest rates.

The sensitivity analysis as above has been determined assuming that the change in interest rates had occurred at the reporting date and had been applied to the exposure to interest rate risk for financial instruments in existence at that date. The 50 basis point increase or decrease represents the management's assessment of a reasonably possible change in interest rates over the period until the next annual reporting date.

(iii) Credit risk

As at 31 December 2025, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of respective financial assets as stated in the consolidated statement of financial position.

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

The objective of the Group's measures to manage credit risk is to control potential exposure to recoverability problem. Most of the Group's cash and cash equivalents are held in major reputable financial institutions, which management believes are of high credit quality.

The Group has a certain concentration of credit risk with respect to trade receivables. As at 31 December 2025, the Group's trade receivables due from five largest customers amounting to approximately S\$2,340,000 (2024: S\$3,016,000) represents 42% (2024: 52%) of trade receivables. These customers have a good settlement record and reputation.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(iii) Credit risk *(Continued)*

For trade receivables, the Group has applied the simplified approach in HKFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the ECL on an individual basis for customer with significant balances by using a provision matrix, estimated based on historical credit loss experience, as well as the general economic conditions of the industry in which the debtors operate. In this regard, the management of the Group considered that the Group's credit risk is significantly reduced.

The Group recognised lifetime ECL for trade receivables based on individually significant customer or the ageing of customers collectively that are not individually significant as follows:

2025

	Expected loss rate %	Gross carrying amount S\$'000	Loss allowance S\$'000	Net carrying amount S\$'000
Neither past due nor impaired	1.4%	2,978	(68)	2,910
1 to 30 days past due	1.4%	2,179	(50)	2,129
31 to 90 days past due	1.4%	533	(12)	521
91 to 120 days past due	62%	80	(50)	30
		5,770	(180)	5,590

2024

	Expected loss rate %	Gross carrying amount S\$'000	Loss allowance S\$'000	Net carrying amount S\$'000
Neither past due nor impaired	1.4%	4,684	(64)	4,620
1 to 30 days past due	1.4%	1,038	(14)	1,024
31 to 90 days past due	1.4%	112	(1)	111
91 to 120 days past due	53%	26	(14)	12
		5,860	(93)	5,767

Expected loss rates are based on actual loss experience over the past 3 years. These rates are adjusted to reflect differences between economic conditions during the period over which the historic data has been collected, current conditions and the Group's view of economic conditions over the expected lives of the receivables.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(iii) Credit risk *(Continued)*

For deposits and other receivables, management makes periodic as individual assessment on the recoverability based on historical settlement records, past experience, and also available reasonable and supportive forward-looking information. The management believes that there is no material credit risk inherent in the Group's outstanding balance of deposits and other receivables.

The credit risk for bank balances is considered not material as such amounts are placed in reputable banks with high credit ratings assigned by international credit-rating agencies. There has been no recent history of default in relation to these banks and thus the risk of default is regard as low.

No significant changes to estimation techniques or assumptions were made during the year.

Movement in the loss allowance account in respect of trade receivables during the year is as follows:

	2025	2024
	S\$'000	S\$'000
Balance at 1 January	93	360
Impairment losses recognised/(reversed) (Note 10)	87	(267)
Balance at 31 December	180	93

(iv) Liquidity risk

Liquidity risk relates to the risk that the Group will not be able to meet its obligations associated with its financial liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank borrowings, also regularly monitor its liquidity requirements, its compliance with lending covenants and its relationship with its bankers to ensure that it maintains sufficient reserves of cash and adequate committed lines of funding from major financial institutions to meet its liquidity requirements in the short and longer term. The Group's liquidity position is monitored on a daily basis by management.

The following table details the Group's remaining contractual maturity for its non-derivative financial liabilities. The table has been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The maturity dates for non-derivative financial liabilities are based on the agreed repayment dates.

The table includes both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curve at the end of the reporting period.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(iv) Liquidity risk *(Continued)*

	Carrying amount S\$'000	Total contractual undiscounted cash flow S\$'000	Within 1 year or on demand S\$'000	More than 1 year but less than 2 years S\$'000	More than 2 year but less than 5 years S\$'000	Over 5 years S\$'000
At 31 December 2025						
Trade payables	3,452	3,452	3,452	-	-	-
Accruals, other payables and deposits received	3,123	3,123	3,123	-	-	-
Bank borrowings	4,555	5,164	629	629	1,886	2,020
	11,130	11,739	7,204	629	1,886	2,020
Lease liabilities	2,917	3,767	1,020	317	728	1,702
At 31 December 2024						
Trade payables	3,231	3,231	3,231	-	-	-
Accruals, other payables and deposits received	2,785	2,785	2,785	-	-	-
Bank borrowings	5,006	6,286	679	679	2,038	2,890
	11,022	12,302	6,695	679	2,038	2,890
Lease liabilities	2,358	3,300	342	309	791	1,858

The amounts included above for variable interest rate instruments for non-derivative financial liabilities are subject to change if changes in variable interest rates differ to those estimates of interest rates determined at the end of the reporting period.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(v) Other price risk

Other price risk relates to the risk that the fair values or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than changes in interest rates and foreign exchange rates). The Group is mainly exposed to change in market prices of listed equity securities in respect of its investments in listed equity classified as financial assets at FVTPL. The management will monitor the price movements and take appropriate actions when it is required.

The sensitivity analyses below have been determined based on the exposure to equity price risks at the end of the reporting period. If the prices of the respective equity instruments had been 10% (2024: 10%) higher/lower, post-tax loss for the year ended 31 December 2025 would decrease/increase by approximately S\$1,000 (2024: S\$1,000) as a result of the changes in fair value of financial assets at FVTPL.

(vi) Fair value measurements

Disclosures of level in fair value hierarchy:

		At 31 December 2025			
	Note	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000
Recurring fair value measurements:					
Financial assets at FVTPL:					
Listed equity securities in Hong Kong	(a)	11	–	–	11

Financial assets at FVTOCI:					
Unlisted equity instruments	(b)	–	–	1,997	1,997

		At 31 December 2024			
	Note	Level 1 S\$'000	Level 2 S\$'000	Level 3 S\$'000	Total S\$'000

Recurring fair value measurements:

Financial assets at FVTPL:					
Listed equity securities in Hong Kong	(a)	12	–	–	12

Financial assets at FVTOCI:					
Unlisted equity instruments	(b)	–	–	2,347	2,347

There have been no transfers between levels 1, 2 and 3 for the years ended 31 December 2025 and 2024. The Group's policy is to recognise transfers between levels of fair value hierarchy as at the end of the reporting period in which they occur.

The methods and valuation techniques used for the purpose of measuring fair value are unchanged compared to the previous reporting periods.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(vi) Fair value measurements *(Continued)*

Note:

- (a) The listed equity securities are denominated in HK\$. Fair values have been determined by reference to their quoted bid prices at the reporting date.
- (b) The fair value of unlisted equity instruments classified as financial assets at FVTOCI measured using a market-based approach.

Summary of significant unobservable inputs to the valuation of financial instruments together with a quantitative sensitivity analysis as at 31 December 2025 and 2024:

	Valuation technique	Significant unobservable input	Range	Sensitivity of fair value to the input
Unlisted equity investments	Valuation multiples	Average EV/EBITDA multiple of peers	32% (2024: 25%)	5% (2024: 5%) increase/decrease in multiple would result in increase/(decrease) in fair value by S\$149,000/(S\$644,000) (2024: S\$158,000/(S\$596,000))

The Group engaged an independent professional valuer to perform valuation of these investments where quoted market prices are not available. The management of the Group will discuss with the valuer on the valuation assumptions and valuation results once a year when the valuation is performed for annual financial reporting.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2025

45. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES *(Continued)*

(vi) Fair value measurements *(Continued)*

Reconciliation of Level 3 fair value measurements of financial assets at FVTOCI and on recurring basis:

	Unlisted equity investments S\$'000
As at 31 December 2023 and 1 January 2024	3,278
Changes in fair value	(931)
As at 31 December 2024	2,347
Changes in fair value	(350)
As at 31 December 2025	1,997

(vii) Fair value measurement objective and policies

The fair values of financial assets and financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices or rates from observable current market transactions as input.

The management of the Group considered that the carrying amounts of financial assets and financial liabilities recorded at amortised cost in the consolidated financial statements approximate to their fair values.

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For the year ended 31 December 2025

46. CAPITAL MANAGEMENT

The Group's objective of managing capital is to safeguard the Group's ability to continue as a going concern in order to provide returns for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce cost of capital. The Group's overall strategy remains unchanged from prior year.

In order to maintain or adjust the capital structure, the Group may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares or sell assets to reduce debts. The capital structure of the Group consists of debts, which includes the bank borrowings (Note 28), lease liabilities (Note 29), promissory notes (Note 30), cash and cash equivalents (Note 25) and total equity, comprising share capital (Note 33) and reserves (Note 34). The Group's risk management reviews the capital structure on a semi-annual basis. As part of this review, management considers the cost of capital and the risks associated with each class of capital.

	2025	2024
	S\$'000	S\$'000
Bank borrowings	4,555	5,006
Lease liabilities	2,917	2,358
Less: Cash and cash equivalents	(7,174)	(6,842)
Net debt	298	522
Total equity	21,027	23,392
Net debt to equity ratio	1%	2%

Financial Summary

RESULTS

	For the year ended 31 December				
	2025 S\$'000	2024 S\$'000	2023 S\$'000	2022 S\$'000	2021 S\$'000
Revenue	29,362	29,461	30,765	34,694	32,761
Gross profit	6,956	7,412	8,517	9,753	6,909
Loss before income tax	(1,580)	(4,173)	(925)	(9,210)	(1,234)
Loss for the year	(1,624)	(4,161)	(1,071)	(8,701)	(1,201)
Loss and total comprehensive income for the year	(2,365)	(5,198)	(853)	(8,616)	(1,160)

ASSETS AND LIABILITIES

	As at 31 December				
	2025 S\$'000	2024 S\$'000	2023 S\$'000	2022 S\$'000	2021 S\$'000
Total assets	36,634	36,927	31,970	31,899	40,410
Total liabilities	15,607	13,535	18,211	18,681	20,787
Total equity	21,027	23,392	13,759	13,218	19,623