



ZHONGSHI MINAN HOLDINGS LIMITED

中食民安控股有限公司

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

STOCK CODE: 8283

**2025**  
ANNUAL  
REPORT

## **CHARACTERISTICS OF THE GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE "STOCK EXCHANGE")**

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*This report, for which the directors (the "Directors") of Zhongshi Minan Holdings Limited (the "Company") collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the 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, and all opinions expressed in this document have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

The background features a warm orange color palette. In the center, the letters 'AI' are prominently displayed in a large, white, sans-serif font. A hand is shown pointing towards these letters. Surrounding the 'AI' text are various white icons representing technology and business: a Wi-Fi symbol, a gear, a document, a calendar with a checkmark, a bar chart, a pie chart, a smartphone with a dollar sign, a globe, and a group of people. The overall aesthetic is modern and tech-oriented.

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# CORPORATE INFORMATION

## EXECUTIVE DIRECTORS

Mr. WANG Lei  
(*Chairman and Chief Executive Officer*)  
Mr. CHUA Boon Hou (CAI Wenhao)  
Ms. WU Mengmeng

## NON-EXECUTIVE DIRECTOR

Mr. LI Xiaodong

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHEN Huichun  
Mr. GAO Yan  
Mr. WU Guoyong (appointed on 30 June 2025)  
Mr. ZHAO Wei (resigned on 30 June 2025)

## AUDIT COMMITTEE

Mr. GAO Yan (*Chairman*)  
Mr. CHEN Huichun  
Mr. WU Guoyong (appointed on 30 June 2025)  
Mr. ZHAO Wei (resigned on 30 June 2025)

## REMUNERATION COMMITTEE

Mr. GAO Yan (*Chairman*)  
Mr. WANG Lei  
Mr. WU Guoyong (appointed on 30 June 2025)  
Mr. ZHAO Wei (resigned on 30 June 2025)

## NOMINATION COMMITTEE

Mr. ZHAO Wei (*Chairman*) (resigned on 30 June 2025)  
Mr. WU Guoyong (*Chairman*) (appointed on 30 June 2025)  
Mr. CHEN Huichun  
Mr. WANG Lei

## RISK MANAGEMENT COMMITTEE

Mr. ZHAO Wei (*Chairman*) (resigned on 30 June 2025)  
Mr. WU Guoyong (*Chairman*) (appointed on 30 June 2025)  
Mr. CHUA Boon Hou (CAI Wenhao)  
Mr. WANG Lei

## COMPLIANCE OFFICER

Mr. CHUA Boon Hou (CAI Wenhao)

## COMPANY SECRETARY

Mr. LO Kam Tai

## AUTHORISED REPRESENTATIVES

Mr. CHUA Boon Hou (CAI Wenhao)  
Mr. LO Kam Tai

## AUDITOR

Rongcheng (Hong Kong) CPA Limited  
(formerly known as CL Partners CPA Limited)  
*Certified Public Accountants*  
Registered Public Interest Entity Auditor  
Unit 4301–4307, 43/F  
COSCO Tower  
183 Queen's Road  
Central  
Hong Kong

## PRINCIPAL BANKS

DBS Bank Limited  
United Overseas Bank Limited  
China Merchants Bank

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

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

## PRINCIPAL PLACE OF BUSINESS

### HEADQUARTERS IN SINGAPORE

160 Sin Ming Drive  
#06-02 Sin Ming Autocity  
Singapore 575722

### HEADQUARTERS IN CHINA

69 Lianhuashan Road  
Wennan Town, Xintai, Tai'an  
Shandong Province

## REGISTERED OFFICE IN THE CAYMAN ISLANDS

Windward 3, Regatta Office Park  
P.O. Box 1350  
Grand Cayman KY1-1108  
Cayman Islands

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG UNDER PART 16 OF THE COMPANIES ORDINANCE (CAP 622)

Room E, 15th Floor  
Leahander Centre  
28 Wang Wo Tsai Street  
Tsuen Wan, New Territories  
Hong Kong

## STOCK CODE

8283

## COMPANY'S WEBSITE ADDRESS

[www.zhongshiminanholdings.com](http://www.zhongshiminanholdings.com)

# CHAIRMAN'S STATEMENT

Dear Shareholders,

On behalf of the Board of Directors (the "Board") of Zhongshi Minan Holdings Limited (the "Company") and its subsidiaries (the "Group"), I am pleased to present the annual results of the Group for the year ended 31 December 2025.

I would like to begin by acknowledging that the past year has been a challenging period for the Group. For the full year ended 31 December 2025, the Group recorded a decline in revenue of approximately S\$1.13 million or 6.0% from approximately S\$18.87 million for the year ended 31 December 2024 to approximately S\$17.74 million for the year ended 31 December 2025. This decline was largely due to a decline in revenue from our Singapore operations, as a result of transformation in the Singapore automotive industry driven by the government's car-lite policies, new mobility solutions, and shifting consumer trends. Revenue from Mainland China operations also dropped primarily due to cautious customer spending amidst ongoing macroeconomic challenges.

In response to these challenges, the management continued to streamline operations and undertake cost control measures in various parts of our business. For the year ended 31 December 2025, the Group recorded a loss of approximately S\$4.33 million as compared to a profit of approximately S\$1.03 million for the year ended 31 December 2024. This loss was mainly attributable to the absence of gain from the disposal of the China subsidiary recorded in the prior year, increase in impairment loss on financial assets, as well as higher legal and professional fees incurred in connection with the public exercise involving the issuance of new shares and one-off loss on derecognition of lease liabilities.

Our Group successfully completed the placing of new shares under general mandate on 23 January 2025 and 28 July 2025 and raised net proceeds of approximately HK\$15.3 million and HK\$5.4 million respectively, to support the expansion operation and development of the Group's pre-packed food and smart kitchen solutions business.

Looking ahead to 2026, we expect the operating environment to remain challenging in Singapore and China, due to the ongoing geopolitical challenges and trade dynamics, technological advancement, and rising costs. In light of these uncertainties, we are taking steps to evolve our business operations and expand our product and service offering. The integration of AI and rapid technological advancement continue to influence China's smart kitchen segment and customers' demand. We continue to focus on affordability, innovative solutions, and seamless integration to better serve our customers and capture market share.

As we move forward, we will continue to explore new partnership, and business opportunities that will value add to the Group. We are confident that such proactive approach and focus on long-term growth will position the Group for success in the years ahead.

On behalf of the Board, I would like to take this opportunity to thank our employees, customers and business associate, shareholders and other stakeholders for the support through the years.

Yours sincerely,

**WANG Lei**

*Chairman, Chief Executive Officer and Executive Director*

31 March 2026

# MANAGEMENT DISCUSSION AND ANALYSIS

## BUSINESS REVIEW

The Company is an investment holding company. The Company's subsidiaries are principally engaged in the passenger car service industry and offer a comprehensive range of passenger car services including: (1) maintenance and repair services; (2) modification, tuning and grooming services; (3) provision of extended warranty program; (4) development, manufacturing and sale of smart kitchen appliances segment; and (5) F&B brand management services.

The Group revenue decreased by approximately S\$1.13 million or 6.0% from approximately S\$18.87 million for the year ended 31 December 2024 to approximately S\$17.74 million for the year ended 31 December 2025. Revenue from our car service operations in Singapore decreased by S\$0.49 million to S\$16.79 million. Revenue from smart kitchen, F&B brand management and other services income segment in China decreased by S\$0.64 million to S\$0.95 million.

The Group has over 20 years of experience in the passenger car service industry and offer a comprehensive range of passenger car services. Our passenger car services in Singapore mainly include (i) maintenance and repair services; and (ii) modification, tuning and grooming services. These two services contributed approximately 95% or S\$16.8 million of total revenue in 2025 (2024: 92% or S\$17.3 million). In 2022, the Group ventured into the business of engaging in the sale of smart kitchen appliances and providing F&B brand management and other services in China. The business segment in China contributed to approximately 5% of total revenue in 2025 (2024: 7%).

Our new smart kitchen segment in China, adopting a multiple business development model which includes offline retail stores, food delivery, small vegetable packaging, food and beverage branding incubation, and SaaS+ empowerment. By integrating industry SaaS+ services, the Group will create a complete vertical management system and commercial empowerment system, offering a full range of solutions from procurement, production, and sales for channels and traditional enterprises.

During the Year, the Group's domestic business adopted a meticulous sales and marketing strategy. The Group is committed to promoting the deep integration of its core businesses with local life scenarios, further tapping into the traffic potential of existing businesses through a combination of online and offline channels. Meanwhile, the Group has commenced the preparation for an internal digital marketing team, planning to leverage high-traffic digital platforms to conduct content production and marketing services, thereby establishing new channels for core businesses to reach potential customers and actively exploring cooperation models with scenic spots, hotels, and restaurants. In addition, the Group continues to monitor market trends and is actively identifying and inspecting quality targets in the cultural tourism, hospitality, and travel retail industries to assess the feasibility of future cooperation or investment.

## OUTLOOK

As we navigate through this challenging landscape shaped by significant policy shifts and persistent uncertainty including a global recalibration of trade policy, particularly the increase in U.S. tariff, continuous geopolitical tensions, and inflation, we believe that innovation, adaption, integration of AI technologies remains as the key in building sustainable growth.

## MANAGEMENT DISCUSSION AND ANALYSIS

### SINGAPORE OPERATIONS

The Singapore's automotive landscape will continue to transform and restructure, with traditional business models being challenged by technological advancements, shifting consumer preference, new mobility solutions, and the government's car-lite vision. In February 2026, the Singapore government cuts its Preferential Additional Registration Fee rebates (PARF). While COE policy remains unchanged, this change allows affordably priced Chinese EV to depreciate at a lesser rate compared to its competitors. Vehicle owners may choose to renew COEs to lengthen pre-existing ICE models.

As of 31 December 2025, the total number of motor vehicle population stood at 1,012,023, of which 659,889 are cars and private hire cars (source: <https://www.lta.gov.sg>). Rental cars now make up nearly 15 per cent of Singapore's total car population, hitting a record 95,857 vehicles in 2025 as the appeal of privately owned cars continues to wane on the back of high certificate of entitlement (COE) premiums. Rental car population has surged by 41% since bottoming out at 67,990 cars in 2021 as rental car owners can opt to hire them out to others for private use, or to drivers providing ride-hailing services.

Beyond technology and regulations development, rising operating costs due to increasing labor and material prices put pressure on margins. A shortage of skilled technicians compounded these issues, impacting both the quality and speed of service delivery.

Navigating through these challenges, the Group continues to deploy resources in software updates and equipment to handle the unique components, and safety requirements for hybrid and/or electric vehicles that differ from traditional combustion engine vehicles. We strive to remain agile and continue to identify new business opportunity, partnerships or collaborations with new partners.

### PRC OPERATIONS

Our Group continues to focus on growing our smart kitchen segment, implementing a multiple business development model, including offline retail stores, food delivery, small vegetable packaging, food and beverage branding incubation, and SaaS+ empowerment. By integrating industry SaaS+ services, the Group will build a complete vertical management system and commercial empowerment system, providing a full range of solutions from procurement, production and sales for channels and traditional enterprises. Moving forward, the Company's business scope will continue to expand, with the aim of becoming a leading platform for global ready-made food industry SaaS+ services.

China's smart kitchen segment is experiencing rapid growth, driven by rising consumer demand for convenience and technological innovation. We continue to focus on affordability, innovation, seamless integration to be well positioned to capture greater market share.

Looking ahead, the Group will implement the use of proceeds from the Rights Issue and is committed to establishing a meticulous sales and marketing strategy to create a new revenue growth curve. Leveraging its self-built digital marketing capabilities, the Group plans to focus on the three major markets of cultural tourism, hospitality, and travel retail, providing customers with digital marketing solutions such as content production and live streaming marketing. The Group will continue to consolidate the market position of its core businesses and actively seek potential investment opportunities related to its principal business to achieve synergistic development.

While exploring new business areas, the Group will continue to deeply cultivate and steadily operate its existing automobile-related services, as well as the pre-packaged food and smart kitchen solution businesses, ensuring that each core segment achieves synergy with the new businesses and jointly strengthen the business foundation of the Group.

## FINANCIAL REVIEW

### REVENUE

For the full year ended 31 December 2025, the Group recorded a decline in revenue of approximately S\$1.13 million or 6.0% from approximately S\$18.87 million for the year ended 31 December 2024 to approximately S\$17.74 million for the year ended 31 December 2025. Revenue from our Singapore operations fell by 4.0% to S\$16.79 million, largely due to slow down in maintenance and repair services income and decrease in spare parts export sales. Whereas, revenue from Mainland China operation dropped by 31.4% to S\$0.95 million, primarily due to cautious customer spending amidst ongoing macroeconomic challenges.

### OTHER INCOME AND GAINS

Other income and gains decreased by approximately S\$2.00 million or 86.7% from approximately S\$2.31 million for the year ended 31 December 2024 to approximately S\$0.31 million for the year ended 31 December 2025. The net decrease was mainly due to the absence of gain on disposal of a subsidiary in China amounted to S\$1.85 million recorded in prior year.

### COST OF MATERIALS

Our cost of materials decreased by approximately S\$0.32 million or 3.4% from approximately S\$9.33 million for the year ended 31 December 2024 to approximately S\$9.01 million for the year ended 31 December 2025. The decrease was in line with the overall decrease in revenue.

### MARKETING AND ADVERTISING EXPENSES

Marketing and advertising expenses increased by approximately S\$0.03 million or 3.0% from approximately S\$0.87 million for the year ended 31 December 2024 to approximately S\$0.89 million for the year ended 31 December 2025 mainly attributable to increase in marketing spending by the Group's China subsidiaries.

### EMPLOYEE BENEFITS EXPENSES

Employee benefits expenses increased by approximately S\$0.48 million or 8.3% from approximately S\$5.80 million for the year ended 31 December 2024 to approximately S\$6.28 million for the year ended 31 December 2025. The increase was mainly attributable to annual salary increments, as well as higher staff-related costs.

### DEPRECIATION OF RIGHT-OF-USE ASSET

Depreciation of right-of-use asset increased by approximately S\$0.31 million or 40.3% from approximately S\$0.76 million for the year ended 31 December 2024 to approximately S\$1.07 million for the year ended 31 December 2025. The increase was mainly due to the acquisition of additional motor vehicles in Singapore and the commencement of new office leases in China.

### IMPAIRMENT LOSSES ON FINANCIAL ASSETS, NET

Impairment losses on financial assets increased by approximately S\$0.95 million from approximately S\$0.07 million for the year ended 31 December 2024 to approximately S\$1.02 million for the year ended 31 December 2025. The increase was mainly attributable to higher expected credit losses on receivables, primarily arising from the maintenance and repair services segment.

## MANAGEMENT DISCUSSION AND ANALYSIS

### OTHER EXPENSES

Other expenses increased by approximately S\$0.85 million or 30.3% from approximately S\$2.80 million for the year ended 31 December 2024 to approximately S\$3.65 million for the year ended 31 December 2025, mainly due to a significant increase in legal and professional fees incurred in connection with the public exercise involving the issuance of new shares and one-off loss on derecognition of lease liabilities.

### LOSS FOR THE YEAR

For the year ended 31 December 2025, the Group recorded a loss of approximately S\$4.33 million as compared to a profit of approximately S\$1.03 million for the corresponding period in 2024. The loss was mainly attributable to the absence of gain from the disposal of the China subsidiary recorded in the prior year, increase in impairment loss on financial assets, as well as higher legal and professional fees incurred in connection with the public exercise involving the issuance of new shares and one-off loss on derecognition of lease liabilities.

### MOTOR FINANCE SERVICES

To facilitate sales of motor vehicles to our customers, we also offer motor financing services to our customers through hire purchase agreements or finance lease agreements.

As for our motor vehicle financing business, we derive our income from the interest charges associated with our hire purchase agreements. The interest rates charged are determined by us, which may vary based on the factors like market conditions, interest rates offered by other financial institutions and loan tenure, loan amount as a percentage of car value, etc.

### LOAN RECEIVABLES FROM THIRD PARTIES

As at 31 December 2025, the amount of loan receivable from third parties of approximately S\$0.96 million (2024: S\$1.81 million) mainly represents the outstanding motor vehicles financing loans provided to our customers.

Details of the top five motor vehicle financing loans are as follows:

	2025 S\$'000	2024 S\$'000
Customer A	229	266
Customer B	183	212
Customer C	167	205
Customer D	153	204
Customer E	100	123
Customer F	–	157
Others	132	642
	<b>964</b>	<b>1,809</b>

## MANAGEMENT DISCUSSION AND ANALYSIS

### As at 31 December 2025

	Gross receivables S\$'000	Unearned finance income S\$'000	Loan receivables from third parties S\$'000
Analysed into:			
Receivable			
– Within 1 year	516	46	470
– After 1 year but within 5 years	546	52	494
– After 5 years	–	–	–
	<b>1,062</b>	<b>98</b>	<b>964</b>

### As at 31 December 2024

	Gross receivables S\$'000	Unearned finance income S\$'000	Loan receivables from third parties S\$'000
Analysed into:			
Receivable			
– Within 1 year	745	195	550
– After 1 year but within 5 years	1,357	98	1,259
– After 5 years	–	–	–
	<b>2,102</b>	<b>293</b>	<b>1,809</b>

The motor vehicle financing loans have the following summarized terms. The tenure of the loans can range from 1 to 7 years or may be determined based on the age of the motor vehicle. The interest rates are fixed and the rates for outstanding loans as of 31 December 2025 range from 3% to 7%. The offered interest rate depends on various factors such as the prevailing SIBOR rate at the start of the loan, the age, make and model of the vehicle, the loan tenure, and the borrower's creditworthiness and risk profile. Collaterals for these loans involve lodging the motor vehicle purchased with the Hire Purchase, Finance and Leasing Association of Singapore. All customers who avail of these loans are independent individual customers.

### REVENUE FROM PROVISION OF MOTOR FINANCE SERVICES

Revenue from the provision of motor finance service is recognised over the scheduled repayment period because the customer simultaneously receives and consumes the benefits provided by the Group.

## MANAGEMENT DISCUSSION AND ANALYSIS

### CREDIT RISK ASSESSMENT

The Group applies the simplified approach to providing for expected credit losses prescribed by IFRS 9, which permits the use of the lifetime expected loss provision for all trade receivables including finance lease receivables. The Group put in place credit risk assessment policies when extending motor financing to customers. Our management team in Singapore is responsible for credit limit and approvals of these motor financing services. Factors considered includes (i) the make, model, age and condition of the motor vehicle to be secured; (ii) ability to secure third-party guarantees; (iii) ability to service the repayments; and (iv) current market conditions.

Loan receivables are reviewed regularly to ensure appropriate actions are taken promptly to recover any overdue amounts. In event of overdue payment, a default interest is charged on a daily basis, or such other rate as may be determined, and a late charge payment is imposed on overdue payment.

Management overall considers the shared credit risk characteristic and the days past due of the finance lease receivables to measure the expected credit loss.

Our Group's management reviews its receivables for potential impairment on a monthly basis, relying on factors like collectability and ageing analysis. Calculating the expected credit losses involves substantial judgment, taking into account factors such as the current creditworthiness, past payment history of each customer and forward-looking macroeconomic data. Should our Group's customer experience financial deterioration, impacting their ability to make payments, it may necessitate additional provisions on impairment.

## LIQUIDITY, FINANCIAL AND CAPITAL RESOURCES

### CASH POSITION

The cash and bank balances amounted to approximately S\$2.17 million and S\$5.35 million as at 31 December 2025 and 2024 respectively. The functional currency of the Group is the Singapore dollar. As at 31 December 2025, 97.4% of the Group's cash and bank balances was denominated in the functional currency (31 December 2024: 99.7%) and the remaining 2.6% (31 December 2024: 0.3%) in other currencies, mainly the Renminbi and Hong Kong dollar.

Our Group had net cash flow used in operating activities of approximately S\$5.34 million for the year ended 31 December 2025. Barring the effect of IFRS16 depreciation of right-of-use assets of approximately S\$1.07 million, it would have been a net cash flow used in operating activities of approximately S\$4.27 million.

Net cash flow used in investing activities was approximately S\$1.73 million for the year ended 31 December 2025. Net cash flow was mainly used in: net purchase of financial assets of approximately S\$1.43 million and purchase of property, plant and equipment of approximately of S\$0.3 million.

Net cash flow from financing activities was approximately S\$4.05 million for the year ended 31 December 2025. Net cash flow was mainly from: (i) proceeds from placing of shares of approximately S\$3.72 million; and (ii) proceeds from bank and other borrowings of S\$2.02 million, offset by repayments of lease liabilities, bank borrowings and interest of approximately S\$1.21 million, S\$0.29 million and S\$0.18 million, respectively.

### GEARING RATIO

Gearing ratio is measured by interest-bearing bank and other borrowings divided by the total equity. The Group's policy is to keep the gearing ratio at a reasonable level. The gearing ratio is 0.49 as at 31 December 2025 (31 December 2024: 0.29).

### RISK OF EXCHANGE RATE FLUCTUATION

The Group has currency exposures arising from sales, purchases and interest-bearing bank and other borrowings that are denominated in a currency other than the functional currency of the Group. No hedge has been taken up to mitigate this exposure.

### CHARGE ON ASSETS

As at 31 December 2025, the Group's long term loans are secured by a legal mortgage of the Group's freehold property which had a carrying amount of approximately S\$1.9 million (2024: approximately S\$2.0 million).

### CONTINGENT LIABILITIES

The Group had no material contingent liabilities as at 31 December 2025 (2024: Nil).

### CAPITAL STRUCTURE

On 8 November 2016 (the "Listing Date"), the shares of the Company (the "Shares") were successfully listed on GEM of the Stock Exchange. The Group's equity consists only of ordinary shares.

On 23 January 2025, the Company completed a placing of new shares under general mandate. An aggregate of 400,000,000 placing shares have been successfully placed at the placing price of HK\$0.04 per placing share pursuant to the terms and conditions of the placing agreement. The net proceeds from the placing amounted to approximately HK\$15.3 million. Details of the placing are set out in the Company's announcements dated 7 January 2025 and 23 January 2025.

On 9 January 2025, the Company announced the proposal of (i) the share consolidation pursuant to which every fifty (50) issued and unissued existing shares of HK\$0.0025 each in the share capital of the Company will be consolidated into one (1) consolidated share of HK\$0.125 each; and (ii) the change in board lot size for trading on the Stock Exchange from 5,000 existing shares to 1,000 consolidated shares subject to and upon the Share Consolidation becoming effective (the "Change in Board Lot Size").

The Share Consolidation was approved by shareholders of the Company at the extraordinary general meeting of the Company held on 18 February 2025. As such, the Share Consolidation and the Change in Board Lot Size have become effective on 20 February 2025. Immediately after the Share Consolidation, 2,400,000,000 shares in the issued share capital of the Company were consolidated into 48,000,000 consolidated shares. Details of the Share Consolidation are set out in the Company's announcements dated 9 January 2025 and 18 February 2025 and the Company's circular dated 23 January 2025.

On 28 July 2025, the Company completed a placing of new shares under general mandate. An aggregate of 9,600,000 placing shares have been successfully placed at the placing price of HK\$0.60 per placing share pursuant to the terms and conditions of the placing agreement. The net proceeds from the placing amounted to approximately HK\$5.40 million. Details of the placing are set out in the Company's announcements dated 14 July 2025 and 28 July 2025.

## MANAGEMENT DISCUSSION AND ANALYSIS

On 18 December 2025, the Company held an extraordinary general meeting and an ordinary resolution was passed, approving the increase in authorised share capital of the Company from HK\$20,000,000 divided into 160,000,000 shares of HK\$0.125 each to HK\$200,000,000 divided into 1,600,000,000 shares of HK\$0.125 each. The increase in authorised share capital became effective on 18 December 2025. For details, please refer to the Company's announcements dated 4 November 2025 and 18 December 2025 and the Company's circular dated 28 November 2025.

As at 31 December 2025, the Company's issued share capital was HK\$7,200,000 (equivalent to approximately S\$1,269,000) divided into 57,600,000 Shares of HK\$0.125 each.

During the Period, the Group did not hold or sell any treasury shares.

### EMPLOYEES AND REMUNERATION POLICY

As at 31 December 2025, the Group had a total number of 129 full-time employees (31 December 2024: 130). The remuneration packages of all employees are determined based on factors such as the employees' individual qualifications, contribution to the Group, performance and years of work experience. The Group provides ongoing training to the staff in order to enhance their technical skills and product knowledge and to provide them with updates with regards to industry quality and work safety standards.

### SIGNIFICANT INVESTMENT, MATERIAL ACQUISITIONS OR DISPOSAL OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Save as to the disclosed herein, the Group did not have any significant investments during the year ended 31 December 2025 and did not have any material acquisition and disposal of subsidiary, associates or joint ventures during the year ended 31 December 2025.

### FUTURE PLANS FOR MATERIAL INVESTMENTS OR CAPITAL ASSETS AND EXPECTED SOURCES OF FUNDING

As at the date of this report, the Board does not have any plan for material investments or capital assets.

### MATERIAL LEGAL PROCEEDINGS

As at 31 December 2025, the Group were not involved in any material legal proceedings. To the best knowledge of the Directors, there was no material legal proceeding or claim which is pending or threatening against the Group.

## USE OF NET PROCEEDS FROM THE PLACING

### JANUARY-2025 PLACING

As per the Company's announcements dated 7 January 2025 and 23 January 2025, 400,000,000 Shares (the "Jan-2025 Placing Shares"), which ranked pari passu with other ordinary shares, were successfully placed to not less than six placees at the placing price of HK\$0.04 per Jan-2025 Placing Share under general mandate (the "Jan-2025 Placing"). The net price per Jan-2025 Placing Share was approximately HK\$0.038 and the closing price of the Shares on 7 January 2025, being the date on which the terms of the issue was fixed was HK\$0.044. The gross proceeds and the net proceeds (after deducting the placing fee and other related expenses incurred in the Jan-2025 Placing) from the Jan-2025 Placing are HK\$16.0 million and approximately HK\$15.3 million, respectively (the "Jan-2025 Placing Proceeds"). The market value of the Jan-2025 Placing Shares was HK\$17.6 million on the date on which the placing agreement was signed.

As disclosed in the Company's announcement dated 23 January 2025, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, immediately upon completion of the Jan-2025 Placing, (i) each of the placees and, where appropriate, their respective ultimate beneficial owners was an independent third party; and (ii) none of the placees has become a substantial shareholder of the Company.

More details are set out in the Company's announcements dated 7 January 2025 and 23 January 2025.

The reasons for the Jan-2025 Placing and an analysis of the unutilisation of the net proceeds from the Jan-2025 Placing as at 31 December 2025 is set out below:

Intended use of the Jan-2025 Placing Proceeds	Total planned amount	Net proceeds from the			Expected timeline for the intended use
		Utilised net proceeds from the Jan-2025 Placing as at 31 December 2025	Jan-2025 Placing utilised during six months ended 31 December 2025	Unutilised net proceeds from the Jan-2025 Placing as at 31 December 2025	
	HK\$'million	HK\$'million	HK\$'million	HK\$'million	

Support the operation and development of the Group's ready-made food and smart kitchen solutions business:

(a) Procurement of inventories and materials	6.50	6.50	6.50	–	
(b) Recruitment of sales talents and marketing of the Group's ready-made food and smart kitchen solutions products	2.40	2.40	2.40	–	
(c) Direct and indirect overheads of the Group's ready-made food and smart kitchen solutions business segment	1.10	1.10	1.10	–	
General working capital of the Company	5.30	5.30	5.30	–	
<b>Total</b>	<b>15.30</b>	<b>15.30</b>	<b>15.30</b>	<b>–</b>	

As at 31 December 2025, the net proceeds from the Jan-2025 Placing had been fully utilised by the Group as intended.

## MANAGEMENT DISCUSSION AND ANALYSIS

### JULY-2025 PLACING

As per the Company's announcements dated 14 July 2025 and 28 July 2025, 9,600,000 Shares (the "Jul-2025 Placing Shares"), which ranked pari passu with other ordinary shares, were successfully placed to not less than six placees at the placing price of HK\$0.60 per Jul-2025 Placing Share under general mandate (the "Jul-2025 Placing"). The net price per Jul-2025 Placing Share was approximately HK\$0.563 and the closing price of the Shares on 14 July 2025, being the date on which the terms of the issue was fixed was HK\$0.73. The gross proceeds and the net proceeds (after deducting the placing fee and other related expenses incurred in the Jul-2025 Placing) from the Jul-2025 Placing are HK\$5.76 million and approximately HK\$5.40 million, respectively (the "Jul-2025 Placing Proceeds"). The market value of the Jul-2025 Placing Shares was approximately HK\$7 million on the date on which the placing agreement was signed.

As disclosed in the Company's announcement dated 28 July 2025, to the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, immediately upon completion of the Jul-2025 Placing, (i) each of the placees and, where appropriate, their respective ultimate beneficial owners was an independent third party; and (ii) none of the placees has become a substantial shareholder of the Company.

More details are set out in the Company's announcements dated 14 July 2025 and 28 July 2025.

The reasons for the Jul-2025 Placing and an analysis of the unutilisation of the net proceeds from the Jul-2025 Placing as at 31 December 2025 is set out below:

Intended use of the Jul-2025 Placing Proceeds	Total planned amount	Net proceeds from the Jul-2025 Placing			Expected timeline for the intended use
		Utilised net proceeds from the Jul-2025 Placing as at 31 December 2025	Utilised net proceeds from the Jul-2025 Placing during six months ended 31 December 2025	Unutilised net proceeds from the Jul-2025 Placing as at 31 December 2025	
	HK\$'million	HK\$'million	HK\$'million	HK\$'million	
Initiating marketing activities to promote the Group's ready-made food business	2.40	2.40	2.40	–	
Future investment in the upstream supply chain within the ready-made food industry	3.00	3.00	3.00	–	
<b>Total</b>	<b>5.40</b>	<b>5.40</b>	<b>5.40</b>	<b>–</b>	

As at 31 December 2025, the net proceeds from the Jul-2025 Placing had been fully utilised by the Group as intended.

# DIRECTORS AND SENIOR MANAGEMENT

The Board currently consists of 7 Directors, comprising 3 Executive Directors, 1 Non-Executive Director and 3 Independent Non-Executive Directors. The functions and duties of the Board include convening shareholders' meetings, reporting on the Board's work at these meetings, implementing the resolutions passed at these meetings, determining business and investment plans, formulating our annual budget and final accounts, and formulating our proposals for profit distributions and for the increase or reduction of registered capital. In addition, the Board is responsible for exercising other powers, functions and duties in accordance with the articles of association of the Company (the "Articles of Association").

## EXECUTIVE DIRECTORS

**Mr. WANG Lei (王雷)** ("Mr. Wang"), aged 38, was appointed as the co-chairman of the Board, the chief executive officer and executive Director as recommended by the nomination committee (the "Nomination Committee") of the Company and approved by the Board on 9 February 2022. He was re-designated from the co-chairman to the chairman of the Company (the "Chairman") on 30 December 2024. He is a member of each of the remuneration committee (the "Remuneration Committee"), the Nomination Committee and the risk management committee (the "Risk Management Committee") of the Company.

Mr. Wang has extensive management experience in companies engaged with online and technology businesses. From 2014 to 2015, he was the chief executive officer of Beijing Qiyouquan Technology Company Limited\* (北京球友圈網路科技有限責任公司), mainly responsible for promoting online booking systems with respect to different sports activities. During the period from 2016 to 2017, Mr. Wang was the director of the car sharing department of Beijing Electric Vehicle Co., Ltd.\* (北京新能源汽車股份有限公司) and was responsible for the management and coordination of the online electric car sharing platform. From 2017 to 2019, Mr. Wang has become the general manager of Beijing Zhicai Technology Company Limited\* (北京智裁科技有限公司) and was responsible for the company's overall management and researches on products (including but not limited to pre-packaged food and smart electrical appliances). Mr. Wang was appointed as an executive director of Guoen Holdings Limited (stock code: 08121.HK) on 16 March 2026.

Save as disclosed above, Mr. Wang does not hold any other position with the Company and other members of the Group and does not have any relationship with any directors, senior management or substantial or controlling shareholder of the Company.

**Mr. CHUA Boon Hou (CAI Wenhao) (蔡文豪)** ("Mr. Chua"), aged 53, is the Chief Operating Officer and an Executive Director. He is primarily responsible for the management and operation of the Group such as implementing strategic management and monitoring key performance indicators of the Group. His other responsibilities include the day-to-day management of the operational aspects of both KBS Motorsports Pte. Ltd. and MBM Wheelpower Pte. Ltd.. He currently heads the human resource department of the Group and is responsible for the recruitment of new talents into the Group. Mr. Chua was appointed to the Board on 13 April 2016. He is also a member of the Risk Management Committee and the compliance officer of the Company. He has over 16 years of experience in the automobile industry.

Mr. Chua graduated from Nanyang Technological University, Singapore, in January 1997 with a degree of bachelor of business. Shortly after his graduation, Mr. Chua obtained a diploma in life insurance from the Singapore College Insurance in May 1999. Besides being a Fellow to the Life Management Institute (FLMI) in May 1997, he also became an associate to the Academy of Life Underwriting (AALU) in July 2006. Prior to joining the Group in April 2008, Mr. Chua had experience with several insurance companies including Great Eastern Life Insurance, Prudential Assurance Company Singapore (Pte) Limited and NTUC Income Insurance Co-operative Limited.

## DIRECTORS AND SENIOR MANAGEMENT

In view of his work experience, Mr. Chua was invited to the Group as an administrative manager in charge of the administration and customer services of the Group in April 2008. Over the years, he rose steadily through the ranks becoming our human resource manager in January 2012 and appointed as our chief operating officer in December 2015 in recognition for his continuous contribution to the Group.

Save as disclosed above, Mr. Chua does not hold any other position with the Company and other members of the Group and does not have any relationship with any directors, senior management or substantial or controlling shareholder of the Company.

**Ms. WU Mengmeng (吳蒙蒙)** (“Ms. Wu”), aged 34, is an executive Director. She was appointed as an executive Director on 30 May 2024. She obtained a bachelor’s degree of Electronic Commerce from Beijing Union University in 2016. She is currently pursuing an Executive Master of Business Administration at the Guanghua School of Management. Ms. Wu has more than 9 years of experiences on technology industries and management of e-commerce corporations. She is a general manager of marketing centre of the Company. Prior to joining the Group in 2017, she was the founder of Zhongbo Yayi (Tianjin) Cultural Development Co., Ltd.\* (中博雅藝(天津)文化發展有限公司) until 2016.

Save as disclosed above, Ms. Wu does not hold any other position with the Company and other members of the Group and does not have any relationship with any directors, senior management or substantial or controlling shareholder of the Company.

### NON-EXECUTIVE DIRECTOR

**Mr. LI Xiaodong (李曉東)** (“Mr. Li”), aged 46, is a non-executive Director. He was appointed as a non-executive Director on 30 May 2024. He has more than 20 years of extensive experiences covering marketing analysis, agricultural and car industry. He is familiar with building and planning comprehensive industrial chain business models. Mr. Li is the general manager of strategic investment department of the Company. He graduated from Beihang University in 2013, studying administrative management. Prior to joining the Group in 2022, he was the co-founder of Beijing Feichang Technology Co., Ltd.\* (北京非嘗科技有限公司) until 2022. From 2017 to 2019, he was a partner of Beijing Xixi Cloud Vision Technology Co., Ltd.\* (北京喜喜雲視科技有限公司). From 2015 to 2017, he was a business cooperation director of Beijing Siyuan Group (北京思源集團). From 2012 to 2015, he was a co-founder (Beijing District General Manager) of Beijing Calculus Network Technology Co., Ltd.\* (北京微積分網絡科技有限公司).

Save as disclosed above, Mr. Li does not hold any other position with the Company and other members of the Group and does not have any relationship with any directors, senior management or substantial or controlling shareholder of the Company.

### INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. CHEN Huichun (陳回春)** (“Mr. Chen”), aged 53, was appointed as an Independent Non-Executive Director of the Company on 11 September 2019. He is also a member of the Nomination Committee and the Audit Committee.

Mr. Chen is an entrepreneur with extensive experience in the real estate industry in mainland China. In July 2018, Mr. Chen completed a business administration programme and obtained a Bachelor’s degree in Management from 西北民族師範學院 (Northwest Minzu Normal University\*). In the past over ten years, he has established a number of real estate companies, such as 鞍山市共榮房地產開發有限責任公司 (Anshan City Gongrong Real Estate Development Co., Ltd.\*), 鞍山市共成房地產開發有限公司 (Anshan City Gongcheng Real Estate Development Co., Ltd.\*) and 鞍山市共富房地產開發有限公司 (Anshan City Gongfu Real Estate Development Co., Ltd.\*), in which he played a leading role. Mr. Chen has extensive management experience in the real estate field and a continuing and firm vision for investment. Coupled with his excellent management capability, he is an outstanding and successful entrepreneur. Mr. Chen is currently involved in the field of new energy vehicles and is committed to contributing to the economic development and the construction of green homes of Anshan City.

Save as disclosed above, Mr. Chen does not hold any other position with the Company and other members of the Group and does not have any relationship with any directors, senior management or substantial or controlling shareholder of the Company.

**Mr. GAO Yan (高岩)** (“Mr Gao”), aged 60, was appointed as an Independent Non-Executive Director as recommended by the Nomination Committee and approved by the Board on 30 June 2022. He is also the Chairman of the Audit Committee and the Remuneration Committee.

Mr. Gao Yan has more than 36 years of extensive experiences covering education, marketing analysis, finance and investment management. From September 1988 to September 1990, he was a teacher in the faculty of mathematics in Beijing Wuzi University. During the period from July 1995 to March 1996, Mr. Gao was an intern analyst in high yield bond research department of Merrill Lynch & Co. Inc. From March 1996 to September 1997, he was Asian market analyst of Cathay Financial LLC. During the period from September 2001 to September 2003, Mr. Gao was visiting assistant professor of The City University of New York, Baruch College. He was assistant professor of California State University, Los Angeles and China Europe International Business School, Shanghai from September 2003 to September 2004 and from September 2004 to September 2010 respectively. Mr. Gao then was a partner of Guizhou Tongsheng Shifu Equity Investment Management Co., Ltd. from December 2012 to June 2017. During the period from December 2013 to January 2019, he was the general manager, director and one of the founders of Beijing Zhigan Sensor Research Institute Co., Ltd. From July 2016 to June 2018, Mr. Gao was the managing director of Beevest Securities Limited.

Mr. Gao has been the deputy director, Center for Innovation and Entrepreneurship and a professor of management practice of Beijing University, Guanghua School of Management since January 2014. He has been a partner of KEII Business Consulting Co., Ltd. since March 2017 and an investment partner of TDRH Capital Co., Ltd. since November 2020. Mr. Gao was appointed as independent director of Sino Medical Sciences Technology Inc. (Stock Code: 688108.SH), a company listed on the Shanghai Stock Exchange, on 19 June 2020.

Mr. Gao is the Chartered Financial Analyst since September 2003. He was the vice chairman of The Chinese Finance Association. Mr. Gao received a bachelor’s degree of Computational Mathematics from Beijing University in 1988 and a master’s degree of Mathematics from Michigan State University in 1992. He completed a doctor of management program and MBA course from The City University of New York, Baruch College in 1995. Mr. Gao was conferred the degree of doctor of philosophy from Northwestern University in 2002. He also received a degree of doctor of finance from Northwestern University, Kellogg School of Management in 2002. Mr. Gao has independent director qualifications of the Shanghai Stock Exchange and Shenzhen Stock Exchange.

## DIRECTORS AND SENIOR MANAGEMENT

Save as disclosed above, Mr. Gao does not hold any other position with the Company and other members of the Group and does not have any relationship with any directors, senior management or substantial or controlling shareholder of the Company.

**Mr. WU Guoyong (吳國勇)** (“Mr. Wu”), aged 49, is an Independent Non-Executive Director of the Company. Mr. Wu was appointed to the Board on 30 June 2025. He is also the chairman of the Nomination Committee and the Risk Management Committee, and a member of the Audit Committee and the Remuneration Committee.

Mr. Wu is a seasoned entrepreneur in China’s healthcare and electronic information industries, with extensive professional experience in these fields. In March 2005, he completed the postgraduate program in Business Management at Peking University’s Department of Economics. In March 2015, he graduated with a diploma in Health Information Management from Peking University. In 2016, he obtained the professional qualification of Intermediate Economist, developing a comprehensive expertise that integrates economic management theories with industry practices.

Demonstrating outstanding entrepreneurial spirit, Mr. Wu founded 京德(北京)國際投資有限公司 (Jingde (Beijing) International Investment Company Limited\*) in November 2014, 北京惟德兄弟投資發展有限公司 (Beijing Weide Brothers Investment Development Company Limited\*) in March 2015, 北京創立行科技有限公司 (Beijing Chuanglihang Technology Company Limited\*) in December 2022, and 上海特耐安數字科技有限公司 (Shanghai Tenai Digital Technology Company Limited\*) in June 2024. He has since served in leadership roles such as director in these companies. With years of rich corporate management experience, Mr. Wu possesses unique, sharp, and long-term investment and management capabilities, making him an exceptional entrepreneur.

Save as disclosed above, Mr. Wu does not hold any other position with the Company and other members of the Group and does not have any relationship with any directors, senior management or substantial or controlling shareholder of the Company.

## COMPANY SECRETARY

**Mr. LO Kam Tai (盧錦泰)** (“Mr. Lo”), aged 37, joined the Group on 30 June 2022 as the company secretary of the Company (the “Company Secretary”).

Mr. Lo holds a bachelor degree of accounting and is a member of the Hong Kong Institute of Certified Public Accountants. Mr. Lo has extensive experience in auditing, accounting and corporate compliance. Mr. Lo is currently a director of a corporate professional service firm in Hong Kong. Mr. Lo is not a full time employee of the Company, the primary person at the Company whom Mr. Lo shall be contacted in respect of company secretarial matters is Ms. Wu, the executive Director.

## COMPLIANCE OFFICER

**Mr. CHUA Boon Hou (CAI Wenhao)** is an Executive Director and the compliance officer of the Company. Please refer to Mr. Chua’s biography as disclosed in the paragraph headed “Executive Directors” in this section of this annual report.

\* For identification purpose only

# CORPORATE GOVERNANCE REPORT

## COMPLIANCE WITH CORPORATE GOVERNANCE CODE

The Company is committed to achieving high standards of corporate governance. The Directors believe that sound and reasonable corporate governance practices are essential for the continuing growth of the Group and for safeguarding and maximising shareholders' interests.

Pursuant to code provision C.2.1 of the Corporate Governance Code as set out in Appendix C1 of the GEM Listing Rules (the "CG Code"), the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. However, we do not have a separate chairman and chief executive officer and Mr. WANG Lei is currently a Chairman and the Chief Executive Officer of the Group. The Board believes that vesting the roles of both chairman and chief executive officer in the same person has the benefit of ensuring the consistent leadership within the Group and enables more effective and efficient overall strategic planning of the Group. The Board considers that the balance of power and authority for the present arrangement will not be impaired and this structure will enable the Company to make and implement decisions promptly and effectively. The Board will continue to review and consider splitting the roles of chairman of the Board and chief executive officer of the Company at a time when it is appropriate and suitable by taking into account the circumstances of the Group as a whole.

Save as disclosed above, the Directors consider that throughout the year ended 31 December 2025, the Company has applied the principles and complied with all the applicable code provisions set out in the CG Code.

## PURPOSE, VALUES AND STRATEGY

The Company has the purpose of excelling in its traditional car service industry and its new smart kitchen appliances industry. When maintaining the competitive advantage of its traditional business, the Company strategically expands its business by diversifying into new industry and into new geographical locations. The core value of the Company is to provide the best experience to its customers and to enhancing shareholder value.

To achieve the above, the Board promotes a dedicated culture to serve with highest standard and integrity in the Group's daily operations, and cultivated a competent and committed team.

## BOARD DIVERSITY POLICY

The Board has adopted a policy of the Board diversity (the "Board Diversity Policy") which sets out the approach to achieve diversity on the Board. Under the Board Diversity Policy, the Company considers diversity of Board members to be achieved through consideration of a number of aspects, including but not limited to, gender, age, cultural and educational background, professional experience, skills and knowledge. All Board appointments are based on merit, and candidates are considered against objective criteria, having due regard for the benefits of diversity on the Board.

The Nomination Committee is responsible for reviewing and monitoring the implementation of the Board Diversity Policy to ensure the effectiveness of the Board Diversity Policy.

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

As at 31 December 2025, the gender ratio of the Group's workforce was approximately 70% male to 30% female due to car industry traditionally has less female participants. The Company's hiring is merit-based and non-discriminatory. The Board is satisfied that the Company has achieved gender diversity in its workforce.

### NOMINATION POLICY

The Company adopted a nomination policy on 15 March 2019, which establishes written guidelines to the 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 the Board has a balance of skills, experience, and diversity of perspectives appropriate to the requirements of the Company's business. Collectively, they have competencies in areas which are relevant and valuable to the Group.

### DIVIDEND POLICY

The Company adopted a dividend policy on 15 March 2019 in deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account, among other things, the following factors:

- (a) the Company's current and future operations, actual and expected financial performance;
- (b) any corporate development plans;
- (c) the Group's liquidity position, working capital and capital expenditure requirements and future expected capital needs;
- (d) the level of the Group's debt to equity ratio, return on equity and the relevant financial covenants;
- (e) any restrictions on payments of dividends that may be imposed by the Group's lenders or other third parties;
- (f) retained earnings and distributable reserves of the Company and each of the members of the Group;
- (g) general economic conditions, the business cycle of the Group's business and other internal and external factors that may have an impact on the business or financial performance and position of the Company; and
- (h) any other factor that the Board deems appropriate and relevant.

The recommendation of the payment of dividend is subject to the determination of the Board, and, any declaration of final dividend for the year will be subject to the approval of the shareholders. The payment of dividend is also subject to any restrictions under the Companies Law of the Cayman Islands and any other applicable laws, rule and regulations and the third amended and restated memorandum and articles of association (the "Articles of Association") of the Company.

### DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the code of conduct for securities transactions by Directors on terms equivalent to the Rules 5.48 to 5.67 of the GEM Listing Rules (the "Model Code"). The Company had made specific enquiries with written guidelines in relation to the Model Code to all Directors and all Directors have confirmed that they complied with the required standards set out in the Model Code for the year ended 31 December 2025.

### THE BOARD

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

#### EXECUTIVE DIRECTORS

Mr. WANG Lei (*Chairman and Chief Executive Officer*)

Mr. CHUA Boon Hou (CAI Wenhao)

Ms. WU Mengmeng

#### NON-EXECUTIVE DIRECTOR

Mr. LI Xiaodong

#### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHEN Huichun

Mr. GAO Yan

Mr. ZHAO Wei (resigned on 30 June 2025)

Mr. WU Guoyong (appointed on 30 June 2025)

Mr. Wu Guoyong obtained the legal advice as set out in Rule 5.02D of the GEM Listing Rules on 30 June 2025. Mr. Wu has confirmed his understanding of his obligations as a director of a listed issuer.

Biographical details of the Directors are shown on pages 15 to 18 of this report. The List of Directors and their Role and Function was published both on the GEM website and the Company's website. The Board is currently supported by the Audit Committee, Remuneration Committee, Nomination Committee and Risk Management Committee to oversee specific areas of the Company's affair. Each of these committees has been established with written terms of reference, which were approved by the Board, setting out the committee's major duties and responsibilities. These terms of reference were published both on the GEM website and the Company's website.

The overall management of the Company's business is vested in the Board, which assumes the responsibility for leadership and control of the Company and the Directors are collectively responsible for promoting the success of the Company by directing and supervising the Company's affairs and overseeing the achievement of strategic plans to enhance shareholders' value.

Generally, the Board is responsible for all major aspects of the affairs of the Company, including:

- formulation of overall strategies and review of its financial performance and results and the internal control systems;
- policies relating to key business and financial objectives of the Company;
- material transactions, including acquisition, investment, disposal of assets or capital expenditure;
- appointment, removal or reappointment of Board members and auditors;
- communication with key stakeholders, including shareholders and regulatory bodies; and
- recommendation to shareholders on final dividend and the declaration of any interim dividends.

The Board is responsible for maintaining proper accounting records so as to enable the Directors to monitor and disclose with reasonable accuracy the financial position of the Group. The Board updates the Company's shareholders ("Shareholders") on the operations and financial position of the Group through interim and annual results announcements as well as the publication of timely reports and announcements of other matters as prescribed by the relevant laws, rules and regulations.

Directors are also provided with access to independent professional advice, where necessary, in carrying out their obligations as Directors, at the expense of the Company.

All Directors, including independent non-executive Directors assume the responsibilities to Shareholders for the well-being and success of the Company. They are aware of their duties to act in good faith and in the best interests of the Company.

The non-executive Directors (including the independent non-executive Directors), advise the Company on strategic and critical matters. The Board considers that each non-executive Director brings his own senior level of experience and expertise to the constructive functioning of the Board. To this end, regular informal meetings are held between the executive Directors and non-executive Directors. The Chairman held meetings with the non-executive Directors at least annually without presence of the executive Directors to evaluate the functioning of the Board.

Each of the Directors has entered into a service contract or has signed a letter of appointment with the Company for a term of three years. The appointments are subject to the provisions of the Articles of Association with regard to vacation of office of Directors, removal and retirement by rotation of Directors.

The executive Directors are delegated with responsibility to oversee and monitor the operation of specific business areas and to implement the strategies and policies set by the Board.

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

During the reporting period, the Company met the requirements of the GEM Listing Rules relating to the appointment of at least three independent non-executive Directors representing at least one-third of the Board and with at least one of whom is with appropriate professional qualifications or accounting or related financial management expertise.

Each of the independent non-executive Directors has made written annual confirmation of his independence pursuant to Rule 5.09 of the GEM Listing Rules. Upon review, the Board concluded that all the independent non-executive Directors are independent within the meaning of the GEM Listing Rules.

## THE BOARD COMMITTEES

### AUDIT COMMITTEE

The Audit Committee was established on 21 October 2016 with written terms of reference which were revised and adopted on 15 March 2019 in compliance with Rule 5.29 of the GEM Listing Rules and the CG Code. Currently, the Audit Committee has three members, namely Mr. GAO Yan, Mr. CHEN Huichun and Mr. WU Guoyong, each of whom is an Independent Non-Executive Director. Mr. GAO Yan has been appointed as the chairman of the Audit Committee, and has the appropriate professional qualifications required under the GEM Listing Rules. The primary duties of the Audit Committee are to review and supervise the financial reporting process and internal control system of the Group, making recommendations to the Board on the appointment, reappointment and removal of the external auditor and approving the remuneration and terms of engagement of the external auditor, oversee the audit process and perform other duties and responsibilities as assigned by the Board.

During the year ended 31 December 2025, the Audit Committee held 3 meetings, at which it has reviewed and discussed the interim and annual financial results of the Group, including the accounting principles and practice adopted by the Group, the Company's compliance with the CG Code and disclosure in the Corporate Governance Report, the effectiveness of the Group's risk management and internal control systems (including environmental, social and governance ("ESG") risks), the Group's internal audit function and recommendation on appointment of auditor. The Audit Committee has also recommended to the Board to consider the re-appointment of Rongcheng (Hong Kong) CPA Limited as the Company's external independent auditors at the next annual general meeting of the Company.

### REMUNERATION COMMITTEE

The Remuneration Committee was established on 21 October 2016 with written terms of reference which were revised and adopted on 28 December 2022 in compliance with the CG Code. Currently, the Remuneration Committee has three members, namely Mr. GAO Yan, an Independent Non-Executive Director, Mr. WU Guoyong, an Independent Non-Executive Director and Mr. WANG Lei, an Executive Director, Chairman and Chief Executive Officer. Mr. GAO Yan has been appointed as the chairman of the Remuneration Committee. The primary duties of the Remuneration Committee are to establish and review the policy and structure of the remuneration for the Directors and senior management and make recommendations on employee benefit arrangements. No Director was involved in deciding his own remuneration.

During the year ended 31 December 2025, the Remuneration Committee held 2 meeting, at which it recommended to the Board (i) for consideration the distribution of discretionary bonus to executive Directors and senior management for the year 2025; (ii) on the remuneration packages for executive Directors and senior management for the year 2025; (iii) on the remuneration packages for independent non-executive Directors for the year 2025; and (iv) on the remuneration packages for new directors.

### NOMINATION COMMITTEE

The Company established the Nomination Committee on 21 October 2016 with written terms of reference where were revised and adopted on 30 June 2025 in compliance with the CG Code. Currently, the Nomination Committee consists of three members, being Mr. WU Guoyong, an Independent Non-Executive Director, Mr. CHEN Huichun, an Independent Non-Executive Director and Mr. WANG Lei, an Executive Director, Chairman and Chief Executive Officer. The primary duties of the Nomination Committee are to make recommendations to the Board on the appointment and removal of Directors, assess the time commitment and contribution of each Director, and support the regular evaluation of the Board's performance. The Committee is also responsible for reviewing the structure, size and composition of the Board (including skills, knowledge and experience) on a regular basis, assisting the Board in maintaining a Board skills matrix, and monitoring the implementation of the Board Diversity Policy to ensure its effectiveness.

During the year ended 31 December 2025, the Nomination Committee held 2 meetings, at which it (i) reviewed the structure, size and composition of the Board and assisted the Board in maintaining a Board skills matrix; (ii) reviewed the Board Diversity Policy and monitored its implementation, including the progress of achieving measurable objectives; (iii) assessed the independence of the Independent Non-Executive Directors; (iv) assessed the time commitment and contribution of each Director; and (v) recommended to the Board for consideration the re-appointment of retiring Directors and the appointment of new directors.

### RISK MANAGEMENT COMMITTEE

The Company established the Risk Management Committee on 21 October 2016. Currently, the Risk Management Committee has three members, namely Mr. WU Guoyong, an Independent Non-Executive Director, Mr. WANG Lei, an Executive Director, Chairman and Chief Executive Officer and Mr. CHUA Boon Hou (CAI Wenhao), an Executive Director. The primary functions of the Risk Management Committee include reviewing (i) the Company's significant transactions, including tenancy agreements, together with the finance department; and (ii) the Company's risk management policies and standards (including ESG risks), and monitoring the Company's exposure to sanctions law risks.

During the year ended 31 December 2025, the Risk Management Committee held 1 meeting, at which it reviewed the system of risk management and internal control (including ESG risks) of the Group and its effectiveness.

## COMMITTEE MEETINGS

### PRACTICES AND CONDUCT OF MEETINGS

Code provision C.5.1 of the CG Code prescribes that at least 4 regular Board meetings should be held in each year at approximately quarterly intervals with active participation of majority of directors, either in person or through other electronic means of communication. The Board will schedule to have at least four regular meetings in a year. Other Board meetings will be held if necessary.

### MEETINGS HELD AND ATTENDANCE

The composition of the Board and the committees, and the individual attendance records of each Director at the Board and committees' meetings during the year ended 31 December 2025 are set out below:

Name of the Directors	Actual Attendance/Number of Meetings a Director is entitled to attend					
	Board Meetings	Audit Committee Meetings	Remuneration Committee Meetings	Nomination Committee Meetings	Risk Management Committee Meetings	General Meetings
<b>Executive Directors</b>						
Mr. WANG Lei	11/11	N.A.	2/2	2/2	1/1	3/3
Mr. CHUA Boon Hou (CAI Wenhao)	11/11	N.A.	N.A.	N.A.	1/1	3/3
Ms. WU Mengmeng	11/11	N.A.	N.A.	N.A.	N.A.	3/3
<b>Non-Executive Director</b>						
Mr. LI Xiaodong	11/11	N.A.	N.A.	N.A.	N.A.	3/3
<b>Independent Non-Executive Directors</b>						
Mr. CHEN Huichun	11/11	3/3	N.A.	2/2	N.A.	3/3
Mr. GAO Yan	11/11	3/3	2/2	N.A.	N.A.	1/3
Mr. ZHAO Wei (resigned on 30 June 2025)	4/4	1/1	N.A.	N.A.	N.A.	2/2
Mr. WU Guoyong (appointed on 30 June 2025)	6/6	2/2	1/1	1/1	1/1	1/1

## DIRECTORS' CONTINUOUS TRAINING AND PROFESSIONAL DEVELOPMENT

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

During the year ended 31 December 2025, the Company provided all Directors with regular updates on the Group's performance and financial position. To facilitate their understanding of the latest regulatory environment, the Group also provided relevant reading materials and briefings regarding the GEM Listing Rules and other applicable regulatory requirements to the Directors. The Company received from each of the Directors the confirmations on taking continuous professional training.

Furthermore, the Group provides comprehensive induction and training to newly appointed Directors to ensure that they are fully aware of their responsibilities and obligations under the GEM Listing Rules and other relevant regulations, and to maintain good corporate governance practices.

	Reading materials	Attending seminars/ briefings/e-training
<b>Executive Directors</b>		
Mr. WANG Lei	✓	✓
Mr. CHUA Boon Hou (CAI Wenhao)	✓	✓
Ms. WU Mengmeng	✓	✓
<b>Non-Executive Director</b>		
Mr. LI Xiaodong	✓	✓
<b>Independent Non-Executive Directors</b>		
Mr. CHEN Huichun	✓	✓
Mr. GAO Yan	✓	✓
Mr. WU Guoyong	✓	✓

## DIRECTORS' RESPONSIBILITY IN RESPECT OF THE FINANCIAL STATEMENTS

The Board acknowledges its responsibility to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group. The Board is not aware of any material uncertainties relating to events or condition that might cast significant doubt upon the Company's ability to continue in business. Accordingly, the Board has prepared the financial statements of the Company on a going concern basis. The Board also acknowledges its responsibility to present a balanced, clear and understandable assessment in the Company's annual, and interim reports, other price-sensitive announcements and other financial disclosures required under the GEM Listing Rules, and reports to the regulators as well as to information required to be disclosed pursuant to statutory requirements.

The responsibility of the independent auditor is to form an independent opinion, based on their audit, on those consolidated financial statements prepared by the Board and to report their opinion to the Shareholders. A statement by auditor about their reporting responsibility is set out in the Independent Auditor's Report.

Having made appropriate enquiries and examined major areas which could give rise to significant financial exposures, the Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. For this reason, they continue to adopt the going concern basis in preparing the financial statements for the year, the Directors considered the Group has applied appropriate accounting policies consistently, made judgments and estimates that are reasonable in accordance with applicable accounting standards.

During the year ended 31 December 2025, the interim and annual results and reports were published within the time limits as required under the GEM Listing Rules after the end of the relevant periods to provide stakeholders with transparent and timely financial information.

## AUDITOR'S REMUNERATION

During the year ended 31 December 2025, the remuneration, reviewed and approved by the Audit Committee on the audit and non-audit scope, paid or payable to the auditor in respect of audit and non-audit services provided by the auditor of the Group, Rongcheng (Hong Kong) CPA Limited, is as follows:

Nature of Service	2025 Amount S\$'000
Audit services	163
Non-audit services	–
<b>Total</b>	<b>163</b>

## MECHANISM REGARDING INDEPENDENT VIEWS TO THE BOARD

The Board has implemented different ways to ensure independent views and input are available to the Board. The implementation and effectiveness of such mechanism was reviewed on an annual basis. The Board considers that such mechanism has been implemented properly and effectively.

The mechanism is disclosed below:

### (i) Composition

The Board ensures the appointment of at least three independent non-executive Directors and at least one-third of its members being independent non-executive Directors (or such higher threshold as may be required by the GEM Listing Rules from time to time), with at least one independent non-executive Director possessing appropriate professional qualifications, or accounting or related financial management expertise. Further, independent non-executive Directors will be appointed to Board committees of the Company as required under the GEM Listing Rules and as far as practicable to ensure independent views are available.

### (ii) Independence Assessment

The Nomination Committee strictly adheres to the nomination policy with regard to the nomination and appointment of independent non-executive Directors, and is mandated to assess annually the independence of independent non-executive Directors to ensure that they can continually exercise independent judgement.

### (iii) Board Decision Making

The Directors (including independent non-executive Directors), upon reasonable request, may seek independent professional advice at the Company's expense, to assist the performance of their duties.

If a substantial shareholder or a Director has a conflict of interest in a matter to be considered by the Board which the Board has determined to be material, the matter would be dealt with by a physical Board meeting rather than a written resolution.

A Director who has a material interest in a contract, transaction or arrangement shall not vote or be counted in the quorum on any Board resolution approving the same.

### (iv) Board Evaluation

The Board assesses and reviews the time contributed by every independent non-executive Director and their attendance to meetings of the Board and the board committees so as to ensure that every independent non-executive Director has devoted sufficient time to the Board to discharge his/her responsibilities as a Director of the Company.

## CORPORATE GOVERNANCE FUNCTION

No corporate governance committee has been established and the Board is responsible for performing the corporate governance functions such as (i) developing and reviewing the Company's policies, practices on corporate governance, training and the continuous professional development of the Directors and senior management, the Company's policies and practices on compliance with legal and regulatory requirements, etc; (ii) developing, reviewing and monitoring the code of conduct and compliance manual applicable to employees and Directors; and (iii) reviewing the Company's compliance with the CG Code and disclosure in the corporate governance report.

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

## RISK MANAGEMENT AND INTERNAL CONTROL

The Company had established policies and procedures to identify, assess and manage major risks (including ESG risks) of the Group. The Board has overall responsibilities for establishing and maintaining an effective risk management and internal control systems (including ESG risks) of the Group and reviewing their effectiveness. However, such procedures are designed to manage rather than eliminate the risk of failure to achieve business objectives, and can only provide reasonable and not absolute assurance against material misstatement or loss.

The management is responsible for implementing those procedures approved by the Board and to monitor compliance with the policies and procedures. The Board has outsourced the internal audit function to a professional risk consulting firm to perform the internal audit review on the control environment and key business processes of the Group. Based on discussions with the professional risk consultants, advisors and our management team, in view of their responses to the findings and recommendations on matters relating to internal controls, the Board is satisfied that there were no significant defects in the Group's internal control and risk management systems (including ESG risks) in terms of overall adequacy and effectiveness concerning the key operational, financial and compliance risks of the Group as at the date of this report.

Furthermore, the Company reminds the Directors and employees of the Group about due compliance with all policies regarding the inside information. The Company keeps the Directors and employees of the Group apprised of the latest regulatory updates to ensure compliance with the relevant regulatory requirements.

### COMPANY SECRETARY

The appointment and removal of the Company Secretary is subject to approval by the Board in accordance with the Articles of Association. The Company Secretary is responsible for ensuring the Board procedures and policy are followed and Board activities are effectively conducted. The Company Secretary is also responsible for maintaining minutes recorded in sufficient details of all the meetings of the Board and committees of the Company. Draft and final versions of minutes are disseminated to Directors for comment and filed for record purposes respectively within a reasonable time after each meeting. The Directors have full and timely access to the minutes of the Board and committees of the Company. The Company Secretary, Mr. LO Kam Tai, confirmed that he has complied with all the qualifications, experience, and professional training requirements of the GEM Listing Rules.

### COMMUNICATION WITH THE SHAREHOLDERS

The Board has adopted a shareholder communication policy which is subject to annual review to ensure its implementation and effectiveness. Such policy aims at ensuring shareholders can have equal and timely access to information about the Company in order to enable the Shareholders to exercise their rights in an informed manner and to allow them to engage actively with the Company.

A summary of the Company's shareholder communication policy is as follows:

Information will be communicated to the Shareholders through the Company's financial reports, circulars and announcements, AGMs and other general meetings that may be convened, as well as all the disclosures submitted to the Stock Exchange for publication.

As a channel to further promote effective communication, the Company maintains a website at as a communication platform with Shareholders, where Company's announcements and press releases, business developments and operations, financial information, corporate governance report and other information are posted.

Shareholders' meeting is one of the channels for shareholders to communicate their views on various matters affecting the Company. The Company endeavours to maintain an on-going dialogue with Shareholders and in particular, through annual general meetings and other general meetings. Shareholders may make enquiries to the Company directly by raising questions at general meetings. Board members, in particular, the chairmen of Board committees or their delegates, appropriate management executives and external auditor will use all reasonable efforts to attend annual general meetings and to answer Shareholders' questions.

Furthermore, Shareholders are given sufficient notice of Shareholders' meetings, detailed procedures for conducting a poll was stated in circular to Shareholders accompanying the notice of the annual general meeting.

In order for the Company to solicit and understand the views of Shareholders, Shareholders may make enquiries to the Company through the contact method provided by the Company's website.

The Company has reviewed the implementation of the shareholder communication policy and considers that it has been properly implemented and is effective during the year.

### WHISTLEBLOWING POLICY

The Company has put in place whistleblowing policy which applies to all the directors and employees of the Group and any parties who deal with the Group. The policy is designed to provide the employees and any external parties with confidential whistleblowing channels to report to the Group the actual or suspected illegal activities and misconducts in corporate financial reporting, internal control or other areas.

Whistleblowers are able to contact the Board directly through the contact method provided on the Company's website. The identity of the whistleblower and all the concerns or irregularities raised will be treated with confidence and every effort will be made to ensure that confidentiality is maintained throughout the process.

The Audit Committee, which is responsible for oversight and monitoring of the whistleblowing policy and mechanism, will make decisions on further actions (if needed).

The Company is also committed to ensuring the protection of the whistleblower against detrimental or unfair treatment.

### ANTI-CORRUPTION POLICY

The Group does not tolerate any corruption, bribery, extortion, fraud or money laundering during the course of its business activities. As such, it has formulated an anti-corruption policy (the "Anti-Corruption Policy") which prohibits all forms of corruption practice by making reference to the relevant laws and regulations. The Anti-Corruption Policy forms an integral part of the Group's corporate governance framework, which sets out the specific behavioural guidelines that the employees of the Group must follow to combat corruption. The Anti-Corruption Policy is reviewed and updated on a regular basis to align with the applicable laws and regulations as well as the industry best practices. All the employees are informed and expected to act with integrity, impartiality and honesty.

We encourage and provide directors and senior management with professional training sessions and seminars covering corporate governance, business development and strategy and anti-corruption to enrich and strengthen their professional and business knowledge.

### SHAREHOLDERS' RIGHTS

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

### RIGHT TO CONVENE EGM AND PROCEDURES

Pursuant to Article 64 of the Articles of Association, the Board may, whenever it thinks fit, convene an EGM. Anyone or more member(s) holding at the date of the deposit of the requisition not less than one tenth of the paid-up capital of the Company carrying the right of voting at general meetings of the Company, shall at all times have the right, by written requisition sent to the Company's principal place of business as set out in the manner below, to require an EGM to be called by the Board for the transaction of any business specified in such requisition, and such meeting shall be held within two months after the deposit of such requisition.

Such requisition shall be made in writing to the Board or the Company Secretary at the following:

#### Principal place of business and headquarters in Singapore

Address: 160 Sin Ming Drive  
#06-02 Sin Ming Autocity  
Singapore 575722  
Email: enquiry@zhongshiminan.com  
Attention: Company Secretary

#### Registered office of the Company

Address: Windward 3, Regatta Office Park  
P.O. Box 1350  
Grand Cayman KY1-1108  
Cayman Islands  
Attention: Company Secretary

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

For matters in relation to the Board, Shareholders can contact the Company at the following: by post to principal place of business of the Company in Hong Kong at Room E, 15th Floor, Leahander Centre, 28 Wang Wo Tsai Street, Tsuen Wan, New Territories, Hong Kong or by email to enquiry@zhongshiminan.com.

### RIGHT TO PUT ENQUIRIES TO THE BOARD

Shareholders have the right to put enquiries to the Board. All such enquiries shall be in writing and sent by post to the principal place of business of the Company in Hong Kong for the attention of the Company Secretary. Shareholders may also make enquiries with the Board at the general meetings of the Company.

### RIGHT TO PUT FORWARD PROPOSALS AT GENERAL MEETINGS

There are no provisions allowing Shareholders to propose new resolutions at the general meetings under the Companies Law (as revised) of the Cayman Islands, as amended, modified and supplemental from time to time. However, pursuant to the Articles of Association, Shareholders who wish to move a resolution may by means of requisitions convene an EGM following the procedures set out above.

### CONSTITUTIONAL DOCUMENTS

Pursuant to a special resolution passed at the annual general meeting of the Company held on 29 June 2023, the Company adopted the amended and restated Articles of Association in order to comply with the relevant requirements of the GEM Listing Rules.

During the year ended 31 December 2025, there was no change in the Company's constitutional documents. An up-to-date version of the Company's Articles of Association is available on the respective websites of the Stock Exchange and the Company.

### INVESTOR RELATIONS

The Board recognises the importance of maintaining on-going communication with Shareholders. The Company has adopted a Shareholders' communication policy and promotes communications with Shareholders through several communication channels including publication of notices, circulars and announcements of key developments, and interim and annual reports as prescribed under the GEM Listing Rules which can also be accessed via the "Investor Relations" of the Company's website.

The aims of the Company are to improve its transparency, gain more understanding and confidence in relation to the Group's business developments and acquire more market recognition and support from Shareholders.

Shareholders are encouraged to attend all general meetings of the Company. The notices of the extraordinary general meetings and annual general meeting of the Company were circulated to all Shareholders in accordance with the requirements of the GEM Listing Rules and the Articles of Association. It is a standard practice to have the non-executive Directors available to answer questions relating to their roles, tenure, and the committees of the Board. The results of voting by poll are published on the GEM website and the Company's website after the meetings.

Any comments and suggestions to the Board can be addressed to the Hong Kong office or the Company Secretary by mail to Room E, 15th Floor, Leahander Centre, 28 Wang Wo Tsai Street, Tsuen Wan, New Territories, Hong Kong or email at [enquiry@zhongshiminan.com](mailto:enquiry@zhongshiminan.com).

### DISSEMINATION OF CORPORATE COMMUNICATIONS

Pursuant to Rule 16.04A of the GEM Listing Rules and the Articles of Association, the Company has implemented arrangements to disseminate the future Corporate Communications (as defined under the GEM Listing Rules) of the Company to the Shareholders electronically and only send corporate communications in printed form to the Shareholders upon request. The relevant arrangement are as follows:

#### 1. ACTIONABLE CORPORATE COMMUNICATIONS

The Company will send the Actionable Corporate Communications (as defined under the GEM Listing Rules) to Shareholders individually in electronic form by email. If the Company does not possess the email address of a Shareholder or the email address provided is not functional, the Company will send the Actionable Corporate Communication in printed form together with a request form for soliciting the Shareholder's functional email address to facilitate electronic dissemination of Actionable Corporate Communications in the future.

#### 2. CORPORATE COMMUNICATIONS

The Company will make the Corporate Communications available on its website ([www.zhongshiminanholdings.com](http://www.zhongshiminanholdings.com)) and the Stock Exchange's website ([www.hkexnews.hk](http://www.hkexnews.hk)).

A notice of publication of the website version of Corporate Communications, in both English and Chinese, will be sent by the Company to Shareholders by email or by post (only if the Company does not possess the functional email address of a Shareholder) on the publication date of the Corporate Communications.

For those Shareholders who wish to receive a printed version of all future Corporate Communications and Actionable Corporate Communications or, if for any reason, have difficulty in gaining access to the Company's website, the Company will, upon receipt of request in writing by the Shareholder to the Company's branch share registrar and transfer office in Hong Kong, Tricor Investor Services Limited at 17/F, Far East Finance Centre, 16 Harcourt Road, Hong Kong or by email to [8283-ecom@hk.tricorglobal.com](mailto:8283-ecom@hk.tricorglobal.com), send future Corporate Communications and/or the relevant Actionable Corporate Communications (as the case may be) to such Shareholders in printed form free of charge.

Shareholders are encouraged to provide their up-to-date contact details (including electronic contact details) to the Hong Kong branch share registrar of the Company in order to facilitate timely and effective communications.

# DIRECTORS' REPORT

The Directors hereby present their report and the audited consolidated financial statements of the Group for the year ended 31 December 2025.

## PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The Company is an investment holding company. The Company's subsidiaries are involved in the following principal activities:

- (1) maintenance and repair of passenger cars;
- (2) modification, tuning and grooming of the performance or appearance of passenger cars and trading of spare parts and accessories;
- (3) provision of motor finance services;
- (4) trading of passenger cars; and
- (5) development, manufacturing, consultancy and sale of food and kitchen appliances and brand management services.

Further discussion and analysis of these activities as required by Schedule 5 to the Companies Ordinance (Chapter 622 of the Laws of Hong Kong), including an indication of likely future development in the Group's business, can be found in the Management Discussion and Analysis in this annual report. This discussion forms part of this directors' report.

## PRINCIPAL RISKS AND UNCERTAINTIES

A number of factors may affect the results and business operations of the Group, major risks are summarised below.

**OUR BUSINESS DEPENDS HEAVILY ON OUR REPUTATION AND CONSUMER PERCEPTION OF THE QUALITY OF OUR SERVICES, AND ANY NEGATIVE PUBLICITY, HARM TO OUR REPUTATION, FAILURE TO MAINTAIN AND/OR ENHANCE OUR REPUTATION, OR FAILURE TO DEAL WITH CUSTOMER COMPLAINTS MAY MATERIALLY AND ADVERSELY AFFECT OUR BUSINESS, FINANCIAL CONDITION AND RESULTS OF OPERATIONS.**

We believe that our reputation and consumer perception of the quality of our services are critical to our business. Maintaining and enhancing our reputation depends on the quality and consistency of our services, as well as the success of our marketing and promotional efforts. We believe that maintaining and enhancing our reputation is essential to our efforts to maintain and expand our customer base. In addition, our reputation may be harmed by negative publicity or unfavourable forum discussions, whether accurate or not, relating to the services provided by the Group, such as service quality issues, repair time and quotations.

**IMPOSITION OF LAWS OR REGULATIONS RESTRICTING THE CARRYING ON OF OUR BUSINESS, GOVERNMENT POLICIES ON PASSENGER CAR PURCHASES AND OWNERSHIP THEREFORE RESTRICTING ROAD USE IN SINGAPORE, OR MEASURES TO ENCOURAGE THE USE OF PUBLIC TRANSPORT, MAY HAVE A MATERIAL ADVERSE EFFECT ON OUR BUSINESS.**

In Singapore, a certificate of entitlement ("COE") is required for the registration of a new vehicle in the appropriate vehicle category. A COE represents a right to vehicle ownership and use of the limited road space in Singapore for 10 years. The Singapore government controls the total number of vehicles in use by limiting the quota of COE. Any measures taken by the Singapore government to limit or reduce the number of passenger car registrations, therefore reducing the number of passenger cars on the roads, and/or measures to encourage the use of public transport, may materially and adversely affect the demand of our services.

## **MAJOR CUSTOMERS AND SUPPLIERS**

During the year ended 31 December 2025, sales to the Group's five largest customers accounted for approximately 7.6% of total sales including sales to the largest customer which accounted for approximately 2.1% of total sales. The Group's five largest suppliers accounted for approximately 39.4% of total purchases during the year ended 31 December 2025 and purchases from the largest supplier included therein amounted to approximately 11.6% of total purchase.

None of the Directors or any of their close associates (as defined in the GEM Listing Rules), or any of the Shareholders (which, to the best knowledge of the Directors, own more than 5% of the Company's issued share capital) had any beneficial interest in the Group's five largest customers or its five largest suppliers during the year ended 31 December 2025.

## **SEGMENT INFORMATION**

An analysis of the Group's performance for the year under review by operating segment is set out in Note 4 to the financial statements.

## **RESULTS AND DIVIDEND**

The results of the Group for the year ended 31 December 2025 are set out in the consolidated financial statement on pages 54 to 125 of this annual report.

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

During the year ended 31 December 2025, there was no arrangement under which any Shareholder waived or agreed to waive any dividend.

## **CHARITABLE DONATIONS**

The Group did not make any material charitable donations during the year ended 31 December 2025 (2024: Nil).

### FIVE-YEAR FINANCIAL SUMMARY

A summary of the published result and assets, liabilities of the Group for the last five financial years, as extracted from the audited financial statements, is set out on page 126 of this annual report. This summary does not form part of the audited financial statements.

### SHARE CAPITAL

Details of the movements in share capital of the Company during the year ended 31 December 2025 are set out in Note 26 to the financial statements.

### PURCHASES, SALE OR REDEMPTION OF COMPANY'S LISTED SECURITIES OR SALE OF TREASURY SHARES

The Company or any of its subsidiaries has not purchased, sold or redeemed any of the Company's listed securities (including sale of treasury shares (as defined under the GEM Listing Rules) during the year ended 31 December 2025.

As at 31 December 2025, there were no treasury shares (as defined under the GEM Listing Rules) held by the Company.

### PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the 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.

### DIRECTORS

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

#### EXECUTIVE DIRECTORS

Mr. WANG Lei (*Chairman and Chief Executive Officer*)

Mr. CHUA Boon Hou (CAI Wenhao)

Ms. WU Mengmeng

#### NON-EXECUTIVE DIRECTOR

Mr. LI Xiaodong

### INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. CHEN Huichun

Mr. GAO Yan

Mr. ZHAO Wei (resigned on 30 June 2025)

Mr. WU Guoyong (appointed on 30 June 2025)

In accordance with Article 108(a) of the Articles of Association, Mr. LI Xiaodong and Mr. CHEN Huichun will retire from the Board by rotation at the forthcoming annual general meeting and, being eligible, offer themselves for re-election.

In accordance with Article 112 of the Articles of Association, Mr. WU Guoyong will hold office only until the forthcoming annual general meeting and, being eligible, offer himself for re-election.

The biographical details of the Directors and the senior management of the Company are set out in the section headed "Directors and Senior Management" of this annual report.

### 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 the appointment date and renewable on expiry date and is subject to termination in accordance with the terms of the service agreement.

The Non-Executive Director has signed an appointment letter with the Company for term of three years and renewable on expiry date which is subject to termination in accordance with its terms.

The Independent Non-Executive Directors have each signed an appointment letter with the Company for a term of three years and renewable on expiry date and are subject to termination in accordance with their respective terms.

The term of service of a Director is subject to retirement by rotation of Directors as set out in the Articles of Association and the GEM Listing Rules.

Save as disclosed above, no Directors proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

### DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN SHARES, UNDERLYING SHARES AND DEBENTURES

As at 31 December 2025, the interests and short positions of the Directors and chief executives of the Company or any of their respective associates in the shares, underlying shares and debentures of the Company or any of its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance ("SFO")) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules were as follows:

#### LONG POSITION IN THE SHARES

Name of Directors and Chief Executives	Capacity/ Nature of Interest	Number of Shares or Underlying Shares	Approximate Percentage of Interest in the Company <sup>(1)</sup>
Mr. WANG Lei	Beneficial interest	11,817,400	20.52%
Ms. LI Lidan <sup>(2)</sup>	Interest of spouse	11,817,400	20.52%
Mr. CHEN Huichun	Beneficial interest	14,000	0.02%
Mdm. WANG Chongyu <sup>(3)</sup>	Interest of spouse	14,000	0.02%

Notes:

- (1) This is based on 57,600,000 Shares in issue as at 31 December 2025. Details of the placing of new shares, share consolidation and increase in authorised share capital of the Company completed during the year ended 31 December 2025 are set out in the section headed "Management Discussion and Analysis – Capital Structure" and Note 26 to the financial statements in this annual report.
- (2) Ms. LI Lidan is the spouse of Mr. WANG Lei ("Mrs WANG"), executive director of the Company. Under the SFO, Mrs. WANG is deemed to be interested in the same number of Shares in which Mr. WANG Lei is interested.
- (3) Mdm. WANG Chongyu is the spouse of Mr. CHEN Huichun ("Mrs. CHEN"). Under the SFO, Mrs. CHEN is deemed to be interested in the same number of Shares in which Mr. CHEN Huichun is interested.

Save as disclosed above, none of the Directors, chief executives of the Company or their respective associates 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) as recorded in the register required to be kept by the Company under Section 352 of the SFO or as otherwise, notified to the Company and the Stock Exchange pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules.

### SHARE OPTION SCHEME

#### 2016 SHARE OPTION SCHEME

The Company adopted a share option scheme on 21 October 2016 (the "2016 Share Option Scheme") for the purpose of enabling the Company to grant rights to subscribe for Shares pursuant to the terms of the Share Option Scheme ("Options", each an "Option") as incentives or rewards to the participants (the "Participants", each a "Participant") for their contribution to the Group and/or to enable the Group to recruit and retain high calibre employees and attract human resources that are valuable to the Group and any entity which the Group holds any equity interest ("Invested Entity"). The terms of the 2016 Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules. The 2016 Share Option Scheme was terminated on 18 December 2025 following the adoption of the 2025 Share Option Scheme (as defined below) by the Shareholders at an extraordinary general meeting.

The Board may, at its discretion, invite any executive, non-executive or independent non-executive Directors or any employees (whether full-time or part-time) of the Company, or any of its subsidiaries or associated companies or any other person whom the Board considers, in its sole discretion, has contributed or will contribute to the Group Participants to take up the Options. The basis of eligibility of any of the class of the Participants to the grant of any Option shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group and any Invested Entity. Unless otherwise determined by the Board and specified in the offer letter to be given to the Participant at the time of the offer of the Option ("Offer"), there is neither any performance target that needs to be achieved by the Participant who accepts an Offer in accordance with the terms of the 2016 Share Option Scheme ("Grantee") before an Option can be exercised nor any minimum period for which an Option must be held before the Option can be exercised.

The subscription price for the Shares under the 2016 Share Option Scheme shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant Option, but in any case shall not be less than the highest of (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date on which an Offer is made by the Company to the Grantee (which date must be a Business Day, "Offer Date"); (b) a price being the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotations sheets for the five (5) Business Days immediately preceding the Offer Date (provided that the Offer Price shall be used as the closing price for any Business Day falling within the period before listing of the Shares where the Company has been listed for less than five (5) Business Days as at the Offer Date); and (c) the nominal value of a Share.

The amount payable by the grantee of an Option to the Company on acceptance of the offer for the grant of an Option is HK\$1.00, which shall be payable within the period as the Board may determine and specify in the letter of Offer.

An Option may be exercised in accordance with the terms of the 2016 Share Option Scheme at any time during the period to be determined by the Board at its absolute discretion and notified by the Board to each Grantee as being the period during which an Option may be exercised and in any event, such period shall not be longer than 10 years from the date upon which any particular Option is granted in accordance with the 2016 Share Option Scheme.

The maximum number of unexercised share options permitted to be granted under the 2016 Share Option Scheme and any other share option scheme of the Company shall not in aggregate exceed 10% of the total number of Shares in issue immediately following the listing of the Company on the Stock Exchange, as adjusted by the subdivision of shares approved on 3 April 2019 and effective on 4 April 2019, and the share consolidation approved on 18 February 2025 and effective on 20 February 2025 (representing 40,000,000 Shares on a post-consolidation basis). The maximum number of shares issuable under share options to each eligible participant in the Company's 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 share options in excess of this limit is subject to Shareholders' approval in a general meeting.

No option has lapsed, or has been granted, exercised or cancelled under the 2016 Share Option Scheme during the year ended 31 December 2025 and 2024. The Group did not have any outstanding share options, warrants, convertible instruments, or similar rights convertible into the Shares as at 31 December 2025 and 2024, nor has there been any exercise, redemption, purchase or cancellation made during the year ended 31 December 2025 and 2024 of any conversion or subscription rights under any convertible securities, options, warrants or similar rights issued or granted.

### 2025 SHARE OPTION SCHEME

Following the termination of the 2016 Share Option Scheme, the Company adopted a new share option scheme (the "2025 Share Option Scheme") at the extraordinary general meeting held on 18 December 2025. The purpose of the 2025 Share Option Scheme is to enable the Directors to grant Options to Eligible Participants as incentives or rewards (i) to recognise their contribution or potential contribution to the Group, and to enable the Company to recruit and retain key employees of the Group; (ii) to align their interests with those of the Company by providing them with the opportunity to acquire a proprietary interest in the Company; and (iii) to motivate them to contribute to the long-term growth and development of the Company with a view to enhance the value of the Company for the benefit of the Company and the Shareholders as a whole. The terms of the 2025 Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

The period of the 2025 Share Option Scheme commenced on the Adoption Date (being 18 December 2025) and will expire on 17 December 2035 (being the date of the 10th anniversary after the Adoption Date, the "Termination Date"), after which no further Options shall be offered but the provisions of the 2025 Share Option Scheme shall in all other respects remain in full force and effect to the extent necessary to give effect to the exercise of any Options granted prior thereto or otherwise as may be required in accordance with the provisions of the 2025 Share Option Scheme and Options granted prior thereto but not yet exercised shall continue to be valid and exercisable in accordance with the 2025 Share Option Scheme.

Eligible Participants include the Employee Participants (which exclude independent non-executive Directors) and the Related Entity Participants. In determining the basis of eligibility of, and the terms of grant of Options to each of the Eligible Participants, the Board will take into account different factors, his/her experience in the business of the Group, the length of his/her service with the Group, his/her contribution to the development and long-term growth of the Group and other factors as the Board may at its discretion consider appropriate. In particular, the Board would take into account, on a case-by-case basis, among other things, the following factors in assessing the eligibility of the relevant Eligible Participants: (a) with respect to Employee Participant: (i) their individual performance; (ii) their time commitment (full-time or part-time), responsibilities or employment conditions with reference to the prevailing market practice and industry standard; (iii) the length of their engagement with the Group; and (iv) their individual contributions or potential contributions towards the development and growth of the Group; (b) with respect to Related Entity Participant: (i) the positive impact brought by, or expected from, the Related Entity Participant on the Group's business in terms of, amongst other things, actual or expected change in the Group's revenue or profits and/or an addition of expertise to the Group attributable to them; (ii) the length of their collaborative relationship established with the Group; (iii) their participation and contribution to the development of the Group and/or the extent of benefits and synergies brought to the Group, which may include the degree of their involvement in and/or cooperation with the Group; (iv) whether the Related Entity Participant have provided measurable assistance to improve any aspect of the Group's business such as to refer or introduce new business opportunities to the Group or increase its existing market share; and (v) the amount of actual or potential support, assistance, guidance, advice, effort and contribution that they are likely to be able to give or contribute towards the success of the Group.

The vesting period for Options under the 2025 Share Option Scheme shall be determined by the Board, and in any case, shall not be less than 12 months from (and including) the Offer Date, except for Employee Participants where a shorter vesting period may apply in certain specified circumstances such as grants to new joiners to replace awards forfeited from previous employer, grants due to death or disability, grants with performance-based vesting conditions, grants made in batches for administrative reasons, grants with mixed or accelerated vesting schedules, or grants with a total vesting and holding period of more than 12 months.

The exercise price for the Shares under the 2025 Share Option Scheme in relation to each Option offered to an Eligible Participant shall be determined by the Board in its absolute discretion but in any event must be at least the higher of: (a) the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange on the Offer Date, which must be a Business Day; (b) the average of the closing price of the Shares as stated in the daily quotation sheets of the Stock Exchange for the five Business Days immediately preceding the Offer Date; and (c) the nominal value of a Share.

An Option shall be deemed to have been granted and accepted by the Grantee and to have taken effect when the duplicate offer document constituting acceptance of the Option duly signed by the Grantee, together with a remittance or payment in favour of the Company of HK\$1.00 by way of consideration for the grant thereof is received by the company secretary of the Company on or before the relevant Acceptance Date. Such remittance or payment shall in no circumstances be refundable.

The total number of Shares which may be issued in respect of all Options to be granted under the 2025 Share Option Scheme and all options and awards under any other scheme(s) of the Company involving issue of new Shares is 10% of the total number of Shares in issue (excluding Treasury Shares, if any) (the "Scheme Limit") as at the Adoption Date. The Scheme Limit may be refreshed by an ordinary resolution passed by the Shareholders in a general meeting, provided that any such refreshment must not be made more than once every three years and any controlling Shareholders and their associates must abstain from voting in favour of the relevant resolution. In addition, the Company may seek separate Shareholders' approval to grant Options beyond the Scheme Limit, provided that such additional Options are granted only to Eligible Participants specifically identified by the Company before such approval is sought. As at 31 December 2025, the total number of issued Shares of the Company was 57,600,000 Shares. The maximum number of new Shares that may be issued in respect of all Options to be granted under the 2025 Share Option Scheme together with all options and awards that may be granted under any other share schemes for the time being of the Company under the Scheme Limit is 5,760,000 Shares. The Company may either issue new Shares or transfer Treasury Shares to the relevant Grantee upon exercise of the Options granted under the 2025 Share Option Scheme. Options or awards lapsed in accordance with the terms of the 2025 Share Option Scheme and any other schemes of the Company will not be regarded as utilised for the purpose of calculating the Scheme Limit. Options or awards cancelled in accordance with the terms of the 2025 Share Option Scheme and any other schemes of the Company will be regarded as utilised for the purpose of calculating the Scheme Limit.

Subject to the Scheme Rules of the 2025 Share Option Scheme, where any grant of Options to a selected Eligible Participant under the 2025 Share Option Scheme would result in the Shares issued and to be issued in respect of all Options granted to him/her under the 2025 Share Option Scheme and any options and awards granted to such person under any other scheme(s) of the Company (excluding any options and awards lapsed in accordance with the rules of the relevant scheme(s) of the Company) in the 12-month period up to and including the Offer Date representing in aggregate over 1% of the total number of issued Shares (excluding Treasury Shares, if any) on the Offer Date, such grant of Options shall be approved by the Shareholders in general meeting with such selected Eligible Participant and his/her close associates (or associates if such selected Eligible Participant is a connected person) abstaining from voting.

No option has lapsed, or has been granted, exercised or cancelled under the 2025 Share Option Scheme during the year ended 31 December 2025. The Group did not have any outstanding share options, warrants, convertible instruments, or similar rights convertible into the Shares as at 31 December 2025, nor has there been any exercise, redemption, purchase or cancellation made during the year ended 31 December 2025 of any conversion or subscription rights under any convertible securities, options, warrants or similar rights issued or granted.

### DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

Save as disclosed in the section headed "Directors' and chief executives' interests and short positions in shares, underlying shares and debentures" above, at no time during the year ended 31 December 2025 and up to the date of this report was the Company or any of its subsidiaries a party to any arrangement to enable the Directors or their respective close associates (as defined under the GEM Listing Rules) to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

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

As at 31 December 2025, the interests and short positions of substantial Shareholders and other persons (not being a Director or Chief Executive of the Company) in the Shares and underlying Shares which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO or required to be entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

#### LONG POSITIONS IN THE SHARES

Name	Nature of Interest	Number of Shares	Approximate Percentage of Shareholding in the Company as at 31 December 2025 <sup>(1)</sup>
Mdm. LI Lidan <sup>(2)</sup>	Interest of spouse	11,817,400	20.52%

Notes:

- (1) This is based on 57,600,000 Shares in issue as at 31 December 2025. Details of the placing of new shares, share consolidation and increase in authorised share capital of the Company completed during the year ended 31 December 2025 are set out in the section headed "Management Discussion and Analysis – Capital Structure" and Note 26 to the financial statements in this annual report.
- (2) Mdm. LI Lidan ("Mrs. WANG") is the spouse of Mr. WANG Lei, executive director of the Company. Under the SFO, Mrs. WANG is deemed to be interested in the same number of Shares in which Mr. WANG Lei is interested.

Save as disclosed above, as at the date of this report, according to the register of interests required to be kept by the Company under Section 336 of the SFO, there was no other person or corporation (other than the Directors and chief executives of the Company) who had any interest or short position in the Shares or underlying Shares which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 or Part XV of the SFO.

## **DIRECTORS' REMUNERATION**

Details of the remuneration of the Directors for the year ended 31 December 2025 are set out in Note 8 to the financial statements in this annual report.

Further details of the Directors' and chief executives' emoluments and the five highest paid individuals are set out in Notes 8 and 10 to the consolidated financial statements.

Mr. ZHAO Wei, Mr. WU Guoyong and Mr. CHEN Huichun waived emoluments of S\$10,962, S\$10,086 and S\$21,924 respectively for the year ended 31 December 2025. Mr. FENG Wei, Mr. CHUA Boon Hou (Cai Wenhao), Ms. WU Meng Meng, Mr. WANG Bing, Mr. LI Xiaodong, Mr. CHEN Huichun, Mr. ZHAO Wei and Mr. GAO Yan waived emoluments of S\$20,567, S\$211,000, S\$22,268, S\$8,570, S\$22,268, S\$20,567, S\$20,567 and S\$22,268 respectively for the year ended 31 December 2024. Except these, no other directors waived or agreed to waive any emoluments for both years.

## **EMOLUMENT POLICY**

The Remuneration Committee was set up for reviewing the Group's emolument policy and structure for all remuneration of the Directors and senior management of the Group, having regard to the Group's operating results, individual performance and comparable market practices. The remunerations of the Directors are determined with reference to the economic situation, the market condition, the responsibilities and duties assumed by each Director as well as their individual performance.

## **RELATED PARTY TRANSACTIONS**

Details of the related party transactions entered into by the Group during the year ended 31 December 2025 are set out in Note 30 to the financial statements. Such related party transactions do not fall under the definition of connected transaction or continuing connected transaction under Chapter 20 of the GEM Listing Rules.

## **CONNECTED TRANSACTION AND CONTINUING CONNECTED TRANSACTION**

During the year ended 31 December 2025, the Group has not entered into any connected transactions or continuing connected transactions that are not exempted under the GEM Listing Rules. The Board confirms that the Company has complied with the applicable disclosure requirements in accordance with Chapter 20 of the GEM Listing Rules.

## **SUFFICIENCY OF PUBLIC FLOAT**

Based on the information that is publicly available to the Company and within the knowledge of the Directors as at the date of this report, the Company has maintained the prescribed public float required by the GEM Listing Rules since the listing date and up to the date of this report.

### DIRECTORS' INTEREST IN COMPETING BUSINESS

The Directors are not aware of any business or interest of the Directors nor the controlling Shareholders nor any of their respective close associates that competes or may compete, directly or indirectly, with the Group's business and any other conflicts of interest which any such person has or may have with the Group during the year ended 31 December 2025.

### INDEMNITY OF DIRECTORS

The Articles of Association provides that the Directors shall be indemnified and secured harmless out of the assets of the Company against all actions, costs, charges, losses, damages and expenses which they shall incur or sustain in execution of their duty or supposed duty in their respective offices, except such as they shall incur or sustain through their own fraud or dishonesty.

### DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS OF SIGNIFICANCE

No transaction, arrangement or contract of significance to which the Company, or any of its subsidiaries was a party, and in which a Director or entity connected with such Director had a material interest, subsisted at any time during the year ended 31 December 2025.

### MANAGEMENT CONTRACTS

No contracts, other than the service contracts entered into with the Directors, concerning the management and administration of the whole or any substantial part of the business of the Company were entered into or in existence during the year ended 31 December 2025.

### ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group is subject to local laws and regulations as well as various guidelines by the governmental agencies. In particular, our modifications, tuning and grooming services need to comply with specific rules in the Road Traffic Act under the purview of the Land Transport Authority. The environmental concern relating to the management of hazardous waste and waste water is particularly important to us, and to address this, we follow the best practices in toxic waste management and comply with relevant environmental standards, including the Environmental Public Health (Toxic Industrial Waste) Regulations issued by the National Environment Agency of Singapore. Other key laws and regulations relating to our business include the Workplace Health and Safety Act, Regulations of Imports and Exports, Employment Act and Employment of Foreign Manpower Act. There were no cases of non-compliance with relevant laws and regulations that had or would have had a significant impact on the Group during the year.

Our key stakeholders include customers, suppliers and employees. We continuously engage with them through daily interactions to understand and respond to their respective needs. We value our customers' feedback and use it to improve our services and quality of repairs. We also understand maintaining relationships with our suppliers and employees is vital to the Group's ability to meet its quality commitment. We build trusted relationships with brand name suppliers, and develop our employees' capabilities and address any potential workplace concerns in a timely manner. More specific details on our ESG policies will be found in our ESG report, to be published together with the annual report of the Company.

## **KEY RELATIONSHIPS WITH EMPLOYEES, CUSTOMERS AND SUPPLIERS**

The Group recognises the accomplishment of the employees by providing comprehensive benefit package, career development opportunities and internal training appropriate to individual needs. The Group provides a healthy and safe workplace for all employees. No strikes and cases of fatality due to workplace accidents are found in the year under review.

The Group encompasses working relationships with suppliers to meet our customers' needs in an effective and efficient manner. The departments work closely to make sure the tendering and procurement process is conducted in an open, fair and just manner. The Group's requirements and standards are also well-communicated to suppliers before the commencement of a project.

The Group values the views and opinions of all customers through various means and channels, including usage of business intelligence to understand customer trends and needs and regular analysis on customer feedback. The Group also conducts comprehensive tests and checks to ensure that only quality products and services are offered to the customers.

## **BANK LOANS AND OTHER BORROWINGS**

Particulars of bank loans and other borrowings of the Group as at 31 December 2025 are set out in Note 24 to the financial statements.

## **PROPERTY, PLANT AND EQUIPMENT**

Details of movements in the property, plant and equipment of the Group during the year ended 31 December 2025 are set out in Note 14 to the financial statements.

## **DISTRIBUTABLE RESERVES**

Details of the movements in the reserves of the Group for the year ended 31 December 2025 are set out in the consolidated statement of changes in equity on page 56 and Note 27 to the financial statements.

As at 31 December 2025, the Company had nil distributable reserve (31 December 2024: nil).

## **MATERIAL ACQUISITION AND DISPOSAL**

Save as to the disclosed herein, the Group did not have any significant investments during the year ended 31 December 2025 and did not have any material acquisition and disposal of subsidiary, associates or joint ventures during the year ended 31 December 2025.

## **RETIREMENT SCHEMES**

Particulars of retirement schemes are set out in Note 2.22 and Note 36 to the financial statements.

### CONFIRMATION OF INDEPENDENCE

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, based on contents of such confirmation, considers all the independent non-executive Directors to be independent and that they have met the specific independence guidelines as set out in Rule 5.09 of the GEM Listing Rules.

### CHANGES TO INFORMATION IN RESPECT OF DIRECTORS

Upon specific enquiry by the Company and following confirmations from the Directors, save as disclosed in the section headed "Directors and Senior Management" in this report, there was no change in the information of the Directors required to be disclosed pursuant to paragraphs (a) to (e) and (g) of Rule 17.50(2) of the GEM Listing Rules during the year ended 31 December 2025.

### EVENTS AFTER THE REPORTING PERIOD

On 4 November 2025, the Board of the Company proposed (1) to conduct a rights issue on the basis of five (5) rights shares for every one (1) share held on the record date at a subscription price of HK\$0.35 per rights share, to raise up to approximately HK\$100.80 million before expenses by way of issuing up to 288,000,000 rights shares; (2) to change in board lot size from 1,000 Shares to 5,000 Shares with effect from 9:00 a.m. on Wednesday, 7 January 2026; and (3) to increase the authorised share capital of the Company from HK\$20,000,000 divided into 160,000,000 Shares to HK\$200,000,000 divided into 1,600,000,000 Shares by the creation of an additional 1,440,000,000 Shares. Assuming full subscription under the rights issue, the gross proceeds from the rights issue are expected to be approximately HK\$100.80 million. The net proceeds from the rights issue (after deducting the estimated expenses of approximately HK\$3.83 million) are estimated to be approximately HK\$96.97 million. The Company intends to apply the net proceeds from the proposed rights issue of approximately HK\$96.97 million as follows: (i) approximately HK\$43 million for the establishment of the refined sales and marketing strategies; (ii) approximately HK\$20 million is planned as reserve for any future co-operation/investment opportunities; (iii) approximately HK\$17 million for repayment of outstanding amount owed to Mr. Wang; (iv) approximately HK\$7 million to replenish working capital for the Group's existing principal businesses; and (v) approximately HK\$9.97 million to replenish the Company's general working capital. In the event that there is an under subscription of the Rights Shares, the net proceeds will be utilised in the order as follows: (i) firstly, for the repayment of the outstanding amount owed to Mr. Wang Lei, an executive director; and (ii) the remaining net proceeds of the proposed Rights Issue will be scaled down and utilised in proportion to the remaining uses.

The Rights Issue was completed with the allotment and issue of 288,000,000 Rights Shares on 12 February 2026, representing 100% of the total Rights Shares offered under the Rights Issue. The net proceeds of approximately HK\$96.97 million were raised in line with the above intended use.

In addition, the change in board lot size from 1,000 Shares to 5,000 Shares became effective for trading on the Stock Exchange from 9:00 a.m. on Wednesday, 7 January 2026, and the increase in authorised share capital of the Company from HK\$20,000,000 divided into 160,000,000 Shares to HK\$200,000,000 divided into 1,600,000,000 Shares became effective following the passing of an ordinary resolution by the Shareholders at the extraordinary general meeting held on 18 December 2025.

Details of the aforesaid events after the reporting period are set out in the announcement of the Company dated 4 November 2025, 28 November 2025, 1 December 2025, 18 December 2025, 5 January 2026, 26 January 2026, 11 February 2026 and 12 February 2026 and the Company's circular dated 28 November 2025.

## **CORPORATE GOVERNANCE**

Details of the corporate governance practice adopted by the Company are set out on pages 19 to 33 of this annual report.

## **EQUITY-LINKED AGREEMENT**

Save for the Share Option Scheme of the Company, there was no equity-linked agreement being entered into or remained subsisting during the year ended 31 December 2025 or as of the end of the year.

## **TAX RELIEF AND EXEMPTION**

The Directors are not aware of any tax relief or exemption available to the Shareholders by reason of their holding of the Company's securities.

## **REVIEW BY AUDIT COMMITTEE**

The Audit Committee has reviewed with management the accounting principles and practices adopted by the Group and discussed internal control and financial reporting matters including the review of the audited consolidated financial statements for the year ended 31 December 2025.

## **THE GROUP'S COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS**

As far as the Board is aware, the Group has complied in material aspects with the relevant laws and regulations that have a significant impact on the business and operations of the Group.

## **AUDITORS**

The consolidated financial statements for the year ended 31 December 2025 and 2024 were audited by Rongcheng (Hong Kong) CPA Limited (formerly known as CL Partners CPA Limited).

Rongcheng (Hong Kong) CPA Limited will retire and, being eligible, offer itself for re-appointment at the forthcoming annual general meeting of the Company ("AGM"). Having been approved by the Board upon the recommendation of the Audit Committee, a resolution to re-appoint Rongcheng (Hong Kong) CPA Limited as auditor of the Company and to authorise the directors of the Company to fix its remuneration will be proposed at the forthcoming AGM.

The consolidated financial statements for the year ended 31 December 2023 were audited by CCTH CPA Limited. At the AGM held on 26 June 2024, CCTH CPA Limited retired as the auditor of the Company and CL Partners CPA Limited was appointed as the new auditor to fill the vacancy. Subsequently, during the year 2025, CL Partners CPA Limited changed its name to Rongcheng (Hong Kong) CPA Limited.

## DIRECTORS' REPORT

### APPRECIATION

On behalf of the Board, I would like to extend our sincere thanks to our Shareholders, business partners and customers for their continuous support to the Group. I would also extend my gratitude and appreciation to all the Directors, management and staff for their hard work and dedication throughout the period.

By Order of the Board

**WANG Lei**

*Chairman, Chief Executive Officer and Executive Director*

31 March 2026

# INDEPENDENT AUDITOR'S REPORT

## 容诚 | RCHK

To the shareholders of Zhongshi Minan Holdings Limited

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

### OPINION

We have audited the consolidated financial statements of Zhongshi Minan Holdings Limited (the "Company") and its subsidiaries (collectively referred to as the "Group") set out on pages 54 to 125, 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 IFRS Accounting Standards as issued by the International Accounting Standards Board ("IASB") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

### BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing ("ISAs") as issued by the International Auditing and Assurance Standards Board. 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 Hong Kong Institute of Certified Public Accountants (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.

Key audit matter	How our audit addressed the key audit matter
<p><b>Loss allowances for trade receivables and loan receivables from third parties</b></p> <p>The Group's trade receivables and loan receivables from third parties were significant as they represented 8% and 4% of the Group's total assets as at 31 December 2025, respectively. Net trade receivables amounted to approximately S\$1,831,000 as at 31 December 2025, against which an allowance for expected credit losses ("ECLs") of approximately S\$259,000 was made. The loan receivables from third parties included in prepayments, other receivables and other assets amounted to approximately S\$964,000 as at 31 December 2025, against which no allowance for ECLs was made.</p> <p>The Group calculates the ECLs for trade receivables and loan receivables from third parties, which are determined based on historical observed default rates over the expected life of the debtors and are adjusted for supportable forward-looking information that is reasonable and supportable available without due costs or effort. The impairment assessment of trade receivables and loan receivables from third parties requires significant management's judgement and estimation. As such, we determined this as a key audit matter.</p> <p>The Group's disclosures of the loss allowances for trade receivables and loan receivables from third parties are included in notes 2.12, 3, 18, and 19 to the consolidated financial statements.</p>	<p>Our procedures in relation to loss allowances for trade receivables and loan receivables from third parties included:</p> <ul style="list-style-type: none"><li>– Evaluating the Group's processes and controls relating to the monitoring of trade receivables and loan receivables from third parties and credit risks of customers;</li><li>– Checking to receipts from customers subsequent to the year end, and checking to monthly instalments repaid by third party debtors;</li><li>– Evaluating management's assumptions and estimates used to determine the ECLs through analyses of the ageing of receivables, assessment of material overdue individual trade receivables, customers' payment history and correspondences between the Group and the customers;</li><li>– Evaluating management's assumptions and inputs used in the computation of historical loss rates and assessed the management's assumptions used in considering the forward-looking factors; and</li><li>– Assessing the adequacy of the relevant disclosures in the consolidated financial statements.</li></ul>

### OTHER INFORMATION

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

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

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

### RESPONSIBILITIES OF DIRECTORS AND THOSE CHARGED WITH GOVERNANCE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

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

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

Those charged with governance 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 solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the 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.

## INDEPENDENT AUDITOR'S REPORT

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

From the matters communicated with those charged with governance, we determine the matter that was of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe this matter 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.

**Rongcheng (Hong Kong) CPA Limited**

*Certified Public Accountants*

**LEE Wai Chi**

Practising certificate number: P07830

Hong Kong, 31 March 2026

# CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 31 December 2025

	Notes	2025 S\$'000	2024 S\$'000
Revenue	5	17,735	18,866
Other income and gains	5	307	2,309
Cost of materials		(9,012)	(9,330)
Marketing and advertising expenses		(894)	(868)
Employee benefits expenses	9	(6,282)	(5,799)
Depreciation of property, plant and equipment	14	(256)	(219)
Depreciation of right-of-use assets	15	(1,066)	(760)
Amortisation of intangible assets	14	(4)	(4)
Impairment losses on financial assets, net	6	(1,020)	(67)
Finance costs	7	(185)	(168)
Other expenses		(3,648)	(2,800)
<b>(LOSS)/PROFIT BEFORE TAX</b>	6	<b>(4,325)</b>	1,160
Income tax expense	11	–	(129)
<b>(LOSS)/PROFIT FOR THE YEAR</b>		<b>(4,325)</b>	1,031
<b>OTHER COMPREHENSIVE EXPENSE</b>			
<i>Item that may be subsequently reclassified to profit or loss:</i>			
Exchange differences on translation of foreign operations		(168)	(6)
<b>TOTAL COMPREHENSIVE (EXPENSE)/INCOME FOR THE YEAR</b>		<b>(4,493)</b>	1,025
(Loss)/profit for the year attributable to:			
– Owners of the Company		(4,073)	1,492
– Non-controlling interests		(252)	(461)
		<b>(4,325)</b>	1,031
Total comprehensive (expense)/income for the year attributable to:			
– Owners of the Company		(4,241)	1,449
– Non-controlling interests		(252)	(424)
		<b>(4,493)</b>	1,025
		<b>2025</b>	2024
		<b>S cents</b>	S cents
		<b>per share</b>	per share
			(Restated)
<b>(LOSS)/EARNINGS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>	13		
– Basic		(5.74)	2.71
– Diluted		N/A	N/A

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 December 2025

	Notes	2025 S\$'000	2024 S\$'000
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	14	2,620	2,577
Right-of-use assets	15	1,356	1,414
Intangible assets	14	13	17
Financial assets at fair value through profit or loss	16	568	530
Prepayments, other receivables and other assets	19	1,735	1,126
<b>Total non-current assets</b>		<b>6,292</b>	<b>5,664</b>
<b>CURRENT ASSETS</b>			
Financial assets at fair value through profit or loss	16	2,652	1,505
Inventories	17	1,266	1,215
Trade receivables	18	1,831	1,064
Prepayments, other receivables and other assets	19	9,934	7,164
Cash and cash equivalents	20	2,172	5,351
<b>Total current assets</b>		<b>17,855</b>	<b>16,299</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	21	10,589	8,892
Bank and other borrowings	24	2,439	580
Contract liabilities	23	726	863
Tax payables		20	61
<b>Total current liabilities</b>		<b>13,774</b>	<b>10,396</b>
<b>NET CURRENT ASSETS</b>		<b>4,081</b>	<b>5,903</b>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<b>10,373</b>	<b>11,567</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	22	413	413
Contract liabilities	23	225	317
Bank and other borrowings	24	1,686	2,012
Deferred tax liabilities	25	12	12
<b>Total non-current liabilities</b>		<b>2,336</b>	<b>2,754</b>
<b>NET ASSETS</b>		<b>8,037</b>	<b>8,813</b>
<b>EQUITY</b>			
Share capital	26	1,269	900
Reserves	27	7,087	7,980
Equity attributable to owners of the Company		8,356	8,880
Non-controlling interests		(319)	(67)
<b>TOTAL EQUITY</b>		<b>8,037</b>	<b>8,813</b>

The consolidated financial statements on pages 54 to 125 were approved and authorised for issue by the board of directors on 31 March 2026:

**WANG Lei**  
Director

**WU Mengmeng**  
Director

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

Year ended 31 December 2025

	Attributable to owners of the Company								
	Share capital S\$'000	Share premium* S\$'000	Other capital reserve* S\$'000	Merger reserve* S\$'000	Foreign currency		Sub-total S\$'000	Non-controlling interests S\$'000	Total equity S\$'000
					translation reserve* S\$'000	Accumulated losses* S\$'000			
At 1 January 2024	900	8,982	126	3,884	(241)	(6,465)	7,186	(1,078)	6,108
Profit and total comprehensive (expense)/income for the year	-	-	-	-	(43)	1,492	1,449	(424)	1,025
Disposal of a subsidiary (note 29)	-	-	-	-	247	-	247	1,392	1,639
Deregistration of subsidiaries	-	-	-	-	(2)	-	(2)	43	41
<b>At 31 December 2024</b>	<b>900</b>	<b>8,982</b>	<b>126</b>	<b>3,884</b>	<b>(39)</b>	<b>(4,973)</b>	<b>8,880</b>	<b>(67)</b>	<b>8,813</b>
At 1 January 2025	<b>900</b>	<b>8,982</b>	<b>126</b>	<b>3,884</b>	<b>(39)</b>	<b>(4,973)</b>	<b>8,880</b>	<b>(67)</b>	<b>8,813</b>
Loss and total comprehensive expense for the year	-	-	-	-	(168)	(4,073)	(4,241)	(252)	(4,493)
Issue of shares (note 26)	<b>369</b>	<b>3,348</b>	-	-	-	-	<b>3,717</b>	-	<b>3,717</b>
<b>At 31 December 2025</b>	<b>1,269</b>	<b>12,330</b>	<b>126</b>	<b>3,884</b>	<b>(207)</b>	<b>(9,046)</b>	<b>8,356</b>	<b>(319)</b>	<b>8,037</b>

Details regarding the share premium, other capital reserve and merger reserve are set out in note 27 to the consolidated financial statements.

\* These reserve accounts comprise the consolidated reserves of S\$7,087,000 (2024: S\$7,980,000) in the consolidated statement of financial position.

# CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 S\$'000	2024 S\$'000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
(Loss)/profit before tax		<b>(4,325)</b>	1,160
Adjustments for:			
Depreciation of property, plant and equipment	6	<b>256</b>	219
Depreciation of right-of-use assets	6	<b>1,066</b>	760
Amortisation of intangible assets	6	<b>4</b>	4
Fair value loss on financial assets at fair value through profit or loss (included in the other expenses)	5/6	<b>249</b>	285
Impairment losses on financial assets, net	6	<b>1,020</b>	67
Gain on disposal of property, plant and equipment	5	–	(134)
Gain on disposal of a subsidiary (note 29)	5	–	(1,850)
Gain on derecognition of subsidiaries		–	(46)
Loss on disposal of financial assets at fair value through profit or loss		–	42
Interest expenses	7	<b>179</b>	158
Operating cash flows before movements in working capital		<b>(1,551)</b>	665
Increase in inventories		<b>(51)</b>	(640)
(Increase)/decrease in trade receivables		<b>(902)</b>	259
(Increase)/decrease in prepayments, other receivables and other assets		<b>(4,264)</b>	1,283
Increase in trade and other payables		<b>1,697</b>	2,125
Decrease in contract liabilities		<b>(229)</b>	(569)
Cash (used in)/generated from operations		<b>(5,300)</b>	3,123
Income tax paid		<b>(41)</b>	(152)
Net cash flows (used in)/generated from operating activities		<b>(5,341)</b>	2,971

## CONSOLIDATED STATEMENT OF CASH FLOWS

Year ended 31 December 2025

	Notes	2025 S\$'000	2024 S\$'000
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Purchase of property, plant and equipment		(299)	(234)
Purchase of intangible assets		–	(21)
Purchase of financial assets at fair value through profit or loss		(5,216)	(3,047)
Disposal of financial assets at fair value through profit or loss		3,782	2,780
Net cash outflow arising from disposal of a subsidiary	29	–	(9)
Proceeds from disposal of property, plant and equipment		–	243
Net cash flows used in investing activities		(1,733)	(288)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds from placing of shares	26	3,717	–
Proceeds from bank and other borrowings (excluding lease liabilities)	28(b)	2,017	2,102
Repayment of principal portion of lease liabilities	28(b)	(1,211)	(1,471)
Repayment of bank and other borrowings (excluding lease liabilities)	28(b)	(293)	(729)
Interest paid		(179)	(158)
Net cash flows from/(used in) financing activities		4,051	(256)
<b>NET (DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS</b>			
		(3,023)	2,427
Cash and cash equivalents at beginning of year		5,351	2,930
Effect of exchange rate changes, net		(156)	(6)
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>			
		2,172	5,351
<b>ANALYSIS OF BALANCES OF CASH AND CASH EQUIVALENTS</b>			
Bank balances and cash	20	2,172	5,351

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 1. CORPORATE AND GROUP INFORMATION

Zhongshi Minan Holding Limited (the “Company”) is an exempted company with limited liability incorporated in the Cayman Islands on 17 March 2016. The registered office of the Company is at the offices of Ocorian Trust (Cayman) Limited, Windward 3, Regatta Office Park, P.O. Box 1350, Grand Cayman KY1-1108, Cayman Islands. The principal place of business in Hong Kong under Part 16 of the Companies Ordinance (Cap. 622) is at Room E, 15th Floor, Leahander Centre, 28 Wang Wo Tsai Street, Tsuen Wan, New Territories, Hong Kong. The information of shareholders are disclosed in the directors’ report to the annual report.

During the year, the Company and its subsidiaries (collectively referred to as the “Group”) were involved in the following principal activities:

- maintenance and repair of passenger cars
- modification, tuning and grooming of the performance or appearance of passenger cars and trading of spare parts and accessories
- provision of motor finance services
- trading of passenger cars
- development, manufacturing, consultancy and sale of food and kitchen appliances and brand management services

### INFORMATION ABOUT SUBSIDIARIES

The Company has direct and indirect interests in its subsidiaries at 31 December 2025 and 2024, all of which are private limited liability companies, the particulars of which are set out below:

Company name	Place of incorporation/ registration and business	Issued ordinary share capital S\$'000	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
MBM International Holdings Pte. Ltd. (“MBMI”)	Singapore	4,500	100	–	Investment holding
MBM Wheelpower Pte. Ltd. (“MBM”)	Singapore	125	–	100	Maintenance and repair of passenger cars
KBS Motorsports Pte. Ltd. (“KBS”)	Singapore	100	–	100	Modification, tuning and grooming of the performance or appearance of passenger cars, trading of spare parts and accessories, and provision of motor finance services

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Company name	Place of incorporation/ registration/ and business	Issued ordinary share capital S\$'000	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
Oriental Achiever Limited	British Virgin Islands	N.m.	100	–	Investment holding
Oriental Versed Limited	British Virgin Islands	N.m.	100	–	Investment holding
World Brilliant Investments Limited	Hong Kong	N.m.	–	100	Investment holding
Dragon Hero International Limited	Hong Kong	N.m.	–	100	Investment holding
Zhengzhou Car Zhujiao Car Sales Limited**	PRC*	N.m.	–	100	Trading of passenger cars
Beijing Zhengli Changsheng Technology Co., Limited**	PRC*	N.m.	–	100	Investment holding
Zhongshi Minan (Hubei Province) Technology Industry Co., Ltd**	PRC*	N.m.	–	100	Investment holding
Zhongshi Taian (Shangdong) Technology Co., Ltd**	PRC*	N.m.	–	100	Investment holding
Beijing Zhengli Zhongshi Technology Co., Limited**	PRC*	305	–	60	Trading of food and kitchen appliances
Beijing Shiji Trading Technology Co., Limited** (note (a))	PRC*	N.m.	–	60	Trading of food and kitchen appliances
Beijing Zhaolanxuan Trading Co., Ltd** (note (a))	PRC*	N.m.	–	60	Trading of food and kitchen appliances

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Company name	Place of incorporation/ registration/ and business	Issued ordinary share capital S\$'000	Percentage of equity attributable to the Company		Principal activities
			Direct %	Indirect %	
U-K Doddo (Beijing) Brand Management Co., Ltd** (note (b))	PRC*	N.m.	–	51	Trading of food and kitchen appliances
Tai'an Tianji Supply Chain Management Co., Ltd	PRC*	N.m.	–	100	Investment holding
Hubei Guangchenxing Supply Chain Management Co., Ltd	PRC*	N.m.	–	99	Food supply, fresh food takeaway and other services
Hubei Shianke Supply Chain Co., Ltd	PRC*	N.m.	–	99	Investment holding
Anhui Xiangtiange Agricultural Technology Co., Ltd	PRC*	N.m.	–	90	Gosling incubation; and breeding, slaughtering, processing, and sales of goose
Beijing Yipinnuo Trading Co., LTD	PRC*	N.m.	–	100	Investment holding
Youke Duoduo (Beijing) Brand Management Co., Ltd	PRC*	51	–	99	Investment holding

Notes:

(a) These entities were deregistered on 3 June 2024.

(b) This entity was disposed on 8 May 2024.

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

\* "PRC" represents the People's Republic of China excluding the Hong Kong Special Administrative Region of the PRC, the Macau Special Administrative Region of the PRC and Taiwan.

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

N.m.: Amount less than S\$1,000.

## 2. MATERIAL ACCOUNTING POLICY INFORMATION

### 2.1 BASIS OF PREPARATION

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards (“IFRSs”) as issued by the International Accounting Standards Board (the “IASB”). For the purpose of preparation of the consolidated financial statements, information is considered material if such information is reasonably expected to influence decisions made by primary users. In addition, the consolidated financial statements include applicable disclosures required by the Rules Governing the Listing of Securities GEM of the Stock Exchange of Hong Kong Limited (“Listing Rules”) and by the Hong Kong Companies Ordinance.

The consolidated financial statements have been prepared under the historical cost convention, except for financial assets at fair value through profit or loss, which has been measured at fair value. These consolidated financial statements are presented in the Singapore dollar (“SGD” or “S\$”) which is also the functional currency of the Company and all values are rounded to the nearest thousand (“S\$’000”) except when otherwise indicated.

#### **Basis of consolidation**

The consolidated financial statements include the financial statements of the Group for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

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

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group’s voting rights and potential voting rights.

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

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Changes in the Group's interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's relevant components of equity and the noncontrolling interests are adjusted to reflect the changes in their relative interests in the subsidiaries, including re-attribution of relevant reserves between the Group and the non-controlling interests according to the Group's and the non-controlling interests' proportionate interests.

Any difference between the amount by which the non-controlling interests are adjusted, and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

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

### 2.2 CHANGES IN ACCOUNTING POLICIES AND DISCLOSURES

#### **Amendments to an IFRS Accounting Standard that are mandatorily effective for the current year**

In the current year, the Group has applied the following amendments to an IFRS Accounting Standard as issued by the IASB for the first time, which are mandatorily effective for the Group's annual period beginning on 1 January 2025 for the preparation of the consolidated financial statements:

Amendments to IAS 21

*Lack of Exchangeability*

The application of the amendments to an IFRS Accounting Standard in the current year has had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

## 2.3 ISSUED BUT NOT YET EFFECTIVE IFRS ACCOUNTING STANDARDS

### New and amendments to IFRS Accounting Standards in issue but not yet effective

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

Amendments to IFRS 9 and IFRS 7	<i>Amendments to the Classification and Measurement of Financial Instruments</i> <sup>2</sup>
Amendments to IFRS 9 and IFRS 7	<i>Contracts Referring Nature-dependent Electricity</i> <sup>2</sup>
Amendments to IFRS 10 and IAS 28	<i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i> <sup>1</sup>
Amendments to IFRS Accounting Standards	<i>Annual Improvements to HKFRS Accounting Standards – Volume 1</i> <sup>2</sup>
IFRS 18	<i>Presentation and Disclosure in Financial Statements</i> <sup>3</sup>
Amendments to IAS 21	<i>Translation to a Hyperinflationary Presentation Currency</i> <sup>3</sup>

<sup>1</sup> Effective for annual periods beginning on or after a date to be determined.

<sup>2</sup> Effective for annual periods beginning on or after 1 January 2026.

<sup>3</sup> Effective for annual periods beginning on or after 1 January 2027.

Except for the new IFRS Accounting Standard mentioned below, the directors of the Company anticipate that the application of all other new and amendments to IFRS Accounting Standards will have no material impact on the consolidated financial statements in the foreseeable future.

### IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 *Presentation and Disclosure in Financial Statements*, which sets out requirements on presentation and disclosures in financial statements, will replace IAS 1 *Presentation of Financial Statements*. This new IFRS Accounting Standard, while carrying forward many of the requirements in IAS 1, 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. In addition, some IAS 1 paragraphs have been moved to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* (the title of which will be changed to *Basis of Preparation of Financial Statements* upon effective of IFRS 18) and IFRS 7. Minor amendments to IAS 7 *Statement of Cash Flows* and IAS 33 *Earnings per Share* are also made.

IFRS 18, and amendments to other standards, will be effective for annual periods beginning on or after January 1, 2027, with early application permitted. IFRS 18 requires retrospective application with specific transition provisions. The application of the new standard is not expected to have significant impact on the financial performance and positions of the Group in terms of recognition and measurement. However, it is expected to affect the structure and presentation of the consolidated statements of profit or loss.

### 2.4 FAIR VALUE MEASUREMENT

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability, or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 – based on quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is observable, either directly or indirectly
- Level 3 – based on valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### 2.5 IMPAIRMENT OF NON-FINANCIAL ASSETS

Where an indication of impairment exists, or when annual impairment testing for an asset is required (other than inventories and financial assets), the asset's recoverable amount is estimated. An asset's recoverable amount is the higher of the asset's or cash-generating unit's value in use and its fair value less costs of disposal, and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is determined for the cash-generating unit to which the asset belongs. In testing a cash-generating unit for impairment, a portion of the carrying amount of a corporate asset (e.g. a headquarter building) is allocated to an individual cash-generating unit if it can be allocated on a reasonable and consistent basis or, otherwise, to the smallest group of cash-generating units.

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

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.6 RELATED PARTIES

A party is considered to be related to the Group if:

- (a) the party is a person or a close member of that person's family and that person
  - (i) has control or joint control over the Group;
  - (ii) has significant influence over the Group; or
  - (iii) is a member of the key management personnel of the Group or of a parent of the Group;

or

- (b) the party is an entity where any of the following conditions applies:
  - (i) the entity and the Group are members of the same group;
  - (ii) one entity is an associate or joint venture of the other entity (or of a parent, subsidiary or fellow subsidiary of the other entity);
  - (iii) the entity and the Group are joint ventures of the same third party;
  - (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) the entity is a post-employment benefit plan for the benefit of employees of either the Group or an entity related to the Group; and the sponsoring employers of the post-employment benefit plan;
  - (vi) the entity is controlled or jointly controlled by a person identified in (a);
  - (vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); and
  - (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Group or to the parent of the Group.

### 2.7 PROPERTIES, PLANT AND EQUIPMENT AND INTANGIBLE ASSETS

#### **Property, plant and equipment**

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

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

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

Freehold property	– 50 years
Computers	– 3 years
Motor vehicles	– 5 years
Furniture and fittings	– 5 years
Office equipment	– 5 years
Renovation	– Shorter of lease term or 5 years
Tools and machinery	– 5 years

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

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

### Acquired intangible assets

Intangible assets acquired separately are measured initially at cost. After initial recognition, intangible assets with finite useful lives are carried at cost less accumulated amortisation and any accumulated impairment losses.

Amortisation of intangible assets, i.e. software, is provided on straight-line method over the estimated useful lives which are five years. Amortisation commence when the intangible assets are available for use. The asset's amortisation method and estimated useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains and losses arising from derecognition of an intangible asset, measured as the difference between the net disposal proceeds and the carrying amount of the asset, are recognised in profit or loss when the asset is derecognised.

## 2.8 BORROWING COSTS

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, i.e., assets that necessarily take a substantial period of time to get ready for their intended use or sale, are capitalised as part of the cost of those assets. The capitalisation of such borrowing costs ceases when the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing cost capitalised. All other borrowing costs are expensed in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

### 2.9 LEASES

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

#### **Group as a lessee**

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

#### *(a) Right-of-use assets*

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

Properties	1 to 5 years
Equipment	3 to 4 years

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

#### *(b) Lease liabilities*

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

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

The Group's lease liabilities are included in bank and other borrowings.

(c) *Short-term leases*

The Group applies the short-term lease recognition exemption to its short-term leases of machinery and equipment (that is those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option).

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

(d) *Lease modifications*

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

- the modification increase the scope of the lease by adding the right to use one or more underlying assets; and
- the consideration for leases increases 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 as a separate lease, the Group remeasures the lease liability, less any lease incentives receivable, base 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 accounts for the remeasurement of lease liabilities by making corresponding adjustments to the relevant right-of-use assets.

### **Group as a lessor**

When the Group acts as a lessor, it classifies at lease inception (or when there is a lease modification) each of its leases as either an operating lease or a finance lease.

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. When a contract contains lease and non-lease components, the Group allocates the consideration in the contract to each component on a relative stand-alone selling price basis. Rental income is accounted for on a straight-line basis over the lease terms and is included in other income in profit or loss due to its operating nature. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

Leases that transfer substantially all the risks and rewards incidental to ownership of an underlying assets to the lessee are accounted for as finance leases.

At the commencement date, the cost of the leased asset is capitalised at the present value of the lease payments and related payments (including the initial direct costs), and presented as a receivable at an amount equal to the net investment in the lease. The finance income of such leases is recognised in profit or loss so as to provide a constant periodic rate of charge over the lease terms.

### 2.10 INVESTMENTS AND OTHER FINANCIAL ASSETS

#### **Initial recognition and measurement**

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

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. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 *Revenue from Contracts with Customers* in accordance with the policies set out for "Revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

All regular way purchases and sales of financial assets are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace.

#### **Subsequent measurement**

The subsequent measurement of financial assets depends on their classification as follows:

##### *Financial assets at amortised cost (debt instruments)*

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment under expected credit loss model. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

##### *Financial assets at fair value through profit or loss*

Financial assets at fair value through profit or loss are carried in the consolidated statement of financial position at fair value with net changes in fair value recognised in profit or loss.

### 2.11 DERECOGNITION OF FINANCIAL ASSETS

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset, or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

On derecognition of a financial asset at amortised cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognised in profit or loss.

### 2.12 IMPAIRMENT OF FINANCIAL ASSETS

The Group recognises a loss allowance for expected credit losses ("ECLs") for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

#### **Simplified approach**

For trade receivables that do not contain a significant financing component or when the Group applies the practical expedient of not adjusting the effect of a significant financing component, the Group applies the simplified approach in calculating ECLs. Under the simplified approach, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

### General approach

ECLs for other receivables and loan receivables are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

The Group considers a financial asset in default when contractual payments are 30 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

At each reporting date, the Group assesses whether the credit risk on a financial instrument has increased significantly since initial recognition. When making the assessment, 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 and considers reasonable and supportable information that is available without undue cost or effort, including historical and forward-looking information.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

Financial assets at amortised cost are subject to impairment under the general approach and they are classified within the following stages for measurement of ECLs except for trade receivables which apply the simplified approach as detailed below.

- Stage 1 – Financial instruments for which credit risk has not increased significantly since initial recognition and for which the loss allowance is measured at an amount equal to 12-month ECLs
- Stage 2 – Financial instruments for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets and for which the loss allowance is measured at an amount equal to lifetime ECLs
- Stage 3 – Financial assets that are credit-impaired at the reporting date (but that are not purchased or originated credit-impaired) and for which the loss allowance is measured at an amount equal to lifetime ECLs

### 2.13 FINANCIAL LIABILITIES

#### **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as bank and other borrowings or payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of bank and other borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, and bank and other borrowings.

#### **Subsequent measurement**

The subsequent measurement of financial liabilities is as follows:

##### *Financial liabilities at amortised cost (bank and other borrowings and payables)*

After initial recognition, these financial liabilities are subsequently measured at amortised cost, using the effective interest rate method unless the effect of discounting would be immaterial, in which case they are stated at cost. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance costs in profit or loss.

### 2.14 DERECOGNITION OF FINANCIAL LIABILITIES

A financial liability is derecognised when the obligation under the liability is discharged or cancelled, or expires.

### 2.15 INVENTORIES

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method. The cost of inventories comprises cost of purchasing finished goods. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and selling expenses.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.16 CASH AND CASH EQUIVALENTS

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

For the purpose of the consolidated statement of financial position, cash and cash equivalents comprise cash on hand and at banks which are not restricted as to use.

### 2.17 PROVISIONS

A provision is recognised when a present obligation (legal or constructive) has arisen as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation, provided that a reliable estimate can be made of the amount of the obligation.

When the effect of discounting is material, the amount recognised for a provision is the present value at the end of the reporting period of the future expenditures expected to be required to settle the obligation. The increase in the discounted present value amount arising from the passage of time is included in finance costs in the consolidated statement of profit or loss and other comprehensive income.

### 2.18 INCOME TAX

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

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

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

Deferred tax liabilities are recognised for all temporary differences, except where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss in respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, and the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

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

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

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

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

### 2.19 GOVERNMENT GRANTS

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the costs, which it is intended to compensate, are expensed.

### 2.20 REVENUE RECOGNITION

#### **Revenue from contracts with customers**

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

When the consideration in a contract includes a variable amount, the amount of consideration is estimated to which the Group will be entitled in exchange for transferring the goods or services to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

When the contract contains a financing component which provides the customer with a significant benefit of financing the transfer of goods or services to the customer for more than one year, revenue is measured at the present value of the amount receivable, discounted using the discount rate that would be reflected in a separate financing transaction between the Group and the customer at contract inception. When the contract contains a financing component which provides the Group a significant financial benefit for more than one year, revenue recognised under the contract includes the interest expense accreted on the contract liability under the effective interest method. For a contract where the period between the payment by the customer and the transfer of the promised goods or services is one year or less, the transaction price is not adjusted for the effects of a significant financing component, using the practical expedient in IFRS 15.

(a) *Sale of goods*

Revenue from the sale of spare parts, accessories and passenger cars is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods.

(b) *Rendering of services – maintenance and repair services*

The Group provides maintenance and repair services, which relates to the repair of the manufacturer's defects, replacement of parts due to wear and tear, or repair of damage resulting from accidents. Maintenance and repair services are typically charged based on the labour time and cost of parts incurred.

Revenue from maintenance and repairs services is recognised at the point in time when services have been rendered.

(c) *Provision of modification, tuning and grooming services*

The Group provides modification, tuning and grooming services that are either sold separately or bundled together with the sale of products to a customer. For bundled packages, the Group accounts for the sale of products and services separately. The modification, tuning and grooming services can be obtained from other providers and do not significantly customise or modify the products.

Contracts for bundled sales of products and services are comprised of two performance obligations because the promises to transfer the products and provide installation services are capable of being distinct and separately identifiable. Accordingly, the transaction price is allocated based on the relative standalone selling prices of the products and modification, tuning and grooming services.

Revenue from modification, tuning and grooming services is recognised at the point in time when the services have been rendered.

(d) *Sale of food and kitchen appliances*

Revenue from sale of food and kitchen appliances is recognised at the point in time upon delivery of the goods.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

(e) *Sale of extended warranty*

The performance obligation is satisfied over time as services are rendered and upfront payment is required and is recognised on a straight-line basis over the extended warranty period.

(f) *Brand management services*

Revenue from brand management services is recognised over time when the services are rendered.

### **Revenue from other resources**

Rental income is recognised on a time proportion basis over the lease terms.

*Provision of motor finance services*

Revenue from the provision of motor finance service is recognised over the scheduled repayment period because the customer simultaneously receives and consumes the benefits provided by the Group.

### **Other income**

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

## **2.21 CONTRACT LIABILITIES**

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).

## **2.22 EMPLOYEE BENEFITS**

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

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 2.23 FOREIGN CURRENCIES

The functional currency of the Company is S\$. The functional currency of the subsidiaries incorporated in Singapore is S\$. As the Group mainly operates in Singapore, S\$ is used as the presentation currency of the Group. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. Foreign currency transactions recorded by the entities in the Group are initially recorded using their respective functional currency rates prevailing at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency rates of exchange ruling at the end of the reporting period. All differences arising on settlement or translation of monetary items are recognised in the consolidated statement of profit or loss and other comprehensive income.

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

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

The functional currencies of certain overseas subsidiaries are currencies other than the Singapore dollar. As at the end of the reporting period, the assets and liabilities of these entities are translated into S\$ at the exchange rates prevailing at the end of the reporting period and their statements of profit or loss are translated into Singapore dollar at the weighted average exchange rates for the year.

The resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

### 3. KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in note 2, the directors of the Company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and underlying 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.

### 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 may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

#### **Loss allowances for trade receivables and loan receivables from third parties**

Management recognises a loss allowances for lifetime ECLs on the trade receivables individually or collectively. Except for significant balances or credit-impaired amounts which are assessed for impairment individually, the remaining trade receivables are grouped under a collective assessment after considering internal credit ratings of trade debtors, ageing, repayment history and/or past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for supportable forward-looking information that is reasonable and supportable available without due costs or effort. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, age, and coverage by letters of credit and other forms of credit insurance).

The Group calculates the ECLs for loan receivables from third parties by grouping the debtors based on shared credit risk characteristics. The internal credit risk ratings are determined on a combination of collective and individual basis taking into account of qualitative (such as debtors' operating conditions, financial positions, external rating of debtors, etc.) and quantitative factors (mainly includes past due information of the loan receivables from third parties). 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 by referencing the external data adjusted by macroeconomic factors and forward-looking information, etc..

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of a customer's actual default in the future. The information about the ECLs on the Group's trade receivables and loan receivables from third parties is disclosed in notes 18 and 19 to the consolidated financial statements.

The information about the ECLs and the Group's trade receivables and loan receivables from third parties are disclosed in notes 33, 18 and 19 respectively. The carrying amounts of trade receivables and loan receivables from third parties at 31 December 2025 are S\$1,831,000 and S\$964,000 respectively (2024: S\$1,064,000 and S\$1,809,000 respectively) (net of allowance for impairment loss of S\$259,000 and nil respectively (2024: S\$124,000 and nil respectively)).

#### **Allowance for inventory obsolescence**

Allowance for inventory obsolescence is based on management's judgement using the available facts and circumstances, including, but not limited to, the inventories' own physical conditions, their market selling prices, and estimated selling costs of the inventories. The allowance is re-evaluated and adjusted as additional information received affects the amount estimated. The net carrying amounts of the Group's inventories as at 31 December 2025 was S\$1,266,000 (2024: S\$1,215,000).

### Estimated useful life of property, plant and equipment

At the end of each reporting period, the directors of the Company review the estimated useful life of property, plant and equipment with finite useful life. The estimated useful life reflects the directors' estimates of the periods that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual values reflect the directors' estimated amount that the Group would currently obtain from disposal of the assets, after deducting the estimated costs of disposal, if the assets were already of the age and in the condition expected at the end of its useful life. The carrying amount of property, plant and equipment with finite useful life as at 31 December 2025 was S\$2,620,000 (2024: S\$2,577,000).

## 4. OPERATING SEGMENT INFORMATION

The Group determines its operating segments based on the reports reviewed by the chief operating decision maker ("CODM"), which has been identified as the executive directors of the Company, that are used to make strategic decisions.

For management purposes, the Group is organized into business units based on their products and services, and has three reportable segments as follows:

- i. The maintenance and repair services segment relates to the repair of manufacturer's defects, replacement of parts due to wear and tear, or repair of damage resulting from accidents. Maintenance and repair services are typically charged based on the labour time and cost of parts incurred ("Maintenance and repair services").
- ii. The modification, tuning and grooming services and trading of spare parts and accessories segment relates to the modification, tuning and grooming of the performance or appearance of passenger cars and the trading of spare parts and accessories ("Modification, tuning and grooming services and trading of spare parts and accessories").
- iii. The development, manufacturing and sale of food and kitchen appliances and brand management services segment ("Food and kitchen").
- iv. The "others" segment comprises, principally, the provision of motor finance services.

Management monitors the operating results of the Group's business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss which in certain respects, as explained in the tables below, is measured differently from the consolidated financial statements. Income tax are managed on a group basis and are not allocated to operating segments.

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated expenses and income comprise expenses and other sources of income which are not directly attributable to the identified segments.

Inter-segment sales and transfers are on terms' agreement in a manner similar to transactions with third parties at the then prevailing market prices. Segment revenue, expenses and results include transfers between business segments. These transfers are eliminated on consolidation.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Year ended 31 December 2025

	Maintenance and repair services S\$'000	Modification, tuning and grooming services and trading of spare parts and accessories S\$'000	Food and kitchen S\$'000	Others S\$'000	Adjustments and eliminations S\$'000	Total S\$'000
<b>Revenue:</b>						
External customers	13,885	2,786	948	116	–	17,735
Inter-segment	77	60	–	180	(317)	–
	13,962	2,846	948	296	(317)	17,735
<b>Results:</b>						
Cost of materials	(6,320)	(1,866)	(949)	–	123	(9,012)
Marketing and advertising expenses	(23)	(1)	(189)	(681)	–	(894)
Employee benefits expenses	(4,846)	(932)	(182)	(322)	–	(6,282)
Depreciation and amortisation expenses	(969)	(202)	(269)	(51)	165	(1,326)
Impairment losses on financial assets, net	(858)	(3)	(159)	–	–	(1,020)
Other expenses	(2,135)	(140)	(339)	(344)	169	(2,789)
Segment (loss)/profit	(1,189)	(298)	(1,139)	(1,102)	140	(3,588)
Unallocated other expenses						(859)
Unallocated other income and gains						307
Unallocated finance costs						(185)
Loss before tax						(4,325)
Income tax expense						–
Loss for the year						(4,325)

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2024

	Maintenance and repair services S\$'000	Modification, tuning and grooming services and trading of spare parts and accessories S\$'000	Food and kitchen S\$'000	Others S\$'000	Adjustments and eliminations S\$'000	Total S\$'000
<b>Revenue:</b>						
External customers	14,281	3,001	1,381	203	–	18,866
Inter-segment	91	72	–	180	(343)	–
	14,372	3,073	1,381	383	(343)	18,866
<b>Results:</b>						
Cost of materials	(6,646)	(1,935)	(912)	–	163	(9,330)
Marketing and advertising expenses	(92)	(22)	(754)	–	–	(868)
Employee benefits expenses	(4,301)	(1,071)	(242)	(133)	–	(5,747)
Depreciation and amortisation expenses	(905)	(185)	(9)	(50)	166	(983)
Impairment losses on financial assets, net	(5)	(29)	(33)	–	–	(67)
Other expenses	(1,949)	(148)	(486)	(407)	876	(2,114)
Segment profit/(loss)	474	(317)	(1,055)	(207)	862	(243)
Unallocated other expenses						(686)
Unallocated other income and gains						2,309
Unallocated employee benefits expenses						(52)
Unallocated finance costs						(168)
Profit before tax						1,160
Income tax expense						(129)
Profit for the year						1,031

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2025

	Maintenance and repair services S\$'000	Modification, tuning and grooming services and trading of spare parts and accessories S\$'000	Food and kitchen S\$'000	Others S\$'000	Adjustments and eliminations S\$'000	Total S\$'000
<b>Assets:</b>						
Property, plant and equipment	472	236	2	1,910	–	2,620
Right-of-use assets	842	257	670	–	(413)	1,356
Intangible assets	–	–	13	–	–	13
Other segment assets	11,727	4,047	5,365	9,292	(13,213)	17,218
Segment assets	13,041	4,540	6,050	11,202	(13,626)	21,207
Unallocated assets*						2,940
Total assets						24,147
<b>Liabilities:</b>						
Segment liabilities	5,063	1,550	10,548	2,634	(9,798)	9,997
Unallocated liabilities*						6,113
Total liabilities						16,110
<b>Other segment information</b>						
Additions to non-current assets**	24	274	–	1	–	299

\* The unallocated assets mainly include corporate assets. The unallocated liabilities mainly include corporate liabilities, tax payable and deferred tax liabilities.

\*\* Additions to non-current assets consist of additions to property, plant and equipment, intangible assets and exclude financial instruments.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024

	Maintenance and repair services S\$'000	Modification, tuning and grooming services and trading of spare parts and accessories S\$'000	Food and kitchen S\$'000	Others S\$'000	Adjustments and eliminations S\$'000	Total S\$'000
<b>Assets:</b>						
Property, plant and equipment	588	25	–	1,964	–	2,577
Right-of-use assets	1,611	384	–	–	(581)	1,414
Intangible assets	–	–	17	–	–	17
Other segment assets	12,676	4,078	2,113	7,325	(9,754)	16,438
<b>Segment assets</b>	<b>14,875</b>	<b>4,487</b>	<b>2,130</b>	<b>9,289</b>	<b>(10,335)</b>	<b>20,446</b>
Unallocated assets*						1,517
<b>Total assets</b>						<b>21,963</b>
<b>Liabilities:</b>						
Segment liabilities	7,010	983	5,822	3,198	(8,171)	8,842
Unallocated liabilities*						4,308
<b>Total liabilities</b>						<b>13,150</b>
<b>Other segment information</b>						
Additions to non-current assets**	210	24	21	–	–	255

\* The unallocated assets mainly include corporate assets. The unallocated liabilities mainly include corporate liabilities, tax payable and deferred tax liabilities.

\*\* Additions to non-current assets consist of additions to property, plant and equipment, intangible assets and exclude financial instruments.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### INFORMATION ABOUT MAJOR CUSTOMERS

Since none of the Group's sales to a single customer accounted for 10% or more of the Group's total revenue during both years, no major customer information is presented in accordance with IFRS 8 *Operating Segments*.

### Geographical Information

(a) *Revenue*

	2025 S\$'000	2024 S\$'000
<b>Geographical information</b>		
Singapore	15,248	16,312
Mainland China	1,286	1,812
Other Asia-Pacific countries	1,201	742
	<b>17,735</b>	<b>18,866</b>

(b) *Non-current assets*

	2025 S\$'000	2024 S\$'000
<b>Geographical information</b>		
Singapore	5,038	5,115
Mainland China	686	19
	<b>5,724</b>	<b>5,134</b>

The revenue information is based on the locations of the customers and the non-current assets information is based on the locations of the assets and excludes financial assets at fair value through profit or loss.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 5. REVENUE, OTHER INCOME AND GAINS

Revenue represents services rendered to customers and invoiced trading sales for the year.

An analysis of revenue is as follows:

	2025 S\$'000	2024 S\$'000
<b>Revenue from contracts with customers</b>		
– Maintenance and repair services	13,885	14,281
– Modification, tuning and grooming services and trading of spare parts and accessories	2,786	3,001
– Sale of food and kitchen appliances	102	898
– Brand management services	846	483
<b>Revenue from other sources</b>		
– Provision of motor finance services	116	203
	<b>17,735</b>	<b>18,866</b>

Analysis of other income and gains is as follows:

	2025 S\$'000	2024 S\$'000
<b>Other income and gains</b>		
Government grants*	33	20
Rental income	101	111
Commission income from sales of passenger cars	21	15
Administrative income	112	84
Gain on disposal of property, plant and equipment	–	134
Gain on disposal of a subsidiary (note 29)	–	1,850
Gain on deregistration of subsidiaries	–	46
Others	40	49
	<b>307</b>	<b>2,309</b>

\* The amount mainly represents rewards or subsidies under the Productivity and Innovation Credit Scheme and the Wage Credit Scheme which were received from the Singapore government. There are no unfulfilled conditions or contingencies relating to these grants.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (I) DISAGGREGATED REVENUE INFORMATION

For the year ended 31 December 2025

	Maintenance and repair services S\$'000	Modification, tuning and grooming services and trading of spare parts and accessories S\$'000	Food and kitchen S\$'000	Others S\$'000	Total S\$'000
<b>Type of goods or services</b>					
Sale of goods of industrial products	–	2,474	–	–	2,474
Rendering of services	13,704	312	–	–	14,016
Provision of motor finance services	–	–	–	116	116
Sale of extended warranty	181	–	–	–	181
Sale of food and kitchen appliances	–	–	102	–	102
Brand management services	–	–	846	–	846
	<b>13,885</b>	<b>2,786</b>	<b>948</b>	<b>116</b>	<b>17,735</b>
<b>Geographical markets</b>					
Singapore	13,885	1,247	–	116	15,248
Mainland China	–	338	948	–	1,286
Other Asia-Pacific countries	–	1,201	–	–	1,201
	<b>13,885</b>	<b>2,786</b>	<b>948</b>	<b>116</b>	<b>17,735</b>
<b>Timing of revenue recognition</b>					
Services and goods transferred at a point in time	13,704	2,786	102	–	16,592
Services transferred over time	181	–	846	–	1,027
Revenue from contracts with customers	<b>13,885</b>	<b>2,786</b>	<b>948</b>	<b>–</b>	<b>17,619</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 31 December 2024

	Maintenance and repair services S\$'000	Modification, tuning and grooming services and trading of spare parts and accessories S\$'000	Food and kitchen S\$'000	Others S\$'000	Total S\$'000
<b>Type of goods or services</b>					
Sale of goods of industrial products	–	2,581	–	–	2,581
Rendering of services	13,353	420	–	–	13,773
Provision of motor finance services	–	–	–	203	203
Sale of extended warranty	928	–	–	–	928
Sale of food and kitchen appliances	–	–	898	–	898
Brand management services	–	–	483	–	483
	14,281	3,001	1,381	203	18,866
<b>Geographical markets</b>					
Singapore	14,281	1,828	–	203	16,312
Mainland China	–	431	1,381	–	1,812
Other Asia-Pacific countries	–	742	–	–	742
	14,281	3,001	1,381	203	18,866
<b>Timing of revenue recognition</b>					
Services and goods transferred at a point in time	13,353	3,001	898	–	17,252
Services transferred over time	928	–	483	–	1,411
Revenue from contracts with customers	14,281	3,001	1,381	–	18,663

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (II) PERFORMANCE OBLIGATIONS

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

#### **Sale of goods of industrial products**

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 to 90 days from delivery, except for new customers, where payment in advance is normally required.

#### **Maintenance and repair services and modification, tuning and grooming services**

The performance obligation is satisfied at a point in time as services are rendered and payment is generally due upon completion of services and customer acceptance.

#### **Sale of extended warranty**

The performance obligation is satisfied over time as services are rendered and upfront payment is required and is recognised on a straight-line basis over the extended warranty period.

#### **Provision of motor finance services**

The performance obligation is satisfied over time as services are rendered and payment is due according to the monthly instalment schedule.

#### **Sale of food and kitchen appliances**

The performance obligation is satisfied upon delivery of the goods and payment is generally due within 30 days from delivery.

#### **Brand management services**

The performance obligation is satisfied over time when the services are rendered.

The amounts of transaction prices allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December are as follows:

	2025 S\$'000	2024 S\$'000
Amounts expected to be recognised as revenue:		
Within one year	634	863
After one year	317	317
	<b>951</b>	<b>1,180</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The amounts of transaction prices allocated to the remaining performance obligations which are expected to be recognised as revenue after one year relate to sales of extended warranty, of which the performance obligations that are to be satisfied after one year. All the other amounts of transaction prices allocated to the remaining performance obligations are expected to be recognised as revenue within one year. The amounts disclosed above do not include variable consideration which is constrained.

### 6. (LOSS)/PROFIT BEFORE TAX

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

	Notes	2025 S\$'000	2024 S\$'000
Auditor's remuneration		163	189
Staff costs (excluding directors' and chief executive's remuneration)	9	6,070	5,696
Impairment losses under expected credit loss model, net in respect of:	18		
– Trade receivables		135	67
– Other receivables		885	–
Fair value loss on a financial asset at fair value through profit or loss (included in other expenses)		249	285
Expense relating to short-term leases	15(c)	153	157
Exchange losses, net		20	15

### 7. FINANCE COSTS

	2025 S\$'000	2024 S\$'000
Interest expenses		
– Bank borrowings	137	98
– Lease liabilities (note 15)	42	60
Bank charges	6	10
	185	168

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 8. DIRECTORS' AND CHIEF EXECUTIVE'S REMUNERATION

	2025 S\$'000	2024 S\$'000
Fees	-	-
Salaries, allowances and benefits in kind	212	103
	<b>212</b>	<b>103</b>

The emoluments paid or payable to each of the directors and the chief executive of the Company for the year were as follows:

#### Year ended 31 December 2025

	Fees S\$'000	Salaries, allowances and benefits in kind S\$'000	Discretionary performance- related bonuses S\$'000	Pension scheme contributions S\$'000	Others S\$'000	Total remuneration S\$'000
<b>(a) Executive directors:</b>						
Mr. CHUA Boon Hou (Cai Wenhao) (note i)	-	120	-	-	-	120
Ms. WU Mengmeng (note x)	-	26	-	-	-	26
Mr. FENG Wei (note iii)	-	-	-	-	-	-
Mr. WANG Lei (Chairman and Chief Executive Officer) (note iv)	-	22	-	-	-	22
Ms. WU Lili (note viii)	-	-	-	-	-	-
	-	168	-	-	-	168
<b>(b) Non-executive directors:</b>						
Mr. LI Xiaodong (note xi)	-	22	-	-	-	22
	-	22	-	-	-	22
<b>(c) Independent non- executive directors:</b>						
Mr. CHEN Huichun (note ii)	-	-	-	-	-	-
Mr. ZHAO Wei (note vi)	-	-	-	-	-	-
Mr. GAO Yan (note vii)	-	-	-	-	-	-
Mr. WU Guoyong (note xii)	-	22	-	-	-	22
	-	22	-	-	-	22
	-	212	-	-	-	212

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Year ended 31 December 2024

	Fees S\$'000	Salaries, allowances and benefits in kind S\$'000	Discretionary performance- related bonuses S\$'000	Pension scheme contributions S\$'000	Others S\$'000	Total remuneration S\$'000
<b>(a) Executive directors:</b>						
Mr. CHUA Boon Hou (Cai Wenhao) (note i)	-	-	-	-	-	-
Ms. WU Mengmeng (note x)	-	-	-	-	-	-
Mr. FENG Wei (note iii)	-	-	-	-	-	-
Mr. WANG Lei (Chairman and Chief Executive Officer) (note iv)	-	49	-	-	-	49
Ms. WU Lili (note viii)	-	27	-	-	-	27
	-	76	-	-	-	76
<b>(b) Non-executive directors:</b>						
Mr. LI Xiaodong (note xi)	-	-	-	-	-	-
Mr. WANG Bing (note v)	-	-	-	-	-	-
Mr. ZHAO Yanjiao (note ix)	-	27	-	-	-	27
	-	27	-	-	-	27
<b>(c) Independent non-executive directors:</b>						
Mr. CHEN Huichun (note ii)	-	-	-	-	-	-
Mr. ZHAO Wei (note vi)	-	-	-	-	-	-
Mr. GAO Yan (note vii)	-	-	-	-	-	-
	-	-	-	-	-	-
	-	103	-	-	-	103

Mr. ZHAO Wei, Mr. WU Guoyong and Mr. CHEN Huichun waived emoluments of approximately S\$10,962, S\$10,086 and S\$21,924 respectively for the year ended 31 December 2025.

Mr. FENG Wei, Mr. CHUA Boon Hou (Cai Wenhao), Ms. WU Meng Meng, Mr. WANG Bing, Mr. LI Xiaodong, Mr. CHEN Huichun, Mr. ZHAO Wei and Mr. GAO Yan waived emoluments of approximately S\$20,567, S\$211,000, S\$22,268, S\$8,570, S\$22,268, S\$20,567, S\$20,567 and S\$22,268 respectively for the year ended 31 December 2024.

The executive directors' emoluments shown above were paid for their services in connection with the management of the affairs of the Company and the Group. The emoluments of the non-executive directors and independent non-executive directors shown above were paid for their services as directors of the Company.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

During the years ended 31 December 2025 and 2024, no emoluments were paid or payable by the Group to any directors and chief executive as an inducement to join or upon joining the Group, or as compensation for loss of the office.

Notes:

- (i) Mr. CHUA Boon Hou (Cai Wenhao) was appointed as an executive director of the Company on 13 April 2016.
- (ii) Mr. CHEN Huichun was appointed as an independent non-executive director of the Company on 11 September 2019.
- (iii) Mr. FENG Wei was appointed as an executive director of the Company on 30 December 2021 and resigned on 30 December 2024.
- (iv) Mr. WANG Lei was appointed as an executive director of the Company on 9 February 2022.
- (v) Mr. WANG Bing was appointed as a non-executive director of the Company on 30 December 2021 and resigned on 30 May 2024.
- (vi) Mr. ZHAO Wei was appointed as an independent non-executive director of the Company on 20 October 2021 and resigned on 30 June 2025.
- (vii) Mr. GAO Yan was appointed as an independent non-executive director of the Company on 30 June 2022.
- (viii) Ms. WU Lili was appointed as an executive director of the Company on 30 June 2022 and resigned on 30 May 2024.
- (ix) Mr. ZHAO Yanjiao was appointed as a non-executive director of the Company on 30 June 2022 and resigned on 20 September 2024.
- (x) Ms. WU Mengmeng was appointed as an executive director of the Company on 30 May 2024.
- (xi) Mr. LI Xiaodong was appointed as a non-executive director of the Company on 30 May 2024.
- (xii) Mr. WU Guoyong was appointed as an independent non-executive director of the Company on 30 June 2025.

## 9. EMPLOYEE BENEFITS EXPENSES

	2025 S\$'000	2024 S\$'000
Directors' remuneration (note 8):		
– Fees	–	–
– Salaries, allowances and benefits in kind	212	103
	<b>212</b>	<b>103</b>
Staff costs (excluding directors' remuneration):		
– Salaries and bonuses	5,244	4,728
– Pension scheme contributions	516	547
– Foreign worker levy	197	189
– Staff welfare and others	113	232
	<b>6,070</b>	<b>5,696</b>
	<b>6,282</b>	<b>5,799</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 10. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees of the Group during the year did not include any director (2024: none), details of whose remuneration are set out in note 8 above. Details of the remuneration of the five (2024: five) highest paid employees who are neither a director nor chief executive of the Group for the year are as follows:

	2025 S\$'000	2024 S\$'000
Salaries, allowances and benefits in kind	1,131	990
Discretionary performance-related bonuses	48	48
Pension scheme contributions	91	84
	<b>1,270</b>	1,122

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

	Number of employees	
	2025	2024
Nil to HK\$1,000,000 (equivalent to S\$168,100)	2	3
HK\$1,000,001 to HK\$1,500,000 (equivalent to S\$168,100 to S\$252,150)	1	1
HK\$1,500,001 to HK\$2,000,000 (equivalent to S\$252,150 to S\$336,200)	1	–
HK\$2,500,001 to HK\$3,000,000 (equivalent to S\$420,250 to S\$504,300)	1	1

During the years ended 31 December 2025 and 2024, no remuneration was paid by the Group to any of the five highest paid employees as an inducement to join or upon joining the Group or as compensation for loss of office.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 11. INCOME TAX EXPENSE

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

Pursuant to the rules and regulations of the Cayman Islands, the Company is not subject to any income tax in the Cayman Islands.

Subsidiaries in Singapore are subject to taxation at a rate of 17% on the estimated profits arising in Singapore for both years.

Subsidiaries in the PRC are subject to taxation at a rate of 25% on the estimated profits arising in the PRC for both years.

No provision for Hong Kong Profits Tax has been made as the Group did not have any assessable profits subject to Hong Kong Profits Tax for both years.

	2025 S\$'000	2024 S\$'000
Current income tax (Singapore income tax)		
– Current year	–	121
– Underprovision in respect of prior years	–	8
<b>Income tax expense</b>	<b>–</b>	<b>129</b>

A reconciliation of the income tax expense applicable to (loss)/profit before tax at the statutory/applicable rates for the countries or jurisdictions in which the Company's subsidiaries are domiciled to the income tax expense at the effective tax rates is as follows:

	2025 S\$'000	2024 S\$'000
(Loss)/profit before tax	<b>(4,325)</b>	1,160
Tax at the statutory tax rate	<b>(999)</b>	266
Income not subject to tax	<b>(4)</b>	(103)
Expenses not deductible for tax	<b>1,106</b>	47
Underprovision in respect of prior years	–	8
Effect of partial tax exemption and tax relief	<b>(103)</b>	(89)
<b>Income tax expense</b>	<b>–</b>	<b>129</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 14. PROPERTY, PLANT AND EQUIPMENT/INTANGIBLE ASSETS

	Freehold property S\$'000	Computers S\$'000	Motor vehicles S\$'000	Furniture and fittings S\$'000	Office equipment S\$'000	Renovation S\$'000	Tools and machinery S\$'000	Total S\$'000
As at 31 December 2025								
As at 1 January 2025								
Cost	2,583	352	1,928	911	317	4,195	1,655	11,941
Accumulated depreciation	(624)	(201)	(1,524)	(852)	(313)	(4,195)	(1,655)	(9,364)
Carrying amount	1,959	151	404	59	4	-	-	2,577
As at 1 January 2025	1,959	151	404	59	4	-	-	2,577
Additions, at cost	-	13	282	-	2	-	2	299
Depreciation provided during the year (note 6)	(48)	(61)	(131)	(15)	-	-	(1)	(256)
As at 31 December 2025	1,911	103	555	44	6	-	1	2,620
As at 31 December 2025								
Cost	2,583	365	2,210	911	319	4,195	1,657	12,240
Accumulated depreciation	(672)	(262)	(1,655)	(867)	(313)	(4,195)	(1,656)	(9,620)
Carrying amount	1,911	103	555	44	6	-	1	2,620
As at 31 December 2024								
As at 1 January 2024								
Cost	2,583	366	2,129	854	328	4,195	1,655	12,110
Accumulated depreciation	(572)	(150)	(1,708)	(840)	(314)	(4,195)	(1,655)	(9,434)
Carrying amount	2,011	216	421	14	14	-	-	2,676
As at 1 January 2024	2,011	216	421	14	14	-	-	2,676
Additions, at cost	-	20	148	61	5	-	-	234
Disposal of a subsidiary (note 29)	-	-	-	-	(5)	-	-	(5)
Disposal	-	(24)	(76)	(2)	(7)	-	-	(109)
Depreciation provided during the year (note 6)	(52)	(61)	(89)	(14)	(3)	-	-	(219)
As at 31 December 2024	1,959	151	404	59	4	-	-	2,577
As at 31 December 2024								
Cost	2,583	352	1,928	911	317	4,195	1,655	11,941
Accumulated depreciation	(624)	(201)	(1,524)	(852)	(313)	(4,195)	(1,655)	(9,364)
Carrying amount	1,959	151	404	59	4	-	-	2,577

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The freehold property is located at 9 Tagore Lane #03-10, 9@Tagore, Singapore 787472 and represents a commercial unit in a building for the Group's warehousing purpose. The carrying amount of the Group's freehold property as at 31 December 2025 was approximately S\$1,911,000 (2024: S\$1,959,000).

During the year ended 31 December 2025, in view of the unsatisfactory financial performance during the year, the management of the Group concluded there was indication for impairment and conducted impairment assessment on property, plant and equipment and right-of-use assets related to the cash generating units ("CGUs") of the three reportable segments. The recoverable amount of the CGUs is calculated under the use of value in use calculation. Key assumptions for the value in use calculation included budgeted revenue, growth rate, gross profit margin and discount rate. Based on the results of the assessment, the Directors are of the opinion that no provision for impairment of property, plant and equipment and right-of-use assets related to these CGUs was recognised as at 31 December 2025 and 31 December 2024.

Intangible assets held by the Group as at 31 December 2025 are as per below:

	Software S\$'000
<b>Cost:</b>	
At 1 January 2024, 31 December 2024 and 31 December 2025	21
<b>Accumulated amortisation:</b>	
At 1 January 2024	–
Provided for	4
At 31 December 2024	4
Provided for	4
At 31 December 2025	8
<b>Carrying amount:</b>	
At 31 December 2025	13
At 31 December 2024	17

The intangible assets represents software purchased from vendors with an estimated useful lives of 5 years.

## 15. LEASES

### THE GROUP AS A LESSEE

The Group has lease contracts for various items of properties, motor vehicle and other equipment used in its operations. Leases of properties generally have lease terms between 2 and 5 years. Other equipment generally has lease terms between 3 and 4 years. Generally, the Group is restricted from assigning and subleasing the leased assets outside the Group.

#### (a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	Properties S\$'000	Motor vehicle S\$'000	Equipment S\$'000	Total S\$'000
As at 1 January 2024	1,631	–	30	1,661
Additions	–	625	–	625
Lease modification	(112)	–	–	(112)
Depreciation provided during the year (note 6)	(663)	(82)	(15)	(760)
As at 31 December 2024	856	543	15	1,414
Additions	939	–	81	1,020
Depreciation provided during the year (note 6)	(917)	(125)	(24)	(1,066)
Exchange realignment	(12)	–	–	(12)
As at 31 December 2025	866	418	72	1,356

#### (b) Lease liabilities

The carrying amount of lease liabilities (included under bank and other borrowings) and the movements during the year are as follows:

	2025 S\$'000	2024 S\$'000
Carrying amount 1 January	1,219	2,177
New leases	1,020	625
Lease modification	–	(112)
Accretion of interest recognised during the year (note 7)	42	60
Payments	(1,253)	(1,531)
Carrying amount at 31 December	1,028	1,219
Analysed into:		
Current portion (note 24)	623	313
Non-current portion (note 24)	405	906
	1,028	1,219

The maturity analysis of lease liabilities is disclosed in note 33 to the consolidated financial statements.

The weighted average incremental borrowing rates applied to lease liabilities ranged from 2.68% to 4.99% (2024: 1.8% to 3.9%).

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	2025 S\$'000	2024 S\$'000
Interest on lease liabilities (note 7)	42	60
Depreciation of right-of-use assets (note 6)	1,066	760
Expense relating to short-term leases (note 6)	153	157
<b>Total amount recognised in profit or loss</b>	<b>1,261</b>	<b>977</b>

### 16. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	2025 S\$'000	2024 S\$'000
<b>Non-current</b>		
Financial assets at fair value through profit or loss		
Life insurance policy, at fair value (note a)	568	530
<b>Current</b>		
Listed equity securities		
– overseas (note b)	2,652	1,505
	<b>3,220</b>	<b>2,035</b>

Notes:

(a) The Group has entered into a life insurance policy with an insurance company to insure the executive director of a subsidiary of the Company. Under this policy, the Group is the beneficiary and the policyholder. The Group paid upfront premiums for this policy and may surrender any time by filing a written request and receive cash based on the surrender value of the policy at the date of withdrawal, which is calculated by the insurer. In the opinion of the directors of the Company, the surrender value of the policy provided by the insurance company is the best approximation of its fair value, which is categorised within Level 2 of the fair value hierarchy. An increase/decrease of 5% in the surrender value of the policy would result in an increase/decrease of S\$28,000 (2024: S\$26,000) in profit/(loss) after tax. This life insurance policy is pledged to secure interest bearing borrowings granted to the Group (note 24).

It was classified as a financial asset at fair value through profit or loss as its contractual cash flows are not solely payments of principal and interest.

(b) The fair value of listed equity securities are based on quoted market prices in active market.

## 17. INVENTORIES

	2025 S\$'000	2024 S\$'000
Spare parts and accessories	610	308
Motor vehicles	–	292
Food and equipment and consumables	656	615
	<b>1,266</b>	1,215

Inventories are stated net of allowance for inventory obsolescence of S\$716,000 as at 31 December 2025 (2024: S\$716,000). During the year ended 31 December 2025, allowance for inventory obsolescence amounting to Nil (2024: Nil) was recognised.

## 18. TRADE RECEIVABLES

	2025 S\$'000	2024 S\$'000
Trade receivables, gross carrying amount	2,090	1,188
Less: Impairment losses recognised	(259)	(124)
	<b>1,831</b>	1,064

Trade receivables are non-interest-bearing and are generally on 30 days' terms (2024: 30 days' terms). They are recognised at their original invoice amounts which represent their fair values on initial recognition.

An ageing analysis of the gross carrying amount of trade receivables as at the end of the reporting period, based on the date of the goods sold or services rendered, is as follows:

	2025 S\$'000	2024 S\$'000
Less than 30 days	1,138	957
30–60 days	34	20
61–90 days	737	15
91–120 days	18	83
More than 120 days	163	113
	<b>2,090</b>	1,188

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The movements of the allowance accounts used to record the impairment are as follows:

	2025 S\$'000	2024 S\$'000
At beginning of year	124	57
Impairment losses recognised	140	67
Reversal of impairment loss	(5)	–
At end of year	259	124

Management recognises a loss allowance for lifetime ECLs on the trade receivables individually or collectively. Except for significant balances or credit-impaired amounts which are assessed for impairment individually, the remaining trade receivables are grouped under a collective assessment after considering internal credit ratings of trade debtors, ageing, repayment history and/or past due status of respective trade receivables. Estimated loss rates are based on historical observed default rates over the expected life of the debtors and are adjusted for supportable forward-looking information that is reasonable and supportable available without due costs or effort.

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

### As at 31 December 2025

	Current S\$'000	Past due			Total S\$'000
		Less than 1 month S\$'000	1 to 3 months S\$'000	Over 3 months S\$'000	
Gross carrying amount	1,138	34	755	163	2,090
Expected credit losses	(4)	–	(92)	(163)	(259)
	1,134	34	663	–	1,831

### As at 31 December 2024

	Current S\$'000	Past due			Total S\$'000
		Less than 1 month S\$'000	1 to 3 months S\$'000	Over 3 months S\$'000	
Gross carrying amount	957	16	102	113	1,188
Expected credit losses	–	–	(11)	(113)	(124)
	957	16	91	–	1,064

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 19. PREPAYMENTS, OTHER RECEIVABLES AND OTHER ASSETS

	2025 S\$'000	2024 S\$'000
<b>Non-current</b>		
Loan receivables from third parties*	470	1,126
Deposits**	1,440	–
Less: impairment losses recognised	(175)	–
	<b>1,735</b>	1,126
<b>Current</b>		
Prepayments	3,086	1,730
Other receivables	3,145	1,788
Deposits**	3,919	2,963
Loan receivables from third parties*	494	683
	<b>7,558</b>	5,434
Less: impairment losses recognised	(710)	–
	<b>6,848</b>	5,434
	<b>9,934</b>	7,164

\* The amount mainly represents interest-bearing S\$ loans provided to customers for the purchase of vehicles. The tenure of the loans can range from 1 to 7 years or may be determined based on the age of the motor vehicle. The interest rates are fixed and the rates for outstanding loans as of 31 December 2025 range from 3% to 7% (2024: 3% to 7%). The offered interest rate depends on various factors such as the prevailing Singapore Interbank Offered Rate ("SIBOR") rate at the start of the loan, the age, make and model of the vehicle, the loan tenure, and the borrower's creditworthiness and risk profile. Collaterals for these loans involve lodging the motor vehicle purchased with the hire purchase, Finance and Leasing Association of Singapore. All customers who avail of these loans are independent individual customers.

\*\* The amounts mainly represent deposits paid for the purchase of vehicle for car leasing and resale purpose. During the current year, the Company renegotiated with the supplier and mutually agreed the supplier would refund to the Company under an agreed time schedule. As at 31 December 2025, the net carrying amount was approximately S\$1.9 million (2024: S\$2.7 million). During the current year, the Company entered into an agreement with another supplier for the purchase of vehicle for car leasing and resale purpose and a deposit of approximately S\$2.7 million was paid.

\*\*\* The directors of the Company performed an impairment assessment and an impairment loss of S\$885,000 (2024: Nil) was recognised on the deposits and other receivables, during the year ended 31 December 2025.

The Group calculates the ECLs for loan receivables from third parties by grouping the debtors based on shared credit risk characteristics. The internal credit risk ratings are determined on a combination of collective and individual basis taking into account of qualitative (such as debtors' operating conditions, financial positions, external rating of debtors, etc.) and quantitative factors (mainly includes past due information of the loan receivables from third parties). The measurement of ECLs 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 by referencing the external data adjusted by macroeconomic factors and forward-looking information, etc..

Set out below is the information about the credit risk exposure on the Group's loan receivables from third parties:

	2025 S\$'000	2024 S\$'000
Gross carrying amount	964	1,809
Expected credit losses	–	–
	<b>964</b>	1,809

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 20. CASH AND CASH EQUIVALENTS

	2025 S\$'000	2024 S\$'000
Bank balances and cash	2,172	5,351

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

Cash and cash equivalents denominated in foreign currencies are as follows:

	2025		2024	
	Local currency '000	S\$'000	Local currency '000	S\$'000
Hong Kong dollar	246	42	–	–
Renminbi	76	14	4	1

Conversion of Renminbi into foreign currencies is subject to the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations.

### 21. TRADE AND OTHER PAYABLES

	2025 S\$'000	2024 S\$'000
Trade payables	2,089	1,772
Other payables	4,781	3,911
Accrued expenses	882	1,003
Amount due to a director*	2,837	2,206
	10,589	8,892

\* The amount represents non-interest-bearing financial support provided to the Group from a director, which is repayable on demand.

Trade and other payables are normally settled on 60 days' terms (2024: 60 days' terms). These amounts are non-interest-bearing.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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

	2025 S\$'000	2024 S\$'000
Less than 30 days	576	666
30–60 days	336	360
61–90 days	2	26
91–120 days	28	411
More than 120 days	1,147	309
	<b>2,089</b>	<b>1,772</b>

## 22. PROVISION

The amount represents the provision for reinstatement costs for rented premises and is related to the estimated costs of reinstating the rented premises to be carried out at the end of respective lease periods.

## 23. CONTRACT LIABILITIES

Contract liabilities primarily relate to the Group's obligation to transfer services to customers for which the Group has received advances from the customers.

Details of contract liabilities are as follows:

	2025 S\$'000	2024 S\$'000
<i>Advances received from customers</i>		
Sale of goods	180	172
Maintenance and repair services	645	645
Sale of extended warranty	126	363
Total contract liabilities	<b>951</b>	<b>1,180</b>

Contract liabilities include advances received to deliver industrial products, render maintenance and repair, modification, tuning and grooming services, and to provide a sales-integrated service platform. The decrease in contract liabilities in 2025 was mainly due to realisation of extended warranty services as revenue in the current year and no further deposits received (2024: decrease due to realisation of brand management services).

All of the contract liabilities as at 31 December 2025 and 2024 are expected to be recognised as revenue within 2 years from the end of reporting period.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Significant changes in contract liabilities are as follows:

	2025 S\$'000	2024 S\$'000
At beginning of the year	1,180	4,876
Advance payments received during the year	4,873	499
Revenue recognised during the year that was included in the contract liabilities balance at the beginning of the year	(451)	(914)
Revenue recognised and received during the year	(4,651)	(154)
Disposal of a subsidiary (note 29)	–	(3,127)
At end of the year	951	1,180
Analysed into:		
Within one year included in current liabilities	726	863
After one year included in non-current liabilities	225	317
	951	1,180

### 24. BANK AND OTHER BORROWINGS

	2025		2024	
	Maturity	S\$'000	Maturity	S\$'000
<b>Current</b>				
Lease liabilities (note 15(b))	2026	623	2025	313
Bank borrowings:				
– S\$ borrowings at 1.8% per annum (note a)	2026	1,816	2025	267
		2,439		580
<b>Non-current</b>				
Lease liabilities (note 15(b))	2027–2030	405	2026–2028	906
Bank borrowings:				
– S\$ borrowings at 1.8% per annum (note a)	2027–2029	1,281	2026–2029	1,106
		1,686		2,012
Total		4,125		2,592

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2025 S\$'000	2024 S\$'000
Analysed into:		
Repayable		
– Within one year	2,439	580
– In the second to fifth years	1,686	2,012
	<b>4,125</b>	2,592
Analysed for financial reporting:		
– Included in current liabilities	2,439	580
– Included in non-current liabilities	1,686	2,012
	<b>4,125</b>	2,592

Notes:

- (a) This borrowings are secured by the legal assignment of the life insurance policy (note 16) and personal guarantee given by a director of the Group's subsidiaries.
- (b) All borrowings are denominated in SGD.

## 25. DEFERRED TAX LIABILITIES

	2025 S\$'000	2024 S\$'000
Deferred tax (liabilities)/assets recognised:		
Differences in depreciation for tax purpose	(36)	(36)
Provisions	24	24
Deferred tax liabilities recognised	<b>(12)</b>	(12)

	2025 S\$'000	2024 S\$'000
Movement during the year:		
Balance at beginning of the year	(12)	(12)
Deferred tax credit recognised for the year	–	–
Balance at end of the year	<b>(12)</b>	(12)

The Group has unutilised tax losses of S\$682,000 (2024: S\$682,000) that are available to offset against future taxable profits of the companies in which the losses arise, for which no deferred tax assets are recognised due to uncertainty of their recoverability. The use of these tax losses is subject to the agreement of the tax authority and compliance with certain provisions of tax legislation of the Mainland China that will expire in one to five years.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 26. SHARE CAPITAL

	2025 S\$'000	2024 S\$'000
Issued and fully paid:		
1,600,000,000 ordinary shares of HK\$0.125 each (2024: 2,000,000,000 ordinary shares of HK\$0.0025 each)	<b>1,269</b>	900

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions.

	Number of ordinary shares		S\$'000
	HK\$0.0025 each	HK\$0.125 each	
Issued and fully paid:			
At 1 January 2024 and 31 December 2024	–	2,000,000,000	900
Placing of new shares (note a)	–	400,000,000	174
Effect of share consolidation (note b)	48,000,000	(2,400,000,000)	–
	48,000,000	–	1,074
Placing of new shares (note c)	9,600,000	–	195
At 31 December 2025	57,600,000	–	1,269

Notes:

- (a) On 23 January 2025, the Company completed a placing of new shares under general mandate. An aggregate of 400,000,000 placing shares have been successfully placed at the placing price of HK\$0.04 per placing share pursuant to the terms and conditions of the placing agreement. The net proceeds from the placing amounted to approximately HK\$15.3 million. Details of the placing are set out in the Company's announcements dated 7 January 2025 and 23 January 2025.
- (b) On 20 February 2025, every fifty issued and unissued shares of par value HK\$0.0025 each in the share capital of the Company was consolidated into one share of par value HK\$0.125 (the "Share Consolidation"). Following the Share Consolidation on 20 February 2025, 2,400,000,000 shares in the issued share capital of the Company were consolidated into 48,000,000 consolidated shares. Details of the Share Consolidation are set out in the Company's announcements dated 9 January 2025 and the Company's circular dated 23 January 2025.
- (c) On 28 July 2025, the Company completed a placing of new shares under general mandate. An aggregate of 9,600,000 placing shares have been successfully placed at the placing price of HK\$0.6 per placing share pursuant to the terms and conditions of the placing agreement. The net proceeds from the placing amounted to approximately HK\$5.4 million. Details of the placing are set out in the Company's announcements dated 14 July 2025 and 28 July 2025.

### 27. RESERVES

The amounts of the Group's reserves and the movements therein for the reporting period are presented in the consolidated statement of changes in equity.

#### SHARE PREMIUM

Share premium represents the difference between the nominal value and the issuing value of the shares.

#### OTHER CAPITAL RESERVE

Other capital reserve represents the difference between the carrying amount and the fair value of the non-interest-bearing financial support provided by a shareholder.

#### MERGER RESERVE

Merger reserve represents the difference between the consideration paid and the share capital of the acquired entities under common control.

### 28. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

#### (a) MAJOR NON-CASH TRANSACTIONS

In 2025, the Group had non-cash additions to right-of-use assets and lease liabilities of S\$1,020,000 (2024: S\$625,000) and S\$1,020,000 (2024: S\$625,000), respectively, in respect of lease arrangements for properties and equipment (2024: motor vehicles).

On 3 June 2024, Beijing Shiji Trading Technology Co., Limited and Beijing Zhaolanxuan Trading Co., Ltd have deregistered with other payables and accruals of approximately S\$82,000.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (b) CHANGES IN LIABILITIES ARISING FROM FINANCING ACTIVITIES

#### As at 31 December 2025

	Amount due to a director included in trade and other payables S\$'000	Bank and other borrowings S\$'000	Lease liabilities (included in bank and other borrowings) S\$'000
As at 1 January 2025	2,206	1,373	1,219
Net financing cash flows	631	1,724	(1,211)
New leases	–	–	1,020
Interest expense	–	137	42
Interest paid classified as operating cash flows	–	(137)	(42)
As at 31 December 2025	2,837	3,097	1,028

#### As at 31 December 2024

	Amount due to a director included in trade and other payables S\$'000	Bank and other borrowings S\$'000	Lease liabilities (included in bank and other borrowings) S\$'000
As at 1 January 2024	2,206	–	2,177
Net financing cash flows	–	1,373	(1,471)
New leases	–	–	625
Lease modification	–	–	(112)
Interest expense	–	98	60
Interest paid classified as operating cash flows	–	(98)	(60)
As at 31 December 2024	2,206	1,373	1,219

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### (c) TOTAL CASH OUTFLOW FOR LEASES

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

	2025 S\$'000	2024 S\$'000
Within operating activities	153	157
Within financing activities	1,211	1,471
	<b>1,364</b>	<b>1,628</b>

## 29. DISPOSAL OF A SUBSIDIARY

On 8 May 2024, an indirect wholly-owned subsidiary of the Company, Beijing Zhengli Changsheng Technology Co., Limited, entered into a sale and purchase agreement with an independent third party to dispose of 51% interest in U-K Doddo (Beijing) Brand Management Co., Ltd at a consideration of Nil. The disposal was completed on 8 May 2024.

The assets and liabilities of U-K Doddo (Beijing) Brand Management Co., Ltd on the date of disposal:

	S\$'000
Property, plant and equipment	5
Inventories	95
Prepayments, other receivables and other assets	141
Bank balances	9
Trade and other payables	(612)
Contract liabilities	(3,127)
	<b>(3,489)</b>
Gain on disposal of a subsidiary:	
Net consideration received	–
Add: non-controlling interests	1,392
release of foreign currency translation reserve	247
Net liabilities disposed off	(3,489)
	<b>(1,850)</b>
Satisfied by:	
Cash consideration received	–
Net cash outflows on disposal:	
Cash consideration received	–
Bank balances and cash disposed of	(9)
	<b>(9)</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 30. RELATED PARTY TRANSACTIONS AND BALANCES

Saved as the transactions and outstanding balances as detailed elsewhere in these consolidated financial statements, the Group had the following transactions and outstanding balances with related parties:

#### (a) COMPENSATION OF KEY MANAGEMENT PERSONNEL OF THE GROUP

	2025 S\$'000	2024 S\$'000
Salaries, allowances and benefits in kind	212	103

Further details of directors' remuneration are included in note 8 to the consolidated financial statements.

#### (b) AMOUNT DUE TO RELATED PARTY OF THE GROUP

	2025 S\$'000	2024 S\$'000
Amount due to a director	2,837	2,206

### 31. FINANCIAL INSTRUMENTS BY CATEGORY

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

#### AS AT 31 DECEMBER 2025

##### Financial assets

	Financial assets at fair value through profit or loss S\$'000	Financial assets at amortised cost S\$'000	Total S\$'000
Financial assets at fair value through profit or loss	3,220	–	3,220
Trade receivables	–	1,831	1,831
Financial assets included in other receivables and other assets	–	8,583	8,583
Cash and cash equivalents	–	2,172	2,172
	3,220	12,586	15,806

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### Financial liabilities

	Financial liabilities at amortised cost S\$'000
Financial liabilities included in trade and other payables	9,707
Bank and other borrowings	3,097
	<b>12,804</b>

### AS AT 31 DECEMBER 2024

#### Financial assets

	Financial assets at fair value through profit or loss S\$'000	Financial assets at amortised cost S\$'000	Total S\$'000
Financial assets at fair value through profit or loss	2,035	–	2,035
Trade receivables	–	1,064	1,064
Financial assets included in prepayments, other receivables and other assets	–	6,560	6,560
Cash and cash equivalents	–	5,351	5,351
	<b>2,035</b>	<b>12,975</b>	<b>15,010</b>

#### Financial liabilities

	Financial liabilities at amortised cost S\$'000
Financial liabilities included in trade and other payables	7,889
Bank and other borrowings	1,373
	<b>9,262</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 32. FAIR VALUE AND FAIR VALUE HIERARCHY OF FINANCIAL INSTRUMENTS

#### FAIR VALUE MEASUREMENTS OF FINANCIAL INSTRUMENTS

##### Fair value of the Group's financial assets that are measured at fair value on a recurring basis

Some of the Group's financial assets are measured at fair value at the end of each reporting period. The following table gives information about how the fair values of these financial assets are determined (in particular, the valuation technique(s) and inputs used), as well as the level of the fair value hierarchy into which the fair value measurements are categorised (levels 1 to 3) based on the degree to which the inputs to the fair value measurements is observable.

Financial assets	31 December		Fair value hierarchy	Valuation technique(s) and key input(s)	Significant unobservable inputs
	2025 S\$'000	2024 S\$'000			
Financial assets at fair value through profit or loss (note 16)	<b>Life insurance policy: 568</b>	Life insurance policy: 530	Level 2	Quoted asset value based on the surrender value of the policy provided by a financial institution	N/A
	<b>Listed equity securities: 2,652</b>	Listed equity securities: 1,505	Level 1	Quoted bid prices in an active market	N/A

##### Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis

The directors of the Company consider that the carrying amounts of financial assets and financial liabilities recognised at amortised cost in the consolidated financial statements approximate their fair values at the end of the reporting period.

## 33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, interest rate risk, foreign currency risk, liquidity risk and equity price risk. The Group's overall risk management objective is to effectively manage these risks and seek to minimise potential adverse effects on the financial performance of the Group. The Group reviews and agrees policies for managing each of these risks and they are summarised below.

### CREDIT RISK

The Group adopts the policy of dealing only with customers with appropriate credit history, and obtaining sufficient security where appropriate to mitigate credit risk. For financial assets, the Group adopts the policy of dealing with financial institutions and other counterparties with high credit ratings.

Customers' payment profiles and credit exposure are continuously monitored by the Company.

### Maximum exposure and year-end staging

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification as at 31 December.

The amounts presented are gross carrying amounts for financial assets.

#### As at 31 December 2025

	12-month ECLs		Lifetime ECLs		Simplified approach	Total
	Stage 1	Stage 2	Stage 3			
	S\$'000	S\$'000	S\$'000		S\$'000	S\$'000
Trade receivables*	-	-	-		2,090	2,090
Loan receivables from third parties*	-	-	-		964	964
Financial assets included in prepayments, other receivables and other assets (other than loan receivables from third parties)						
– Normal**	8,504	-	-		-	8,504
Cash and cash equivalents	2,172	-	-		-	2,172
	10,676	-	-		3,054	13,730

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2024

	12-month ECLS		Lifetime ECLS		Total S\$'000
	Stage 1	Stage 2	Stage 3	Simplified approach	
	S\$'000	S\$'000	S\$'000	S\$'000	
Trade receivables*	–	–	–	1,188	1,188
Loan receivables from third parties*	–	–	–	1,809	1,809
Financial assets included in prepayments, other receivables and other assets (other than loan receivables from third parties)					
– Normal**	4,751	–	–	–	4,751
Cash and cash equivalents	5,351	–	–	–	5,351
	10,102	–	–	2,997	13,099

\* For trade receivables and loan receivables from third parties to which the Group applies the simplified approach for impairment, information based on the provision matrix is disclosed in notes 18 and 19 to the consolidated financial statements.

\*\* The credit quality of the financial assets included in prepayments, other receivables and other assets (other than loan receivables from third parties) is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.

Further quantitative data in respect of the Group’s exposure to credit risk arising from trade receivables, prepayments, other receivables and other assets and cash and cash equivalents are disclosed in note 18, note 19 and note 20 to the consolidated financial statements, respectively.

### INTEREST RATE RISK

The Group does not have any exposure to cash flow interest rate risk. As at 31 December 2025 and 2024, the management considers the Group’s exposure to cash-flow interest rate risk arising from variable rate borrowings as minimal.

The Group has no significant interest-bearing assets other than bank balances. The Group has bank and other borrowings, loan receivables and lease liabilities at fixed interest rates that expose the Group to fair value interest rate risk.

### FOREIGN CURRENCY RISK

The Group has currency exposures arising from sales and purchases that are denominated in a currency other than the respective functional currencies of the group entities, primarily the Singapore dollar. The currencies giving rise to this risk are primarily the United States dollar (“US\$”), Hong Kong dollar (“HK\$”), Euro (“EUR”), Renminbi (“RMB”) and British pound (“GBP”).

The Group’s exposure to foreign currencies in respect of financial assets and liabilities is disclosed in the respective notes to the consolidated financial statements.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

As at 31 December 2025 and 2024, the carrying amounts of the Group's foreign currency denominated monetary assets at the end of each reporting period are as follows.

	2025 S\$'000	2024 S\$'000
US\$	81	529
HK\$	(2,837)	(4,244)
EUR	60	–
RMB	(3,762)	(4,618)

The following demonstrates the sensitivity to a reasonably possible change in US\$, HK\$, EUR and RMB against the Singapore dollar, with all other variables held constant, of the Group's (loss)/profit before tax:

	2025 Loss before tax (increased)/ decreased by: S\$'000	2024 Profit before tax (decreased)/ increased by: S\$'000
US\$ against S\$		
– strengthened 6% (2024: 6%)	(5)	(32)
– weakened 6% (2024: 6%)	5	32
HK\$ against S\$		
– strengthened 6% (2024: 6%)	170	254
– weakened 6% (2024: 6%)	(170)	(254)
EUR against S\$		
– strengthened 6% (2024: 6%)	(4)	N.m.
– weakened 6% (2024: 6%)	4	N.m.
RMB against S\$		
– strengthened 6% (2024: 6%)	226	277
– weakened 6% (2024: 6%)	(226)	(277)

N.m. Amount less than S\$1,000.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### LIQUIDITY RISK

The Group manages liquidity risk by maintaining cash and available funding through committed credit facilities sufficient to enable it to meet its operational requirements.

The table below analyses the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows:

	Within 1 year S\$'000	1 to 5 years S\$'000	Over 5 years S\$'000	Total undiscounted cash flows S\$'000	Carrying amount S\$'000
<b>As at 31 December 2025</b>					
Financial liabilities included in trade and other payables	9,707	-	-	9,707	9,707
Lease liabilities	374	696	-	1,070	1,028
Interest-bearing bank and other borrowings (excluding lease liabilities)	1,560	1,624	-	3,184	3,097
	<b>10,866</b>	<b>2,320</b>	<b>-</b>	<b>13,186</b>	<b>13,057</b>
<b>As at 31 December 2024</b>					
Financial liabilities included in trade and other payables	7,889	-	-	7,889	7,889
Lease liabilities	708	906	-	1,614	1,219
Interest-bearing bank and other borrowings (excluding lease liabilities)	272	1,126	-	1,398	1,373
	<b>8,869</b>	<b>2,032</b>	<b>-</b>	<b>10,901</b>	<b>10,481</b>

### EQUITY PRICE RISK

Equity price risk is the risk that the fair values of equity securities decrease as a result of changes in the levels of equity indices and the value of individual securities. The Group is exposed to equity price risk arising from financial assets at fair value through profit or loss (note 16) as at 31 December 2025 and 2024.

The following table demonstrates the sensitivity to every 5% change in the fair values of the listed equity securities, with all other variables held constant and before any impact on tax, based on their carrying amounts at the end of the reporting period. For the purpose of this analysis, for the financial assets at fair value through profit or loss, the impact is deemed to be on the profit or loss.

	2025 Carrying amount of equity investments S\$'000	2024 Carrying amount of equity investments S\$'000
Listed equity securities	<b>2,652</b>	1,505

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

	2025 Loss before tax decreased/ (increased) by: S\$'000	2024 Profit before tax increased/ (decreased) by: S\$'000
Listed equity securities		
– increased 5%	<b>133</b>	75
– decreased 5%	<b>(133)</b>	(75)

### CAPITAL MANAGEMENT

The primary objectives of the Group's capital management are to safeguard the Group's ability to continue as a going concern and to provide adequate cash flows to meet its operating requirements.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made to the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

The Group monitors capital using a gearing ratio, which is interest-bearing bank and other borrowings divided by the total equity. The Group's policy is to keep the gearing ratio at a reasonable level. The gearing ratios are as follows:

	2025 S\$'000	2024 S\$'000
Interest-bearing bank and other borrowings (note 24)	<b>4,125</b>	2,592
Equity attributable to owners of the Company	<b>8,356</b>	8,880
Gearing ratio	<b>0.49</b>	0.29

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

### 34. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

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

	2025 S\$'000	2024 S\$'000
<b>NON-CURRENT ASSET</b>		
Investment in a subsidiary	2,069	2,069
Total non-current asset	2,069	2,069
<b>CURRENT ASSETS</b>		
Prepayment	245	8
Amounts due from subsidiaries	3,505	–
Cash and cash equivalents	42	–
Total current assets	3,792	8
<b>CURRENT LIABILITIES</b>		
Other payables	966	2,096
Amount due to a director	2,837	2,206
Amounts due to subsidiaries	–	70
Total current liabilities	3,803	4,372
<b>NET CURRENT LIABILITIES</b>	<b>(11)</b>	<b>(4,364)</b>
Net assets (liabilities)	2,058	(2,295)
<b>EQUITY</b>		
Share capital	1,269	900
Reserves	789	(3,195)
Total equity (deficit)	2,058	(2,295)

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

	Share premium S\$'000	Other capital reserve S\$'000	Accumulated losses S\$'000	Total S\$'000
As at 1 January 2024	8,982	126	(11,669)	(2,561)
Loss and total comprehensive expense for the year	–	–	(634)	(634)
As at 31 December 2024 and 1 January 2025	8,982	126	(12,303)	(3,195)
Profit and total comprehensive income for the year	3,348	–	636	3,984
As at 31 December 2025	12,330	126	(11,667)	789

### 35. SHARE OPTION SCHEME

The Company adopted a share option scheme (“Share Option Scheme”) on 21 October 2016 for the purpose of enabling the Company to grant rights to subscribe for Shares pursuant to the terms of the Share Option Scheme (“Options”, each an “Option”) as incentives or rewards to the Participants (as defined below) for their contribution to the Group and/or to enable the Group to recruit and retain high calibre employees and attract human resources that are valuable to the Group and any entity which the Group holds any equity interest (“Invested Entity”). The terms of the Share Option Scheme are in accordance with the provisions of Chapter 23 of the GEM Listing Rules.

The period of Share Option Scheme commenced on 21 October 2016 and will expire on 20 October 2026.

The Board may, at its discretion, invite any Executive, Non-Executive or Independent Non-Executive Directors or any employees (whether full-time or part-time) of the Company, or any of its subsidiaries or associated companies or any other person whom the Board considers, in its sole discretion, has contributed or will contribute to the Group (“Participants”, each a “Participant”) to take up the Options. The basis of eligibility of any of the class of the Participants to the grant of any Option shall be determined by the Board from time to time on the basis of their contribution to the development and growth of the Group and any Invested Entity. Unless otherwise determined by the Board and specified in the offer letter to be given to the Participant at the time of the offer of the Option (“Offer”), there is neither any performance target that needs to be achieved by the Participant who accepts an Offer in accordance with the terms of the Share Option Scheme (“Grantee”) before an Option can be exercised nor any minimum period for which an Option must be held before the Option can be exercised.

The subscription price for the Shares under the Share Option Scheme shall be such price as determined by the Board in its absolute discretion at the time of the grant of the relevant Option, but in any case shall not be less than the highest of (a) the closing price of the Shares as stated in the Stock Exchange’s daily quotations sheet on the date on which an Offer is made by the Company to the Grantee (which date must be a Business Day, “Offer Date”); (b) a price being the average of the closing prices of the Shares as stated in the Stock Exchange’s daily quotations sheets for the five (5) Business Days immediately preceding the Offer Date (provided that the Offer Price shall be used as the closing price for any Business Day falling within the period before listing of the Shares where the Company has been listed for less than five (5) Business Days as at the Offer Date); and (c) the nominal value of a Share.

The amount payable by the grantee of an Option to the Company on acceptance of the offer for the grant of an Option is HK\$1.00, which shall be payable within the period as the Board may determine and specify in the letter of Offer.

An Option may be exercised in accordance with the terms of the Share Option Scheme at any time during the period to be determined by the Board at its absolute discretion and notified by the Board to each Grantee as being the period during which an Option may be exercised and in any event, such period shall not be longer than 10 years from the date upon which any particular Option is granted in accordance with the Share Option Scheme.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

The maximum number of unexercised share options currently permitted to be granted under the Share Option Scheme and any other share option scheme of the Company shall not in aggregate exceed 10% of the total number of Shares in issue immediately following the listing of the Company on the Stock Exchange and the subdivision of shares of the Company approved on 3 April 2019 and become effective on 4 April 2019 (being 2,000,000,000 Shares). The maximum number of shares issuable under share options to each eligible participant in the Company's 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 share options in excess of this limit is subject to Shareholders' approval in a general meeting. The Company may grant options in respect of up to 200,000,000 Shares to the participants under the Share Option Scheme, being 10% of the issued shares of the Company as at the date of this report.

No option has lapsed, or has been granted, exercised or cancelled under the Share Option Scheme during the years ended 31 December 2025 and 2024. The Group did not have any outstanding share options, warrants, convertible instruments, or similar rights convertible into the Shares as at 31 December 2025 and 2024, nor has there been any exercise, redemption, purchase or cancellation made during the years ended 31 December 2025 and 2024 of any conversion or subscription rights under any convertible securities, options, warrants or similar rights issued or granted.

### 36. RETIREMENT BENEFIT PLANS

The Group operates the MPF scheme under the Hong Kong Mandatory Provident Fund Schemes Ordinance for employees employed under the jurisdiction of the Hong Kong Employment Ordinance. The MPF scheme is a defined contribution retirement plan administered by independent trustees. Under the MPF scheme, the employer and its employees are each required to make contributions to the plan at 5% of the employees' relevant income, subject to a cap of monthly relevant income of HK\$30,000 (2024: HK\$30,000). Contributions to the plan vest immediately.

The Group are required to make retirement contribution to Central Provident Fund ("CPF") for its employees working in Republic of Singapore (the "Singapore"). The CPF is a comprehensive social security system that enables working citizens and permanent residents of Singapore to set aside funds for retirement. The Group are required to pay monthly to the CPF in respect of each employee, who is either a citizen or permanent resident of Singapore, contributions at the contribution rates prescribed under the Central Provident Fund Act (Cap 36) of Singapore ("CPFA").

Pursuant to section 7(2) of the CPFA, the employer is allowed to recover certain amounts as stipulated in the CPFA from the monthly wages of an employee.

Section 7(3) of the CPFA provides that any employer who has recovered any amount from the monthly wages of an employee in accordance with the CPFA and fails to pay the contributions to the CPF within such time as may be prescribed, shall be guilty of an offence and shall be liable on conviction to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding seven (7) years or to both.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

Section 9 of the CPFA provides that, where the amount of the contributions which an employer is liable to pay in respect of any month is not paid within the prescribed period for payment, the employer shall be liable to pay interest on the amount for every day the amount remains unpaid commencing from the first day of the month succeeding the month in respect of which the amount is payable and the interest shall be calculated at the rate of 1.5% per month or the sum of S\$5.00, whichever is the greater.

The CPFA provides that in general if any person convicted of an offence under the CPFA for which no penalty is provided shall be liable on conviction to pay a fine not exceeding S\$5,000 or to imprisonment for a term not exceeding 6 months or both, and if that person is a repeat offender for the same offence, to a fine not exceeding S\$10,000 or to imprisonment for a term not exceeding 12 months or both.

The total expense recognised in consolidated statement of profit or loss and other comprehensive income of approximately S\$516,000 (2024: S\$547,000) respectively, represent contributions paid and/or payable to the scheme by the Group for the year ended 31 December 2025. At the end of the reporting period, the Group had no forfeited contributions which may be used to reduce the retirement benefit contributions in future (2024: Nil).

### 37. EVENTS AFTER THE REPORTING PERIOD

On 4 November 2025, the Board of the Company proposed (1) to conduct a rights issue on the basis of five (5) rights shares for every one (1) share held on the record date at a subscription price of HK\$0.35 per rights share, to raise up to approximately HK\$100.80 million before expenses by way of issuing up to 288,000,000 rights shares; (2) to change in board lot size from 1,000 Shares to 5,000 Shares with effect from 9:00 a.m. on Wednesday, 7 January 2026; and (3) to increase the authorised share capital of the Company from HK\$20,000,000 divided into 160,000,000 Shares to HK\$200,000,000 divided into 1,600,000,000 Shares by the creation of an additional 1,440,000,000 Shares. Assuming full subscription under the rights issue, the gross proceeds from the rights issue are expected to be approximately HK\$100.80 million. The net proceeds from the rights issue (after deducting the estimated expenses of approximately HK\$3.83 million) are estimated to be approximately HK\$96.97 million. The Company intends to apply the net proceeds from the proposed rights issue of approximately HK\$96.97 million as follows: (i) approximately HK\$43 million for the establishment of the refined sales and marketing strategies; (ii) approximately HK\$20 million is planned as reserve for any future co-operation/investment opportunities; (iii) approximately HK\$17 million for repayment of outstanding amount owed to Mr. Wang; (iv) approximately HK\$7 million to replenish working capital for the Group's existing principal businesses; and (v) approximately HK\$9.97 million to replenish the Company's general working capital. In the event that there is an under subscription of the Rights Shares, the net proceeds will be utilised in the order as follows: (i) firstly, for the repayment of the outstanding amount owed to Mr. Wang Lei, an executive director; and (ii) the remaining net proceeds of the proposed Rights Issue will be scaled down and utilised in proportion to the remaining uses.

The Rights Issue was completed with the allotment and issue of 288,000,000 Rights Shares on 12 February 2026, representing 100% of the total Rights Shares offered under the Rights Issue. The net proceeds of approximately HK\$96.97 million were raised in line with the above intended use.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

In addition, the change in board lot size from 1,000 Shares to 5,000 Shares became effective for trading on the Stock Exchange from 9:00 a.m. on Wednesday, 7 January 2026, and the increase in authorised share capital of the Company from HK\$20,000,000 divided into 160,000,000 Shares to HK\$200,000,000 divided into 1,600,000,000 Shares became effective following the passing of an ordinary resolution by the Shareholders at the extraordinary general meeting held on 18 December 2025.

Details of the aforesaid events after the reporting period are set out in the announcement of the Company dated 4 November 2025, 28 November 2025, 1 December 2025, 18 December 2025, 5 January 2026, 26 January 2026, 11 February 2026 and 12 February 2026 and the Company's circular dated 28 November 2025.

### **38. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS**

The consolidated financial statements were approved and authorised for issue by the board of directors on 31 March 2026.

# FINANCIAL SUMMARY

Results	2025 S\$'000	2024 S\$'000	2023 S\$'000	2022 S\$'000	2021 S\$'000
Revenue	<b>17,735</b>	18,866	23,871	23,593	20,233
(Loss)/profit before tax	<b>(4,325)</b>	1,160	(1,260)	102	(441)
Income tax expense	–	(129)	(268)	(175)	(118)
(Loss)/profit for the year	<b>(4,325)</b>	1,031	(1,528)	(73)	(559)

Assets and liabilities	2025 S\$'000	2024 S\$'000	2023 S\$'000	2022 S\$'000	2021 S\$'000
Total assets	<b>24,147</b>	21,963	21,136	19,738	19,716
Total liabilities	<b>16,110</b>	13,150	15,028	12,162	12,088
Total equity	<b>8,037</b>	8,813	6,108	7,576	7,628