



**Shanghai Turbo**

**SHANGHAI TURBO ENTERPRISES LTD.**

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**SHANGHAI TURBO ENTERPRISES LTD.  
Registration No. CT-151624  
(Incorporated in the Cayman Islands)  
AND SUBSIDIARIES**

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS  
FOR THE TWELVE MONTHS ENDED  
31 December 2025**



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**A. Condensed consolidated statement of profit or loss and other comprehensive income**

	Note	The Group		
		12 months ended 31 Dec 2025	12 months ended 31 Dec 2024	Change +/( - )
		RMB'000	RMB'000	%
Revenue	4	91,744	84,127	9%
Cost of sales		(72,381)	(68,152)	6%
Gross profit / (loss)		19,363	15,975	21%
Other income / (expenses)		8,231	4,226	95%
Distribution and marketing expenses		(4,964)	(5,171)	-4%
General and administrative expenses		(18,490)	(19,194)	-4%
Finance expenses		(1,816)	(2,005)	-9%
Impairment loss on financial assets		-	-	
Loss before income tax	6	2,324	(6,169)	138%
Tax expenses	7	-	-	NM
Loss for the financial period, net of tax		2,324	(6,169)	138%
Other comprehensive (expenses) /				
Items that may be reclassified to profit or loss in subsequent period (net of tax)				
Currency translation differences on		-	-	NM
Total other comprehensive loss for the		-	-	NM
Total comprehensive loss for the period		2,324	(6,169)	138%
Profit / (Loss) attributable to				
- Owners of the Company		1,855	(4,923)	138%
- Non-controlling interest		469	(1,246)	138%
Total comprehensive loss attributable to				
- Owners of the Company		1,855	(4,923)	138%
- Non-controlling interest		469	(1,246)	138%
Earnings per share for profit / (loss) for the period attributable to the owners of the Company during the year :				
Basic (RMB in cent)		7.615	(20.213)	138%
Diluted (RMB in cent)		7.615	(20.213)	138%
Basic (SGD in cent)		1.399	(3.768)	137%
Diluted (SGD in cent)		1.399	(3.768)	137%

NM - Not meaningful



**B. Condensed statements of financial position**

	Note	The Group		The Company	
		31 December 2025 RMB'000	31 December 2024 RMB'000	31 December 2025 RMB'000	31 December 2024 RMB'000
<b>ASSETS</b>					
Current assets					
Cash and bank balances	15	9,025	12,266	-	-
Trade and other receivables	14	60,480	48,947	-	-
Inventories	13	28,345	11,450	-	-
Total current assets		97,850	72,663	-	-
Non-current assets					
Subsidiaries	12	-	-	57,612	57,612
Property, plant and equipment	10	40,287	16,071	-	-
Right-of-use assets	11	15,542	15,782	-	-
Financial assets at fair value		-	-	-	-
Total non-current assets		55,829	31,853	57,612	57,612
Total assets		153,679	104,516	57,612	57,612
<b>LIABILITIES</b>					
Current liabilities					
Trade and other payables	16	49,466	49,113	1,475	1,475
Provision	17	4,373	4,373	-	-
Borrowings	18	62,500	42,500	-	-
Due to subsidiaries (non-trade)		-	-	34,017	34,017
Total current liabilities		116,339	95,986	35,492	35,492
Non-current liabilities					
Deferred government grants		-	890	-	-
Long-term Borrowings		27,376	-	-	-
Total liabilities		143,715	96,876	35,492	35,492
NET ASSETS	9	9,964	7,640	22,120	22,120
<b>EQUITY</b>					
Equity attributable to equity holders					
Share capital	19	60,318	60,318	60,318	60,318
Share premium	20	79,803	79,803	79,803	79,803
Retained losses		(151,854)	(154,178)	(118,001)	(118,001)
Other Reserves					
Statutory reserve		30,526	30,526	-	-
Foreign exchange translation		(8,829)	(8,829)	-	-
		21,697	21,697	-	-
Total equity		9,964	7,640	22,120	22,120



C. Condensed statements of changes in equity

**The Group**

		Share capital	Share premium	Statutory reserve	Foreign exchange translation reserve	Retained losses	Total equity
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>2025</b>							
Balance at 1 January 2025		60,318	79,803	30,526	(8,829)	(154,178)	7,640
Issue of share capital		-	-	-	-	-	-
Total Comprehensive loss for the financial period		-	-	-	-	2,324	2,324
Balance at 31 Dec 2025		60,318	79,803	30,526	(8,829)	(151,854)	9,964
<b>2024</b>							
Balance at 1 January 2024		60,318	79,803	30,526	1,115	(148,009)	23,753
Issue of share capital		-	-	-	-	-	-
Total Comprehensive loss for the financial period		-	-	-	(9,944)	(6,169)	(16,113)
Balance at 31 Dec 2024		60,318	79,803	30,526	(8,829)	(154,178)	7,640

**The Company**

		Share capital	Share premium	Statutory reserve	Foreign exchange translation reserve	Retained losses	Total equity
	Note	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>2025</b>							
Balance at 1 January 2025		60,318	79,803	-	-	(118,001)	22,120
Issue of share capital		-	-	-	-	-	-
Total Comprehensive loss for the financial period		-	-	-	-	-	-
Balance at 31 Dec 2025		60,318	79,803	-	-	(118,001)	22,120
<b>2024</b>							
Balance at 1 January 2024		60,318	79,803	-	-	(118,001)	22,120
Issue of share capital		-	-	-	-	-	-
Total Comprehensive loss for the financial period		-	-	-	-	-	-
Balance at 31 Dec 2024		60,318	79,803	-	-	(118,001)	22,120



**D. Condensed consolidated statements of cash flows**

	Note	The Group		
		12 months ended 31 Dec 2025	12 months ended 31 Dec 2024	Change +/-(-)
		RMB'000	RMB'000	%
<b>Cash flows from operating activities</b>				
Loss before tax		2,324	(6,169)	138%
Adjustment for :				
Interest Income		-	-	NM
Depreciation of property, plant and equipment		5,309	6,976	-24%
Amortisation of right of use of assets		240	241	0%
Impairment loss on trade receivables		-	-	NM
Reversal of impairment loss on property, plant and Interest Expense		1,816	2,005	-9%
Loss / (gain) on disposal of property, plant & Amortisation of deferred government grant		-	(22)	NM
Transfer from deferred capital grant		-	(2,003)	NM
Foreign Exchange loss/(gain), net		-	-	NM
Operating loss before working capital changes		9,689	1,028	843%
Decrease / (increase) in inventories		(16,895)	(1,734)	NM
Decrease / (increase) in trade & other Receivables		(11,533)	9,677	-219%
(Decrease) / increase in trade & other Payables		353	7,100	-95%
Cash generated from / (used in) operations		(18,386)	16,071	NM
Interest income received		-	-	NM
Net taxation paid		-	-	NM
Net Cash generated from / (used in) operating		(18,386)	16,071	NM
<b>Cash flow from investing activities</b>				
Purchase of property, plant and equipment		(29,525)	(3,027)	NM
Purchase of right of use of assets		-	-	NM
Increase in share capital paid through special		-	-	NM
Increase in share premium paid through special		-	-	NM
Loan to a shareholder		-	-	
Interest income from loan to a shareholder		-	-	
Net cash generated from / (used in) investing		(29,525)	(3,027)	NM
<b>Cash flow from financing activities</b>				
Withdrawal of pledged deposits		-	-	NM
Loan from banks		89,876	42,500	111%
Repayment to banks		(42,500)	(44,500)	NM
Interest Expense		(1,816)	(2,005)	-9%
<b>Net cash generated from / (used in) financing activities</b>		45,560	(4,005)	-1238%
<b>Net (decrease) / increase in cash and cash equivalents</b>		(2,351)	9,039	-126%
<b>Cash and cash equivalents at beginning of the period</b>		12,266	9,137	34%
<b>Effects of exchange rate changes in cash and cash equivalents</b>		(890)	(5,910)	-85%
<b>Cash and cash equivalents at end of the period</b>		9,025	12,266	-26%

Effects of exchange rate changes in cash and cash equivalent  
NM - Not meaningful



Cash and bank balances comprise the following:

	Note	The Group		
		12 months ended 31 Dec 2025	12 months ended 31 Dec 2024	Change +/-(-)
		RMB'000	RMB'000	%
<b>Cash and cash equivalent</b>		9,025	12,266	-26%
<b>Pledged cash placed with bank</b>		-	-	NM
		9,025	12,266	-26%

NM - Not meaningful



## E. Notes to the condensed consolidated financial statements

### 1. Corporate information

Shanghai Turbo Enterprises Ltd. (the “Company”) is a limited liability company domiciled and incorporated in the Cayman Islands and listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”). The address of the Company’s registered office is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman KY1-1111, Cayman Islands. The address of its principal place of business is located at No.9, Yinghua Road, Zhonglou Economic Development Zone, Changzhou City, Jiangsu Province, 213016, The People’s Republic of China (“PRC”).

The principal activity of the Company is that of investment holding. The Company has invested in Best Success (Hong Kong) Limited in Hong Kong as investment holding company and Best Success (Hong Kong) Limited has further invested in Changzhou 3D Technological Complete Set Equipment Co., Ltd (“CZ3D”) as manufacturing of vane products and relating subcontracting services, CZ3D has further invested in Sichuan 3D New Power Technological Co., Ltd (“SC3D”) as manufacturing of vane products and relating subcontracting services.

The Group is a precision engineering group that specializes in the production of precision vane products, mainly stationary vanes, moving vanes and nozzles. These vanes are the key components of steam turbine generators used for power generation in power plants, power stations and / or substations. They are also essential components mounted onto steam turbine generators to maximize the efficiency of steam flow in the generation of electricity.

### 2. Basic of preparation

The condensed financial statements for the twelve months ended 31 December 2025 have been prepared in accordance with SFRS(I) 1-34 Financial Reporting issued by the Accounting Standards Council Singapore and International Financial Reporting Standards (“IFRSs”). All references to SFRS(I)s and IFRSs are referred to as SFRS(I)s in these condensed financial statements unless otherwise specified. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2024.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed financial statements are presented in Chinese Renminbi (“RMB”) and all values are rounded to the nearest thousand (RMB’000) as indicated, unless otherwise stated which is the Company’s functional currency.

#### 2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

On 1 January 2020, the Group adopted the new or amended SFRS and IFRS, the Interpretations of IFRS (“IFRIC”) that are mandatory for application from that date. Changes to the Group’s accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRS and IFRIC. The adoption of these new or amended SFRS, IFRS and IFRIC did not result in substantial changes to the Group’s and Company’s accounting policies and had no material effect on the amounts reported for the current or prior financial years.



## **2.2 Use of judgements and estimates**

In preparing the condensed financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2024.

## **3. Seasonal operation**

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.



**4. Segment and revenue information**

The Group is organised into one main business segment only.

**4.1 Reportable segments**

	Note	Segment 1 RMB'000	Consolidation RMB'000
1 January 2025 to 31 Dec 2025			
Total segment revenue		91,744	91,744
Dividend income			
Interest income			
Miscellaneous income		8,231	8,231
Total other income		8,231	8,231
Total revenue and other income		99,975	99,975
Depreciation		(5,549)	(5,549)
Finance expense		(1,816)	(1,816)
Segment profit		92,610	92,610
Unallocated expenses		(90,286)	(90,286)
Loss before taxation		2,324	2,324
Taxation		-	-
Earnings / (loss) for the interim period		2,324	2,324
Segment assets		153,679	153,679
Total assets per statement of financial position		153,679	153,679
Expenditures for segment non-current assets			
- Additions to PPE		(29,525)	(29,525)
Segment liabilities		143,715	143,715
Deferred government grants		-	-
Total liabilities per statement of financial position		143,715	143,715

		Segment 1 RMB'000	Consolidation RMB'000
1 January 2024 to 31 Dec 2024			
Total segment revenue		84,127	84,127
Dividend income			
Interest income			
Miscellaneous income		4,226	4,226
Total other income		4,226	4,226
Total revenue and other income		88,353	88,353
Depreciation		(7,217)	(7,217)
Finance expense		(2,005)	(2,005)
Segment profit		79,131	79,131
Unallocated expenses		(85,300)	(85,300)
Loss before taxation		(6,169)	(6,169)
Taxation		-	-
Earnings / (loss) for the interim period		(6,169)	(6,169)
Segment assets		114,518	114,518
Total assets per statement of financial position		114,518	114,518
Expenditures for segment non-current assets			
- Additions to PPE		3,027	3,027
Segment liabilities		83,300	83,300
Deferred government grants		(891)	(891)
Total liabilities per statement of financial position		82,409	82,409



**4.2 Disaggregate of Revenue**

	Note	The Group	
		12 months ended 31 Dec 2025	
		Segment 1	Total
		RMB'000	RMB'000
Types of goods or services			
Sale of goods		91,744	91,744
Total revenue		91,744	91,744
Geographical information :			
China		77,922	77,922
Korea		13,822	13,822
Japan		-	-
Total revenue		91,744	91,744

	Note	The Group	
		12 months ended 31 Dec 2024	
		Segment 1	Total
		RMB'000	RMB'000
Types of goods or services			
Sale of goods		84,127	84,127
Total revenue		84,127	84,127
Geographical information :			
China		80,445	80,445
Korea		2,651	2,651
Japan		1,031	1,031
Total revenue		84,127	84,127

**5. Financial assets and financial liabilities**

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2025 and 31 December 2024.

	Note	The Group		The Company	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024
		RMB'000	RMB'000	RMB'000	RMB'000
<b>Financial Assets</b>					
Cash and bank balances and trade and other receivables (Amortised)		69,505	61,213	-	-
<b>Financial Liabilities</b>					
Trade and other payables and borrowings (Amortised cost)		116,339	95,986	1,475	1,475



## 6. Profit before taxation

### 6.1 Significant items

	Note	The Group		
		12 months ended 31 Dec 2025	12 months ended 31 Dec 2024	Change +/( -)
		RMB'000	RMB'000	%
Income				
Miscellaneous income		8,231	4,226	95%
Expenses				
Interest on borrowings		(1,816)	(2,005)	-9%
Depreciation of property, plant and equipment and amortisation on use of rights		(5,549)	(7,217)	-23%
Loss / (gain) on disposal of property, plant &		-	22	NM

### 6.2 Related party transaction

There is no material related party transaction apart from those disclosed elsewhere in the financial statements.

## 7. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed consolidated statement of profit or loss are:

	Note	The Group		
		12 months ended 31 Dec 2025	12 months ended 31 Dec 2024	Change +/( -)
		RMB'000	RMB'000	%
Current income tax expense		-	-	NM
Deferred income tax expense relating to origination and reversal of temporary differences		-	-	NM
		-	-	NM

## 8. Dividends

	Note	The Group		
		12 months ended 31 Dec 2025	12 months ended 31 Dec 2024	Change +/( -)
		RMB'000	RMB'000	%
Ordinary dividends paid:		-	-	NM
dividend		-	-	NM
Dividend per share (net of tax)		-	-	NM



**9. Net Assets Value**

	Note	The Group		The Company	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024
		RMB	RMB	RMB	RMB
Net assets value per ordinary share		0.326	0.250	0.725	0.725

**10. Right-of-use assets**

	Note	The Group		The Company	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024
		RMB'000	RMB'000	RMB'000	RMB'000
<b>Cost</b>					
Beginning of financial year		20,237	12,547	-	-
End of period		20,237	12,547	-	-
<b>Additions</b>		-	7,690		
<b>Accumulated depreciation and impairment losses</b>					
Beginning of financial year		4,455	4,215	-	-
Depreciation charge for the period		240	240	-	-
End of period		4,695	4,455	-	-
<b>Net book value</b>		15,542	15,782	-	-

The Group has 50-year land use right over a plot of state-owned land in Changzhou PRC where the Group's manufacturing and storage facilities reside. The land use right has a remaining tenure of 31 years (2024: 32 years).

On 22 October 2024, the Group has newly purchased the 50-year land use right over a plot of state-owned land in Deyang Sichuan PRC where the Group's another manufacturing base will reside.

As at 31 December 2025, the entire Changzhou land use right is pledged in connection with a bank facility including both bill payable facilities and bank loans.

Impairment testing of land use right

No impairment loss is recognized in 4Q FY2025 (2024: Nil), as the Group has estimated the recoverable amount of the land use rights to be higher than the net carrying amount. The recoverable amount of the land use rights was based on its fair value on 31 December 2022. Valuations are performed by Jones Lang LaSalle, an independent valuer with a recognized and relevant professional qualification and with recent experience in the location and category of the land use rights being valued. The valuations are based on comparable market transactions that consider the sales of similar assets that have been transacted in the open market.



## **11. Property, plant and equipment**

Property, plant and equipment ("PPE"), right of use of assets and intangible assets as at YTD 4Q FY2025 was RMB55.83 million as compared to RMB31.85 million as at YTD 4Q FY2024. This was mainly due to decrease in depreciation and amortization in YTD 4Q FY2025 amounting to RMB5.55 million; increased in newly purchased PPE in YTD 4Q FY2025 amounting to RMB29.53 million.

### Impairment assessment of property, plant and equipment

The Group carried out a review of the recoverable amount of non-financial assets of Changzhou 3D which is determined to be a Cash-Generating Unit ("CGU") arising from indicator for impairment. The Group have recognized an impairment loss of RMB44.856 million in FY2020 with respect to plant and equipment, as the Group has estimated the recoverable amount of the CGU to be lower than the net carrying amount. In FY2021 and FY2022, there was reversal of impairment on plant and equipment of RMB8.442 million and RMB9.082 million respectively.



**12. Subsidiaries**

	Note	The Group		The Company	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024
		RMB'000	RMB'000	RMB'000	RMB'000
Unquoted equity shares at cost		-	-	57,612	57,612
Purchase consideration					
Cash paid		-	-	57,612	57,612
Additional : Cash paid during the		-	-	-	-
Impairment loss				57,612	57,612
Total		-	-	57,612	57,612

Name of subsidiaries	Note	Principal activities	Country of incorporation and place of business	Proportion (%) of ownership interest	
				31 December 2025	31 December 2024
				%	%
<b>Held by the Company</b>					
Best Success (Hong Kong) Limited ("BS")	(1)	Investment holdings	Hong Kong	100	100
<b>Held by BS</b>					
Changzhou 3D Technological Complete Set Equipment Co., Ltd ("CZ3D")	(2)	Manufacturing of vane products and relating subcontracting	China	100	100
<b>Held by CZ3D</b>					
Sichuan 3D New Power Technological Co., Ltd ("SC3D")	(3)	Manufacturing of vane products and relating subcontracting	China	100	

- 1) Audited by S. W. Chan & Co, Hong Kong and reviewed by Crowe Horwath First Trust LLP for consolidation purpose.
- 2) Audited by Changzhou Xinhuarui CPAs (常州新华瑞联合会计师事务所), a firm of Certified Public Accountants registered in the PRC for statutory purpose and by Crowe Horwath First Trust LLP for consolidation purpose.

Impairment assessment of investment in subsidiaries

The management had performed an impairment assessment for the investment in Changzhou 3D arising from indicator of impairment. Impairment loss amounting to RMB90.577 million is recognized in 2021, as the Group has estimated the recoverable amount of the investment in subsidiaries to be lower than the net carrying amount. In 2022, there was a reversal of impairment loss of RMB0.3 million. The Group recognised RMB14.00 million of impairment loss on investment in subsidiary in 2023.

**13. Inventories**

	Note	The Group		The Company	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024
		RMB'000	RMB'000	RMB'000	RMB'000
Statements of Financial Position :					
Inventories :					
Raw material		871	1,027	-	-
Work-in-progress		21,337	7,799	-	-
Finished goods		6,137	2,624	-	-
Total		28,345	11,450	-	-

As at YTD 4Q FY2025, inventories stood at RMB28.35 million (YTD 4Q FY2024: RMB11.45 million) mainly consist of WIP inventory amounting to RMB21.34 million (YTD 4Q FY2024: RMB7.8 million), newly purchased raw materials amounting to RMB0.87 million (YTD 4Q FY2024: RMB1.03 million) and finished goods amounting to RMB6.14million (YTD 4Q FY2024: RMB2.62million) to fulfill the salesorders.

The increase in WIP inventory is mainly due to the growth in customer orders, the corresponding raw materials have been issued to the production line during production cycle to fulfill the sales orders.



**14. Trade and other receivables**

	Note	The Group		The Company	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024
		RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables					
Bill receivables		-	59	-	-
Trade receivables		46,114	34,610	-	-
Total trade receivables		46,114	34,669	-	-
Other receivables					
Advances to suppliers		12,507	12,021	-	-
Advances to employees		614	428	-	-
Prepayments		631	1,429	-	-
Tender deposits		614	400	-	-
Other receivables		-	-	-	-
Total other receivables		14,366	14,278	-	-
Total trade and other receivables		60,480	48,947	-	-

Trade receivables	Note	The Group		The Group	
		31 December 2025	31 December 2025	31 December 2024	31 December 2024
		RMB'000	%	RMB'000	%
Customer :					
A		33,803	73%	22,058	64%
B		651	1%	-	0%
Others		11,660	25%	12,611	36%
Total		46,114	100%	34,669	100%
Aged (Days)					
0-90		35,815	78%	24,165	70%
91-180		8,420	18%	9,122	26%
181-270		1,879	4%	1,382	4%
More Than 270		0	0%	-	0%
Total		46,114	100%	34,669	100%

**Trade receivables:**

Trade receivables increased from RMB34.67 million in YTD 4Q FY2024 to RMB46.11 million in YTD 4Q FY2025 mainly due to RMB36.02 million in sales generated in 4Q FY2025. The business of the group is mainly concentrated in state-owned enterprises, and the objects of trade receivables are mainly state-owned enterprises also, so the trade receivables can generally be collected as scheduled, there is no risk of bad debt loss.

These outstanding amounts are not owing to any related parties.

These debtors are not related to any directors, key executives, substantial shareholders or their respective associates.

These customers are still in operation.

Based on the assessment performed by the management on the current trade receivables, they are still recoverable although payment may be slow, barring any unforeseen circumstances or changes to the business environment and sluggish market conditions. The management is of the view that the Group has unconditional rights on trade receivables including unbilled trade receivables as at 31 December 2025.



The Board of Directors of the Company (“the Board”) has assessed the recoverability of the Group’s trade receivables based on the contracts signed with the customers and the acceptance of the goods by the customer. The Board will, together with management, closely monitor the recovery of the Group’s trade receivables.

**Other receivables:**

Other receivables amounting to RMB14.37 million in YTD 4Q FY2025 as compared to RMB14.28 million in YTD 4Q FY2024. This was mainly due to increase in advance to suppliers amounting to RMB12.51 million in YTD 4Q FY2025 (YTD 4Q FY2024: RMB12.02 million); increase in tender deposits amounting to RMB0.61 million in YTD 4Q FY2025 (YTD 4Q FY2024: RMB0.40 million); decrease in prepayments amounting to RMB0.63 million in YTD 4Q FY2025 (YTD 4Q FY2024: RMB1.43 million).

**15. Cash and bank balances**

	Note	The Group		The Company	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024
		RMB'000	RMB'000	RMB'000	RMB'000
Cash in hand		193	38	-	-
Bank balances		8,832	12,228	-	-
Cash and bank balances as stated in the statement of financial position		9,025	12,266	-	-
Less: Pledged deposits		-	-	-	-
Cash and cash equivalents as stated in the consolidated statement of cash flows		9,025	12,266	-	-

**16. Trade and other payables**

	Note	The Group		The Company	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024
		RMB'000	RMB'000	RMB'000	RMB'000
Trade payables					
Bill payables		-	-	-	-
Trade payables		39,672	37,300	-	-
Total trade payables		39,672	37,300	-	-
Other payables					
Accrued operating expenses		3,967	3,967	8	8
Accrued employee salaries		1,984	1,881	-	-
Accrued director fees		450	450	563	563
Advance from customers		317	839	-	-
Shipping fee payable		5	5	-	-
Security fee payable		56	56	-	-
Legal and professional fee payable		-	903	904	904
Electricity bill payable		-	-	-	-
Labor union expenditure payable		99	87	-	-
Value-Added Tax payables		163	569	-	-
Other taxes payable		308	339	-	-
Other payables		2,445	2,717	-	-
Total other payables		9,794	11,813	1,475	1,475
Total trade and other payables		49,466	49,113	1,475	1,475



**Trade payables**

The trade payables increased from RMB37.30 million in YTD 4Q FY2024 to RMB39.67 million in YTD 4Q FY2025. The trade payables are all within a reasonable payment period, the accounts payable will be paid on schedule as product sales are realized and accounts receivable are collected.

**Other payables**

Other payables and accruals decreased by RMB2.02 million from RMB11.81 million in YTD 4Q FY2024 to RMB9.79 million in YTD 4Q FY2025. This was mainly due to decrease in advance from customers amounting to RMB0.32 million in YTD 4Q FY2025 (YTD 4Q FY2024: RMB0.84 million); decrease in legal and professional fee payable amounting to RMB0.00 million in YTD 4Q FY2025 (YTD 4Q FY2024: RMB0.90million); decrease in other payables amounting to RMB2.45 million in YTD 4Q FY2025 (YTD 4Q FY2024: RMB2.72million); decrease in value-added Tax payables amounting to RMB0.16 million in YTD 4Q FY2025 (YTD 4Q FY2024: RMB0.57million); increase in accrued employee salaries amounting to RMB1.98 million in YTD 4Q FY2025 (YTD 4Q FY2024: RMB1.88 million).

**17. Provisions**

CZ3D was served with a notice dated 2017 by the local government agency which required the subsidiary to provide compliance documents relating to its leasehold buildings in accordance with relevant laws and regulations in PRC (“the Notice”). The buildings were constructed in 2003 without obtaining relevant permits from government.

Provision for government fine

As at 31 December 2017, the management estimated and provided for government fine of RMB4,373,000 which is 10% of the replacement cost estimated by a certified cost engineer. In accordance with relevant laws and regulations as advised by CZ3D’s legal counsel, 10% is the upper limit of the fine prescribed, ranging from 5% to 10% of replacement cost.

Contingent liability on rectification cost

In addition to the fine, in order to apply for building permit of the relevant properties, it may be necessary to incur costs to improve or reinforce the properties to comply with relevant regulations (“rectification costs”), if any and as noted by government agency.

The management has obtained legal opinion from the subsidiary’s legal counsel stating that the Notice indicates the local government has commenced administrative enforcement procedures for relevant properties. It is still at the stage of investigation and evidence collection, and has yet to reach the stage to file “letter of statement of averment”, nor represents final administrative conclusive document. The legal counsel advised that CZ3D shall actively apply for and complete the necessary legal procedures for the relevant properties and, if the government agency continues to conduct investigations, the subsidiary can explain to the government on the progress of the legal procedures of the relevant properties and strive for understanding. Since 2017 and up to the date these financial statements are authorised for issue, the management confirms that CZ3D has received neither further information regarding the investigation nor notification of the specific necessary rectification from the government agency.

**18. Borrowings**

	Note	The Group		The Company	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024
		RMB'000	RMB'000	RMB'000	RMB'000
Borrowings		62,500	42,500	-	-
Amount repayables within one year or on					
Secured	*	46,900	29,500	-	-
Unsecured	~	15,600	13,000	-	-
Total		62,500	42,500	-	-



Description	Note	RMB'000	Started Date	Expired Date	Interest Rate Per Annum
Secured Loan	~~	25,000	30 Dec 2024	30 Dec 2025	3.200%
Secured Loan	*	4,500	28 Feb 2024	25 Feb 2025	3.700%
Unsecured Loan	**	5,000	5 Mar 2024	4 Mar 2025	3.700%
Unsecured Loan	***	8,000	30 Aug 2024	29 Aug 2025	3.000%
		42,500			
Secured	~	35,000	9 Apr 2025	9 Apr 2026	3.200%
Secured	*#	10,000	10 Apr 2025	10 Apr 2026	3.200%
Secured	***	1,900	25 Feb 2025	24 Feb 2026	3.000%
Unsecured	~#	4,000	19 Aug 2025	18 Aug 2026	3.000%
Unsecured	~###	4,000	27 Aug 2025	24 Aug 2026	3.000%
Unsecured	~##	7,600	26 Feb 2025	26 Feb 2026	3.000%
Total loans at 31 December 2025		62,500			
~ Secured by right-of-use assets and shareholder Liu Ming's personal credit since Apr 2025.					
* Secured loan and **Unsecured loan repaid on Feb 2025.					
~~Secured loan repaid on Apr 2025					
*** Unsecured loan repaid on Aug 2025.					
*# Secured by right-of-use assets and shareholder Liu Ming's personal credit since Apr 2025					
***Secured by private property of shareholder Liu Ming since Feb 2025					
~# and ~###Unsecured by shareholder Liu Ming's personal credit since Aug 2025					
~## Unsecured by CZ3D's credit and shareholder Liu Ming's personal credit since Feb 2025.					

The bank borrowings and credit facilities of the Group are secured over certain right-of-use assets of the Group.

### 18.1 Long-term Borrowings

	Note	The Group		The Company	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024
		RMB'000	RMB'000	RMB'000	RMB'000
Long-term borrowings		27,376	-	-	-
Amount repayables exceeding one year					
Secured	*	27,376	-	-	-
Unsecured	~	-	-	-	-
Total		27,376	-	-	-

Description	Note	RMB'000	Started Date	Expired Date	Interest Rate Per Annum
Secured Loan					
Secured	#####	11,805	7 Jul 2025	7 Jul 2035	3.500%
Secured	#####	5,261	14 Nov 2025	7 Jul 2035	3.500%
Secured	#####	10,310	9 Dec 2025	7 Jul 2035	3.500%
Total loans at 31 December 2025		27,376			
#####Secured by SC3D's right-of-use assets and CZ3D's credit since Jul 2025.					
#####Secured by SC3D's right-of-use assets and CZ3D's credit since Nov 2025.					
#####Secured by SC3D's right-of-use assets and CZ3D's credit since Dec 2025.					



Notes :

In January 2024, the Subsidiary has repaid the secured loan of RMB30 million to JRC Bank and has renewed on 12 January 2024 to 12 January 2025 with the interest rate 4.0% per annum.

The Subsidiary has repaid the secured loans of RMB4.5 million in February 2024 and repaid the non-secured loans of RMB5 million in March 2024 to Wuxi Rural Commercial Bank (“WX”). Then the Subsidiary has obtained a new secured loan amounting to RMB4.5 million on 28 Feb 2024 and a new non-secured loan amounting to RMB5 million on 5 March 2024 with the interest rate 3.7% per annum from Wuxi Rural Commercial Bank (“WX”),

The Subsidiary has obtained a new secured loan amounting to RMB5 million on 25 March 2024 with the interest rate 4.0% per annum from JRC Bank and repaid the non-secured loans of RMB5 million to BCM in March 2024.

In May 2024, the Subsidiary has repaid the secured loan of RMB30 million with the interest rate 4.0% per annum to JRC Bank in advance and has renewed on 24 May 2024 to 24 May 2025 with the lower interest rate 3.8% per annum.

The Subsidiary has obtained a new unsecured loan amounting to RMB8 million on 30 August 2024 with the interest rate 3.0% per annum from BCM Bank.

In September 2024, the Subsidiary has repaid the secured loan of RMB10 million with the interest rate 3.8% per annum to JRC Bank in advance.

In December 2024, the Subsidiary has repaid the secured loan of RMB25 million to JRC Bank in advance.

The Subsidiary has obtained a new secured loan amounting to RMB25 million on 30 December 2024 with the interest rate 3.2% per annum from JRC Bank.

The Subsidiary has obtained a new secured loan amounting to RMB10 million on 02 January 2025 with the interest rate 3.2% per annum from JRC Bank.

The Subsidiary has repaid the secured loan of RMB4.5 million and repaid the non-secured loan of RMB5.0 million in February 2025 to Wuxi Rural Commercial Bank (“WX”).

On 25 February 2025 and 36 February 2025, the Subsidiary has further obtained a new secured loan of RMB1.9 million and a new non-secured loan of RMB7.6 million respectively with an interest rate 3.0% per annum from Wuxi Rural Commercial Bank (“WX”).

The Subsidiary has repaid the secured loan of RMB3.5 million to JRC Bank in advance on 08 April 2025.

The Subsidiary has obtained a new secured loan amounting to RMB35 million and a new secured loan amounting to RMB10 million with the interest rate 3.2% per annum from JRC Bank on 09 April 2025 and 10 April 2025 respectively.

The Subsidiary has repaid the unsecured loan of RMB8 million to BCM Bank.

The Subsidiary has obtained a new non-secured loan amounting to RMB4 million on 19 August 2025 and a new non-secured loan amounting to RMB4 million on 27 August 2025 from BCM Bank respectively with the interest rate 3.0% per annum.

SC3D has obtained a new secured loan of RMB11.805 million for ten years tenure from 7 July 2025 to 7 July 2035 from Bank of China Deyang Branch with interest rate of 3.5 % per annum against its current right-of-use assets and CZ3D's credit.

SC3D has obtained a new secured loan of RMB5.261 million for ten years tenure from 14 November 2025 to 7 July 2035 from Bank of China Deyang Branch with interest rate of 3.5 % per annum against its current right-of-use assets and CZ3D's credit.

SC3D has obtained a new secured loan of RMB10.31 million for ten years tenure from 9 December 2025 to 7 July 2035 from Bank of China Deyang Branch with interest rate of 3.5 % per annum against its current right-of-use assets and CZ3D's credit.



**19. Share capital**

	Note	The Group		The Company	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024
		No. of shares	No. of shares	No. of shares	No. of shares
Authorized		200,000,000	200,000,000	200,000,000	200,000,000
Issued and fully paid					
At beginning		30,520,000	30,520,000	30,520,000	30,520,000
Additional : share capital paid		-	-	-	-
At end of the period		30,520,000	30,520,000	30,520,000	30,520,000
	Note	The Group		The Company	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024
		USD'000	RMB'000	RMB'000	RMB'000
Issued and fully paid @ USD0.25 per share					
At beginning		7,630	7,630	7,630	7,630
Additional : share capital paid		-	-	-	-
At end of the period		7,630	7,630	7,630	7,630
	Note	The Group		The Company	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024
		RMB'000	RMB'000	RMB'000	RMB'000
Issued and fully paid					
At beginning		60,318	60,318	60,318	60,318
Additional : share capital paid		-	-	-	-
At end of the period		60,318	60,318	60,318	60,318

The Company did not hold any treasury shares as at 31 December 2025.

The Company's subsidiaries do not hold any shares in the Company as at 31 December 2025 and 31 December 2024.



**20. Share premium**

	Note	The Group		The Company	
		31 December 2025	31 December 2024	31 December 2025	31 December 2024
		RMB'000	RMB'000	RMB'000	RMB'000
Issued and fully paid					
At beginning		79,803	79,803	79,803	79,803
Additional : share capital paid		-	-	-	-
At end of the period		79,803	79,803	79,803	79,803

**21. Subsequent events**

There are no known subsequent events which have led to adjustments to this set of financial statements.



## **F. Other information required by Listing Rule Appendix 7.2**

### **1. Review**

The condensed consolidated statement of financial position of Shanghai Turbo Enterprises Ltd. and its subsidiaries as at 31 December 2025 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the twelve-month period then ended and certain explanatory notes have not been audited or reviewed.

### **2. Review of performance of the Group**

#### Overview

The Group's revenue was derived from bidding for projects in open tender exercises conducted by the customers and as such, quarterly results would not be accurately reflecting the actual performance. Full-year to full-year comparisons are more appropriate for analytical purposes.

#### **Revenue**

4Q FY2025 vs 4Q FY2024

Revenue increased by 9% from RMB84.13 million in 4Q FY2024 to RMB91.74 million in 4Q FY2025.

#### **Cost of Sales**

4Q FY2025 vs 4Q FY2024

Cost of sales increased by 6% from RMB68.15 million in 4Q FY2024 to RMB72.38 million in 4Q FY2025 mainly due to revenue increased in the same period. The cost of sales in compared to revenue was 78.89% and 81.01% for 4Q FY2025 and 4Q FY2024 respectively.

#### **Gross profit / (gross loss)**

4Q FY2025 vs 4Q FY2024

The Group achieved a gross profit amounting to RMB 19.36 million in FY2025 as compared to a gross profit of RMB15.98 million in FY2024. Gross profit margin is 21.11% and 18.99% for FY2025 and FY2024 respectively. The increase in gross profit margin was due to the Group strengthened cost control, improved production capacity and increased the gross margin of products, so as to increase profitability of enterprise.

#### **Other operating income**

4Q FY2025 vs 4Q FY2024

Other operating income increased by 95% from RMB4.23 million in 4Q FY2024 to RMB8.23 million in 4Q FY2025. The other operating income consists mainly of scraps and wastage iron disposal, rental income, and a compensation payment of RMB 4 million received from Jiang Ronglin, a former member of the management, on November 6 2025.



### **Selling and distribution expenses**

4Q FY2025 vs 4Q FY2024

Selling and distribution expenses decreased by 4% from RMB5.17 million 4Q FY2024 to RMB4.96 million in 4Q FY2025 mainly due to decrease in entertainment expenses(4Q FY2025: RMB0.84 million; 4Q FY2024: 2.35 million); decrease in sales commission expenses (4Q FY2025: RMB0.5 million; 4Q FY2024: 1.3 million); increase in staff costs (4Q FY2025: RMB0.8 million; 4Q FY2024: 0.55 million); increase in sales transportation expenses (4Q FY2025: RMB1.39 million; 4Q FY2024: 0.00 million);increase in quality control expenses (4Q FY2025: RMB0.38 million; 4Q FY2024: 0.04 million);

### **Administrative expenses**

4Q FY2025 vs 4Q FY2024

Administrative expenses decreased from RMB19.19 million in 4Q FY2024 to RMB18.49 million in 4Q FY2025 mainly due to decrease in depreciations (4Q FY2025: RMB0.98 million; 4Q FY2024: RMB2.63 million); decrease in repair and maintenance expenses (4Q FY2025: RMB0.09 million; 4Q FY2024: RMB0.52 million); decrease in other taxes (4Q FY2025: RMB1.32million; 4Q FY2024: RMB1.58million); decrease in staff cost (4Q FY2025: RMB2.37million; 4Q FY2024: RMB2.71million); decrease in discount (4Q FY2025: RMB1.24million; 4Q FY2024: RMB1.47million);increase in social benefits (4Q FY2025: RMB5.06 million; 4Q FY2024: RMB4.64 million); increase in legal fee (4Q FY2025: RMB1.42 million; 4Q FY2024: RMB0.38 million).

### **3. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

4Q FY2025

The Group's net cash used in operating activities amounting to RMB18.39 million arising from profit before income tax adjusted for non-cash effects items of RMB2.32 million after accounting of negative changes in working capital amounting to RMB28.08 million.

The Group's net cash generated from financing activities amounting to positive 45.56 million mainly due to the new secured loan RMB55 million obtained from JRC Bank, new secured loan amounting to RMB1.9 million from WX, new non-secured loan amounting to RMB7.6 million from WX, new non-secured loan amounting to RMB8 million from BCM Bank, new secured loan amounting to RMB11.8 million, amounting to RMB5.26 million and amounting to RMB10.31 million from BOC Bank, including the payoff of the loan of RMB4.5 million to WX, of the loan of RMB5 million to WX, of the secured loan RMB35 million obtained to JRC Bank, of the unsecured loan RMB8 million obtained to BCM Bank. The interest expenses of the bank loans were RMB1.82 million in 4Q FY2025.

In 4Q FY2025, the Group had a negative cash inflow of RMB2.35 million.

### **3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer opinion**

#### **( i ) Updates on the efforts taken to resolve each outstanding audit issue**

In the Group's latest audited financial statements for the financial year ended 31 December 2023 ("FY2023"), Crowe Horwath First Trust LLP ("EA") has issued a disclaimer of opinion in respect of: (i) Trade receivable balance and revenue; (ii) Use of Going Concern basis; and (iii) Impairment assessment of the investment in a subsidiary of the Company.

#### Use of Going Concern basis

In January 2024, the Subsidiary has repaid the secured loan of RMB30 million to JRC Bank and has renewed on 12 January 2024 to 12 January 2025 with the interest rate 4.0% per annum.

The Subsidiary has repaid the secured loans of RMB4.5 million in February 2024 and repaid the non-secured loans of RMB5 million in March 2024 to Wuxi Rural Commercial Bank ("WX"). Then the Subsidiary has obtained a new secured loan amounting to RMB4.5 million on 28 Feb 2024 and a new non-secured loan amounting to RMB5 million on 5 March 2024 with the interest rate 3.7% per annum from Wuxi Rural Commercial Bank



("WX"),

The Subsidiary has obtained a new secured loan amounting to RMB5 million on 25 March 2024 from JRC Bank and repaid the non-secured loans of RMB5 million to BCM in March 2024.

In May 2024, the Subsidiary has repaid the secured loan of RMB30 million with the interest rate 4.0% per annum to JRC Bank in advance and has renewed on 24 May 2024 to 24 May 2025 with the lower interest rate 3.8% per annum.

The Subsidiary has obtained a new unsecured loan amounting to RMB8 million on 30 August 2024 with the interest rate 3.0% per annum from BCM Bank.

In September 2024, the Subsidiary has repaid the secured loan of RMB10 million with the interest rate 3.8% per annum to JRC Bank in advance.

In December 2024, the Subsidiary has repaid the secured loan of RMB25 million to JRC Bank in advance.

The Subsidiary has obtained a new secured loan amounting to RMB25 million on 30 December 2024 with the interest rate 3.2% per annum from JRC Bank.

The Subsidiary has obtained a new secured loan amounting to RMB10 million on 02 January 2025 with the interest rate 3.2% per annum from JRC Bank.

The Subsidiary has repaid the secured loan of RMB4.5 million and repaid the non-secured loan of RMB5.0 million in February 2025 to Wuxi Rural Commercial Bank ("WX").

On 25 February 2025 and 36 February 2025, the Subsidiary has further obtained a new secured loan of RMB1.9 million and a new non-secured loan of RMB7.6 million respectively with an interest rate 3.0% per annum from Wuxi Rural Commercial Bank ("WX").

The Subsidiary has repaid the secured loan of RMB3.5 million to JRC Bank in advance on 08 April 2025.

The Subsidiary has obtained a new secured loan amounting to RMB35 million and a new secured loan amounting to RMB10 million with the interest rate 3.2% per annum from JRC Bank on 09 April 2025 and 10 April 2025 respectively.

The Subsidiary has repaid the unsecured loan of RMB8 million to BCM Bank.

The Subsidiary has obtained a new non-secured loan amounting to RMB4 million on 19 August 2025 and a new non-secured loan amounting to RMB4 million on 27 August 2025 from BCM Bank respectively with the interest rate 3.0% per annum.

SC3D has obtained a new secured loan of RMB11.805 million for ten years tenure from 7 July 2025 to 7 July 2035 from Bank of China Deyang Branch with interest rate of 3.5 % per annum against its current right-of-use assets and CZ3D's credit.

SC3D has obtained a new secured loan of RMB5.261 million for ten years tenure from 14 November 2025 to 7 July 2035 from Bank of China Deyang Branch with interest rate of 3.5 % per annum against its current right-of-use assets and CZ3D's credit.

SC3D has obtained a new secured loan of RMB10.31 million for ten years tenure from 9 December 2025 to 7 July 2035 from Bank of China Deyang Branch with interest rate of 3.5 % per annum against its current right-of-use assets and CZ3D's credit.

The Group is able to maintain and work on improving its liquidity position for the continuing operational existence of the Subsidiary.

The Group has addressed the immediate issue on the going concern issued by the EA. Based on the information available, the Board is of the opinion that the Group should be able to operate as a going concern entity, barring any unforeseen circumstances.

The Board has taken efforts to resolve the audit issues raised by the EA under the disclaimer of opinion.



**( ii ) Confirmation from the Board that the impact of outstanding audit issues on the financial statements have been adequately disclosed**

The Board confirms that all impact of outstanding audit issues on financial statements in relation to FY2023 have been adequately disclosed.

**4. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next operating period and the next 12 months**

In recent years, with the continuous upgrading of domestic industrial manufacturing technology, the domestic steam turbine market scale and export trade scale continued to expand, and the industry has a great future for the development. The output of Chinese steam turbine has been greatly increased, and the industry scale is gradually forming and expanding. The overall equipment level of the industry has basically approached the advanced world levels. Specifically, the annual production capacity of Chinese steam turbine industry has reached more than 8000MW.

Combined with previous operation experience and external environment, the Group's sales growth target is around 5% in FY2025. China's economy is returning to the normal track. Since the beginning of this year, the national government has issued targeted policies to expand domestic demand and enhance market confidence. Economic improvement is a top priority and the local governments have also made various efforts to promote economic development. At the same time, the Group will further optimize the organizational structure to improve work efficiency, optimize employee incentive system and improve employee's work enthusiasm and creativity. In terms of sales, on the basis of maintaining existing customers, the Group is actively developing new customers to improve sales performance through multiple channels. Although the Group still faces many difficulties, the Group has achieved this year's economic growth target.

**5. Dividends information**

**(a) Current Financial Period Reported On**

None

**(b) Corresponding Period of the Immediately Preceding Financial Year**

None

**(c) Date payable**

Not applicable

**(d) Record date**

Not applicable

**(e) If no dividend has been declared/(recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared for 4Q FY2025 as the Group has been incurring losses since year 2017.

**6. Interested person transaction**

The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

The Group has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the Audit Committee (“AC”), and that the transactions are conducted on an arm’s length basis and are not prejudicial to the interests of the shareholders. All interested person transactions are subject to review by the AC to ensure compliance with the established procedures.

Pursuant to Rule 907 of the Listing Manual of SGX-ST, there are no interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders’ mandate pursuant to Rule 920 of the Listing Manual) .

**7. Update on use of net proceeds from placement**

The Board refers to the previous announcements released on 25 June 2021 and 19 July 2021 in relation to the Use of Net Proceeds of approximately S\$1,235,420.92 raised from the Placement of 3,051,527 new ordinary shares at S\$0.423 each in the issued and paid-up share capital of the Company on 24 May 2021 (the “Net Proceeds”) and wishes to provide an update on the use of Net Proceeds as of date of this announcement:

Description	SGD	RMB	HKD
Net Proceeds Raised as at 25 May 2021	1,235,420.92	*5,968,194.92	*7,224,741.54
Working Capital Required and Utilized on 25 June 2021	#1,206,703.83	5,653,548.77	6,903,340.00
Balance of Net Proceeds as at 30 June 2021	28,717.09	314,646.15	321,401.54
Working Capital Required and Utilized on 19 July 2021	28,717.09	314,646.15	321,401.54

Notes :

\* The calculation is based on the Monetary Authority of Singapore’s (“MAS”) exchange rates as at 25 May 2021 with SGD1 = RMB4.8309 and SGD1 = HKD5.848.

# The amount is extracted from the bank debit advice as at 25 June 2021.

The balance of the Net Proceeds as at 25 June 2021 amounting to SGD28,717.09 was placed in the escrow account maintained with The United Overseas Bank Limited in Singapore. The amount of SGD28,717.09 has been utilized to make the partial payment of Directors’ Fees for the financial year ending 31 December 2021 which was approved at the Extraordinary General Meeting held on 31 March 2021 and due for payment on 30 June 2021. This amount has been deducted from the Company’s bank account on 19 July 2021.

The above utilizations are in line with the intended uses of the Net Proceeds stated in the Company’s announcement released on 27 April 2021.



## THE PLACEMENT

On 24 May 2021, the Company issued 3,051,527 new ordinary shares via share placement to one investor at an issue price of SGD0.423 per share, raising gross proceeds of approximately SGD1,290,795.92 (“the Placement”).

The estimated Net Proceeds from the Placement (after deducting professional fees and related expenses of approximately SGD55,375) are approximately SGD1,235,420.92.

The Board of CZ3D has requested the Company to raise working capital for its daily operation amounting to RMB5,653,548.77 with the purpose of repayment of trade payables and procurement of machinery on 18 June 2021.

The Board of CZ3D has further commented that such working capital should be deposited to CZ3D through increasing of share capital by its foreign investor, Best Success (Hong Kong) Limited (“BS”). BS is holding 100% shareholdings of CZ3D and it is a company incorporated in Hong Kong.

On 31 May 2021, the Board of BS held a Board Meeting and a Board Minutes were recorded. 2 members of the Board of BS were present at the Board Meeting and 1 member was absent on 31 May 2021. The Board Minutes dated 31 May 2021 were notarized through the lawyer of Hong Kong, Liang Jin Ming, on 16 June 2021 and validated by The Ministry of Justice of The People's Republic of China entrusted Hong Kong lawyers with notarized documents used in the Mainland, China Legal Services (Hong Kong) Co., Ltd., Shenzhen No. 32951

On 18 June 2021, the Board of CZ3D held a Board Meeting and 2 Board Resolutions were signed by 2 out of 3 members of the Board of CZ3D. One resolution agreed that BS will increase the share capital of RMB5,653,548.77 of CZ3D and CZ3D will use the share capital of RMB5,653,548.77 to make the repayment to trade payables accounts as well as procurement of machineries.

On 25 June 2021, after reviewing the Board Resolutions of CZ3D, Board Minutes of BS and Notarized Documents of BS, the Board of the Company, 3 out of 4 have agreed to transfer the money of HKD6,903,340 equivalent to RMB5,653,548.77 to BS. The Board of the Company has agreed to use the Net Proceeds of HKD6,903,340 equivalent to RMB5,653,548.77 to increase the share capital of BS. Then, when BS received the Net Proceeds of HKD6,903,340, BS will transfer the sum to the bank account of CZ3D to increase the share capital of CZ3D to RMB5,653,548.77. Thereafter, CZ3D will use the money to pay the trade payables accounts and procurement of machineries.

The Company has utilized the Net Proceeds through injection of share capital of HKD6,903,340 (RMB5,653,548.77) from the Company to BS. Then, BS will further inject the share capital of RMB5,653,548.77 to CZ3D. Under China's Banking Rule and Regulations, as the Company does not have any direct relationship with CZ3D, the Net Proceeds could not transfer from the Company to CZ3D directly. Hence, the Net Proceeds has to be channeled through BS to CZ3D and CZ3D has lodged a report with Changzhou Municipal Bureau of Industry and Commerce (常州市工商局) to allow CZ3D to open a foreign investor injection fund bank account to receive the Net Proceeds amounting RMB5,653,548.77 from BS.

On 28 June 2021, Changzhou Municipal Bureau of Industry and Commerce (常州市工商局) has granted approval to approve CZ3D to update its share capital paid from RMB111,846,451.23 to RMB117,500,000 and the amount must deposit during July 2021. On 19 July 2021, CZ3D has received the share capital paid RMB5,653,548.77 from BS.

On 7 July 2021, CZ3D has successfully opened such foreign investor injection fund bank account with China Construction Bank and BS has transferred the amount of RMB5,653,548.77 to CZ3D at 4.16 pm on 13 July 2021 and this amount has been credited to CZ3D's foreign investor injection fund bank account on 19 July 2021.



## **RATIONALE AND USE OF NET PROCEEDS**

The Board of the Company is of the view that the Placement is beneficial to the Group as it has increased the resources and working capital available to the Company so as to pursue acquisition and/or business opportunities and improve cash flow, as part of management's strategy to achieve long-term growth and deliver shareholder value.

The estimated Net Proceeds from the Placement (after deducting professional fees and related expenses of approximately SGD55,375) are approximately SGD1,235,420.92 (the "Net Proceeds").

The Company intends to utilize the entire amount of the Net Proceeds for general working capital purposes to be used by the Company and CZ3D.

The Company has utilized the Net Proceeds through injection of share capital of HKD6,903,340 (RMB5,653,548.77) from the Company to BS. Then, BS will further inject the share capital of RMB5,653,548.77 to CZ3D. Under China's Banking Rule and Regulations, as the Company does not have any direct relationship with CZ3D, the Net Proceeds cannot be directly transferred from the Company to CZ3D. Therefore, the Net Proceeds must be channelled through BS. Thereafter, BS can then transfer it to CZ3D. CZ3D must lodge a report with Changzhou Municipal Bureau of Industry and Commerce (常州市工商局) and CZ3D has to open a foreign investor injection fund bank account to receive the Net Proceeds amount of RMB5,653,548.77 from BS.

The Company will comply with the rules and regulations of Cayman Islands, Singapore, Hong Kong and China on the utilization of the Net Proceeds.

CZ3D has used the money to pay the procurement of machineries amounting to 0.8million; travel expenses amounting to 0.14 million; meal subsidy amounting to 0.28 million; water & electricity amounting to 1.97 million; staff's housing fund and social security amounting to 1.36 million; tax amounting to 0.83 million and other daily operating expense amounting to 0.28 million.

The above utilization is in line with the intended uses of the Net Proceeds stated in the Company's announcement.

### **8. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)**

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST



## **Confirmation by the Board**

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the twelve-month period ended 31 December 2025 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Zhang Wen Jun  
Director

Foo Chee Meng  
Director

Singapore  
25 February 2026