



## **SAPPHIRE CORPORATION LIMITED**

Incorporated in the Republic of Singapore  
Company Registration Number: 198502465W

# **UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024**

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

		Group					
Notes	2H2024 RMB'000	2H2023 RMB'000	Change %	FY2024 RMB'000	FY2023 RMB'000	Change %	
Revenue	4.2	216,686	41,573	421.2	432,629	69,257	524.7
Cost of sales		(210,894)	(34,920)	503.9	(422,872)	(61,670)	585.7
<b>Gross profit</b>		<b>5,792</b>	<b>6,653</b>	(12.9)	<b>9,757</b>	<b>7,587</b>	28.6
Other income	5	4,431	2,494	77.7	5,250	4,334	21.1
Administrative expenses		(8,549)	(10,372)	(17.6)	(18,054)	(19,046)	(5.2)
Impairment losses on trade and other receivables		(68)	(6,885)	(99.0)	(68)	(6,885)	(99.0)
Provision for contingent liabilities		(1,291)	(1,526)	(15.4)	(1,291)	(1,526)	(15.4)
Provision for guarantee		(552)	(1,469)	(62.4)	(552)	(1,469)	(62.4)
Other expenses		(451)	(1,666)	(72.9)	(1,123)	(2,060)	(45.5)
<b>Loss from operating activities</b>		<b>(688)</b>	<b>(12,771)</b>	(94.6)	<b>(6,081)</b>	<b>(19,065)</b>	(68.1)
Finance costs	6	(1,504)	(1,258)	19.6	(2,982)	(2,028)	47.0
Share of profit of an associate, net of tax		1,717	18,006	(90.5)	11,249	31,683	(64.5)
<b>(Loss)/Profit before tax</b>		<b>(475)</b>	<b>3,977</b>	N/M	<b>2,186</b>	<b>10,590</b>	(79.4)
Tax (expense)/credit	8	(357)	1,391	N/M	(1,015)	1,352	N/M
<b>(Loss)/Profit for the year</b>		<b>(832)</b>	<b>5,368</b>	N/M	<b>1,171</b>	<b>11,942</b>	(90.2)
<b>Other comprehensive loss after tax:</b>							
<i>Items that are or may be reclassified to profit or loss:</i>							
Foreign currency translation differences arising from foreign operations		(55)	(98)	(43.9)	32	(3,384)	N/M
Share of other comprehensive profit/(loss) of an associate		101	608	(83.4)	(761)	(1,066)	(28.6)
Total other comprehensive income/(loss) for the year		46	510	(91.0)	(729)	(4,450)	(83.6)
<b>Total comprehensive (loss)/income for the year</b>		<b>(786)</b>	<b>5,878</b>	N/M	<b>442</b>	<b>7,492</b>	(94.1)
<b>(Loss)/Profit attributable to:</b>							
Owners of the Company		(862)	5,274	N/M	1,035	11,480	(91.0)
Non-controlling interests		30	94	(68.1)	136	462	(70.6)
<b>(Loss)/Profit for the year</b>		<b>(832)</b>	<b>5,368</b>	N/M	<b>1,171</b>	<b>11,942</b>	(90.2)
<b>Total comprehensive income attributable to:</b>							
Owners of the Company		(816)	5,784	N/M	306	7,030	(95.6)
Non-controlling interests		30	94	(68.1)	136	462	(70.6)
		<b>(786)</b>	<b>5,878</b>	N/M	<b>442</b>	<b>7,492</b>	(94.1)
<b>(Loss)/Earnings per share</b>							
Basic/diluted (RMB cents)		(0.21)	1.29	N/M	0.25	2.82	(91.1)

N/M: Not meaningful used to indicate that the current and prior year figures are not comparable, not meaningful, or if the percentage change exceeds 1,000%

**B. Condensed interim statements of financial position**

		Group		Company	
		Unaudited 31.12.2024 RMB'000	Audited 31.12.2023 RMB'000	Unaudited 31.12.2024 RMB'000	Audited 31.12.2023 RMB'000
	Notes				
Assets					
Property, plant and equipment	9	82,563	68,089	553	358
Intangible assets		448	535	-	-
Investment in subsidiaries		-	-	369,327	370,519
Investment in associates	10	458,561	448,444	-	-
Total non-current assets		541,572	517,068	369,880	370,877
Other investment	11	957	925	957	925
Inventories		590	15	-	-
Trade receivables	12	53,162	45,194	-	-
Other receivables	12	63,691	72,751	452	427
Cash and cash equivalents	13	61,802	87,389	242	173
Total current assets		180,202	206,274	1,651	1,525
Total assets		721,774	723,342	371,531	372,402
Equity					
Share capital	14	350,874	350,874	350,874	350,874
Reserves		228,039	227,733	107	5,233
Equity attributable to owners of the Company		578,913	578,607	350,981	356,107
Non-controlling interests		11,975	11,541	-	-
Total equity		590,888	590,148	350,981	356,107
Liabilities					
Provisions	15	12,627	10,784	-	-
Lease liabilities	16	34,354	27,557	363	164
Other payables	17	-	-	17,382	12,090
Total non-current liabilities		46,981	38,341	17,745	12,254
Lease liabilities	16	5,550	1,899	173	181
Trade payables	17	34,347	37,327	-	-
Other payables	17	44,008	55,627	2,632	3,860
Total current liabilities		83,905	94,853	2,805	4,041
Total liabilities		130,886	133,194	20,550	16,295
Total equity and liabilities		721,774	723,342	371,531	372,402

C. Condensed interim statements of changes in equity

The Group	<-----Attributable to owners of the Company----->							Non-	Total equity RMB'000
	Share capital RMB'000	Capital reserve RMB'000	Fair value reserve RMB'000	Other reserves RMB'000	Translation reserve RMB'000	Accumulated profits RMB'000	Total RMB'000	controlling interests RMB'000	
<b>2023 (Audited)</b>									
<b>Balance at 1 January 2023</b>	466,700	(7,585)	(14,205)	(8,968)	6,123	222,767	664,832	11,079	675,911
Profit for the year	–	–	–	–	–	11,480	11,480	462	11,942
<u>Other comprehensive</u>									
<u>income/(loss):</u>									
Foreign currency translation differences	–	–	–	–	(3,384)	–	(3,384)	–	(3,384)
Share of other comprehensive loss of an associate	–	–	–	–	(1,066)	–	(1,066)	–	(1,066)
Total other comprehensive loss	–	–	–	–	(4,450)	–	(4,450)	–	(4,450)
Total comprehensive (loss)/income for the year	–	–	–	–	(4,450)	11,480	7,030	462	7,492
<b>Transactions with owners, recognised directly in equity</b>									
Cash distribution	–	–	–	–	–	(93,255)	(93,255)	–	(93,255)
Capital reduction	(115,826)	–	–	–	–	115,826	–	–	–
	(115,826)	–	–	–	–	22,571	(93,255)	–	(93,255)
<b>Balance at 31 December 2023</b>	350,874	(7,585)	(14,205)	(8,968)	1,673	256,818	578,607	11,541	590,148

C. Condensed interim statements of changes in equity (cont'd)

The Group	<-----Attributable to owners of the Company----->						Non-controlling interests		Total equity RMB'000
	Share capital RMB'000	Capital reserve RMB'000	Fair value reserve RMB'000	Other reserves RMB'000	Translation reserve RMB'000	Accumulated profits RMB'000	Total RMB'000	RMB'000	
<b>2024 (Unaudited)</b>									
<b>Balance at 1 January 2024</b>	350,874	(7,585)	(14,205)	(8,968)	1,673	256,818	578,607	11,541	590,148
Profit for the year	–	–	–	–	–	1,035	1,035	136	1,171
<u>Other comprehensive income/(loss):</u>									
Foreign currency translation differences	–	–	–	–	32	–	32	–	32
Share of other comprehensive loss of an associate	–	–	–	–	(761)	–	(761)	–	(761)
Total other comprehensive loss	–	–	–	–	(729)	–	(729)	–	(729)
Total comprehensive (loss)/income for the year	–	–	–	–	(729)	1,035	306	136	442
<b>Transactions with owners, recognised directly in equity</b>									
Non-controlling interests arising from incorporation of a new subsidiary	–	–	–	–	–	–	–	298	298
<b>Balance at 31 December 2024</b>	350,874	(7,585)	(14,205)	(8,968)	944	257,853	578,913	11,975	590,888

**C. Condensed interim statements of changes in equity (cont'd)**

The Company	Share capital RMB'000	Capital reserves RMB'000	Fair value reserve RMB'000	Other reserves RMB'000	Translation reserve RMB'000	Accumulated losses RMB'000	Total equity RMB'000
<b>2023 (Audited)</b>							
<b>Balance at 1 January 2023</b>	466,700	(8,294)	(14,205)	(8,968)	30,961	(24,087)	442,107
Loss for the year	–	–	–	–	–	(3,735)	(3,735)
<u>Other comprehensive income/(loss):</u>							
Foreign currency translation differences	–	–	–	–	10,990	–	10,990
Total comprehensive income/(loss) for the year	–	–	–	–	10,990	(3,735)	7,255
<b>Transactions with owners, recognised directly in equity</b>							
Cash distribution	–	–	–	–	–	(93,255)	(93,255)
Capital reduction	(115,826)	–	–	–	–	115,826	–
	(115,826)	–	–	–	–	22,571	(93,255)
<b>Balance at 31 December 2023</b>	350,874	(8,294)	(14,205)	(8,968)	41,951	(5,251)	356,107
<b>2024 (Unaudited)</b>							
<b>Balance at 1 January 2024</b>	350,874	(8,294)	(14,205)	(8,968)	41,951	(5,251)	356,107
Loss for the year	–	–	–	–	–	(3,996)	(3,996)
<u>Other comprehensive loss:</u>							
Foreign currency translation differences	–	–	–	–	(1,130)	–	(1,130)
Total comprehensive loss for the year	–	–	–	–	(1,130)	(3,996)	(5,126)
<b>Balance at 31 December 2024</b>	350,874	(8,294)	(14,205)	(8,968)	40,821	(9,247)	350,981

**D. Condensed interim consolidated statement of cash flows**

	Note	Group	
		Unaudited FY2024 RMB'000	Audited FY2023 RMB'000
<b>Operating activities</b>			
Profit before tax		2,186	10,590
Adjustments for:			
Change in fair value of financial asset mandatorily at fair value through profit or loss ("FVTPL")		(32)	760
Amortisation of intangible assets		88	48
Loss on disposal of property, plant and equipment		164	-
Depreciation of property, plant and equipment		10,600	6,791
Provision for contingent liabilities		1,291	1,526
Provision for guarantee		552	1,469
Impairment losses on trade and other receivables		68	6,885
Interest income		(1,514)	(4,138)
Interest expense		2,982	2,028
Share of profit of an associate, net of tax		(11,249)	(31,683)
<b>Operating profit/(loss) before working capital changes</b>		<b>5,136</b>	<b>(5,724)</b>
Changes in working capital:			
Inventories		(575)	(15)
Trade and other payables		(11,056)	(7,672)
Trade and other receivables		1,675	(5,634)
Contract assets		-	10,782
<b>Cash flows used in operations</b>		<b>(4,820)</b>	<b>(8,263)</b>
Income tax paid		(1,015)	(330)
<b>Net cash used in operating activities</b>		<b>(5,835)</b>	<b>(8,593)</b>
<b>Investing activities</b>			
Interest received		1,514	4,138
Investment in an associate		(280)	-
Acquisition of property, plant and equipment and intangible assets	(a)	(10,076)	(11,402)
Loan to an associate		-	(10,000)
Released from escrow account		-	91,698
Repayment of loan from a third party		-	3,000
<b>Net cash (used in)/generated from investing activities</b>		<b>(8,842)</b>	<b>77,434</b>
<b>Financing activities</b>			
Cash distribution to shareholders of the Company		-	(93,255)
Interest paid		(2,982)	(980)
(Payment to)/Loan proceeds from a related party		(1,968)	6,800
Payment to shareholders		(1,070)	-
Payment of lease liabilities		(4,890)	(1,553)
<b>Net cash used in financing activities</b>		<b>(10,910)</b>	<b>(88,988)</b>
<b>Net decrease in cash and cash equivalents</b>		<b>(25,587)</b>	<b>(20,147)</b>
Cash and cash equivalents at beginning of the year		87,389	107,530
Effect of exchange rate fluctuations on cash held		-	6
<b>Cash and cash equivalents at end of the year (Note 13)</b>		<b>61,802</b>	<b>87,389</b>

**Note:**

- (a) During the financial year, the property, plant and equipment of the Group (including rights-of-use assets) increased by RMB 25,242,000 (FY2023: RMB 15,192,000) of which (i) RMB 10,076,000 were paid (FY2023: RMB 10,923,000); and (ii) RMB 15,166,000 (FY2023: RMB 4,269,000) were added under operating lease arrangement.

## 1. Corporate information

Sapphire Corporation Limited (the “**Company**”) is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange Securities Trading Limited.

These condensed interim consolidated financial statements for the 6 months and full year ended 31 December 2024 comprise the Company and its subsidiaries (together referred to as the “**Group**” and individually as “**Group entities**”) and the Group’s interest in equity-accounted investee.

The principal activities of the Company are those of investment management, provision of management services and holding company.

The principal activities of the subsidiaries and the associate are set out in Notes 5 and 6 respectively in the annual report for the year ended 31 December 2023 (the “**Annual Report 2023**”). During the year, the Company’s subsidiary, Ranken Holding Co., Limited incorporated a subsidiary in Malaysia, which is principally engaged in wholesale, rental and leasing of industrial machinery and other equipment.

## 2. Basis of Preparation

The condensed financial statements for the 6 months and full year ended 31 December 2024 (“**FY2024**”) have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. 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 2023. The condensed financial statements for FY2024 has not been audited; and also included the share of results of the Group’s major associate, Ranken Railway based on its unaudited management accounts and information currently available to the Group. As such, the Group’s unaudited results may be subject to additional adjustments upon completion of its audits, and if there are material variances between the Group’s audited results for FY2024 and its unaudited results, the Group will announce such details with explanatory notes, as applicable.

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 Section E Note 2.1.

The functional currency of the Company is in Singapore dollars (“**SGD**”). The condensed interim financial statements are presented in in Chinese Renminbi (“**RMB**”) as the Group considers RMB to be the most appropriate presentation currency. All financial information is presented in RMB have been rounded to the nearest thousand, unless otherwise stated.

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

The Group has adopted all the amendments to SFRS(I)s that are effective for annual financial periods beginning on or after 1 January 2024. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards. In addition, the adoption of these amendments did not have any material effect on the financial performance or position of the Group and the Company.



**2.2. Use of judgements and estimates**

In preparing the condensed interim 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 2023.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The critical accounting estimates and assumptions used in applying accounting policies and areas involving a high degree of judgement are described below.

**(a) Judgements made in applying accounting policies****(i) Identification of functional currency**

The functional currency of each entity in the Group is the currency of the primary economic environment in which it operates. Determination of the functional currency involves significant judgement and other companies may make different judgements based on similar facts. Management reconsiders the functional currency if there is a change in the underlying transactions, events and conditions which determines its primary economic environment.

The determination of functional currency affects the carrying amount of the non-current assets included in the statement of financial position and, as a consequence, the amortisation of those assets included in the statement of comprehensive income. It also impacts the exchange gains and losses included in the statement of comprehensive income.

**(ii) Income tax**

The Group is primarily exposed to income taxes in Singapore and the People's Republic of China. Significant judgment is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business.

The Group recognises liabilities for expected tax issue based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's income tax payable as at 31 December 2024 is Nil (31 December 2023: Nil).

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

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based on its assumptions and estimates on parameters available when the financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

## UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

(i) Depreciation of property, plant and equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives, after taking into account the estimated residual values. The Group reviews the estimated useful lives of the assets regularly based on the factors that include asset utilisation, technological changes, environmental and anticipated use of the assets in order to determine the amount of depreciation expense to be recorded during any reporting period. Changes in the expected level of use of these assets and the Group's historical experience with similar assets after taking into account anticipated technological changes could impact the economic useful lives and the residual values of the assets. Any changes in the economic useful lives and residual values could impact the depreciation charge and consequently impact the Group's results.

(ii) Allowance for expected credit losses ("ECL") on trade and other receivables and contract assets

Allowance for ECL of trade and other receivables and contract assets are based on assumptions about risk of default and expected loss rates. Management uses judgement in making these assumptions and selecting the inputs to the ECL calculation, based on the Group's past collection history, existing market conditions as well as forward-looking estimates at each reporting date. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The Group and the Company apply the 3-stage general approach to determine ECL for third parties and related parties. ECL is measured as an allowance equal to 12-month ECL for Stage 1 assets, or lifetime ECL for Stage 2 or Stage 3 assets. An asset moves from Stage 1 to Stage 2 when its credit risk increases significantly and subsequently to Stage 3 as it becomes credit impaired. In assessing whether credit risk has significantly increased, the Group and the Company consider qualitative and quantitative reasonable and supportable forward-looking information. Lifetime ECL represents ECL that will result from all possible default events over the expected life of a financial instrument whereas 12-month ECL represents the portion of lifetime ECL expected to result from default events possible within twelve months after the reporting date.

The carrying amount of the Group's and the Company's trade and other receivables are disclosed in Section E Note 12.

(iii) Accounting for investment in an associate

In applying the equity method on the Group's interest in an associate, Ranken Railway Construction Group Co., Ltd ("**Ranken Railway**", together with its subsidiaries, "**Ranken Group**"), for the year ended 31 December 2024, management has made certain adjustments to the financial results of Ranken Group to align the accounting policies of Ranken Group with those of the Group.

These adjustments included (a) impairment losses recognised on Ranken Group's trade and other receivables and contract assets in accordance with SFRS(I) 9 *Financial Instruments*; (b) the accounting of Ranken Group's share of associates' profits for the operators of a public private partnership ("**PPP**") arrangement to build, operate and transfer (i) the first phase of Chengdu Wuhou District Liveable Riverbank Project, Xi River Sewage Treatment Plant 2 Project, and (ii) Xijiang River Chenganyu Hi-Speed to Chengan Hi-Speed Section Comprehensive Management Engineering Project; and (c) the effects on depreciation and amortisation on Ranken Group's non-financial assets arising from the purchase price allocation exercise carried out in FY2020.

These adjustments involve the use of significant accounting estimates such as (a) the assumptions used in the ECL model in determining the adequacy of the provision for impairment loss recognised, (b) the estimation of the fair value of the construction service contracts during the construction and maintenance phases of the service concession arrangement projects and the service concession receivables which take into account budgeted construction costs, project value (including service concession rights) and profit margin applied on the service concession arrangements undertaken by the associates of Ranken Group, and (c) changes in the useful lives of Ranken Group's non-financial assets which affect the amount of depreciation and amortisation expenses recorded.

(iv) Provision for contingent liabilities

Pursuant to the share transfer and capital increase agreement dated 28 May 2020 (the “**Ranken Disposal Agreement**”) and as set out in the circular in respect of the Group’s disposal of Ranken Group to Shandong Hi-Speed Road & Bridge Group Co., Ltd (the “**Investor**”) dated 9 October 2020 (the “**Ranken Disposal Circular**”), the Group, through its 98%-owned subsidiary Chengdu Kai Qi Rui Business Management Co., Ltd. (“**Chengdu KQR**”), effectively guaranteed the collection of receivables owing to Ranken Group as at 31 August 2019 (the “**Guaranteed Receivables**”). In the event that Ranken Group fails to collect any of the Guaranteed Receivables within 5 years from the date on which such receivables become due (the “**Overdue Guaranteed Receivables**”), the Investor shall have the right to offset the Overdue Guaranteed Receivables against the dividends payables to Chengdu KQR (the “**Offset**”), if any, and the Group shall reimburse the remaining balance of the Overdue Guaranteed Receivables after the Offset. After which, the uncollected Overdue Guaranteed Receivables will then be assigned to the Group.

As at 31 December 2024, the management performed an assessment and recognised additional provision of RMB 1,291,000 based on the ECL model in accordance with SFRS(I) 9 *Financial Instruments*. Please refer to Section E Notes 10, 12 and 15 for further details.

**3. Seasonal operations**

As the Group’s operations are primarily in China, the Group and Ranken Railway’s business operations are generally slower in the first half of each year due to cold weather and the Chinese New Year Break. Other than the aforesaid, The Group’s businesses are not affected significantly by seasonal or cyclical factors during the financial year.

**4. Segment and revenue information****4.1. Reportable Segment**

For the year ended 31 December 2024 the Group has only one reportable segment, the “Infrastructure Segment”.

The Group is principally engaged in (i) providing services for urban renewal and redevelopment; and urban infrastructure; and (ii) investment holding and management.

Under the infrastructure segment, the main operating units for the Group comprise:

- (a) property and facilities management services for urban renewal and redevelopment; and urban infrastructure, undertaken by Chengdu Shengshi Jialong City Management Service Co., Ltd (“**Jialong**”);
- (b) leasing of warehouse and equipment; and procurement and supply of materials (including trading) for urbanisation and infrastructure related projects, undertaken by Sichuan Yilong Equipment Co., Ltd. (“**Yilong**”); and
- (c) investment holding and management, that the Group invests and jointly manages the engineering, procurement and construction (“**EPC**”) projects for land transport infrastructure and environmental conservation in China; undertaken by its associate, Ranken Railway, in which the Group owns a 48.82% effective interest; and

The wholesale operation, which comprises wholesale, rental and leasing of industrial machinery and other equipment, was not significant in FY2024; and was thus included as “Other” under the Infrastructure Segment. These operating segments are reported in a manner consistent with internal reporting provided to the CEO who is responsible for allocating resources and assessing the performance of the operating segments.

## UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

The unallocated items comprise the non-operating activities that support the Group, including central and corporate functions that are not directly attributable to specific reportable segments.

	Infrastructure Segment				
	Chengdu				Total RMB'000
	Jialong RMB'000	Yilong RMB'000	KQR RMB'000	Other RMB'000	
<b>2H2024</b>					
Revenue	9,628	206,157	-	901	216,686
Interest income	4	25	752	-	781
Interest expense	(1,007)	(352)	(137)	(6)	(1,502)
Depreciation of property, plant and equipment	(3,514)	(1,853)	(26)	(69)	(5,462)
Amortisation of intangible assets	(44)	-	-	-	(44)
Share of profit of an associate	-	-	1,717	-	1,717
Reportable segment (loss)/profit before tax	(1,873)	1,353	3,651	(120)	3,011

	Infrastructure Segment			
	Chengdu			Total RMB'000
	Jialong RMB'000	Yilong RMB'000	KQR RMB'000	
<b>2H2023</b>				
Revenue	7,550	34,023	-	41,573
Interest income	3	61	2,240	2,304
Interest expense	(587)	(224)	(406)	(1,217)
Depreciation of property, plant and equipment	(2,403)	(1,211)	(4)	(3,618)
Amortisation of intangible assets	(30)	-	-	(30)
Share of profit of an associate	-	-	18,006	18,006
Reportable segment (loss)/profit before tax	(1,936)	(114)	9,696	7,646

	Infrastructure Segment				
	Jialong RMB'000	Yilong RMB'000	Chengdu KQR RMB'000	Other RMB'000	Total RMB'000
<b>FY2024</b>					
Revenue	19,737	411,991	-	901	432,629
Interest income	7	103	1,400	-	1,510
Interest expense	(2,168)	(542)	(258)	(6)	(2,974)
Depreciation of property, plant and equipment	(7,138)	(3,168)	(28)	(69)	(10,403)
Amortisation of intangible assets	(88)	-	-	-	(88)
Share of profit of an associate	-	-	11,249	-	11,249
Reportable segment (loss)/profit before tax	(5,266)	3,222	11,550	(120)	9,386

**As at 31 December 2024****Other segment information**

Reportable segment assets	41,759	128,045	545,693	2,366	717,863
Capital expenditure					
- Property, plant and equipment	14,479	9,197	146	864	24,686
Reportable segment liabilities	(47,211)	(33,059)	(51,381)	(853)	(132,504)

	Infrastructure Segment			
	Jialong RMB'000	Yilong RMB'000	Chengdu KQR RMB'000	Total RMB'000
<b>FY2023</b>				
Revenue	12,412	56,845	-	69,257
Interest income	8	73	3,896	3,977
Interest expense	(1,243)	(268)	(476)	(1,987)
Depreciation of property, plant and equipment	(4,247)	(2,312)	(6)	(6,565)
Amortisation of intangible assets	(48)	-	-	(48)
Share of profit of an associate	-	-	31,683	31,683
Reportable segment (loss)/profit before tax	(5,422)	(321)	22,590	16,847

**As at 31 December 2023****Other segment information**

Reportable segment assets	38,856	136,439	538,212	713,507
Capital expenditure				
- Property, plant and equipment	4,673	9,996	5	14,674
- Intangible assets	479	-	-	479
Reportable segment liabilities	(42,244)	(49,292)	(45,831)	(137,367)

## UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2024

Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items:

	2H2024 RMB'000	2H2023 RMB'000	FY2024 RMB'000	FY2023 RMB'000
<b>Revenue</b>				
Total revenue for reportable segments	216,686	41,573	432,629	69,257
<b>Profit or loss</b>				
Total profit before tax for reportable segments	3,011	7,646	9,386	16,847
Unallocated amounts:				
- Other income	15	10	23	172
- Other expenses	(3,501)	(3,679)	(7,223)	(6,429)
- Tax (expense)/credit	(357)	1,391	(1,015)	1,352
Consolidated (loss)/profit for the period/year	(832)	5,368	1,171	11,942

	FY2024 RMB'000	FY2023 RMB'000
<b>Assets</b>		
Total assets for reportable segments	717,863	713,507
Other unallocated amounts	3,911	9,835
Consolidated total assets	721,774	723,342

<b>Liabilities</b>		
Total liabilities for reportable segments	132,504	137,367
Elimination of inter-segment liabilities	(12,367)	(16,172)
Other unallocated amounts	10,749	11,999
Consolidated total liabilities	130,886	133,194

	Reportable segment total RMB'000	Unallocated amounts RMB'000	Consolidated total RMB'000
<b>2H2024</b>			
<b>Other material items</b>			
Interest income	781	-	781
Interest expense	(1,502)	(2)	(1,504)
Depreciation of property, plant and equipment	(5,462)	(94)	(5,556)
Amortisation of intangible assets	(44)	-	(44)
Capital expenditure:			
- Property, plant and equipment	8,095	541	8,636

<b>2H2023</b>			
<b>Other material items</b>			
Interest income	2,305	2	2,307
Interest expense	(1,217)	(41)	(1,258)
Depreciation of property, plant and equipment	(3,618)	(215)	(3,833)
Amortisation of intangible assets	(30)	-	(30)
Capital expenditure:			
- Property, plant and equipment	5,267	518	5,785
- Intangible assets	479	-	479

	Reportable segment total RMB'000	Unallocated amounts RMB'000	Consolidated total RMB'000
<b>FY2024</b>			
<b>Other material items</b>			
Interest income	1,510	4	1,514
Interest expense	(2,974)	(8)	(2,982)
Depreciation of property, plant and equipment	(10,403)	(197)	(10,600)
Amortisation of intangible assets	(88)	-	(88)
Capital expenditure:			
- Property, plant and equipment	(24,686)	(556)	(25,242)

**FY2023****Other material items**

Interest income	3,977	161	4,138
Interest expense	(1,987)	(41)	(2,028)
Depreciation of property, plant and equipment	(6,565)	(226)	(6,791)
Amortisation of intangible assets	(48)	-	(48)
Capital expenditure:			
- Property, plant and equipment	14,674	518	15,192
- Intangible assets	479	-	479

**Geographical information**

	Revenue		Non-current assets	
	FY2024	FY2023	FY2024	FY2023
	RMB'000	RMB'000	RMB'000	RMB'000
China	431,728	69,257	540,224	516,710
Singapore and Malaysia	901	-	1,348	358
	432,629	69,257	541,572	517,068

**4.2. Revenue**

	Group			
	2H2024	2H2023	FY2024	FY2023
	RMB'000	RMB'000	RMB'000	RMB'000
Revenue from contracts with customers	214,920	39,536	427,935	64,431
Warehouse, equipment and premise leasing	1,766	2,037	4,694	4,826
	216,686	41,573	432,629	69,257

**Disaggregation of revenue from contracts with customers**

In the following table, revenue from contracts with customers is disaggregated by major products and service lines, geographical markets and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segment.

		Group			
	Notes	2H2024 RMB'000	2H2023 RMB'000	FY2024 RMB'000	FY2023 RMB'000
Major products/service lines					
Sale of goods, including trading	(a)	205,556	31,334	408,548	52,233
Rendering of services		9,364	8,202	19,387	12,198
		214,920	39,536	427,935	64,431
Primary geographical markets					
China		214,019	39,536	427,034	64,431
Malaysia		901	-	901	-
		214,920	39,536	427,935	64,431
Timing of revenue recognition					
Products transferred at a point in time		205,556	31,334	408,548	52,233
Products and services transferred over time		9,364	8,202	19,387	12,198
		214,920	39,536	427,935	64,431

**Notes:**

- (a) The Group commenced trading of infrastructure construction materials in January 2024. The top 10 customers account for 99.4% of total trading revenue during FY2024.
- (b) The above excludes revenue from warehouse, equipment and premise leasing.

**5. Other income**

	Group			
	2H2024	2H2023	FY2024	FY2023
	RMB'000	RMB'000	RMB'000	RMB'000
<b><u>Other income</u></b>				
Interest income:				
- banks	-	328	1,266	475
- loan to an associate		449	1,041	1,039
Government grants		422	-	422
Guarantee fee income from an associate		2,528	-	2,528
Others		704	187	786
		4,431	2,494	5,250
				4,334

**6. Finance costs**

	Group			
	2H2024	2H2023	FY2024	FY2023
	RMB'000	RMB'000	RMB'000	RMB'000
Interest expense:				
- Lease liabilities	1,009	728	2,099	1,384
- Loan from a related party	131	168	249	238
- Factoring expenses	347	224	601	268
Bank charges	17	138	33	138
	1,504	1,258	2,982	2,028



**7. Profit before tax**

Profit before tax is arrived at after charging/(crediting) the following:

	Group			
	2H2024	2H2023	FY2024	FY2023
	RMB'000	RMB'000	RMB'000	RMB'000
Change in fair value of financial asset mandatorily at FVTPL	181	444	(32)	760
Impairment losses on trade and other receivables and contract assets	68	6,885	68	6,885
Loss on disposal of property, plant and equipment	164	-	164	-
Amortisation of intangible assets	44	30	88	48
Depreciation of property, plant and equipment	5,599	3,833	10,600	6,791

**8. Tax expense/(credit)**

	Group			
	2H2024	2H2023	FY2024	FY2023
	RMB'000	RMB'000	RMB'000	RMB'000
Current year	207	291	865	330
Over-provision of tax expense in prior years	150	(1,682)	150	(1,682)
	357	(1,391)	1,015	(1,352)

**9. Property, plant and equipment**

The property, plant and equipment inclusive of right-of-use assets amounting to RMB 82,563,000 as at 31 December 2024 (31 December 2023: RMB 68,089,000). During the year ended 31 December 2024, the Group acquired assets for an aggregate cost of RMB 25,242,000 (FY2023: RMB 15,192,000), of which (i) RMB 15,166,000 (FY2023: RMB 4,269,000) relates to addition of right-of-use assets through tenancy agreements; and (ii) RMB 10,076,000 (FY2023: RMB 10,923,000) relates to acquisition of property, plant and equipment. During the year, there was disposal of assets with carrying value of RMB 164,000 (FY2023: Nil).

**10. Investment in associates**

The Group invests and manages EPC projects for land transport infrastructure and environmental conservation in China; undertaken by its associate, Ranken Railway, in which the Group owns a 48.82% effective interest. During the year, Yilong invested in an associate company in China, Beijing Aide Zhengze Education Technology Co., Ltd. ( “BAZET” ) and the principal activities of which are in the educational equipment certification and trading platform.

	Group	
	31.12.2024 RMB'000	31.12.2023 RMB'000
Interests in associates	458,561	448,444
<b>Group's interest in the net assets of investees:</b>		
At beginning of the year	448,444	417,827
Investment in associate (BAZET) during the year	280	-
Dividends declared during the year	(13,654)	(25,095)
Group's contribution during the year	13,003	25,095
Group's share of other comprehensive loss	(761)	(1,066)
Group's share of profit	11,249	31,683
At end of the year	458,561	448,444

Based on the unaudited financial statements of Ranken Railway, the working capital position for Ranken Railway was RMB 0.9 billion as at 31 December 2024 (FY2023: RMB 0.8 billion).

Pursuant to the Ranken Disposal Agreement dated 28 May 2020 and as set out in the Ranken Disposal Circular dated 9 October 2020, the followings are certain pertinent conditions to the Ranken Disposal Agreement such as the Guaranteed Receivables (as defined below) and provisions of loans to meet continuous operating requirements, including the Covered Guaranteed (as defined below); and the financial effects of which have been included and reported in the financial statements of the Group since the completion of the Ranken Disposal Agreement. Specifically:

1. the Group, through Chengdu KQR, effectively guaranteed the collection of receivables owing to Ranken Group as at 31 August 2019 (the **"Guaranteed Receivables"**). In the event that Ranken Group fails to collect any of the Guaranteed Receivables within 5 years from the date on which such receivables become due (the **"Overdue Guaranteed Receivables"**), the Investor shall have the right to offset the Overdue Guaranteed Receivables against the dividends payable to Chengdu KQR (the **"Offset"**), if any and the Group shall reimburse the remaining balance of the Overdue Guaranteed Receivables after the Offset. After which, the uncollected Overdue Guaranteed Receivables will then be assigned to the Group;
2. Chengdu KQR will remain a 49.82% shareholder of Ranken Railway after completion of the Ranken Disposal Agreement. Accordingly, Ranken Railway may, from time to time, require capital support from Chengdu KQR – whether in the form of equity or loan – given the scale of its operations, as required under PRC laws and the requirements of the Shenzhen Stock Exchange (as informed by the Investor to the Company), as disclosed in the Ranken Disposal Circular. As such, given that the equity shareholding of the Investor and Chengdu KQR are equal in Ranken Railway,
  - a. any working capital loans as may be extended by the Investor to Ranken Railway after completion of the Ranken Disposal Agreement would have to be extended and/or matched by Chengdu KQR in accordance with its 49.82% shareholding in Ranken Railway and shall be on the same terms with that of the Investor; and
  - b. any full guarantee(s) provided by the Investor to the lender(s) for banking facilities granted to Ranken Railway (**"Principal Guarantee"**) would have to be secured by a covered guarantee from Chengdu KQR in respect of the Principal Guarantee based on its 49.82% shareholding in Ranken Railway (the **"Covered Guarantee"**). In the event of default by Ranken Railway, the Investor shall fulfil its payment obligations in full under the Principal Guarantee and seek recourse from Chengdu KQR under the Covered Guarantee.

3. It was further disclosed in the Ranken Disposal Circular that “Ranken Railway would be placed in a more favourable position to secure project contracts in the PRC, and may be able to enjoy lower interest rates on external borrowings from financial institutions, given its status as an indirect SOE following the Proposed Transaction” (the “**Guarantee Rationale**”). As such, management understands from the Investor that the provision of Principal Guarantee would allow Ranken Railway to borrow at lower interest rates compare to other non-secured financing facilities.

## 11. Other investment

### Equity investments – mandatorily at FVTPL

Financial assets mandatorily at FVTPL comprise the following:

	Group		Company	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Hong Kong listed equity securities</b>				
China Vanadium Titano-Magnetite				
Mining Company Limited (“CVT”)	957	925	957	925

During the year, the Group had not disposed any of its quoted investments. The quoted investment represents 0.91% in the capital of CVT. A director of the Company holds a non-executive director position in CVT.

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- Inputs for the assets or liability which are not based on observable market data (unobservable inputs) (Level 3)

The following table presented the assets measured at fair value:

	Level 1	Level 2	Level 3	Total
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Group and Company as at 31.12.2024</b>				
Equity investments – mandatorily at FVTPL	957	–	–	957
<b>Group and Company as at 31.12.2023</b>				
Equity investments – mandatorily at FVTPL	925	–	–	925

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12. Trade and other receivables

	Notes	Group		Company	
		31.12.2024	31.12.2023	31.12.2024	31.12.2023
		RMB'000	RMB'000	RMB'000	RMB'000
<b>Trade receivables</b>					
Third parties	(a)	39,935	12,998	—	—
Associate	(b)	12,772	22,624	—	—
Bills receivables from an associate	(c)	1,381	10,430	—	—
		54,088	46,052	—	—
Impairment loss		(926)	(858)	—	—
Net		53,162	45,194	—	—

**Notes:**

- (a) Trade receivables from third parties are non-interest bearing and the credit terms are 7 to 90 days (FY2023: 30 to 90 days). Approximately RMB 31.7 million or 79.4% has been collected as at the date of this announcement.
- (b) Trade receivables from an associate are non-interest bearing and the credit terms are 30 to 90 days (FY2023: 30 to 180 days). Approximately RMB 4.6 million or 35.9% has been collected as at the date of this announcement.
- (c) Bills receivables from an associate are non-interest bearing and credit terms are up to 12 months.

		Group		Company	
		31.12.2024	31.12.2023	31.12.2024	31.12.2023
	Notes	RMB'000	RMB'000	RMB'000	RMB'000
<b>Other receivables</b>					
Other receivables due from third parties	(a)	22,686	24,027	277	250
Amount due from a former subsidiary		14,859	14,859	14,859	14,859
Impairment loss		(20,949)	(20,949)	(14,859)	(14,859)
		16,596	17,937	277	250
Amount due from an associate		3,195	393	-	-
Loan to an associate	(b)	30,000	30,000	-	-
Financial assets at amortised costs		49,791	48,330	277	250
Prepayments		13,900	24,421	175	177
Net		63,691	72,751	452	427

**Notes:**

- (a) Other receivables are unsecured and non-interest bearing. Of which, RMB 20.6 million relates to Overdue Guaranteed Receivables assigned by Ranken Railway to Chengdu KQR. Please refer to Section E Note 10 for further details.
- (b) Loan to an associate, Ranken Railway, is unsecured, bear an interest rate at 3.95% per annum with a maturity period of 12 months. Management has discussed with the Investor and considered the working capital position, and project pipeline of Ranken Railway prior to providing such loans. Please refer to Section E Note 10 for further details.

The movements in allowance for impairment in respect of trade and other receivables and contract assets during the period was as follows:

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	Group		Company	
	FY2024 RMB'000	FY2023 RMB'000	FY2024 RMB'000	FY2023 RMB'000
At beginning of the year	21,807	14,922	14,859	14,859
Impairment losses recognised during the year	68	6,885	—	—
At end of the year	21,875	21,807	14,859	14,859

At each reporting date, the Group identifies trade receivables and contract assets that are credit-impaired and measures loss allowance at an amount equal to lifetime ECL using a provision matrix. There have been no significant changes to the movement in the allowance for impairment loss in respect of trade and other receivables, and contract assets during the period.

**The Guaranteed Receivables**

As disclosed in Section E Note 10, pursuant to the Ranken Disposal Agreement and as set out in the Ranken Disposal Circular, the Group, through Chengdu KQR, effectively guaranteed the collection of receivables owing to Ranken Group before completion of the Ranken Disposal Agreement. In the event that Ranken Group fails to collect any of the Guaranteed Receivables within 5 years from the date on which such receivables become due, the Investor shall have the right to offset the Overdue Guaranteed Receivables against the dividends payables to Chengdu KQR, if any, and the Group shall reimburse the remaining balance of the Overdue Guaranteed Receivables after the Offset. After which, the reimbursed balance of the Overdue Guaranteed Receivables will then be assigned to the Group.

The Overdue Guaranteed Receivables, once assigned to the Chengdu KQR, will be recorded as Other Receivables.

The aging of the Guaranteed Receivables is as follow:

	Ranken Group	
	31.12.2024 RMB'000	31.12.2023 RMB'000
<b><u>Not past due</u></b>		
Current	217,114	236,025
<b><u>Past due</u></b>		
< 1 year	-	2,646
1 to 2 years	-	2
2 to 3 years	-	943
3 to 4 years	-	380
4 to 5 years	163	25,635
> 5 years (" <b>Overdue Guaranteed Receivables</b> ")	42,811	36,953
	42,974	66,559
Total Guaranteed Receivables	260,088	302,584

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As at 31 December 2024:

- the total amount of the Guaranteed Receivables was RMB 260.1 million (FY2023: RMB 302.6 million);
- the total amount of the Overdue Guaranteed Receivables was RMB 42.8 million (FY2023: RMB 36.9 million);
- the total Overdue Guaranteed Receivables which had been assigned to Chengdu KQR and recorded as other receivables was RMB 20.6 million in aggregate;
- The Group conducted an ECL assessment on the Guaranteed Receivables and the Overdue Guaranteed Receivables. As a result, an additional provision of RMB 1.3 million for contingent liabilities was recognised in accordance with SFRS(I) 9 *Financial Instruments* in FY2024 (FY2023: RMB 1.5 million), as disclosed in Section E Note 2.2(b)(iv).

## 13. Cash and cash equivalents

	Group		Company	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RMB'000	RMB'000	RMB'000	RMB'000
Cash and bank balances	61,802	87,389	242	173

## 14. Share capital

	The Group and the Company			
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	No. of ordinary shares ('000)		RMB'000	RMB'000
<b>Issued and paid up:</b>				
At beginning of the year	407,590	407,590	350,874	466,700
Capital reduction	–	–	–	(115,826)
At end of the year	407,590	407,590	350,874	350,874

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Capital reduction

On 27 January 2023, the Company effected the capital reduction and share capital of RMB 115.8 million was offset against the accumulated profit/losses of the Group and Company, as applicable. Accordingly, the issued and fully paid-up share capital of the Group and Company is RMB 350.9 million comprising 407,590,893 ordinary shares.

## 15. Provisions

	Notes	Group		Company	
		31.12.2024 RMB'000	31.12.2023 RMB'000	30.12.2024 RMB'000	31.12.2023 RMB'000
Provision for contingent liabilities	(a)	9,475	8,184	-	-
Provision for guarantee	(b)	3,152	2,600	-	-
		12,627	10,784	-	-

## Notes:

- (a) This relates to the provision for a guarantee provided by the Group to the Investor for the recoverability of outstanding receivable balances in Ranken Railway as at 31 August 2019. The Group made additional provision for contingent liabilities of RMB 1,291,000 and RMB 1,526,000 for FY2024 and FY2023, respectively. Please refer to Section E Notes 2.2(b)(iv), 10 and 12 for further details.

The estimate has been made by identifying receivables that are credit-impaired and the ECL model was applied to determine the amount of provision required in accordance with judgements and estimates made in applying the related accounting policies.

- (b) The Group made additional provision in relation to the Covered Guarantee for the banking facilities of Ranken Railway of RMB 552,000 and RMB 1,469,000 for FY2024 and FY2023, respectively in accordance with SFRS(I) 9. The Group's 49.82% share of the covered guarantee provided for banking facilities of Ranken Railway amounting to RMB 180.0 million (FY2023: RMB 183.8 million).
- (c) Please refer to Section E Note 10 for further details in relation to the Principal Guarantee, the Covered Guarantee, and the Guarantee Rationale.

In providing such guarantee, management has considered (i) the requirements for the Covered Guarantee and the Guarantee Rationale (as set out in Section E Note 10, including pertinent conditions to the Ranken Disposal Agreement and relevant disclosure in the Ranken Disposal Circular); and (ii) the financial position, profitability and credit standing of Ranken Railway.

## 16. Lease liabilities

The Group	Group		Company	
	31.12.2024 RMB'000	31.12.2023 RMB'000	31.12.2024 RMB'000	31.12.2023 RMB'000
Undiscounted lease payments due:				
- Later than five years	1,732	11,476	-	-
- Later than one year and not later than five years	38,064	22,134	379	167
- No later than one year	7,411	3,565	192	192
	47,207	37,175	571	359
Less: Future interest costs	(7,303)	(7,719)	(35)	(14)
	39,904	29,456	536	345
Represented by:				
- Non-current	34,354	27,557	363	164
- Current	5,550	1,899	173	181
	39,904	29,456	536	345

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The lease liabilities relate to right of use assets – shop spaces and premises with carrying value of RMB 33,720,000 as at 31 December 2024 (31 December 2023: RMB 25,281,000)

Other than the above, the Group has no borrowings and debts securities as at 31 December 2024 and 2023.

**17. Trade and other payables**

		Group		Company	
		31.12.2024	31.12.2023	31.12.2024	31.12.2023
	Notes	RMB'000	RMB'000	RMB'000	RMB'000
<b>Trade payables</b>					
Third parties	(a)	28,332	9,648	–	–
Associate	(b)	6,015	7,679	–	–
Bills payable to a third party	(c)	–	20,000	–	–
		<b>34,347</b>	<b>37,327</b>	<b>–</b>	<b>–</b>

**Notes:**

- (a) Trade payables owing to third parties was related to project costs such as labour, materials and other incidental costs. The amount is non-interest bearing and credit terms are between 90 to 180 days (FY2023: 90 to 180 days).
- (b) Trade payables owing to an associate was related to project costs such as labour, materials and other incidental costs. The amount is non-interest bearing and the credit terms are between 30 to 90 days (FY2023: 30 to 180 days).
- (c) The bills payable of RMB 20.0 million as at 31 December 2023 was related to purchase of materials and other project supplies, which had since been repaid in full.

		Group		Company	
		31.12.2024	31.12.2023	31.12.2024	31.12.2023
	Notes	RMB'000	RMB'000	RMB'000	RMB'000
<b>Other payables</b>					
Amounts due to a subsidiary		–	–	17,382	12,090
Amounts owing to shareholders	(a)	8,311	9,381	–	–
Amounts owing to an associate	(b)	20,588	20,588	–	–
Advances received from an associate	(c)	295	10,000	–	–
Loan from a related company	(d)	5,132	6,968	–	–
Accrued expenses		2,204	4,624	2,632	3,032
Security deposits		2,473	1,970	–	–
Other payables		4,043	1,240	–	828
Financial liabilities at amortised costs		43,046	54,771	20,014	15,950
Other tax payables		962	856	–	–
		<b>44,008</b>	<b>55,627</b>	<b>20,014</b>	<b>15,950</b>

**Notes:**

- (a) The amount due to shareholders comprises advances, which are non-trade, unsecured, non-interest bearing and repayable on demand.



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- (b) The amounts due to an associate relate to the total amount of the Overdue Guaranteed Receivables which had been assigned by Ranken Railway to Chengdu KQR. Refer to Section E Notes 10 and 15 for further details on Guaranteed Receivables and Overdue Guaranteed Receivables.
- (c) Advances received from an associate are mainly for purchase of materials and supplies, are unsecured, non-interest bearing and repayable on demand.
- (d) Amount due to a related company relate to short-term loan from Chengdu Yunlong Technology Pte Ltd, is unsecured, bears fixed an interest rate at 3.6% (FY2023: 4%) per annum and is repayable on demand.

	Group		Company	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Presented by:</b>				
Current	44,008	55,627	2,632	3,860
Non-current	-	-	17,382	12,090
	44,008	55,627	20,014	15,950

**18. 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 2024 and 2023:

	Group		Company	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Financial Assets</b>				
Equity investments – mandatorily at FVTPL	957	925	957	925
Trade and other receivables (Amortised cost)	102,953	93,524	277	250
Cash and bank balances	61,802	87,389	242	173
	165,712	181,838	1,476	1,348
<b>Financial Liabilities</b>				
Provisions	12,627	10,784	-	-
Trade and other payables and lease liabilities (Amortised cost)	117,297	121,554	20,550	16,295
	129,924	132,338	20,550	16,295

**19. Related party transactions**

Notes	Group			
	2H2024	2H2023	FY2024	FY2023
	RMB'000	RMB'000	RMB'000	RMB'000
Transactions with key management personnel:				
Directors' remuneration	(1,124)	-	(1,814)	-
Transactions with an associate:				
- Guarantee fee income	2,528	-	2,528	-

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- Leasing income	162	2,752	1,838	3,720
- Sale of goods	38,952	25,104	58,397	45,708
- Rendering of services	1,709	2,785	4,062	3,919
- Interest income	449	1,041	1,039	1,469

## Transaction with other related parties:

Purchase of IT software services	-	(462)	-	(462)
Interest expenses	(131)	(168)	(249)	(238)
Legal services rendered by a firm of which a director is a partner of the firm (a)	(161)	(76)	(161)	(76)

		Group	
		31.12.2024	31.12.2023
		RMB'000	RMB'000
Covered guarantee provided for banking facilities – an associate (b)		180,049	183,801

**Notes:**

- (a) The director did not seek re-election at the Company's annual general meeting held on 30 April 2024 and retired accordingly.
- (b) Based on Chengdu KQR's 49.82% share of covered guarantees provided on banking facilities utilised by the associate amounting to RMB 361.4 million as at 31 December 2024 (FY2023: RMB 368.9 million). Please refer to Section E Notes 10 and 15 for further details.

There are no material related party transactions apart from those disclosed elsewhere in the condensed interim financial statements.

**20. Subsequent events**

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

**1. Review**

The condensed consolidated statements of financial position of Sapphire Corporation Limited and its subsidiaries as at 31 December 2024 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 full year then ended and certain explanatory notes have not been audited or reviewed.

**2. Review of performance of the Group****Review of Condensed interim consolidated statement of profit or loss and other comprehensive income (FY2024 vs FY2023)**

Revenue increased by RMB 363.4 million to RMB 432.6 million in FY2024, mainly due to trading business, which Yilong commenced in January 2024 for supply of infrastructure construction materials as the Group continues to extend its business for urban renewal and redevelopment services under its existing supply chain networks. In addition, there is also an increase in revenue for supply of other construction materials, including rendering of services for urban infrastructure construction and renewal projects.

Gross profit increased by RMB 2.2 million to RMB 9.8 million in FY2024 on the back of higher revenues. Gross margin however fell to 2.3% from 11.0% mainly due to (i) trading business which earned lower margin on average compared to rendering of services, (ii) higher sub-contracting and labor costs for urban redevelopment services projects undertaken by Jialong, and (iii) higher depreciation of property, plant and equipment as a result of additional depreciation from newly added right-of-use assets in relation to the shop spaces in Nanqiao Residence (南桥新居) as well as plant and machinery. Management further noted that the Group's operating environment in China remain highly competitive while operating costs are increasingly higher.

Other income increased by RMB 0.9 million to RMB 5.3 million in FY2024 mainly due to (i) guarantee fee income of RMB 2.5 million from its associate, and (ii) government grant and the sale of scrap materials of RMB 1.0 million. However, this increase was partially offset by lower interest income of RMB 2.6 million as the Group redeployed funds for its working capital and business operations.

Administrative expenses comprise mainly directors' remuneration, staff cost, professional fees (including corporate compliance related), travel, and other general office expenses, decreased by RMB 0.9 million to RMB 18.1 million in FY2024 mainly due to lower audit fees (as disclosed in the circular for the proposed change in auditors), directors' fees and other corporate expenses resulting from costs cutting measures. The decrease was despite (i) normalisation of executive directors' remuneration during 2024 of RMB 1.8 million (Note: the executive directors had voluntarily accepted nominal salaries of SGD 1 per month for FY2023); and (ii) increase in staff costs for business development and operational support.

Impairment loss for trade and other receivables decreased by RMB 6.8 million to RMB 68,000, as there was no assignment of Overdue Guaranteed Receivables from Ranken Railway to Chengdu KQR in FY2024.

Provision for contingent liabilities of RMB 1.3 million pertains to provision in relation to the Guaranteed Receivables and the Overdue Guaranteed Receivables as explained in Section E Notes 10 and 12.

Provision for guarantee pertains to provision made in relation to the Covered Guarantee for the banking facilities granted to Ranken Railway as explained in Section E Notes 10.

Other expenses decreased by RMB 0.9 million to RMB 1.1 million in 2024 mainly due to fair value gains on investment of RMB 32,000 in FY2024 as compared to a fair value loss of RMB 760,000 in FY2023.

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Finance costs increased by RMB 1.0 million to RMB 3.0 million in FY2024 mainly due to increase in interest expense of RMB 0.7 million from additional leases of new shop spaces for recurring leasing income, and increase in factoring expenses by RMB 0.3 million for trade receivables financing.

Share of profits of an associate, net of tax, decreased by RMB 20.4 million to RMB 11.2 million, mainly due to significantly lower profits derived from Ranken Railway, accounting provisions and cost overrun for certain projects. During FY2024, Ranken Railway completed and clinched fewer projects while it is still in the midst of evaluating new projects in the pipeline.

Tax expenses increased by RMB 2.3 million to RMB 1.0 million FY2024 mainly due to higher taxable profits for the subsidiaries during the year whereas there was tax credit in FY2023 due to over-provision of tax expenses from prior years.

Given the above, net profit decreased by RMB 10.8 million to RMB 1.2 million in FY2024.

**Review of Financial Position (31 December 2024 vs 31 December 2023)**

Total non-current assets increased by RMB 24.5 million. Significant changes are as follow:

- Property, plant and equipment (including right-of-use assets) increased by RMB 14.5 million mainly due to (i) addition of right-of-use assets of RMB 15.2 million in relation to the new shop spaces in Nanqiao Residence and other new offices' rental which generates recurring leasing income; and for sales and marketing purposes; (ii) addition of plant and machinery of RMB 3.0 million; and (iii) addition of Yilong's leasehold land rights for 20 years of RMB 7.0 million, which was offset by depreciation of RMB 10.6 million during the year; and
- Investment in associates rose by RMB 10.1 million due to the Group's net contribution during the year after accounting for its share of profit and dividends declared by Ranken Railway and BAZET (as invested during the year).

Total current assets decreased by RMB 26.1 million. Significant changes are as follows:

- Trade receivables increased by RMB 8.0 million mainly due to higher revenue from Yilong's trading business for urban renewal and redevelopment services under its existing supply chain networks;
- Other receivables decreased by RMB 9.1 million mainly due to lower prepayments to suppliers; and
- Cash and cash equivalents decreased by RMB 25.6 million. Please refer to review of cash flows below for further details.

**Total liabilities**

Total non-current liabilities increased by RMB 8.6 million. Significant changes are as follows:

- Provisions increased by RMB 1.8 million due to additional provision for (i) covered guarantee of RMB 0.5 million; and (ii) contingent liabilities of RMB 1.3 million; and
- Lease liabilities increased by RMB 6.8 million mainly due to leasing of (i) new shop spaces in Nanqiao Residence; and (ii) offices for sales and marketing purposes.

Total current liabilities decreased by RMB 10.9 million. Significant changes are as follows:

- Trade payables decreased by RMB 3.0 million mainly due to repayment of the bills payable of RMB 20.0 million and decrease in trade payable with an associate of RMB 1.7 million, partially offset by a net increase in trade payables of RMB 18.7 million due to higher purchases of materials and services on the back of increased sales volume;

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- Other payables decreased by RMB 11.6 million mainly due to repayments of (i) amount due to shareholders of RMB 1.1 million, (ii) amount due to a related company of RMB 1.8 million, and (iii) advances from an associate of RMB 9.7 million; offset by a net increase in accrued expenses, security deposits from tenants and other payables of RMB 1.0 million in aggregate; and
- Lease liabilities increased by RMB 3.7 million mainly due to leasing of (i) new shop spaces in Nanqiao Residence; and (ii) offices for sales and marketing purposes.

**Total equity**

Total equity attributable to owners of the Company or shareholders' equity increased by RMB 0.3 million to RMB 578.9 million in FY2024 due to profit for the year of RMB 1.0 million, partially offset by share of other comprehensive loss of an associated company of RMB 0.7 million.

**Review of Cash Flows (FY2024 vs FY2023)**

The net cash used in operating activities for FY2024 was RMB 5.8 million after accounting for (i) operating profit before working capital changes of RMB 5.1 million, after adjusting mainly for total non-cash adjustments arose from depreciation, fair value change in financial asset and share of profit of an associate during the period; (ii) net working capital outflows of RMB 10.0 million as a result of increase in inventories of RMB 0.6 million, decrease of trade and other payables of RMB 11.1 million; and increase in trade and other receivables of RMB 1.7 million (as explained in the above review of financial position); and (iii) tax payment of RMB 1.0 million.

The net cash used in investing activities for FY2024 was RMB 8.8 million after accounting for (i) investment in an associate (BAZET) of RMB 0.3 million; and (ii) acquisition of plant and equipment and intangible assets of RMB 10.1 million, which was offset by interest income received of RMB 1.5 million. There was no loan to the associate, nor were there any proceeds from loan from other party during FY2024.

The net cash used in financing activities for FY2024 was RMB 10.9 million after accounting for (i) payments of lease liabilities of RMB 4.9 million, (ii) payments of interest and factoring expenses of RMB 3.0 million, (iii) payment for amounts due to shareholders' of RMB 1.1 million, and (iv) repayments for short-term loan due to a related party, Chengdu Yunlong Technology Pte Ltd, of RMB 2.0 million. The Group distributed RMB 93.3 million cash to shareholders of the Company in FY2023 via capital reduction whereas there was none in FY2024.

Given the above, cash and cash equivalents as at 31 December 2024 fell by RMB 25.6 million to RMB 61.8 million.

- 3(i). Details of any changes in the Company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

**Share Capital**

There was no change in the Company's issued capital since the previous period reported on.

**Convertible Securities**

The Company has no outstanding convertible securities as at end of the current financial year and as at the end of the corresponding period of the immediately preceding financial year.

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To show the total number of issued shares excluding treasury shares as at end of the current financial period and as at end of the immediately preceding year

	31.12.2024	31.12.2023
Total number of issued shares excluding treasury shares	407,589,893	407,589,893

**3(ii). A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on**

The Company did not have any treasury shares as at 31 December 2024 and 31 December 2023.

**4. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice**

The figures are based on management accounts and have not been audited or reviewed by our auditors and may be subject of adjustments and/or reclassification.

**5. Where the figures have been audited, or reviewed, the auditors' report (including any qualification or emphasis of a matter)**

Not applicable.

**6. Earnings per ordinary share of the Group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

	2H2024	2H2023	FY2024	FY2023
Basic and diluted (loss)/earnings per share (RMB cents)	(0.21)	1.29	0.25	2.82

The calculation of the above basic earnings per share and diluted earnings per share was computed based on profit attributable to owners of the Company divided by the weighted average number of shares as detailed below:

	FY2024	FY2023
Weighted average number of shares	407,589,893	407,589,893

The weighted average number of shares during the year is the number of shares outstanding at the beginning of the year, adjusted by the number of shares issued during the year multiplied by a time-weighting factor.

The diluted earnings per share are the same as basic earnings per share as the Group does not have any dilutive capital instruments.

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7. **Net asset value (for the issuer and the Group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the current financial period reported on and the immediately preceding financial year**

	Group		Company	
	31.12.2024	31.12.2023	31.12.2024	31.12.2023
Net asset value per ordinary share (RMB cents)	142.03	141.96	86.11	87.37
Number of shares in issue	407,589,893	407,589,893	407,589,893	407,589,893

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

Not applicable. The Group issued a Profit Guidance Note on 25 February 2025, stating that the Group was expected to report a significantly lower net profit after tax for FY2024 compared to that in FY2023. Net profit fell by RMB 10.8 million to RMB 1.2 million in FY2024.

9. **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 reporting period and the next 12 months**

Our financial performance depends on implementation of our focused strategies and significant investments in the infrastructure sector, which we:

- (i) provide services for urban renewal and redevelopment; urban infrastructure and projects related (including leasing);
- (ii) procure and supply infrastructure construction materials (including the recently commenced trading business) for urbanisation related projects; and
- (iii) invest and jointly manage investment in EPC projects for land transport infrastructure and environmental conservation in China via our significant equity interest in Ranken Railway.

More recently, we read that the Chinese government has emphasised the importance of stimulating the business dynamism and boosting the operating scales of China's private sector. In this regard, we believe that more policies could be rolled out to sustain such economic activities, boost local consumption, navigate the economic risks ahead and response to the unpredictable US trade policies.

Under such circumstances, we strongly believe that the lingering issues of spiraling real estate crisis in China and its spillover effects are not ignored as the government pledges to preserve economic stability in a bid to boost confidence. Meanwhile, we will have to monitor the global situation closely as it has since become more complex than ever before.

Against this backdrop, and we continue to believe that:

- urbanisation appears to be one of the key economic drivers in China as the government has been proactively supporting and promoting urban infrastructure development, urban renewal and city redevelopment in several key clusters under its economic policies and innovation ecosystem;

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- the cluster of Chengdu-Chongqing Economic Circle in the western region of China, in particular, may see significant government spending as the cluster aims to further improve integration and infrastructure connectivity under its strategic plans to establish itself as a world-class advanced manufacturing base over a longer term. This region remains as our focal point while we evaluate and implement our growth initiatives; and
- the eco-friendly development, sustainable urban renewal plans and environmental conservation solutions will hold an increasingly important and integral role in the China's urban infrastructure development sector; and that if such related projects could successfully be procured, managed, and executed, will help to diversify and expand our recurring revenue streams.

As disclosed, we have significant investments in EPC projects for land transport infrastructure and environmental conservation in China which we jointly manage via our associate, Ranken Railway. The net asset position of Ranken Railway remains robust and our share of this investment was close to RMB 458.3 million as at 31 December 2024.

In the meantime, we are well aware that many industries in China are still dealing with the increasingly higher operating costs and excess capacity concerns amidst the existing challenging external environment. In view of this, while strengthening our execution capabilities and leveraging on market opportunities, we will continue to adopt a more progressive and less aggressive expansion strategy ahead.

**10. Dividend**

- (a) **Current Financial Period Reported on – any dividend declared for the current financial period reported on?**  
No.
- (b) **Corresponding Period of the Immediately Preceding Financial Year – any dividend declared for the corresponding period of the immediately preceding financial year?**  
No.
- (c) **Date payable**  
Not applicable.
- (d) **Books closure date**  
Not applicable.

**11. If no dividend has been declared/recommended, a statement to that effect and the reasons for the decision**

No dividend has been declared or recommended for 2H2024 as the Company seeks to conserve its cash for its existing working capital requirements and projected capital investments for business growth.

Currently, the Group does not have a formal dividend policy. In making this decision, the Board considered factors such as the Group's profit growth, cash position, positive operating cash flow, and projected capital requirements to support future expansion.

**12. Disclosure of Interested Person Transaction Conducted under a Shareholder Mandate for the financial year ended 31 December 2024**

The Group does not have a general mandate for interested person transactions.

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



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The Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).

**14. A breakdown of sales**

	<b>FY2024 RMB'000</b>	<b>FY2023 RMB'000</b>	<b>Change %</b>
(a) Sales reported for first half year	215,943	27,684	680.0
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	2,003	6,574	(69.5)
(c) Sales reported for second half year	216,686	41,573	421.2
(d) Operating (loss)/profit after tax before deducting non-controlling interests reported for second half year	(832)	5,368	N/M

**15. Persons occupying managerial positions who are related to the Directors, Chief Executive Officer or substantial shareholders**

<b>Name</b>	<b>Age</b>	<b>Family relationship with the CEO, any director, and/or substantial shareholder</b>	<b>Current position and duties, and the year the position was first held</b>	<b>Details of changes in duties and position held, if any, during the year</b>
ZHANG CHI	38	Daughter of Company's Executive Chairman Mr Cheung Wai Suen	Operations Director: Oversee operations of Company's business in China. Develop and implement strategic plans for the Company's operations aligning with the overall organizational goals. Identify and pursue new business opportunities in Singapore and South-East Asia.  Date of Appointment: 29 Dec 2023	Not applicable

**On behalf of the Board of Directors**

**Wang Heng**  
Group Chief Executive Officer  
28 February 2025

**Cheung Wai Suen**  
Executive Chairman  
28 February 2025