ShanghaiTurbo

INTEGRITY
RESPONSIBILITY

2024年年报

2024 ANNUAL REPORT

SHANGHAI TURBO ENTERPRISES LTD.
上海动力发展有限公司

REPORT HIGHLIGHTS

- The authenticity of the report
- Good market development prospects
- Excellent market management

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Zhang Wenjun
Non-Executive and Lead Independent Director

Mr. Foo Chee Meng
Non -Executive Independent Director

Mr. Tan Juay Kiat
Non-Executive Independent Director

Mr. Gao Zhong
Executive Director

AUDIT COMMITTEE ("AC")

Mr. Zhang Wenjun
Mr. Foo Chee Meng
Mr. Tan Juay Kiat

NOMINATING COMMITTEE ("NC")

Mr. Foo Chee Meng
Mr. Zhang Wenjun
Mr. Gao Zhong

REMUNERATION COMMITTEE ("RC")

Mr. Foo Chee Meng
Mr. Zhang Wenjun
Mr. Gao Zhong

SECRETARY

Mr. Chong Eng Wee

REGISTERED OFFICE

Cricket Square, Hutchins Drive
P.O. Box 2681, Grand Cayman KY1-1111
Cayman Islands

BUSINESS OFFICE

No. 9, Yinghua Road, Zhonglou Economic Development
Zone, Changzhou City, Jiangsu Province
The People s Republic of China

CAYMAN ISLANDS SHARE REGISTRAR

Codan Trust Company (Cayman) Limited
Cricket Square, Hutchins Drive,
P.O. Box 2681, Grand Cayman KY1-1111 Cayman Islands

SHARE TRANSFER AGENT

In.Corp Corporate Services Pte. Ltd.
36 Robinson Road
#20-01 City House
Singapore 068877
General line: 6990 8220
Fax: 6395 0670

EXTERNAL AUDITORS

Nexia Singapore PAC
36 Robinson Road, City House, #11-01,
Singapore 068877
Audit Partner-In-Charge Mr. Koh Wee Kwang
Appointed with effect from financial year 2024

NLA DFK Assurance PAC
143 Cecil Street, #17-03, GB Building,
Singapore 069542
Audit Partner-In-Charge Mr. Kenneth Ng
Appointed with effect from financial year 2024

INVESTOR AND MEDIA CONTACT

Shanghai Turbo Enterprises Ltd.
Mr. Zhang Wenjun
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Email:wenjun.zhang@shanghaiturbo.com

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Director’s Speech

尊敬的各位股东：
Dear Shareholders,

值此 SHANGHAI TURBO 发布 2024 年度报告之际，我谨代表公司董事会，向长期信赖并支持公司发展的全体股东、携手同行的合作伙伴、给予我们认可的海内外客户，以及兢兢业业、锐意进取的全体员工，致以最诚挚的感谢与最崇高的敬意！
As SHANGHAI TURBO releases its 2024 Annual Report, on behalf of the Board of Directors, I extend our sincerest gratitude and highest respect to all shareholders for your long-standing trust and support, to our dedicated partners, valued domestic and overseas customers, and to all employees who have worked diligently and strived for excellence.

2024 年，全球能源格局加速重塑，能源安全与低碳转型深度交织，产业变革与技术迭代持续深化。中国 “双碳” 战略稳步推进，新型电力系统建设进入关键阶段，清洁高效火电升级、燃气发电、新能源配套装备迎来新一轮增长窗口。面对复杂严峻的外部环境与日趋激烈的行业竞争，公司全体同仁坚定信念、迎难而上，坚持技术引领、深耕主业、优化结构、稳健经营，经营业绩再创新高，发展韧性持续增强，圆满完成年度战略目标，书写了高质量发展的坚实答卷。
In 2024, the global energy landscape underwent accelerated restructuring, with energy security and low-carbon transformation deeply intertwined, and industrial change and technological iteration further intensified. China’s dual-carbon strategy advanced steadily, and the construction of a new power system entered a critical phase, opening a new growth window for clean and efficient thermal power upgrades, gas power generation, and supporting equipment for new energy. Faced with a complex external environment and increasingly fierce industry competition, all employees of the Company remained steadfast, overcame difficulties, adhered to technology leadership, focused on core business, optimized structure and operated prudently. The Company achieved record-high operating results, enhanced development resilience, successfully fulfilled annual strategic goals, and delivered a solid performance of high-quality development.

1 凝心聚力稳增长，砥砺奋进开新局
1. United for Steady Growth, Striving for New Achievements

回望 2024 年，全球经济复苏不均衡、地缘风险持续扰动、原材料价格高位波动，装备制造行业承压前行。国内市场需求结构持续调整，存量机组节能降碳改造、灵活性提升、高端装备国产化替代成为行业主线。公司坚持稳中求进、进中提质，聚焦主业赛道，强化创新驱动，优化市场布局，经营质效同步提升，综合竞争力持续夯实。
Looking back at 2024, the global economic recovery remained uneven, geopolitical risks continued to disrupt, and raw material prices stayed high, putting pressure on the equipment manufacturing industry. Domestic market demand structure continued to adjust, with energy-saving and low-carbon transformation, flexibility improvement of existing units, and localization substitution of high-end equipment becoming the industry’s main themes. Adhering to steady progress and quality improvement, the Company focused on its core business, strengthened innovation-driven development, optimized market layout, achieved simultaneous improvement in operating quality and efficiency, and continuously consolidated its comprehensive competitiveness.

1.1 经营业绩稳步攀升，发展质量持续向好
1.1 Steady Growth in Operating Results, Continued Improvement in Development Quality
2024 年，公司实现营业收入 8,302 万元，同比增长 5.09%；核心主业优势巩固：高效清洁火电、燃气轮机叶片及关键部件业务订单饱满，成功承接华能岳阳 2#超超临界机组改造、国电投滨海燃气轮机叶片、大唐彬长 GT 压气机升级等一批重点项目，行业影响力持续扩大。
In 2024, the Company achieved operating revenue of RMB 83.02 million, a year-on-year increase of 5.09%; Core business advantages were consolidated: Orders for high-efficiency clean thermal power, gas turbine blades and key components remained strong. The Company successfully undertook a number of key projects, including Huaneng Yueyang 2# Ultra-supercritical Unit Renovation, SPIC Binhai Gas Turbine Blades, Datang Binchang GT Compressor Upgrade, further expanding industry influence.

1.2 创新驱动持续强化，技术壁垒不断筑牢
1.2 Strengthened Innovation-Driven Development, Consolidated Technological Barriers
公司坚持研发先行，全年研发投入 420 万元，占营业收入5%，持续加大对高效率、高可靠性、智能化、低碳化产品的研发力度。本年度新增 4 项发明专利、6项实用新型专利，累计拥有专利 49 项，高端叶片制造、燃气轮机核心部件精密加工能力持续领先，技术护城河进一步加深。
The Company adhered to R&D-first strategy, with annual R&D investment of RMB 4.2 million, accounting for 5% of revenue. We continued to increase R&D efforts on high-efficiency, high-reliability, intelligent and low-carbon products. This year, 4 invention patents and 6 utility model patents were added, bringing the total number of patents to 49. The Company maintained leading capabilities in high-end blade manufacturing and precision machining of core gas turbine components, further deepening its technological moat.

Director’s Speech

1.3 市场布局持续优化，全球影响力稳步提升

1.3 Optimized Market Layout, Enhanced Global Influence

国内市场：深度融入国家能源转型战略，在清洁煤电升级、燃气调峰、综合能源服务、储能配套动力装备领域保持领先，客户结构持续向大型能源央企集中，订单质量显著提升。

国际市场：全球化战略纵深推进，海外业务实现突破性增长，成功拿下韩国斗山大型燃气轮机叶片批量订单、 日本东芝关键组件项目。国际认证体系持续完善，本地化交付与服务能力显著增强。

Domestic market: Deeply integrated into the national energy transition strategy, maintaining a leading position in clean coal power upgrades, gas peaking, integrated energy services and energy storage supporting equipment. The customer structure continued to focus on large central energy enterprises, with significantly improved order quality.

International market: The globalization strategy advanced in depth, with overseas business achieving breakthrough growth. The Company successfully secured large-scale gas turbine blade orders in Southeast Asia, hydrogen turbine components in Europe, and key components for combined-cycle power plants in the Middle East. The international certification system continued to improve, and localized delivery and service capabilities were significantly enhanced.

2 锚定未来谋新篇，乘势而上启新程

2. Looking Ahead to a New Chapter, Embarking on a New Journey

展望 2025 年，全球能源低碳转型大势不改，能源安全战略地位凸显，高效清洁发电、燃气发电、新型储能、氢能等领域迎来黄金发展期。中国新型电力系统建设加速，高端动力装备国产化替代进入攻坚期，行业机遇前所未有，挑战亦不容忽视。公司将保持战略定力、坚持长期主义、强化创新引领、深化全球布局，稳步推进产业升级与业务拓展，推动企业实现更高质量、更可持续的发展。

Looking ahead to 2025, the global low-carbon energy transition remains irreversible, energy security gains strategic prominence, and sectors such as efficient clean power generation, gas power generation, new energy storage and hydrogen energy enter a golden period of development. China’s new power system construction accelerates, and localization substitution of high-end power equipment enters a critical stage, presenting unprecedented opportunities alongside notable challenges. The Company will maintain strategic focus, uphold long-termism, strengthen innovation leadership, deepen global layout, steadily promote industrial upgrading and business expansion, and drive the Company toward higher-quality and more sustainable development.

2.1 坚持双轮驱动，夯实增长根基

2.1 Adhere to Dual-Drive Strategy, Consolidate Growth Foundations

做强传统优势：持续提升超超临界煤电、重型燃气轮机叶片及关键部件的技术水平、制造精度与交付效率，深耕存量改造与新建项目市场，筑牢业绩基本盘。

做大新兴赛道：加速布局中小型燃气轮机、储能动力装备、氢能涡轮核心部件，加大研发投入与市场拓展，培育第二增长曲线。

拓展高端领域：积极进军核电、工业透平、舰船动力等高端动力装备市场，提升产品附加值与综合竞争力。

Strengthen traditional advantages: Continuously improve technical level, manufacturing precision and delivery efficiency for ultra-supercritical coal power and heavy-duty gas turbine blades and key components, deepen the market for existing unit renovation and new projects, and consolidate the performance base.

Expand emerging tracks: Accelerate layout in small and medium-sized gas turbines, energy storage power equipment and core hydrogen turbine components, increase R&D investment and market expansion, and cultivate a second growth engine.

Explore high-end sectors: Actively enter high-end power equipment markets including nuclear power, industrial turbines and marine propulsion, improving product added value and overall competitiveness.

2.2 深化全球经营，提升国际竞争力

2.2 Deepen Global Operations, Enhance International Competitiveness

完善全球营销网络，重点深耕东南亚、欧洲、中东、中亚市场，构建本地化销售、服务与交付体系。推进国际标准认证与供应链本地化，提升跨区域项目执行效率与客户满意度。加强国际技术交流与合作，参与全球行业标准建设，提升国际话语权与品牌影响力。

Improve the global marketing network, focusing on deepening markets in Southeast Asia, Europe, the Middle East and Central Asia, and building localized sales, service and delivery systems.

Promote international standard certification and supply chain localization, enhancing cross-regional project execution efficiency and customer satisfaction.

Strengthen international technical exchanges and cooperation, participate in global industry standard development, and enhance international discourse power and brand influence.

Director’s Speech

3 致股东：同心致远，共创价值
3. To Shareholders: United for a Shared Future, Creating Value Together
董事会始终将维护股东权益、创造长期价值作为根本使命，坚持合规治理、稳健经营、透明披露，持续提升公司内在价值与可持续回报能力。未来，我们将持续平衡长期战略投入与股东合理回报，优化分红机制，积极回馈股东；同时强化与资本市场的有效沟通，提升信息披露质量，保障全体股东的合法权益，实现企业与股东的共赢发展。
The Board always regards safeguarding shareholders’ rights and interests and creating long-term value as its fundamental mission, adhering to compliant governance, prudent operations and transparent disclosure to continuously enhance the Company’s intrinsic value and sustainable return capability. Going forward, we will continue to balance long-term strategic investment with reasonable shareholder returns, optimize the dividend mechanism and actively reward shareholders. We will also strengthen effective communication with the capital market, improve information disclosure quality, protect the legitimate rights and interests of all shareholders, and achieve win-win development for the Company and shareholders.

结语
Closing Remarks

能源革命浪潮澎湃向前，大国重器责任重于泰山。站在新的历史起点，SHANGHAI TURBO 信心满怀、步履坚定！这份信心，源于我们对行业趋势的深刻洞察，源于持续精进的技术实力，源于一支能打硬仗、善打胜仗的卓越团队，更源于各位股东、客户、合作伙伴及全体员工的信任、支持与同行！
The energy revolution surges forward, and the responsibility of building key national equipment is weightier than Mount Tai. Standing at a new historical starting point, SHANGHAI TURBO moves forward with full confidence and firm steps. This confidence stems from our profound insight into industry trends,continuously advanced technical strength, an outstanding team that can deliver results in tough battles, and above all, the trust, support and partnership of all shareholders, customers, partners and employees.

董事会将携手管理层与全体员工，以创新为引领、以质量为生命、以客户为中心、以价值为导向，抢抓能源转型战略机遇，勇攀技术高峰、深耕全球市场、锻造卓越品质，奋力开创高质量发展新局面，以优异业绩回报股东信任，以先进装备助力能源革命，为构建清洁低碳、安全高效的现代能源体系贡献全部智慧与力量！
The Board, together with management and all employees, will take innovation as the guide, quality as life, customers as the center and value as the orientation. We will seize the strategic opportunities of energy transition, scale new technological heights, deepen global markets, forge excellent quality, and strive to create a new situation of high-quality development. We will reward shareholders with outstanding performance, empower the energy revolution with advanced equipment, and contribute all our wisdom and strength to building a clean, low-carbon, safe and efficient modern energy system.

再次衷心感谢各位股东、客户、合作伙伴及全体员工的信任、支持与一路同行！
Thank you once again to all shareholders, customers, partners and employees for your trust, support and companionship along the way.

Zhang Wenjun
Non-Executive Chairman and Lead Independent Director

Statement of Profit or Loss and Other Comprehensive Income

Group revenue increased by 5.09% from RMB78.99 million in FY2023 to RMB83.02 million in FY2024 mainly due to the Subsidiary's prompt delivery of orders as requested by the major local customers during FY2024.

Cost of sales increased by 10.23% from RMB59.74 million in FY2023 to RMB65.86 million in FY2024 mainly due to the increase in revenue from RMB78.99 million in FY2023 to RMB83.02 million in FY2024. The cost of sales as compared to revenue was 79.33% and 75.63% for FY2024 and FY2023 respectively.

The Group achieved a gross profit amounting to RMB17.16 million in FY2024 as compared to a gross profit of RMB19.25 million in FY2023. The decrease in gross profit margin was mainly due to the increase in production costs such as raw material procurement.

Selling and distribution expenses decreased by 41.18% from RMB8.16 million in FY2023 to RMB4.80 million in FY2024 mainly due to decrease in entertainment expenses (FY2024: RMB2.35 million; FY2023: RMB4.93 million); decrease in repair and maintenance expenses (FY2024: RMB0.21 million; FY2023: RMB0.46 million); decrease in staff costs (FY2024: RMB0.55 million; FY2023: RMB0.84 million); decrease in quality control expenses (FY2024: RMB0.04 million; FY2023:RMB0.28 million).

Administrative expenses increased from RMB15.24 million in FY2023 to RMB16.06 million in FY2024 mainly due to increase in salaries (FY2024: RMB2.71million; FY2023: RMB2.52million);increase in security fee (FY2024: RMB0.35million; FY2023: RMB0.30million); increase in discounts (FY2024: RMB1.47 million; FY2023: RMB1.3million); increase in water & electricity (FY2024: RMB1.07million; FY2023: RMB0.94million);increase in other taxes (FY2024: RMB1.58million; FY2023: RMB1.37million); increase in social benefits (FY2024: RMB4.64 million; FY2023: RMB4.48 million); increase in legal fee (FY2024: RMB0.38 million; FY2023: RMB0.26million) ;decrease in office expenses (FY2024: RMB0.55 million; FY2023: RMB0.98 million)

The Group ended FY2024 with a net loss of RMB11.69 million, compared to RMB12.43 million net loss in FY2023.

Statement of Financial Position

As at 31 December 2024, the Group's non-current assets stood at RMB26.94 million, an increase from RMB9.67 million as at 31 December 2023.

Over the same period, current assets decreased from RMB71.83 million to RMB51.31 million, mainly due to trade receivables decreased by RMB7.22 million and other receivables, deposits and prepayments decreased by RMB16.69 million.

The Group's total liabilities increased from RMB77.59 million as at 31 December 2023 to RMB86.00 million as at 31 December 2024 is mainly due to the trade payables increased from RMB18.41 million as at 31 December 2023 to RMB26.86 million as at 31 December 2024.

Statement of Cash Flows

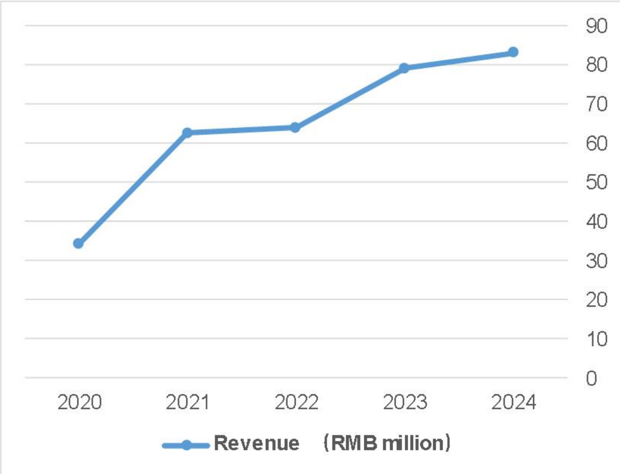
The Group's net cash receipts from operating activities amounting to RMB18.65 million in FY2024.

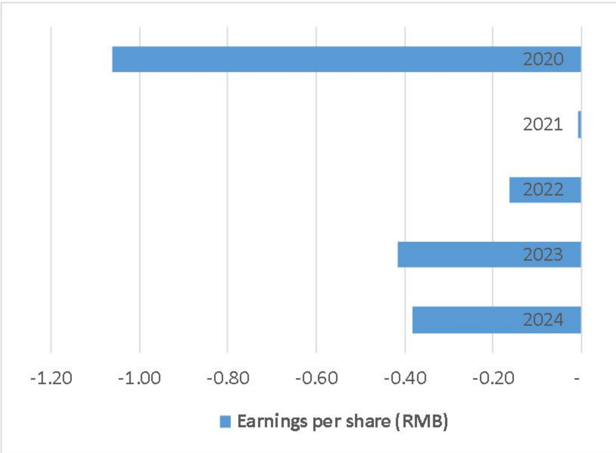
The Group's net cash used in investing activities amounting to RMB11.10 million mainly due to the purchase of property, plant and equipment and land use right of RMB3.41 million and RMB7.69 million respectively.

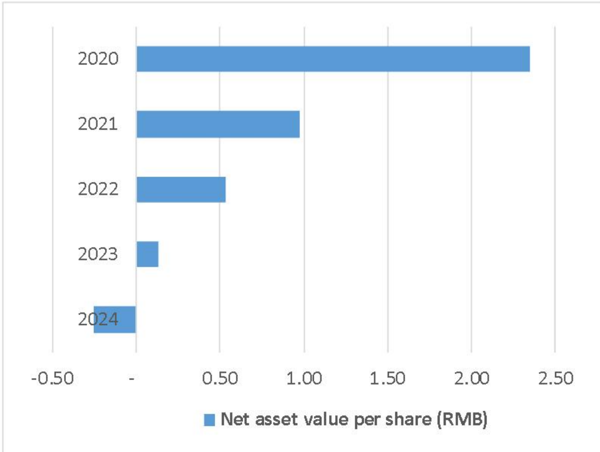
The Group's net cash used in financing activities amounting to RMB4.43 million mainly due to the Group has obtained new loans amounting to RMB107.5 million from Bank with interest payment for bank loan amounting to RMB1.73 million and repaid the loans of RMB109.50 million to bank in FY2024.

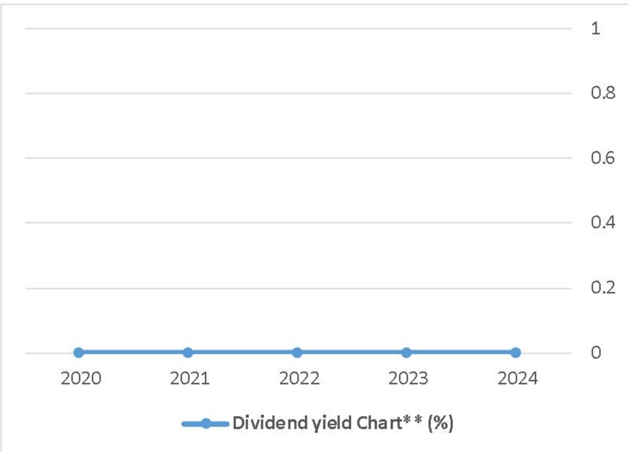
In view of the above, there was a net increase in cash and cash equivalents of about RMB3.13 million in FY2024, compared to a net decrease of RMB3.16 million in FY2023.

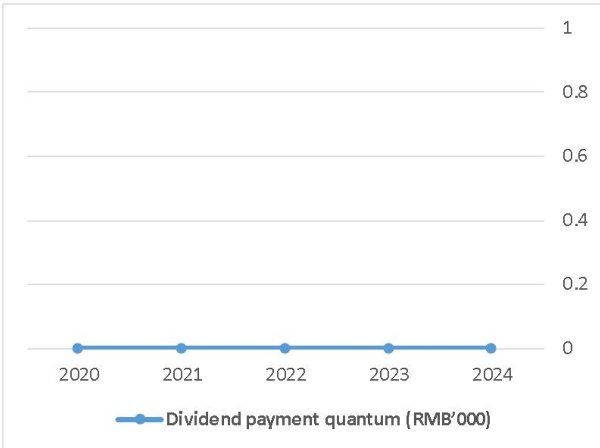
FINANCIAL HIGHLIGHTS











Source:

**Dividend paid in Singapore Dollar is converted using a yearly average SGD/CNY exchange rate. Dividend yield is computed using the adjusted closing share price on the last traded day in the calendar year.

FINANCIAL HIGHLIGHTS

	2020	2021	2022	2023	2024
Statement of Profit or Loss and Other Comprehensive Income (in RMB'000)					
Revenue	34,273	62,556	63,933	78,994	**83,018**
Gross profit/loss	-38,174	14,776	13,441	19,251	**17,163**
Loss before income tax	-29,228	-244	-4,960	-12,688	**-11,686**
Net loss after income tax	-29,329	-466	-9,085	-12,427	**-11,678**
Statement of Financial Position (in RMB'000)					
Including right-of-use as sets	29,873	29,873	26,374	9,674	**16,542**
Inventories	7,773	10,600	10,792	12,154	**11,645**
Trade receivables	22,953	36,486	23,408	30,338	**23,114**
Cash and bank balances	3,811	5,731	13,702	9,137	**12,688**
Trade payables	17,685	29,088	15,988	18,410	**26,856**
Other payables and accruals	8,419	6,183	8,899	8,849	**11,194**
Provision	4,373	4,373	4,373	4,373	**4,373**
Bank loan	9,497	17,490	43,500	44,500	**42,500**
Shareholders' equity	23,925	29,701	16,343	3,916	**-7,762**
Total assets	65,234	87,947	90,998	81,502	**78,241**
Total liabilities	41,309	58,246	74,655	77,586	**86,003**
Statement of Cash Flows (in RMB'000)					
Operating activities	1,314	-3,839	-15,360	-801	**18,654**
Investing activities	235	-6,621	-241	-2,426	**-11,098**
Financing activities	-4,506	8,012	26,989	67	**-4,427**
Net movement	-2,957	-2,448	11,388	-3,160	**3,129**
Financial Ratios					
Earnings per share (RMB)	-1.06	-0.01	-0.16	-0.42	**-0.38**
Net asset value per share (RMB)	0.78	0.97	0.54	0.13	**-0.25**
Dividend yield (%)	-	-	-	-	
Dividend payment quantum (RMB'000)	-	-	**-**	**-**	**-**

BOARD OF DIRECTOS

MR. ZHANG WENJUN / AGE 56

Non-Executive and Lead Independent Director

Bachelor of Engineering Degree, Xi' an Jiao Tong Technological University

MBA Macau International Public University

Serves on the following Board Committees

Audit Committee – Chairman

Nominating Committee – Member

Remuneration Committee – Member

Present directorships in other listed companies

NIL

Present principal commitments
(other than directorships in other listed companies)

1. Best Success (Hong Kong) Limited
2. Changzhou 3D Technological Complete Set Equipment Co., Limited
3. Board Director, Shanghai Grateful Nursing Home Co., Ltd.

Director ships in other listed companies sheld over the preceding three years
(2021-2024)

NIL

Background and experience

Mr. Zhang Wenjun is a senior professional with more than 20 years of management experience in the Chinese financial markets. He has worked with China Merchant Bank Shanghai, Pudong Development Bank and Ping An Bank.

Mr. Zhang was Ping An Securities Company, Shanghai Operation General Manager in 2015. Before he stepped out into private sector with his strong expertise and experiences in banking operations, business reorganizations and restructuring. He has then accomplished numerous merger and acquisitions, IPOs and established himself in the China investment funds and capital markets. Mr. Zhang is currently sitting on a few Chinese companies boards and he is an active member of China Banking. Association (CBA) and Securities Association of China (SAC).

BOARD OF DIRECTOS

MR. FOO CHEE MENG / AGE 58

Non-Executive Independent Director

University Of Toronto (Ontario, Canada) – Bachelor of Applied Science (With Honor, Mechanical Engineering)

Singapore Polytechnic – Diploma in Manufacturing Engineering

Serves on the following Board Committees

Audit Committee – Member

Nominating Committee – Chairman

Remuneration Committee – Chairman

Present directorships in other listed companies

NIL

Present principal commitments
(other than directorships in other listed companies)
1. Best Success (Hong Kong) Limited
2. Changzhou 3D Technological Complete Set Equipment Co., Limited

Director ships in other listed companies sheld over the preceding three years
(2021-2024)

NIL

Background and experience

Mr. Foo Chee Meng, a seasoned management team member with over 20 years of work experiences in various manufacturing operations of American and Singaporean multinational companies of office IT hardware, Electronic Manufacturing Services, Packaging & Printing products. He had worked in the manufacturing industries in Product Engineering, Program Management, Procurement, Sourcing, Supply Chain Business Development and Management functions.

Mr. Foo is currently active in assisting and representing Chinese companies overseas expansion into S.E. Asia region.

BOARD OF DIRECTOS

MR. TAN JUAY KIAT / AGE 58

Non-Executive Independent Director

Bachelor Degree of Mechanical Engineering – National University of Singapore

Serves on the following Board Committees

Audit Committee – Member

Present directorships in other listed companies

NIL

Present principal commitments
(other than directorships in other listed companies)
Changzhou 3D Technological Complete Set Equipment Co., Limited

Director ships in other listed companies sheld over the preceding three years
(2021-2024)

NIL

Background and experience

Mr. Tan Juay Kiat is an International professional, with almost 30 years of senior management experience in the Chinese markets, and leadership roles in Asia Pacific and Southeast Asia regions.

Mr. Tan has worked for Singapore listed companies, with Sapphire Corporation Ltd. as IRE's Greater China Chief Officer, and with Hi-P International, as Head of Greater China Business Unit and Vice-President of new investment.

Mr. Tan's international experiences was with Teledyne Technologies (NYSE listco.) as the Asia Pacific Regional Head for its environmental business. He has also worked with other MNCs, an European Group as China CEO, and a Japanese Corp. as Greater China General Manager. Recent years business investment and expansion has brought Mr. Tan back into S.E. Asia region, from venturing into Fintech startup like Nufin Data Company, regional trading business and cooperation with Chinese companies, and advisory consultation for Chinese listco and SMEs overseas businesses.

Mr. Tan is currently Board Director of Rain Global Singapore, and joined the board of Shanghai Turbo Enterprises from June 2024, after been with it's subsidiary Changzhou 3D, as Managing Director/Legal Rep. back in 2020/2021.

BOARD OF DIRECTOS

MR. GAO ZHONG / AGE 58

Executive Director

Bahelor of Business Administration, Xiamen University

Serves on the following Board Committees

Nominating Committee – Member

Remuneration Committee – Member

Present directorships in other listed companies

NIL

Present principal commitments
(other than directorships in other listed companies)
1. Best Success (Hong Kong) Limited

2. Changzhou 3D Technological Complete Set Equipment Co., Limited

Director ships in other listed companies sheld over the preceding three years
(2021-2024)

NIL

Background and experience

Mr. Gao Zhong has served in various companies for the past 20 years in China, assuming senior management roles and Managing Director/General Manager leadership responsibilities. He has then acquired diverse operational experience and knowledge in various industries.

Mr. Gao has well established his reputation in the business scene of Changzhou City and Jiangsu Province of China. Especially in the financial, securities and insurance market relationships and network. He is also actively engaged in social charity work in Changzhou City.

The Board of Directors (the “**Board**”) and Management of Shanghai Turbo Enterprises Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) place great importance on high standard of corporate conduct to uphold good corporate governance practices. This commitment and continuous support of the Code of Corporate Governance 2018 (the “**Code**”) can be seen from the efforts of the Board and Management to promote and maintain values that emphasise transparency, accountability, integrity and proper conduct at all times, in the business operations and dealings of the Company so as to create value for its stakeholders and safeguard the Company’s assets.

The report describes the practices the Company has undertaken with respect to each of the principles and guidelines, and the extent of its compliance with the Code and the Mainboard Rules (the “**Listing Rules**”) of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). This report should be read as a whole, instead of being read separately under the different principles and guidelines of the Code. The Company has complied in all material aspects with the principles and guidelines set out in the Code and any deviations from the Code are explained in this report.

BOARD MATTERS

The Board’s Conduct of Affairs

Principle 1:	**The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.**

The Board oversees the overall strategy and business direction of the Group and is collectively responsible for its success. Management also plays a pivotal role in providing the Board with complete, adequate and timely information to assist the Board in the fulfilment of its responsibilities.

Role of the Board

The Board sets the overall business direction, provides guidance on the Company’s strategic plans, with particular attention paid to growth and financial performance and oversees the Management of the Company. The principal functions of the Board, apart from its statutory responsibilities, include:

(a) setting the overall strategy of the Group, supervising and working with the Management to make objective decisions in the interest of the Group including establishing goals and priorities for the Management and reviewing the Management’s performance by monitoring the achievement of these goals;

(b) establishing policies on matters such as financial control, financial performance and risk management procedures, thereby taking responsibility for the overall corporate governance of the Group;

(c) setting objective performance criterion to evaluate the Board’s performance and succession planning process;

(d) reviewing the adequacy and effectiveness of the Group’s risk management and internal controls framework including financial, operational, compliance and information technology controls and establishing risk appetite and parameters to safeguard shareholders’ interests and the Company’s assets;

(e) reviewing and approving key operational and business initiatives, major funding proposals and other corporate actions, significant investment and divestment proposals, including determining the Group’s operating and financial performance, the Group’s annual budget and capital expenditure, release of the Group’s half-year and full-year financial results (including quarterly financial results, if applicable) and other strategic initiatives proposed by Management;

(f) approving all Board appointments/re-appointments and appointment of Key Management Personnel,[1] evaluating their performance and reviewing their remuneration packages;

(g) identifying the key stakeholder groups and recognising that their perceptions affect the Company’s reputation;

(h) setting the Company’s values and standards (including ethical standards), and ensuring that obligations to shareholders and other stakeholders are understood and met; and

(i) considering sustainability issues (where applicable), e.g. environmental and social factors, as part of its strategic formulation.

Provision 1.1

Disclosure of Interest

All Directors discharge their duties and responsibilities objectively at all times as fiduciaries in the interest of the Company. The Board puts in place a code of conduct and ethics and ensures proper accountability within the Company. The Board has clear policies and procedures for dealing with conflict of interest. Directors facing conflicts of interest is required to immediately declare his or her interest to the Board, remove himself or herself from the information flow and recuse themselves from participating in any further discussions and/or decisions relating to the subject matter of the conflict of interest.

Provision 1.2

Director Induction, Training and Development

The Company conducts briefing and orientation programs for new Directors to familiarise themselves with the Company’s structure and organisation, businesses and governance policies. Upon appointment, each newly appointed Director will be briefed by the Board and/or Management on the business activities of the Company and its strategic directions, as well as setting out their duties and responsibilities as Directors. The aim of the orientation program is to give Directors a better understanding of the Company’s businesses and allow them to assimilate into their new roles. New Directors are also informed about matters such as policies on disclosure of interests in securities, the rules relating to disclosure of any conflict of interest in a transaction involving the Company, prohibitions in dealing in the Company’s securities and restrictions on disclosure of price sensitive information. A formal letter of appointment is furnished to every newly appointed director upon his or her appointment explaining, among other matters, their roles, obligations, duties and responsibilities as members of the Board.

As announced by the Company on 31 May 2024, Mr Tan Juay Kiat has been appointed as a Non-Executive Independent Director of the Company with effect from 1 June 2024.

The Directors are encouraged to attend relevant training programmes, courses, conference and seminar on new laws, regulations, accounting standards and updates on commercial areas conducted by relevant professional organisation from time to time which are of relevance to the discharge of their duties as Directors, with such training to be funded by the Company. Changes to regulations and accounting standards are monitored closely by the Management.

During the financial year ended 31 December 2024 (“**FY2024**”), the Board received regular updates on changes in listing rules, financial reporting standards, regulatory requirements, corporate governance guidelines and best practices. New releases issued by the SGX-ST and other relevant regulatory bodies which are relevant to the Group and/or Directors are circulated to the Board.

[1] Key Management Personnel: such persons having authority and responsibility for planning, directing and controlling the activities of the Company.

Provision 1.3

Matters Requiring Board Approval

The Company has adopted internal guidelines setting forth matters that require the Board's approval. Matters that specifically require Board's approval are those involving:

- Group's annual budget;
- Major funding and investment proposals;
- Merges and acquisition transactions;
- Relevant and material announcements to be released to the SGX-ST;
- Appointment of Directors and Key Management Personnel;
- Interested party transactions;
- Matters involving conflict of interests for substantial shareholders or Directors; and
- All other matters of material importance.

The Board will review the guidelines on a periodical basis to ensure their relevance to the operations of the Company. The Management is responsible for the day-to-day operation and administration of the Company in accordance with the objectives, strategies and policies set by the Board.

Provision 1.4

Board Committees

To ensure the smooth and effective running of the Company and facilitate decision making, the Board has delegated some of its powers and functions to various Committees, namely the Audit Committee ("**AC**"), Nominating Committee ("**NC**") and Remuneration Committee ("**RC**") (collectively, the "**Board Committees**"). These Board Committees are chaired (or will be chaired) by Independent Directors and operate under clearly defined terms of reference and operating procedures. The Board recognises that while these Board Committees have the delegated power to make decisions, execute actions or make recommendations in their specific areas respectively, and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility for the decisions and actions rests with the Board. The terms of reference of the Board Committees are reviewed by the Board and the respective Board Committee on a regular basis to ensure their continued relevance and to enhance the effectiveness of these Board Committees. The roles and responsibilities of these Board Committees are provided for in the latter sections of this Corporate Governance Report.

Provision 1.5

Meetings of Board and Board Committees

The schedule of all Board and Board Committee meetings for a calendar year is usually given to all Directors well in advance. In addition to the scheduled meetings, ad-hoc Board and/or Board Committee meetings may also be convened as and when deemed necessary by the Board and/or the Board Committees to deliberate on specific or significant matters that may arise from time to time. The Company's Articles of Association (the "**Articles**") allows for Board meetings to be held by means of video conference, teleconference or other electronic means of communication by which all persons participating in the meeting can hear one another contemporaneously. The Board may also make decisions through board resolutions in writing, which are circulated to the Board together with all relevant information relating to the subject matter of such resolutions.

During the financial year under review, the Board met 4 times. The number of Board and Board Committee meetings held and the attendance of each Director in FY2024 are disclosed below:

Attendance Report of the Directors

	Number of meetings held							
	AC		RC		NC		Board	
Name of Directors	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**	**Held**	**Attended**
Zhang Wenjun	4	4	1	1	1	1	4	4
Foo Chee Meng	4	4	1	1	1	1	4	4
Gao Zhong	4	4(1)	1	1	1	1	4	4
Tan Juay Kiat(2)	4	2	1	NIL	1	NIL	4	2

Note: (1) Attended by invitation.
(2) As announced by the Company on 31 May 2024, Mr Tan Juay Kiat was appointed as a Non-Executive Independent Director of the Company on 1 June 2024.

The Directors were appointed based on their experience, stature and potential to contribute to the proper guidance of the Company and its businesses. As such, we believe that each individual Director's contributions can be reflected in ways other than the reporting of attendances at Board meetings and/or Board Committees meetings.

All Directors are required to declare their board representations on an annual basis and as soon as practicable after the relevant facts have come to his or her knowledge. The NC will review whether a Director is able to and has adequately carried out his or her duties as a director of the Company from time to time, in particular, where a Director has multiple board representations and/or other principal commitments.

Currently, the NC and Board do not limit the maximum number of listed board representations which any Director may hold as long as each of the Board members is able to commit his or her time and attention to the affairs of the Company. The NC and Board believe that each individual Director is best placed to determined and ensure that he or she is able to devote sufficient time and attention to discharge his or her duties and responsibilities as a Director of the Company, having regard to his or her other commitments.

Provision 1.6

Access to Information

To provide Directors with sufficient time to prepare for Board and Board Committee meetings, the agenda and board papers, including any related materials, background or explanatory information, are circulated to the Directors in advance of the Board and/or Board Committee meeting to enable them to be properly informed of matters to be discussed and/or approved. Management is invited to attend the meetings to present information and/or render clarification when required. The Directors are encouraged to make enquiries on any aspects of the Company's operations or business issues presented by the Management. Directors are also informed of any significant developments or events relating to the Company and have unrestricted access to the Company's records and information so as to enable them to carry out their duties. In addition, the Directors are furnished with complete, accurate and adequate information in a timely manner to enable them to be fully cognisant of the decisions and actions of Management.

Provision 1.7

The Company Secretary and Other Professional Advisers

Board members have separate and independent access to Management and the Company Secretary. The Company Secretary and/or his or her representative attend all meetings of the Board and Board Committees and assists in ensuring that the Board procedures are followed and reviewed in accordance with the Company's Articles so that the Board functions effectively and relevant requirements of the Companies Act 1967 of Singapore are complied with. The appointment and the removal of the Company Secretary are subject to the Board's approval. The Directors and respective Board Committees, whether as a group or individually, are able to seek independent professional advice as and when necessary, in furtherance of their duties, at the Company's expense. The appointment of professional advisors is subject to the approval of the Board.

Board Composition and Guidance

Principle 2:	**The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.**

The Company endeavours to maintain a strong and independent element on the Board and will continue to review the Board size to ensure that it is appropriate and facilitate effective deliberation and decision making. The Board and NC will continue to review the composition and Board size taking into account the nature and scope of the Company's operations and the requirements of its business.

Provisions 2.1, 2.2 and 2.3

The criterion for independence is based on the definition set out in the Code and the Practice Guidance on the Code of Corporate Governance issued on 11 January 2023 and taking into consideration whether the Director falls under any circumstances pursuant to Rule 210(5)(d) of the Listing Rules. The Board considers an "independent" Director as one who has no relationship with the Company, its related companies, its officers or its substantial shareholders that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of the Company.

The NC has reviewed the "Confirmation of Independence" forms completed by the Independent Director and is satisfied as to his independence. The independence of each Director is reviewed annually by the NC in accordance with the guidance provided in the Code and Listing Rules. Matters requiring the Board's approval are discussed and deliberated with participation from each member of the Board and all major decisions are made collectively. No individual or small group of individuals dominates the Board's decision making.

During the financial year under review, the Chairman of the Board is an Independent Director and majority of the Board is made up of Independent Directors. As at date of this Report, the Board comprise one (1) Executive Director, one (1) Non-Executive and Lead Independent Director and two (2) Non-Executive Independent Directors.

As at the date of this report, there are no Independent Director who has served the Board for more than nine (9) years since the date of their appointment as Independent Director of the Company. The Company is also cognizant of the removal of the two-tier vote mechanism for Company to retain long-serving Independent Director who has served for more than nine (9) years and will ensure that the tenure of the Independent Directors do not exceed the nine-year limit.

Provision 2.4 and 2.5

Board Diversity

The Board comprises Directors who possess the relevant core competencies, experience and knowledge in business, finance and management skills critical to the Company's business and that each Director brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made. In particular, the Non-Executive Directors, who are mostly professionals and experts in their own fields, are able to take a broader view of the Group's activities, contribute their valuable experiences and provide independent and objective judgement during Board deliberations or when challenging Management's proposals or decisions constructively on business activities and transactions involving conflicts of interest and other complexities. The Non-Executive Directors also contribute to the Board process by monitoring and reviewing Management's performance against goals and objectives. Their views and opinions provide alternate perspectives to the Group’s business. The Directors, having reviewed the composition of the Board, are satisfied that the present size and composition of the Board is effective for decision making.

The key information regarding Directors such as academic and professional qualifications, Board Committees served, directorships or chairmanships both present and past held over the preceding three years in other listed companies and other major appointments and whether the appointment is executive or non-executive can be found under the “Board of Directors” section of the Annual Report.

The Company recognises and embraces Board diversity as an essential element in supporting the achievement of business objectives and sustainable development in the ever-changing business environment. The Board has adopted a Board Diversity Policy.

The Board’s internal policy in identifying directors is primarily to have an appropriate mix of members with complementary skills, core competencies and experience that could effectively contribute to the Group, regardless of gender. The Board is mindful that diversity is not specific to gender or certain personal attributes but would extend to sectorial diversity, diversity as to experience and skills across various disciplines and would strive to ensure the diversity would enhance the long-term success of the Group. In reviewing the composition of the Board, the NC considers the benefits of Board diversity from a number of aspects, including but not limited to gender, age, educational background, professional experience, skills and knowledge. All Board appointments will be based on meritocracy, and candidates will be considered against objective criteria, having due regard for the benefits of diversity on the Board.

Non-Executive and Independent Directors of the Board exercise no management functions but have equal responsibility for the performance of the Company. The role of the Non-Executive and Independent Directors are particularly important in ensuring that the strategies proposed by the Management are constructively challenged, taking into account the long-term interests, not only of the shareholders, but also of employees, customers, suppliers and the communities in which the Company conducts business. The Independent Directors help to develop proposals on strategy and review the performance of Management in meeting agreed goals and objectives and monitor the reporting performance. When necessary, the Independent Directors and/or Non-Executive Directors will meet and discuss on the Company’s affairs without the presence of the Management and feedback on issues discussed is thereafter provided to the Board.

To facilitate a more effective check on the Management, the Board meets at least once a year with the external auditors without the presence of the Management. The Board also communicate with each other from time to time without the presence of the Management to discuss the performance of the Management and any matters of concern.

As at the date of this report, the composition of Board is as follows:

Directors:	**Designation:**
Mr Zhang Wenjun(1)	Non-Executive and Lead Independent Director
Mr Foo Chee Meng	Non-Executive Independent Director
Mr Tan Juay Kiat(2)	Non-Executive Independent Director
Mr Gao Zhong	Executive Director

Notes:

(1) As announced by the Company on 18 March 2024, Mr Zhang Wenjun was re-designated as Non-Executive and Lead Independent Director with effect from 18 March 2024.
(2) As announced by the Company on 31 May 2024, Mr Tan Juay Kiat was appointed as Non-Executive Independent Director with effect from 1 June 2024.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the

For the Financial Year Ended 31 December 2024 Amounts in thousands of Chinese Renminbi ("RMB'000")

	Board and the Management, and no one individual has unfettered powers of decision-making.

Provisions 3.1, 3.2 and 3.3

The Company does not have a Chief Executive Officer ("**CEO**"). However, the responsibility to perform the duties typically performed by a CEO is assumed by Mr Gao Zhong, the General Manager of Changzhou 3D Technological Complete Set Equipment Co., Ltd ("**CZ3D**") (the "**GM**"), who is responsible for the management of the day-to-day operations of the Group.

The Company has a clear separation of responsibilities set out in writing between the Chairman and the GM to ensure an appropriate balance of power, increased accountability and greater capacity for the Board in terms of independent decision making. Mr Zhang Wenjun, the Non-Executive Chairman of the Board and Lead Independent Director of the Company, is responsible for the overall leadership of the Board and engages Management regularly on pertinent issues, He also leads the Board meetings and sets the Board meeting agenda in consultation with the Company Secretary and ensures that Board members are provided with complete, adequate and timely information. The Chairman and the GM are not related.

As the Lead Independent Director, Mr Zhang Wenjun is also the principal liaison to address shareholders' concerns, for which direct contact through normal channels of communication with the Management has failed to resolve or for which such contact is inappropriate. He also facilitates periodic meetings with the other Independent Directors on board matters, when necessary and provides his feedback to the Management after such meetings.

The other specific roles and responsibilities of the Lead Independent Director are as follows:

(a) acting as liaison between the Non-Executive Directors and the Executive Director of CZ3D to provide non-executive perspectives; and

(b) assisting the Board and Company officers in better ensuring compliance with and implementation of corporate governance. During FY2024, the Company's Non-Executive Directors have communicated between themselves, without the presence of the management as and when the need arises.

As announced by the Company on 18 March 2024, Mr Zhang Wenjun was re-designated as Non-Executive and Lead Independent Director of the Company with effect from 18 March 2024.

Board Membership

Principle 4:	**The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.**

Provisions 4.1 and 4.2

The Board has delegated to the NC the functions of developing and maintaining a transparent and formal process for the appointment and re-appointment of Directors, making recommendations for Directors who are due for retirement by rotation to seek re-election at a general meeting of the Company and determining the independence of each Director.

During the financial year under review, the NC comprise three (3) directors as at the date of this report, the majority of whom, including the NC Chairman, are independent. The lead independent director is also a member of the NC.

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Directors:	Designation
Mr Foo Chee Meng	Chairman
Mr Gao Zhong	Member
Mr Zhang Wenjun[1]	Member

Note: [1] As announced by the Company on 18 March 2024, Mr Zhang Wenjun was re-designated as Non-Executive and Lead Independent Director with effect from 18 March 2024.

The NC is regulated by its terms of reference and its key duties and functions are outlined as follows:

(a) to make recommendations to the Board on all Board appointments and re-nomination having regard to the director's contribution and performance (e.g. attendance, preparedness, participation, candour, and any other salient factors);

(b) to ensure that all directors would be required to submit themselves for re-nomination and re-election at regular intervals and at least once in every three years;

(c) to determine annually whether a director is independent, in accordance with the independence guidelines contained in the Code;

(d) to review whether a director is able to and has adequately carried out his duties as a director of the Company in particular where the director concerned has multiple board representations; and

(e) to consider how the Board's performance may be evaluated and to propose objective performance criteria.

Provision 4.4

The NC reviews annually the independence of each Director based on the definition and criteria set out in the Listing Rules, the Code and the Practice Guidance. Each Independent Director is required to complete a "Confirmation of Independence" form for the NC's review and recommendation to the Board. As at the date of this Report, none of the Directors have served on the Board for more than nine years from the date of his first appointment. Taking into consideration the foregoing, the NC is of the view that the Company's current independent Directors, Mr Zhang Wenjun, Mr Foo Chee Meng and Mr Tan Juay Kiat, are deemed to be independent.

Provisions 4.3 and 4.5

Article 86(1) of the Company's Articles require that every director on the Board shall retire at least once every three (3) years. A retiring director shall be eligible to offer himself for re-election. The NC is responsible for the nomination of retiring Directors for re-election.

Mr Foo Chee Meng, who is retiring pursuant to Article 86(1) of the Company's Articles, will be put forward for re-election at the forthcoming AGM. The NC has recommended, and the Board has approved, the re-election of Mr Foo Chee Meng at the forthcoming AGM for FY2024. The details of the Director seeking for re-election are found in Table A set out on page 34 to page 37 of this Annual Report.

Mr Foo Chee Meng will, upon re-election as Director of the Company, remain as a Non-Executive Independent Director, the chairman of the NC and RC and a member of the AC.

Each member of the NC shall abstain from voting on any resolutions and making recommendation and/or participating in any deliberations of the NC in respect of his or her re-election as a Director.

The table below shows the dates of first appointment and last election of each Director, including disclosure of their directorships in other listed companies as well as other principal commitments:

For the Financial Year Ended 31 December 2024 Amounts in thousands of Chinese Renminbi ("RMB'000")

Name of Directors	Date of first appointment as a Director	Date of last re-election as Director	Present Directorships in other listed companies	Past directorships in other listed companies and other major appointments over the preceding three (3) years	Due for re-appointment at the AGM
Mr Foo Chee Meng	02.05.2021	20.12.2023	NIL	NIL	Retirement by rotation Article 86 (1)
Mr Gao Zhong	11.08.2023	20.12.2023	NIL	NIL	NIL
Mr Zhang Wenjun(1)	01.09.2021	29.08.2025	NIL	NIL	NIL
Mr Tan Juay Kiat(2)	01.06.2024	29.08.2025	NIL	NIL	NIL

Notes:

(1) As announced by the Company on 18 March 2024, Mr Zhang Wenjun was re-designated as Non-Executive and Lead Independent Director with effect from 18 March 2024.

(2) As announced by the Company on 31 May 2024, Mr Tan Juay Kiat was appointed as Non-Executive Independent Director with effect from 1 June 2024.

Currently, the Company does not have any alternate director.

The NC ensures that a formal letter of appointment is furnished to every newly appointed director upon his or her appointment explaining, among other matters, their roles, obligations, duties and responsibilities as members of the Board. Upon appointment, each newly appointed Director will be briefed by the Board and/or Management on the business activities of the Company and its strategic directions, as well as setting out their duties and responsibilities as Directors. The aim of the orientation program is to give Directors a better understanding of the Company's businesses and allow them to assimilate into their new roles. New Directors are also informed about matters such as policies on disclosure of interests in securities, the rules relating to disclosure of any conflict of interest in a transaction involving the Company, prohibitions in dealing in the Company's securities and restrictions on disclosure of price sensitive information.

The NC decides how the Board's performance is evaluated and proposes objective performance criteria, subject to the approval of the Board, which addresses how the Board has enhanced long-term shareholders' value. The Board also implemented a process to be carried out by the NC to evaluate the effectiveness of the Board as a whole and its Board Committees annually.

Currently, the NC and Board do not limit the maximum number of listed board representations which any Director may hold as long as each of the Board members is able to commit his or her time and attention to the affairs of the Company. The NC and Board believes that each individual Director is best placed to determine and ensure that he or she is able to devote sufficient time and attention to discharge his or her duties and responsibilities as a Director of the Company, having regard to his or her other commitments. The NC and the Board will review the requirement to determine the maximum number of listed board representations as and when it deems fit.

The NC conducts an annual review of the balance, diversity and size of the Board to determine any changes are required in relation to the Board composition. Where a vacancy arises, the NC will consider each candidate based on the selection criteria determined after consultation with the Board and after taking into consideration the qualification, experience, ability to contribute effectively to the Board and to add value to the Company's business, in line with its strategic objectives before recommending the suitable candidate to the Board for approval. There is no new director appointed on Board during FY2024.

Candidates may be suggested by Directors and Management or sourced from external sources. The NC will interview the candidates and assess them based on objective criteria approved by the Board such as integrity, independent mindedness, possession of the relevant skills required or skills needed to complement the existing Board members, ability to commit the time and effort to carry out his or her responsibilities, good decision-making track record, relevant experience and financial literacy. The NC will make a recommendation to the Board on the appointment of any candidate and such candidate may be appointed by way of a Board resolution, with the Board taking into account the evaluation and recommendation by the NC. Any such director appointed will be subject to re-election at the next AGM of the Company pursuant to Article 85(6) of the Articles.

For the Financial Year Ended 31 December 2024 Amounts in thousands of Chinese Renminbi ("RMB'000")

The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs and is satisfied that the Directors are able to and have adequately carried out his or her duties as Directors of the Company and has contributed to the effectiveness of the Board as a whole and its Board Committees during FY2024.

Listed Company Directorship and Principal Commitments

As at the date of this Report, the members of the Board and their details are set out below:-

Name of Director	**Date of last re-election/ appointment**	**Nature of appointment**	**Functions/ Board Committee served**	**Directorships present in other listed companies and other principal commitments**
Gao Zhong	20 December 2023	Executive	Executive Director and a member of NC and RC	Best Success (Hong Kong) Limited Changzhou 3D Technological Complete Set Equipment Co., Limited
Zhang Wenjun	29 August 2025	Non-Executive and Independent	Non-Executive And Lead Independent Director, Chairman of AC and a member of NC and RC	Best Success (Hong Kong) Limited Changzhou 3D Technological Complete Set Equipment Co., Limited Board Director, Shanghai Grateful Nursing Home Co., Ltd.
Foo Chee Meng	20 December 2023	Non-Executive and Independent	Non-Executive Independent Director, Chairman of NC and RC and a member of AC	Best Success (Hong Kong) Limited Changzhou 3D Technological Complete Set Equipment Co., Limited
Tan Juay Kiat	29 August 2025	Non-Executive and Independent	Non-Executive Independent Director and a member of the AC	Changzhou 3D Technological Complete Set Equipment Co., Limited

Board Performance

Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual Directors.

Provisions 5.1 and 5.2

In line with the principles of good corporate governance, the Board has implemented a structure process to be carried out by the NC to assess and evaluate the performance and effectiveness of the Board as a whole, its Board Committees and individual Directors annually. The evaluation process involves each Director completing an evaluation form on the overall effectiveness of the Board, covering areas such as Board composition, processes, accountability, succession planning of key executives and risk management and internal controls. Each Board Committee member is also required to complete an evaluation form in respect of the effectiveness of their respective Board Committees. Any recommendation and suggestion arising from the evaluation exercise are circulated to the Board for consideration and appropriate measures to be taken.

The NC and the Board had approved and adopted a set of performance criteria for the assessment of each individual Director. The performance criteria includes their contribution, expertise, independence and industry knowledge. This encourages constructive feedback from the Board and leads to an enhancement of its performance over time. Selected performance criteria will not change from year to year unless they are deemed necessary and the Board is able to justify such changes.

During the financial year under review, each Director was required to complete the evaluation form and individual Director's assessment form adopted by the NC for annual assessment on the overall effectiveness of the Board as a whole, the Board Committees and each Director's contributions. To ensure confidentiality, these evaluation forms were submitted to the Company Secretary for collation and the consolidated responses were presented to the NC Chairman for review and discussion.

The NC is of the view that such evaluation processes provides an opportunity for Directors to give their feedback (if any) on the procedures and processes of the Board or Board committees and to identify the areas of improvement or enhancement which can be recommended or made to the Board. The NC will take into account the results of the performance evaluation, where appropriate, in proposing new members to be appointed to the Board, recommending the re-election of any Director, and/or seek the resignation of Directors.

Based on the evaluation results and findings for FY2024, the NC is satisfied that the Board has been effective as a whole and that each and every Director has contributed to the effective functioning of the Board. In addition, the NC is also satisfied that sufficient time and attention has been given by the Directors to the affairs of the Company.

No external facilitators were used in the assessment of the Board as a whole, its Board Committees and the individual Directors.

REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

Principle 6:	**The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual Directors and Key Management Personnel. No Director is involved in deciding his or her own remuneration.**

Provisions 6.1 and 6.2

The RC is established for the purposes of ensuring that there is a formal and transparent procedure for fixing the remuneration packages of individual Director. The overriding principle is that no Director should be involved in deciding his or her own remuneration, except in providing information and documents if specifically requested by the RC to assist in its deliberations.

During the financial year under review, the RC comprise three (3) Independent Directors as follows:-

Directors:	**Designation**
Mr Foo Chee Meng	Chairman
Mr Gao Zhong	Member
Mr Zhang Wenjun[(1)]	Member

Note: [(1)] As announced by the Company on 18 March 2024, Mr Zhang Wenjun was re-designated as Non-Executive and Lead Independent Director with effect from 18 March 2024.

The RC has adopted written terms of reference that defines its membership, roles, functions and administration. The duties of the RC include:

(a) ensuring a formal and transparent procedure for developing policy on executive remuneration, and for fixing the remuneration packages of individual directors and senior management;

(b) reviewing all aspects of remuneration including, but not limited to, directors' fees, salaries, allowances, bonus, share options and benefits in kind and specific remuneration packages for each director;

(c) structuring a compensation framework for executive directors and key executives, the RC seeks to link a proportion of executive compensation to the Group's performance; and

(d) recommending in consultation with the Chairman of the Board and submitting for endorsement by the entire Board and ensuring no director is involved in deciding his own remuneration.

Provision 6.3

All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, share option scheme and benefit-in-kind are reviewed by the RC. Each member of the RC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the RC in respect of his/her own remuneration package.

In structuring and reviewing the remuneration packages, the RC seeks to align the interests of Directors and Key Management Personnel with those of shareholders by linking rewards to corporate and individual performance, as well as roles and responsibilities of each Director. The RC will also review the Company's obligations arising in the event of termination of these service agreements, to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous. The RC aims to be fair and avoids rewarding poor performance.

In setting out the remuneration packages, the RC would take into consideration pay and employment conditions within the industry and in comparable companies. The remuneration packages should take into account the Company's relative performance and the performance of the individual Directors and Key Management Personnel.

Provision 6.4

The RC has access to, and will seek expert professional advice on remuneration matters as and when necessary at the Company's expense. No remuneration consultants were engaged by the Company in FY2024.

Level and Mix of Remuneration

Principle 7:	**The level and structure of remuneration of the Board and Key Management Personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.**

Provision 7.1 and 7.3

In determining the level of remuneration, the RC ensures that:

(a) due consideration is given to the Code's principles on the level and mix of remuneration to ensure that the level of remuneration is appropriate to attract, retain and motivate the Directors to run the Company successfully;

(b) ensure that a proportion of the remuneration is linked to corporate and individual performance; and

(c) design remuneration packages in such a manner as to align the interests of the Executive Directors and Key Management Personnel with those of shareholders of the Company.

An annual review is carried out by the RC to ensure that the remuneration of the Executive Directors and Key Management Personnel is commensurate with the Company's and their respective performances, giving due regard to the financial and commercial health and business needs of the Group. The Company has put in place a performance-related remuneration for the GM which is not only tied to corporate performance but also linked with certain risk control measurements.

The Company does not have any share option scheme or performance share plan. The RC is considering the viability of such schemes/plans and is looking into other long-term incentive schemes to supplement the Group's current compensation framework.

Provision 7.2

The Non-Executive Directors are paid yearly directors' fees of an agreed amount based on their contributions, taking into account factors such as effort, time spent, responsibilities of the Directors and the need to pay competitive fees to attract, motivate and retain the directors. Directors' fees are recommended by the Board for approval at the Company's AGM.

Disclosure on Remuneration

Principle 8:	**The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.**

Provisions 8.1, 8.2 and 8.3

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An appropriate and attractive level of remuneration has been set to attract, retain and motivate Directors and Key Management Personnel. The remuneration package is made up of both fixed and variable components. The variable component is determined based on the performance of the individual as well as the Group's performance. Annual increments and adjustments to remuneration are reviewed and approved taking into account the results of the annual review made by the Executive Directors and the various heads of department. All Non-Executive Directors are paid directors' fees that are subject to shareholders' approval at the AGMs.

The RC has recommended to the Board the payment of directors' fees of RMB 0.5625 million for FY2023 for the Non-Executive Directors. The Board concurred with the RC's recommendation. The Non-Executive Directors have abstained from deliberation and voting in respect of their own fees at the respective RC (where applicable) and Board meetings. Accordingly, shareholders' approval will be sought at the forthcoming AGM.

The breakdown (in percentage terms) of the remuneration of the Directors (including GM) for FY2024 is set out as below:-

Name of Director	Salary (%)	Benefits in-kind (%)	Variable Bonus (%)	Directors' Fees (%)	Share Incentive Schemes (%)	Total (%)	Total (RMB'000)
Mr Gao Zhong	78.61	-	21.39	-	-	-	438.33
Mr Zhang Wenjun (1)	-	-	-	100	-	-	225.00
Mr Foo Chee Meng	-	-	-	100	-	-	225.00
Mr Tan Juay Kiat (2)	-	-	-	100	-	-	126.00

Notes:

(1) As announced by the Company on 18 March 2024, Mr Zhang Wenjun was re-designated as Non-Executive and Lead Independent Director.

(2) As announced by the Company on 31 May 2024, Mr Tan Juay Kiat was appointed as Non-Executive Independent Director with effect from 1 June 2024.

The Company has no other key management personnel other than the Executive Director in FY2024.

There is no employee of the Company who is substantial shareholder of the Company, or an immediate family member of a Director, the CEO or a substantial shareholder of the Company and whose remuneration has exceeded S$100,000 during FY2024.

No termination, retirement and post-employment or other long-term incentives have been granted to the Directors or Key Management Personnel during FY2024.

The Company does not have any share option scheme or performance share plan. The RC is considering the viability of such schemes/plans and is looking into other long-term incentive schemes to supplement the Group's current compensation framework.

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

Provision 9.1

The Board recognises the importance of sound internal controls and risk management practices to good corporate governance. The Board affirms its overall responsibility for the Company's systems of internal controls and risk management, and for reviewing the adequacy and effectiveness of those systems on an annual basis. The Board has not set up a specific risk committee, but the oversight of risk management and internal controls is undertaken by the AC and the Board in general.

The AC, on behalf of the Board, reviews the adequacy and effectiveness of the Group's system of internal controls, including financial, operational, compliance (including handling and dissemination of inside information) and information technology controls, and risk management policies and systems established by the Management on an annual basis.

It should be noted, in the opinion of the Board, that such system is designed to manage rather than to eliminate the risk of failure to achieve business objectives, and that it can provide only reasonable, and not absolute, assurance against material misstatement of loss, and include the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with appropriate legislation, regulation and best practice, and the identification and containment of business risk. The Board notes all internal control systems contain inherent limitations and no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision-making, human error losses, fraud or other irregularities.

The Board understands its accountability to the shareholders on the Company's performance, position and prospect. The Management provides all Board members with management reports and accounts, which reflect a balanced, understandable assessment of the Company's performance, position and prospect on a regular basis.

Provision 9.2

For FY2024, the Board has received assurance from Zhang Wenjun, the Non-Executive and Lead Independent Director of the Company, that:

(a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and

(b) the adequacy and effectiveness of the Company's risk management and internal control systems in addressing financial, operational, compliance and information technology risks are operating effectively.

While the Company recognises that the assurances required under Provision 9.2 of the Code should have been provided by (a) the Chief Executive Officer ("**CEO**") and Chief Financial Officer ("**CFO**") of the Company in respect of the financial records and financial statements, and (b) the CEO and other key management personnel in respect of the adequacy and effectiveness of the Company's risk management and internal control systems, the Company, due to its current circumstances, does not have a CEO, CFO or other key management personnel.

As such, the Company has deviated from Provision 9.2 of the Code and in the interim, have had its Executive Director, Mr Gao Zhong and Mr Qian Huafeng ("**Mr Qian**"), Financial Manager, Changzhou 3D Technological Complete Set Equipment Co., Limited ("**CZ3D**"), provide the necessary assurances to the Board.

Mr Gao Zhong and Mr Qian have reviewed the materials presented and provided their comments to the Company's finance team in the preparation of the financial records and financial statements. In the Board's view, Mr Gao Zhong and Mr Qian are currently best placed to render such assurance. The Board considers this an interim measure and will review the arrangement as the Company progresses towards the appointment of key executive personnel.

Based on the framework of risk management and internal controls established and maintained by the Company, the work performed by the internal auditors and the audit undertaken by the external auditors, the Board with the concurrence of the AC is of the opinion that the Company's internal controls and risk management procedures in addressing financial, operational, compliance and information technology controls and risk management systems maintained by the Company during the year were adequate and effective for FY2024.

Audit Committee

Principle 10: The Board has an Audit Committee which discharges its duties objectively

Provisions 10.1 and 10.2

The AC is established to assist the Board with discharging its responsibility to safeguard the Company's assets, maintain adequate accounting records and develop and maintain effective systems of internal control.

During the financial year under review, the AC comprise three (3) Independent Directors as follows:-

Directors:	Designation
Mr Zhang Wenjun(1)	Chairman
Mr Foo Chee Meng	Member
Mr Tan Juay Kiat(2)	Member

Notes:

(1) As announced by the Company on 18 March 2024, Mr Zhang Wenjun re-designated as Non-Executive and Lead Independent Director.
(2) As announced by the Company on 31 May 2024, Mr Tan Juay Kiat appointed as Non-Executive Independent Director with effect from 1 June 2024.

The AC is governed by its terms of reference, which was reviewed and amended, where appropriate, to adopt relevant best practices set out in the Code. The key functions of the AC include:

(a) assisting the Board in discharging its statutory responsibilities on financial and accounting matters;

(b) reviewing the financial and operating results and accounting policies of the Group;

(c) reviewing significant financial reporting issues and judgments relating to financial statements for each interim and annual results announcement before submission to the Board for approval;

(d) reviewing and reporting to the Board annually on the adequacy of the Company's internal controls (financial, operational, compliance and information technology) and risk management policies and systems established by the management;

(e) reviewing the audit plans and reports of the external auditors and consider the effectiveness of the actions taken by the management on the auditors' recommendations;

(f) appraising and reporting to the Board on the audits undertaken by the external auditors, the adequacy of the disclosure of information, and the appropriateness and quality of the system of management and internal controls;

(g) reviewing the independence of external auditors annually, and considers the appointment or re-appointment of external auditors and matters relating to the resignation or removal of the external auditors, and approves the remuneration and terms of engagement of the external auditors;

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(h) reviewing interested person transactions, as defined in the Listing Rules of the SGX-ST;

(i) reviewing the remuneration of employees who are related to the Company's directors or substantial shareholders; and

(j) reviewing the effectiveness of the Company's internal audit function.

The Board is of the opinion that the members of the AC possess the necessary qualifications and relevant accounting or related financial management expertise or experience in discharging their duties during the financial year under review.

In discharging the above duties, the AC confirms that it has full access to and co-operation from Management and is given full discretion to invite any Director and/or member of Management to attend its meetings. In addition, the AC has also been given reasonable resources to enable it to perform its functions properly.

RT LLP, the former external auditors of the Company had resigned at the Extraordinary General Meeting ("**EGM**") held on 16 December 2024. In its place, the Company had appointed Crowe Horwath First Trust LLP as the Company's external auditors with such appointment approved by the shareholders at the EGM held on 16 December 2024.

Crowe Horwarth First Trust LLP will not be seeking re-appointment as the independent auditors and had retired as the Company's independent auditor at the Annual General Meeting held on 29 August 2025. In its place, the Company had appointed Nexia Singapore PAC and NLA DFK Assurances PAC as the Company's joint auditors with such appointment approved by the shareholders at the EGM held on 19 March 2026.

The AC, having reviewed the scope and value of non-audit services provided to the Company by the joint auditors, are satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the joint auditors. The AC has recommended to the Directors the nomination of Nexia Singapore PAC and NLA DFK Assurance PAC for re-appointment as joint auditors of the Company at the forthcoming AGM for FY2024.

The Company has paid the following aggregate amount of fees to the external auditors for services rendered during FY2024:

Fees to External Auditors	**2024 RMB'000**	**2023 RMB'000**
Audit services	1,094	937
Non-audit service	42	6
Total	1,136	943

Pursuant to Rule 716 of the Listing Rules, the AC and the Board are satisfied that the appointment of Reanda Certified Public Accountants LLP, a firm of Certified Public Accountants, registered in the People's Republic of China to audit the statutory financial statements of CZ3D would not compromise the standard and effectiveness of the audit of the Company.

The Company has put in place a whistle-blowing framework, endorsed by the AC where employees of the Company may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters and to ensure that arrangements are in place for the independent investigations of such matters and for appropriate follow up actions. Any employee can write to whistleblowing@shanghaiturbo.com, which is only accessible by members of the AC. The details of the whistle-blowing policies and arrangements have been made available to all employees.

The AC addresses issues and/or concerns raised and arranges for investigation and/or follow-up of appropriate action. The AC reports to the Board any issues and/or concerns received by it, at the ensuing Board meeting. Should the AC receive reports relating to serious offences, and/or criminal activities in the Group, they and the Board have access to the appropriate external parties, where necessary, who have the required skills and expertise to conduct the relevant investigations. Where appropriate or required, a report shall be made to the relevant governmental authorities for further investigation/action.

For FY2024 and up to the date of this report, there were no complaints, concerns or issues received by the AC.

Provision 10.3

None of the AC members including their respective immediate family members were previous partners or directors of the Company's external audit firm within the last two (2) years and none of the AC members hold any financial interest in the existing external audit firm engaged by the Company.

Provision 10.4

Internal Audit

The Board recognises the importance of maintaining an internal audit function to provide an independent assurance over the soundness of the system of internal controls within the Company to safeguard shareholders' investments and the Company's assets. The AC has the responsibility to review the adequacy of the internal audit function annually, review the internal audit program and ensure co-ordination between internal auditors, external auditors and Management, and ensure that the internal auditors meet or exceeds the standards set by nationally or internationally recognised professional bodies. The AC also reviews and approves the hiring, removal and evaluates its outsourced internal auditors, Reanda Certified Public Accountants LLP.

The internal auditors have unrestricted access to all the Company's documents, records, properties and personnel, including access to the AC.

Based on the audit reports and management controls in place and having regard to the scope and nature of the Company's current operations, the AC is satisfied that the internal control systems (including financial, operational, compliance and information technology controls) provide reasonable assurance that assets are safeguarded, that proper accounting records are maintained and financial statements are reliable. In the course of their statutory audit, the Company's external auditors will highlight any material internal control weaknesses which have come to their attention in carrying out their normal audit, which is designed primarily to enable them to express their opinion on the financial statements. Such material internal control weaknesses noted during their audit, and recommendations, if any, by the external auditors are reported to the AC.

In FY2024, the AC has reviewed and approved the internal audit plan to ensure the adequacy of the scope of audit, the internal auditor's reports, and proposed follow-up actions implemented by the Management and has noted that the necessary co-operation required from the Management has been provided to enable the internal auditors to perform its function effectively. In addition, the experience of the internal auditors has been reviewed, including the assigned engagement personnel's experience and is satisfied that the internal auditors are adequately qualified (given, inter alia, its adherence to standards set by internationally recognised professional bodies) and resourced, and has the appropriate standing in the Company to discharge its duties effectively. As such, the AC is of the view that the internal audit function of the Company is independent, effective and adequately resourced for FY2024.

Provision 10.5

During FY2024, the Company's internal and external auditors were invited to attend the AC meetings and make presentations as appropriate. The AC meets with the Company's internal and external auditors without the presence of Management at least annually.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11:	**The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.**

Provision 11.1

The Company believes in timely, fair and adequate disclosure of relevant information to shareholders and investors so that they will be apprised of developments that may have a material impact on the Company's securities. The Company does not practice selective disclosure. All information of the Company is published through SGXNet.

All shareholders are treated fairly and equitably to facilitate their ownership rights to participate effectively in and vote at general meetings. Shareholders are informed of general meetings through notices published in the newspaper, the Company's announcements via SGXNET and the reports/circulars sent to all shareholders. All resolutions tabled at general meetings are put to vote by poll voting, where appropriate. Shareholders are also informed on the procedures for the poll voting at the general meetings.

The Company's Articles allow a shareholder, who is unable to attend the general meeting in person, to appoint up to two (2) proxies to attend and vote at the meeting in place of the member. The Company also allows The Central Depository (Pte) Limited or other corporations which provide nominee or custodial services to appoint more than two proxies to attend general meetings of the Company so that shareholders will have the opportunity to participate effectively in and vote at general meetings.

Provision 11.2

Every matter requiring shareholders' approval is proposed as a separate resolution. The Company does not bundle any resolution(s) to be tabled for shareholders' approval unless the issues are interdependent and linked so as to form one significant proposal. Each item of special business included in the notice of meeting is accompanied by an explanation for the proposed resolution where appropriate. Notices of general meetings are dispatched to shareholders, together with explanatory notes or a circular on items of special business (if necessary), at least 14 clear calendar days before the meeting for ordinary resolutions and/or 21 clear calendar days before the meeting for special resolutions.

Provision 11.3

At the AGM, under usual circumstances, shareholders are given opportunities to express their views and the Board welcomes the views of shareholders who wish to raise issues concerning the Company, either informally or formally before or during these general meetings. The Board, Management, and members of the respective Board Committees will be present and available to address any relevant questions that the shareholders may have. Furthermore, the external auditors are present to assist the Board in addressing any relevant queries raised by our shareholders relating to the conduct of the audit and the preparation and content of the auditors' report. Directors' attendance at the general meetings of the Company can be found on page 8 of this Annual Report.

General meetings have been and still are the principal forum for dialogue with shareholders. At these meetings, shareholders are able to engage the Board and the management on the Group's business activities, financial performance and other business-related matters. The Company could also gather views or input and address shareholders' concerns at general meetings. The Company welcomes shareholders to visit the factory of operating subsidiary located in Changzhou, to gain a better understanding of its operations.

Provision 11.4

The Company's Articles does not allow for absentia voting at general meetings and the Company has not implemented any measures to allow shareholders who are unable to vote in person at the AGM the option to vote in absentia, whether by way of mail, electronic mail, facsimile transactions or otherwise as the authentication of shareholder identity and other related security issues still remain a concern.

Provision 11.5

The proceedings of the general meetings will be properly recorded, including all comments and/or queries from shareholders relating to the agenda of the meeting and responses from the Board, Management or external auditors to such comments and/or queries. The Company also ensures that all material information relating to the Group is disclosed in an accurate and timely manner through publication on the SGX-ST. In addition, the minutes of the AGM in respect of FY2024 would be released on the company's website and on the SGX-ST'S website within one (1) month from the date of the AGM.

Provision 11.6

The Company does not have a concrete dividend policy at present. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other macroeconomic and internal factors as the Board may deem appropriate. The Company endeavours to pay dividends and where dividends are not paid, the Company will disclose its reason(s) accordingly.

Having considered that the Group remains loss-making, the Board has therefore recommended that no dividends be declared for FY2024.

Engagement with Shareholders

Principle 12:	**The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.**

Provision 12.1

The Company recognises the importance of actively engaging with shareholders to promote effective and fair communication. The Board acknowledges that the Company has to fulfill its obligation to furnish timely and material information to shareholders and to ensure full and appropriate disclosure of such information is made for complying with statutory requirements as well as rules prescribed under the Listing Rules. Any price sensitive information will be publicly released through on SGXNet.

To keep all shareholders of the Company informed on various announcements of the Company, the shareholders can access the Company's announcements and annual reports through the SGXNet.

Provisions 12.2 and 12.3

Although the Company has not adopted a formal investor relations policy to regularly convey pertinent information to the shareholders, the Board acknowledges its obligation to furnish timely information to shareholders and ensures that full disclosure of material information in its Annual Report to comply with statutory requirements and the Listing Rules is made. By supplying shareholders with reliable and timely information, the Company is able to strengthen the relationship with its shareholders based on trust and accessibility. The Company focuses on facilitating the communications with all stakeholders, shareholders, analysts and media on a regular basis, attending to their queries or concerns as well as keeping the investors publicly apprised of the Company's corporate developments and financial performance.

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

Principle 13:	**The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.**

Provisions 13.1 and 13.2

The Board considers the Company's obligations to its shareholders and also the interests of its material stakeholders as the relationships with material stakeholders may have an impact on the Company's long-term sustainability. Stakeholders are parties who may be affected by the Company's activities or whose actions can affect the ability of the Company to conduct its activities. The Board has identified and engaged its material stakeholder groups as customers, constructors, suppliers, employees, landlords, investors, media, government, institutions and the communities.

Provision 13.3

To keep all stakeholders of the Company updated, the Company maintain a current corporate website on the latest announcements of the Company.

DEALINGS IN SECURITIES

The Company has adopted its own internal compliance code of best practices on dealing in the securities of the Company with regard to dealings in the Company's securities in compliance with Rule 1207(19) of the Listing Rules.

In compliance with the Listing Rules, the Company, all Directors, officers and employees are prohibited from dealing in the Company's securities during the period commencing two weeks before the announcement of the Company's quarterly results and one month prior to the announcement of the Company's full year results and ending on the date of announcement of the results. All Directors, officers and employees are prohibited from dealing in the Company's shares on short term consideration.

All Directors and those who are in possession of price sensitive information are also advised to observe insider trading laws at all times even when dealing in the Company's securities within the permitted trading period.

INTERESTED PERSON TRANSACTIONS

The Group has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the 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.

The Group has not obtained a general mandate from shareholders for interested person transactions. All interested person transactions are subject to review by the Board and the AC.

MATERIAL CONTRACTS

There were no material contracts made by the Company involving the interest of any Director or controlling shareholder of the Company which are either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

SUSTAINABILITY REPORTING

The Company had published its sustainability report for the financial year ended 31 December 2024 on a standalone basis on 22 April 2025.

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TABLE A

The table below summarizes the following Director who will be seeking for re-election as Director of the Company at a general meeting pursuant to Rule 720(6) of the Listing Manual of the SGX-ST, information as set out in Appendix 7.4.1 of the Listing Manual. The information of the Director seeking re-election at the forthcoming AGM is as follow:-

Name of retiring Director	Mr Foo Chee Meng
Date of appointment	2 May 2021
Date of last re-appointment (if applicable)	20 December 2023
Age	58
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board has reviewed the credential of Mr. Foo Chee Meng and has approved the Nominating Committee's recommendation of the appointment of Mr. Foo Chee Meng as Non-Executive Independent Director. The Board considers Mr. Foo Chee Meng to be independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Independent Director, Chairman of Nominating Committee and Remuneration Committee and a member of the Audit Committee
Professional qualifications	Bachelor of Applied Science (with Honor, Mechanical Engineering), University of Toronto (Ontario, Canada) Diploma in Manufacturing Engineering, Singapore Polytechnic
Working experience and occupation(s) during the past 10 years	**2017 to 2020** Sunny Printing (Hong Kong) Company Limited, SCS Office in Shanghai General Manager **May to 2017** Shanghai Broadway Packaging & Insulation Materials Business Development Director, Supply Chain Solution **2013 to 2017** Fagerdala Global Packaging Group Director, Global Supply Chain
Shareholding interest in the listed issuer and its subsidiaries	Nil

Name of retiring Director	Mr Foo Chee Meng
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil
Conflict of interest (including any competing business)	Nil
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 720(1))	Yes
Past Directorship (for the last 5 years)	Nil
Present Directorship	Nil
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No

Name of retiring Director	Mr Foo Chee Meng
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-	No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No

Name of retiring Director	Mr Foo Chee Meng
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

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

FINANCIAL STATEMENTS
for the financial year ended 31 December 2024

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Shanghai Turbo Enterprises Ltd. (the "Company") and its subsidiaries (collectively, the "Group") for the financial year ended 31 December 2024 ("FY2024"), and the statement of financial position and statement of changes in equity of the Company as at 31 December 2024.

1. Opinion of the directors

In the opinion of the directors,

a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to present fairly, in all material respects, of the financial positions of the Group and of the Company as at 31 December 2024 and the financial performance, changes in equity and cash flows of the Group and statement of changes in equity of the Company for the financial year ended on that date; and

b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

2. Directors

The directors of the Company in office at the date of this statement are:

Gao Zhong	(Executive Director)
Zhang Wenjun	(Non-Executive and Lead Independent Director)
Foo Chee Meng	(Non-Executive Independent Director)
Tan Juay Kiat	(Non-Executive Independent Director)

3. Arrangements to enable directors to acquire benefits by means of the acquisition of shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

4. Directors' interests in shares and debentures

According to the Register of Directors' Shareholdings kept by the Company, none of the Directors holding office (i) at the end of FY2024; and (ii) as at the 21st day after the end of FY2024, had any interest in the shares or debentures of the Company and its related corporations, except as follows:

	Shareholdings in which the director have full beneficial interest			Shareholdings in which the director is deemed to have an interest		
Company	**At the beginning of financial year**	**At the end of financial year**	**As at 21 January 2025**	**At the beginning of financial year**	**At the end of financial year**	**As at 21 January 2025**
Name of Director						
Gao Zhong	3,051,527	3,051,527	3,051,527	-	-	-

5. Share options

There were no share options granted during the financial year to subscribe for unissued shares of the Company or any subsidiaries.

There were no shares issued during the financial year by virtue of the exercise of option to take up unissued shares of the Company and any subsidiaries.

There were no unissued shares of the Company or any subsidiaries under option at the end of the financial year.

6. Audit committee

The members of the Audit Committee are as follows:

Zhang Wenjun	(Non-Executive and Lead Independent Director)
Foo Chee Meng	(Non-Executive Independent Director)
Tan Juay Kiat	(Non-Executive Independent Director)

The Audit Committee carried out its functions in accordance with the Listing Manual of the Singapore Exchange Securities Trading Limited and the Code of Corporate Governance. In performing those functions, the Audit Committee reviewed:

- the scope and the results of internal audit procedures with the internal auditors;
- the audit plan of the Company's independent auditors and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditors;
- the periodic results announcements prior to their submission to the Board for approval;
- the statement of financial position and the statement of changes in equity of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2024 prior to their submission to the Board of Directors, as well as the independent joint auditors' report on the statement of financial position and the statement of changes in equity of the Company and the consolidated financial statements of the Group; and
- interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited).

The Audit Committee has recommended to the Board of Directors that the independent joint auditors, Nexia Singapore PAC and NLA DFK Assurance PAC, be nominated for re-appointment at the forthcoming Annual General Meeting of the Company.

In appointing the external auditors for the Company and subsidiaries, we have complied with Rules 712 and 715 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Further details regarding the Audit Committee are disclosed in the Report on Corporate Governance.

7. Independent auditors

The independent joint auditors, Nexia Singapore PAC and NLA DFK Assurance PAC, have expressed their willingness to accept re-appointment as joint auditors of the Company.

On behalf of the Board of Directors,

ZHANG WENJUN	**FOO CHEE MENG**
Director	Director

Date: 26 June 2026

Nexia Singapore PAC

Nexia Singapore PAC
Chartered Accountants of Singapore
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NLA DFK ASSURANCE PAC
Chartered Accountants (Singapore)
黄李 DFK 会计师事务所
(Registration No. 201802889C)

INDEPENDENT JOINT AUDITORS' REPORT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024
TO THE MEMBERS OF SHANGHAI TURBO ENTERPRISES LTD.

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Shanghai Turbo Enterprises Ltd. (the "Company") and its subsidiaries (collectively, the "Group"), set out on pages 47 to 95, which comprise the consolidated statement of financial position of the Group and the statement of the financial position of the Company as at 31 December 2024 ("FY2024"), consolidated statement of comprehensive income of the Group and statements of changes in equity of the Group and the Company, and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

We do not express an opinion on the accompanying consolidated financial statements of the Group and the statement of financial position and the statement of changes of equity of the Company. Because of the significance of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

Basis for Disclaimer of Opinion

(1) Opening balance

<u>*Limitation of scope in respect of opening balances as at 1 January 2024*</u>

As the relevant supporting documents were unavailable and management was unable to provide us with satisfactory explanations or other evidence in respect of matters relating to the opening balances as at 1 January 2024, we were unable to perform alternative audit procedures to obtain sufficient appropriate audit evidence on the following matters:

a) the assessment on impairment of trade receivables of the Group
b) the assessment on the provision of inventory obsolescence of the Group
c) the cut-off of revenue and trade receivables, as stated in paragraph 2(a) and 2(b) of the *Basis for Disclaimer of Opinion* section below

In view of the above matters that remain unresolved, we are unable to determine whether the opening balances as at 1 January 2024 are fairly stated. Any adjustments to the accumulated losses as at 1 January 2024 would have consequential effects on the current year's consolidated financial statements. Since the opening balances as at 1 January 2024 entered into the determination of the financial performance, changes in equity and cash flows of the Group for the financial year ended 31 December 2024, we are unable to determine whether adjustments might have been necessary in respect of the Group's financial statements for the financial year ended 31 December 2024.

Basis for Disclaimer of Opinion (Continued)

(2) Trade receivable balance and revenue

As at 31 December 2024, the Group's trade receivables and contract assets, included a trade receivable balance of RMB16,418,000 (net of allowance for impairment losses of RMB8,057,000) and contract assets balance of RMB2,075,000 owed by a major customer (Customer A) (2023: trade receivable balance of RMB17,052,000 (net of allowance for impairment losses of RMB1,545,000) and contract asset balance of RMB2,186,000). As disclosed in **Note 30(iii)** to the financial statements, sales to Customer A accounted for 78% of the Group's revenue for the financial year ended 31 December 2024 ("FY2024") (2023: 77%).

As at the date of this report, we are unable to obtain sufficient appropriate audit evidence to determine the timing of the transfer of control of the promised goods to Customer A and accordingly, whether revenue had been recognised in the appropriate reporting period in accordance with the International Financial Reporting Standards ("IFRS").

Consequently, we were unable to determine whether any adjustments were necessary in respect of:

a) The revenue for FY2024 and corresponding effect on the carrying amount of trade receivables as at 31 December 2024; and

b) The potential effect on the opening balances of trade receivables and accumulated losses as at 1 January 2024 as well as any consequential impact to the financial statements of FY2024.

(3) Borrowings under entrusted payment arrangements

As disclosed in **Note 14** to the financial statements, the Group had borrowings amounting to RMB42,500,000 (2023: RMB44,500,000) as at 31 December 2024, of which RMB25,000,000 comprised secured borrowings obtained under entrusted payment arrangements with several banks.

During the financial year, certain loan proceeds amounting to RMB12,500,000 during the financial year ended 31 December 2024 were remitted by the banks to designated suppliers before remitting back to the Group on the same day. Based on the audit evidence available to us, we were unable to determine the purpose of the entrusted payment arrangements, or whether the transactions complied with the terms and conditions of the relevant loan agreements.

We were unable to obtain sufficient appropriate audit evidence whether these arrangements resulted in any breach of contractual terms. Neither were we able to perform other satisfactory alternative audit procedures to address these matters. Accordingly, we were unable to determine whether any adjustments or additional disclosures were required in respect of the Group's borrowings including the compliance with loan covenants and the appropriateness of the going concern assessment.

Basis for Disclaimer of Opinion (Continued)

(4) Provision for government fine and contingent liability

As disclosed in **Note 15** to the financial statements, a subsidiary of the Group, Changzhou 3D Technological Complete Set Equipment Co., Limited ("Changzhou 3D"), received a notice from a local government authority in 2017 relating to certain leasehold buildings constructed without obtaining the relevant permits and approvals required under applicable laws and regulations in the People's Republic of China ("PRC"). On 13 May 2019, Changzhou 3D received a notice imposing a fine of RMB3,060,000, which remains unpaid as at 31 December 2024.

As at the date of this report, no further correspondence, enforcement notices, rectification orders or updates had been received by Changzhou 3D from the relevant government authority. Management did not seek confirmation from the relevant government authority regarding the current status of the matter. Consequently, we were unable to obtain sufficient appropriate audit evidence to determine whether the notice and fine remain valid and enforceable, whether the provision recognised by the Group remains appropriate, and whether any additional liabilities, penalties, rectification costs or disclosures may be required in the financial statements.

As a result, we were unable to determine whether any adjustments to, or additional disclosures in, the accompanying financial statements were required, and the effect, if any, of this matter on the accompanying financial statements.

(5) Use of going concern basis

The following conditions, among other factors as disclosed in **Note 2.2**, indicate the existence of events or conditions that may cast significant doubt on the ability of the Group and the Company to continue as going concerns:

a) The Group's and the Company's current liabilities exceeded their current assets by RMB34,253,000 and RMB37,605,000 respectively as at 31 December 2024.

b) The Group is in a net loss position for FY2024 and FY2023.

c) The Group continue to incur losses for the subsequent periods, based on the unaudited results for the financial year ended 31 December 2025 and the three months ended 31 March 2026 as announced via SGXNet.

These financial statements have been prepared using the going concern basis as the directors are of the view that, amongst others, the Group will be able to obtain continuous financial support from its bankers and generate positive cash flows from the operations.

As a result of the conditions stated above, and in conjunction with our concerns regarding the trade receivables and revenue recorded and entrusted payment arrangement as detailed in matter (2) and (3) above, including whether the borrowings had become repayable on demand as at 31 December 2024, we were unable to obtain sufficient appropriate audit evidence regarding the appropriateness of management's use of the going concern basis of accounting in preparing the financial statements, or whether any adjustments to the carrying amounts and classifications of assets and liabilities, or additional disclosures, might have been necessary.

Because of the significance and pervasiveness of the possible effects of the matters described above, we were unable to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, we do not express an opinion on the accompanying consolidated financial statements, and the statement of financial position and changes in equity of the Company as of and for the financial year ended 31 December 2024.

Other Matter

The financial statements for the financial year ended 31 December 2023 were audited by another auditor whose report dated 8 July 2025 expressed a disclaimer of opinion on those financial statements.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

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

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our responsibility is to conduct an audit of the financial statements in accordance with International Standards on Auditing ("ISAs") and to issue an auditor's report. However, because of the matters described in the *Basis for Disclaimer of Opinion* section of our report, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

The engagement partner/director on the audit resulting in this independent joint auditors' report are Mr. Koh Wee Kwang from Nexia Singapore PAC and Mr. Kenneth Ng Boon Chong from NLA DFK Assurance PAC.

Nexia Singapore PAC
Public Accountants and
Chartered Accountants
Singapore

NLA DFK Assurance PAC
Public Accountants and
Chartered Accountants
Singapore

Date: 26 June 2026

STATEMENTS OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024

	Note	Group		
		31 December 2024 RMB'000	31 December 2023 RMB'000 (Restated)	1 January 2023 RMB'000
ASSETS				
Non-current assets				
Property, plant and equipment	4	760	1,342	17,800
Right-of-use assets	5	15,782	8,332	8,574
Intangible assets	6	-	-	-
Other receivable	10	10,394	-	-
		26,936	9,674	26,374
Current assets				
Inventories	8	11,645	12,154	10,792
Trade receivables	9	23,114	30,338	23,408
Contract assets		1,881	1,533	-
Other receivables, deposits and prepayments	10	1,977	18,666	16,722
Cash and cash equivalents	11	12,688	9,137	13,702
		51,305	71,828	64,624
TOTAL ASSETS		78,241	81,502	90,998
EQUITY AND LIABILITIES				
Equity				
Capital and reserves attributable to the equity holders of the Company				
Share capital	18	60,318	60,318	60,318
Share premium	19	79,803	79,803	79,803
		140,121	140,121	140,121
Other reserves				
Statutory reserve	20	30,526	30,526	30,526
Translation reserve	21	1,123	1,115	854
		31,649	31,641	31,380
Accumulated losses		(179,532)	(167,846)	(155,158)
Total equity		(7,762)	3,916	16,343
LIABILITIES				
Non-current liability				
Deferred government grants	16	445	668	890
		445	668	890

STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2024

		Group		
	Note	31 December 2024 RMB'000	31 December 2023 RMB'000 (Restated)	1 January 2023 RMB'000
LIABILITIES (Continued)				
Current liabilities				
Trade payables	12	26,856	18,410	15,988
Contract liabilities		635	786	1,005
Other payables and accruals	13	11,194	8,849	8,899
Borrowings	14	42,500	44,500	43,500
Provision	15	4,373	4,373	4,373
		85,558	76,918	73,765
Total liabilities		86,003	77,586	74,655
Total equity and liabilities		78,241	81,502	90,998

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION (CONTINUED)
AS AT 31 DECEMBER 2024

		Company		
	Note	31 December 2024 RMB'000	31 December 2023 RMB'000 (Restated)	1 January 2023 RMB'000
ASSETS				
Non-current assets				
Investment in subsidiaries	7	21,877	30,391	25,900
Current assets				
Cash and cash equivalents		-	-	7
TOTAL ASSETS		21,877	30,391	25,907
EQUITY AND LIABILITIES				
Equity				
Capital and reserves attributable to the equity holders of the Company				
Share capital	18	60,318	60,318	60,318
Share premium	19	79,803	79,803	79,803
		140,121	140,121	140,121
Accumulated losses		(155,849)	(145,222)	(149,058)
Total equity		(15,728)	(5,101)	(8,937)
LIABILITIES				
Current liabilities				
Other payables	13	2,457	1,475	1,989
Due to subsidiaries (non-trade)	17	35,148	34,017	32,855
		37,605	35,492	34,844
Total equity and liabilities		21,877	30,391	25,907

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 RMB'000	2023 RMB'000 (Restated)
Revenue	22	83,018	78,994
Cost of sales		(65,855)	(59,743)
Gross profit		17,163	19,251
Other operating income	23	4,373	6,662
Finance income		-	56
Selling and distribution expenses		(4,801)	(8,164)
Administrative expenses		(16,060)	(15,242)
Other operating expenses		(17)	(56)
Impairment loss on property, plant and equipment	4	(3,158)	(18,103)
Expected credit losses ("ECL") (made)/reversed		(5,896)	5,256
Finance costs		(3,290)	(2,348)
Loss before income tax	24	(11,686)	(12,688)
Income tax expense	26	-	-
Loss for the year		(11,686)	(12,688)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences		8	261
Total comprehensive loss for the year, representing loss attributable to equity holders of the Company		(11,678)	(12,427)
Loss per share (cents)			
Basic and diluted	27	(38.29)	(41.57)

The accompanying notes are an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Group	Share capital RMB'000 (Note 18)	Share premium RMB'000 (Note 19)	Statutory reserve RMB'000 (Note 20)	Translation reserves RMB'000 (Note 21)	Accumulated losses RMB'000	Total equity RMB'000
Balance as at 1 January 2023	60,318	79,803	30,526	854	(155,158)	16,343
Loss for the year	-	-	-	-	(12,688)	(12,688)
Other comprehensive loss, net of tax						
- Currency translation differences arising from consolidation	-	-	-	261	-	261
Total comprehensive income/(loss)	-	-	-	261	(12,688)	(12,427)
Balance at 31 December 2023	60,318	79,803	30,526	1,115	(167,846)	3,916
Balance at 1 January 2024, as previously reported	60,318	79,803	30,526	1,115	(148,009)	23,753
Prior year adjustments (**Note 34**)	-	-	-	-	(19,837)	(19,837)
Balance at 1 January 2024, as restated	60,318	79,803	30,526	1,115	(167,846)	3,916
Loss for the year	-	-	-	-	(11,686)	(11,686)
Other comprehensive loss, net of tax						
- Currency translation differences arising from consolidation	-	-	-	8	-	8
Total comprehensive income/(loss)	-	-	-	8	(11,686)	(11,678)
Balance at 31 December 2024	60,318	79,803	30,526	1,123	(179,532)	(7,762)

STATEMENTS OF CHANGES IN EQUITY (CONTINUED)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

Company	Share capital	Share premium	Accumulated losses	Total equity
	RMB'000 (**Note 18**)	RMB'000 (**Note 19**)	RMB'000	RMB'000
Balance as at 1 January 2023	60,318	79,803	(149,058)	(8,937)
Profit for the year, representing the total comprehensive income for the year	-	-	3,836	3,836
Balance as at 31 December 2023	60,318	79,803	(145,222)	(5,101)
Balance as at 1 January 2024, as previously reported	60,318	79,803	(163,713)	(23,592)
Prior year adjustments (**Note 34**)	-	-	18,491	18,491
Balance as at 1 January 2024, as restated	60,318	79,803	(145,222)	(5,101)
Loss for the year, representing the total comprehensive loss for the year	-	-	(10,627)	(10,627)
Balance as at 31 December 2024	60,318	79,803	(155,849)	(15,728)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024

	Note	2024 RMB'000	2023 RMB'000 (Restated)
Cash flows from operating activities			
Loss before income tax		(11,686)	(12,688)
Adjustments:			
Allowance made for inventories obsolescence	8	880	1,454
Amortisation of deferred government grants	16	(223)	(222)
Depreciation of right-of-use of assets	5	240	242
Depreciation of property, plant and equipment	4	832	781
ECL on trade receivables made/(reversed)		6,186	(5,592)
ECL on contract assets (reversed)/made		(290)	336
Impairment loss on property, plant and equipment made	4	3,158	18,103
Interest income		-	(56)
Interest expenses		3,290	2,348
Operating profit before working capital changes		2,387	4,706
Inventories		(371)	(2,816)
Trade and other receivables		6,048	(3,031)
Contract assets		(58)	(1,869)
Trade and other payables		10,799	2,372
Contract liabilities		(151)	(219)
Cash generated from/(used in) operations		18,654	(857)
Interest income received		-	56
Net cash generated from/(used in) operating activities		18,654	(801)
Cash flows from investing activities			
Purchase of property, plant and equipment	4	(3,408)	(2,426)
Purchase of right-of-use asset	5	(7,690)	-
Net cash used in investing activities		(11,098)	(2,426)
Cash flows from financing activities			
(Placement)/Withdrawal of pledged deposits	11	(422)	1,415
Proceeds from bank loans	14	107,500	44,500
Repayment of bank loans	14	(109,500)	(43,500)
Interest expenses on bank borrowings	14	(1,732)	(1,819)
Discount expense on bill receivables		(273)	(529)
Net cash (used in)/generated from financing activities		(4,427)	67
Net increase/(decrease) in cash and cash equivalents		3,129	(3,160)
Cash and cash equivalents at beginning of year		8,799	11,949
Effects of exchange rate changes in cash and cash equivalents		-	10
Cash and cash equivalents at end of year	11	11,928	8,799

The accompanying notes are an integral part of the financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General Information

Shanghai Turbo Enterprises Ltd. (the "Company") is a limited liability company domiciled and incorporated in Cayman Islands and is listed on the Singapore Exchange Securities Trading Limited. 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 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 principal activities of its subsidiaries are shown in **Note 7** to the financial statements.

2. Material accounting policy information

2.1 Basis of preparation

The financial statements are prepared in accordance with the International Financial Reporting Standards ("IFRS").

The financial statements have been prepared on the historical cost basis except otherwise disclosed below.

The financial statements are presented in Chinese Renminbi ("RMB"), which is the Company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. All values are rounded to the nearest thousand (RMB'000) as indicated.

2.2 Going concerns

As at 31 December 2024, the Group is in a net current liabilities position of RMB34,253,000 (2023: RMB5,090,000). The Group has cash and cash equivalents balance of RMB12,688,000 (2023: RMB9,137,000) and unutilised bank facilities of RMB500,000 (2023: RMB5,020,000). These facts and circumstances indicate the existence of material uncertainties that may cast significant doubts over the ability of the Group and of the Company to continue as going concern.

Notwithstanding the above, the accompanying financial statements have been prepared on a going concern basis. Management's assessment of the Group's and the Company's ability to continue as going concerns are based on the following key assumptions:

(i) PRC has established a target to peak carbon dioxide emissions by 2030. Under the 14th Five-Year Plan, the development of new coal-fired power generation focuses on controlling overall capacity while improving operational efficiency. At the same time, outdated coal-fired power units that fail to meet emission and energy efficiency standards continue to be phased out, with the overall installed coal-fired power generation capacity being maintained at approximately 1.1 billion kilowatts. Accordingly, the thermal power generation market is expected to continue to provide growth opportunities. In addition, the PRC continues to promote the development and utilisation of clean energy sources, including hydropower and wind power. Management believes that these industry developments are expected to bring further business opportunities for the Group's PRC subsidiary, Changzhou 3D Technological Complete Set Equipment Co., Limited ("Changzhou 3D").

2. Material Accounting Policy Information (Continued)

2.2 Going Concerns (Continued)

(ii) Changzhou 3D continues to focus on the development of new customers and markets, while reducing its reliance on major customers, thereby diversifying its customer base and reducing customer concentration risk.

(iii) Changzhou 3D continuously improves its operational and management processes to achieve cost reduction, enhance efficiency and increase the value-added content of its products, with the objective of achieving the sustainable development of the enterprise.

(iv) Due to the improvement of Changzhou 3D's operating performance, the subsidiary company was recognised by the cooperative banks which have increased the bank line of credit to the subsidiary, so that the subsidiary company had sufficient working capital.

(v) Sichuan 3D commenced operations in January 2026. Management expects the new production facility to improve operation efficiency, optimise production capacity allocation and strengthen the Group's ability to serve customer in the region, thereby supporting future business development.

(vi) Although Changzhou 3D has incurred losses in recent years, its sales have gradually increased year by year, resulting in the subsidiary having sufficient working capital to support its ongoing operations and future development.

(vii) The Group continues to focus on research and development and pursue a strategy that balances new product development with market expansion. Leveraging its existing Computerised Numerical Control ("CNC") machinery, technical capabilities and workforce, management expects the Group to strengthen its competitive positive and expand its market opportunities.

If the Group and the Company are unable to continue in operational existence in the foreseeable future, the Group and the Company may be unable to discharge their liabilities in the normal course of business and adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and at amounts which could differ significantly from the amounts at which they are currently recorded in the statements of financial position. In addition, the Group and the Company may have to reclassify non-current assets and liabilities to current assets and liabilities respectively and to provide for further liabilities which may arise. The financial statements do not include any adjustment which may arise from these uncertainties.

2.3 Adoption of new and amended standards and interpretations

On 1 January 2024, the Group adopted all the new and revised IFRS and interpretations of the International Financial Reporting Standards Interpretations Committee ("IFRIC Interpretations") that are effective for the current financial year that are relevant to them. The adoption of these new and revised IFRS and IFRIC pronouncements did not result in significant changes to the Group's accounting policies and did not have material effect on the amounts or the disclosures reported for the current or prior reporting periods.

2. Material accounting policy information (Continued)

2.4 Standards issued but not yet effective

A number of new standards and amendments to standard that have been issued are not yet effective and have not been applied in preparing these financial statements. The directors expect that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

2.5 Basis of consolidation and business combinations

Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in the statement of profit or loss and other comprehensive income. Any investment retained is recognised at fair value.

2.6 Investment in subsidiary

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's statement of financial position, investment in subsidiaries is accounted for at cost less impairment losses.

2. Material accounting policy information (Continued)

2.7 Currency translation

(i) Transactions and balance

Transactions in a currency other than the functional currency ("foreign currency") are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting date are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity in the consolidated financial statements. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(ii) Translation of the Group's financial statements

The assets and liabilities of foreign operations are translated into Chinese Renminbi at the rate of exchange ruling at the reporting date and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in the profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss. For partial disposals of associates or jointly controlled entities that are foreign operations, the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

2. Material accounting policy information (Continued)

2.8 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses, if any. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment. When significant parts of property, plant and equipment is required to be replaced in intervals, the Group recognises such parts as individual assets with specific lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance expenses are recognised in profit or loss when incurred.

Depreciation is computed on a straight-line basis over the expected useful lives of the assets concerned as follows:

	Useful lives
Leasehold buildings	5 to 20 years
Plant and machinery	2 to 10 years
Office equipment	2 to 5 years
Motor vehicles	4 to 5 years
Renovation	3 years

Assets under construction are not depreciated as these assets are not yet available for use.

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.9 Right-of-use assets

Land use rights

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated depreciation and accumulated impairment losses. The land use rights are depreciated on a straight-line basis over the lease term of 50 years.

2. Material accounting policy information (Continued)

2.10 Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost, which includes the purchase price and other directly attributable cost of preparing the asset for its intended use. The cost of intangible assets acquired in a business combination is their fair values at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. Internally generated intangible assets, excluding capitalised development costs, are not capitalised and are recognised in profit or loss in the year in which the expenditure is incurred.

The useful lives of intangible assets are assessed to be either finite or indefinite.

Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives. Software is amortised over a period of 5 years. Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the profit or loss in the expense category consistent with the function of the intangible asset.

Intangible assets with indefinite useful lives or not yet available for use are tested for impairment annually or more frequently if the events or changes in circumstances indicate that the carrying value may be impaired either individually or at the cash-generating unit level. Such intangible assets are not amortised. The useful life of an intangible asset with an indefinite life is reviewed annually to determine whether the useful life assessment continues to be supportable. If not, the change in useful life from indefinite to finite is made on a prospective basis.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the profit or loss when the asset is derecognised.

2.11 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required (for goodwill, intangible assets with indefinite useful lives or yet to be available for use), the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely dependent on those from other assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used.

2. Material accounting policy information (Continued)

2.11 Impairment of non-financial assets (Continued)

The Group bases its impairment calculation on detailed budgets and forecast calculations which are prepared separately for each of the Group's cash-generating units to which the individual assets are allocated. These budgets and forecasts calculations are generally covering a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth years.

Impairment losses are recognised in profit or loss in those expense categories consistent with the function of the impaired asset, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the recoverable amount of an asset since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. This increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in the profit and loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.12 Financial instruments

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Group becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting.

A financial asset is derecognised when the contractual rights to the cash flows from the financial asset expire or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires. At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

2. Material accounting policy information (Continued)

2.12 Financial instruments (Continued)

(i) Financial assets

Classification and subsequent measurement

Financial assets classified as measured at amortised cost:

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at fair value through profit or loss (FVTPL), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically trade and other receivables (excluding advances to suppliers and prepayments) and cash balances are classified in this category.

Financial asset classified as measured at fair value through profit or loss and through other comprehensive income:

A financial asset shall be measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income (FVTOCI). However, the Group may make an irrevocable election at initial recognition for particular investment in equity instruments that would present subsequent changes in fair value in other comprehensive income. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss.

(ii) Financial liability

Classification and measurement

Financial liabilities are classified as at fair value through profit or loss (FVTPL) in either of the following circumstances: (1) the liabilities are managed, evaluated and reported internally on a fair value basis; or (2) the designation eliminates or significantly reduces an accounting mismatch that would otherwise arise. All other financial liabilities are carried at amortised cost using the effective interest method. Reclassification of any financial liability is not permitted.

2. Material accounting policy information (Continued)

2.13 Impairment of financial assets

The Group applies impairment model in IFRS 9 to measure the Expected Credit Losses ("ECL") of financial assets at amortised costs (including trade receivables).

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

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

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

2.14 Inventories

Inventories are stated at the lower of cost and net realisable value. Raw materials comprise purchase costs accounted for on a weighted average basis. Work-in-progress and finished goods comprise cost of direct materials, direct labour and an attributable proportion of manufacturing overheads based on normal operating capacity. These costs are assigned on a weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to be incurred for selling and distribution.

Where necessary, allowance is provided for damage, obsolete and slow moving items to adjust the carrying value of inventories to the lower of cost and net realisable value.

2.15 Contract assets and liabilities

A contract asset is recognised when the Group has fulfilled the performance obligation under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet fulfils the performance obligation under the contract but has billed the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

2. Material accounting policy information (Continued)

2.16 Provision

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2.17 Borrowings

Borrowings are presented as current liabilities unless the Group has a right to defer settlement for at least 12 months after the reporting date, in which case they are presented as non-current liabilities.

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Covenants that the Group is required to comply with on or before the end of the reporting period are considered in classifying loan arrangements with covenants as current or non-current. Covenants that the Group is required to comply with after the reporting period do not affect the classification at the reporting date.

2.18 Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.19 Revenue recognition

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amount collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

2. Material accounting policy information (Continued)

2.19 Revenue recognition (Continued)

Sales of goods

Revenue from the sale of goods is recognised at a point in time when the products have been transferred to the customers and coincide with the delivery of products and services and acceptance by customers.

Other revenue

Interest income is recognised on a time proportion basis, taking into account the principal amounts outstanding and the effective interest rates applicable.

2.20 Taxes

(i) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the end of the reporting period.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

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

Deferred tax liabilities are recognised for all temporary differences, except:

- When the deferred tax liability arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- In respect of the taxable temporary differences associated with investments in subsidiaries and interests in associate and joint venture, when the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

2. Material accounting policy information (Continued)

2.20 Taxes (Continued)

(ii) Deferred tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary differences arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences; and

- In respect of deductible temporary differences associated with investments in subsidiaries and interests in associate and joint venture, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

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

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.21 Share capital

Ordinary share capital

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2. Material accounting policy information (Continued)

2.22 Government grants

Government grants are recognised at their fair value when there is reasonable assurance that the grant will be received and that the Group will comply with all the attached conditions. When the grant relates to an asset, the fair value is recognised as deferred government grant on the statement of financial position and is amortised to profit or loss on a systematic basis over the expected useful life of the relevant asset. When the grant relates to expenses, it is recognised in profit or loss as income on a systematic basis in the periods in which the related costs, for which it intended to compensate, are recognised as expenses, unless the conditions are met after the related expenses have been recognised. In this case, the grant is recognised when it becomes receivable.

2.23 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker responsible for allocating resources and assessing performance of the operating segments.

3. Significant accounting judgements and estimates

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were 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.

(a) Impairment of non-financial assets

Non-financial assets are tested for impairment as there are indicators that the carrying amounts may not be recoverable due to recent operating losses for the past 5 years.

An impairment exists when the carrying value of an asset or a cash-generating unit exceeds its recoverable amount, which is the higher of its fair value less costs to sell and its value in use. When value in use calculation is undertaken, management estimates the expected future cash flows from the asset or cash generating unit by applying a suitable discount rate to calculate the present value of those cash flows. When fair value less costs to sell is used, management uses the value estimated by professional valuers to determine the fair values using valuation techniques which involve the use of estimates and assumptions which are reflective of current market conditions.

The carrying amounts of property, plant and equipment, right-of-use assets and intangible assets and key assumptions used in estimating recoverable amounts are disclosed in **Notes 4, 5 and 6** to the financial statements.

3. Significant accounting judgements and estimates (Continued)

(b) Impairment on investment in subsidiaries

Investment in subsidiaries are tested for impairment as there are indicators that the carrying amounts may not be recoverable due to recent operating losses for the past 5 years. This requires an estimation of the recoverable amount of the cash generating units. Estimating the recoverable amount requires the Company to make an estimate of the expected future cash flows from the cash generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts and key assumptions used in estimating recoverable amounts are disclosed in **Note 7** to the financial statements.

(c) Net realisable value of inventory

An assessment of net realisable values is made periodically on inventory for excess inventory, obsolescence and declines in net realisable value below cost and an allowance is recorded against the inventory balance for any such declines. These reviews require management to estimate future demand for the products and assess the net realisable value by taking into consideration the status of the sales contracts, the gross loss margins recorded during the year, the historical trend of replacement items sales. This process is subject to estimation uncertainty as it involves estimation of future events. Possible changes in these estimates could result in revisions to the valuation of inventory.

As disclosed in **Note 8**, the net carrying amount of inventories of the Group as at 31 December 2024 is RMB11,645,000 (2023: RMB12,154,000).

(d) Useful lives of plant and machinery

The cost of plant and machinery for the manufacture of precision vane products are depreciated on a straight-line basis over the plant and machinery's estimated economic useful lives. Management estimates the useful lives of these plant and machinery to be within 2 to 10 years and the residual values to be 10% of the cost of these assets. These are common life expectancies and residual values applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group's plant and machinery at 31 December 2024 is disclosed in **Note 4**.

3. Significant accounting judgements and estimates (Continued)

3.2 Critical judgements in applying the entity's accounting policies

Management is of the opinion that there is no significant judgement made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period except as follows:

(a) Revenue recognition

Management exercises judgement in determining the point at which control of goods is transferred to customers and revenue is recognised. Such judgement requires consideration of the specific contractual terms with customers, including delivery arrangements and the transfer of significant risks and rewards of ownership, together with supporting documentation evidencing delivery and acceptance of goods.

For goods delivered but not yet invoiced at the reporting date, management also exercises judgement in determining whether the Group has satisfied its performance obligations and is entitled to recognise the related revenue and contract assets.

(b) ECL on trade receivables and contract assets

In determining the expected credit loss allowance, management considered evidence of recoverability, such as subsequent receipts after the reporting date, customer-specific information and historical collection experience. The assessment involves significant judgement, and different assumptions or additional information may result in a different estimate of the expected credit loss allowance.

4. Property, plant and equipment

Group	Leasehold buildings	Plant and machinery	Office equipment	Motor vehicles	Renovation	Construction in progress	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost							
As at 1 January 2023	32,580	237,728	3,129	2,846	4,797	-	281,080
Additions	-	2,406	20	-	-	-	2,426
As at 31 December 2023	32,580	240,134	3,149	2,846	4,797	-	283,506
Additions	-	3,044	-	257	-	107	3,408
Disposals	-	(755)	-	(86)	-	-	(841)
Write-off	-	-	-	-	(4,797)	-	(4,797)
As at 31 December 2024	32,580	242,423	3,149	3,017	-	107	281,276
Accumulated depreciation							
As at 1 January 2023	22,732	181,535	2,518	2,347	4,797	-	213,929
Charge for the year	-	712	61	8	-	-	781
As at 31 December 2023	22,732	182,247	2,579	2,355	4,797	-	214,710
Charge for the year	688	125	-	19	-	-	832
Disposals	-	(680)	-	(53)	-	-	(733)
Write-off	-	-	-	-	(4,797)	-	(4,797)
As at 31 December 2024	23,420	181,692	2,579	2,321	-	-	210,012
Accumulated impairment							
As at 1 January 2023	7,416	41,117	349	469	-	-	49,351
Impairment for the year	1,090	16,770	221	22	-	-	18,103
As at 31 December 2023, restated	8,506	57,887	570	491	-	-	67,454
Impairment for the year	1	2,919	-	238	-	-	3,158
Disposals	-	(75)	-	(33)	-	-	(108)
As at 31 December 2024	8,507	60,731	570	696	-	-	70,504
Net carrying amount							
As at 31 December 2024	653	-	-	-	-	107	760
As at 31 December 2023, restated	1,342	-	-	-	-	-	1,342

4. Property, plant and equipment (Continued)

In previous financial year, 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") as the Company had been persistently making losses, after excluding the one-time gain from recovery of misappropriated funds from former key management personnel amounting to RMB3,750,000. The Group have recognised an impairment loss of RMB49,351,000 in FY2022 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 FY2023, there was a further impairment loss on plant and equipment of RMB18,103,000 respectively.

The recoverable amount of the cash generating unit was based on the value in use ("VIU") of Changzhou 3D as the fair value less costs of disposal could not be applied as the specialised nature of the building and plant and equipment are integral and not readily separable to allow for a reliable measurement.

The VIU of Changzhou 3D was determined using a discounted cash flow model based on cash flow projections over 33 years approved by management. The forecast period reflects management's assessment of the remaining economic life of CGU, taking into consideration the major repair programmes planned for the manufacturing facilities and revised economic useful lives of the assets within the CGU. The key management assumptions underlying the computation as at reporting date are:

	Group
	2023
Next financial year	
- Forecasted revenue (RMB'000)	81,000
- Gross profit margin	19.8%
Subsequent years up to year 2056	
- Revenue growth rate	2.5%
- Gross profit margin (increasing)	From 26.6% to 29.5%
Discount rate (pre-tax)	15.61%

As at 31 December 2024, the Group reassessed whether the indicators of impairment identified in the prior year in respect of plant and equipment still exist and concluded that no reversal of the previously recognised impairment loss was required. The plant and equipment acquired during the financial year ended 31 December 2024 were assessed to be impaired in full and the related impairment loss was recognised during the year.

5. Right-of-use assets

Group	Land Use Rights
	RMB'000
Cost	
As at 1 January 2023 and 31 December 2023	12,547
Addition	7,690
As at 31 December 2024	20,237
Accumulated depreciation	
As at 1 January 2023	3,973
Charge for the year	242
As at 31 December 2023	4,215
Charge for the year	240
As at 31 December 2024	4,455
Net carrying amount	
As at 31 December 2024	15,782
As at 31 December 2023	8,332

The Group has 50-year land use rights over two plots of state-owned land in the PRC on which the Group's manufacturing, storage and operational facilities are located. The land use rights have remaining tenures of 32 years (2023: 33 years) and 50 years, respectively.

As at 31 December 2024 and 31 December 2023, the entire land use right of Changzhou 3D was pledged in connection with bank facilities, including bill payable facilities (**Note 12**) and bank loans (**Note 14**). The land use right of Sichuan 3D was not pledged as at 31 December 2024.

6. Intangible assets

Group	Software	
	2024	2023
	RMB'000	RMB'000
Cost		
At beginning of the year and end of the year	1,277	1,277
Accumulated amortisation		
At beginning of the year and end of the year	1,277	1,277
Net carrying amount		
At end of the year	-	-

7. Investment in subsidiaries

	Company		
	31 December 2024	31 December 2023	1 January 2023
	RMB'000	RMB'000 (Restated)	RMB'000
Unquoted equity shares, at cost	161,889	161,889	161,889
Less: Impairment loss			
At beginning of the year	(131,498)	(135,989)	(136,289)
Impairment loss (made)/reversed	(8,514)	4,491	300
At end of the year	(140,012)	(131,498)	(135,989)
	21,877	30,391	25,900

The details of the subsidiaries are as follows:

Name of companies	Principal activities	Country of incorporation and place of business	Proportion (%) of ownership interest	
			2024 %	2023 %
Held by the Company				
Best Success (Hong Kong) Limited ("Best Success") [(1)]	Investment holding	Hong Kong	100	100
Held through Best Success				
Changzhou 3D Technological Complete Set Equipment Co., Limited ("Changzhou 3D") [(2)]	Manufacturing of vane products and relating subcontracting services	PRC	100	100
Held through Changzhou 3D				
Sichuan 3D New Power Technology Co., Ltd. ("Sichuan 3D")[(1)]	Manufacturing of vane products and relating subcontracting services	PRC	100	-

[(1)] *Dormant*
[(2)] *Audited by Changzhou Xinhuarui CPAs (常州新华瑞联合会计师事务所), a firm of Certified of Public Accountants registered in the PRC for statutory purpose and jointly by Nexia Singapore PAC and NLA DFK Assurance PAC for consolidation purpose.*

7. Investment in subsidiaries (Continued)

Impairment assessment of investment in subsidiaries

During the year, management had performed an impairment assessment for the investment in a subsidiary, based on the underlying business operation of Changzhou 3D arising from indicator of impairment based on facts and circumstances as described in **Note 2.2** to the financial statements.

Management engaged an independent valuer to determine the recoverable amount of its investment in subsidiaries as at 31 December 2024. Given that the sole underlying asset of Best Success comprises its investment in Changzhou 3D and Best Success does not hold any other material assets or liabilities, the fair value of Best Success was determined by reference to the fair value of Changzhou 3D .

Under the Income Approach, the Discounted Cash Flow ("DCF") Method was applied to estimate the fair value of the 100% equity interest in Changzhou 3D based on its expected future cash flows. Based on the valuation performed, the fair value of the 100% equity interest in Changzhou 3D was determined to be nil as at 31 December 2024. Given the nil value indicated under the Income Approach, the Cost Approach using the Summation Method (Adjusted Net Asset Value Method) was subsequently applied. The adjusted net assets include property, plant and equipment and inventories.

Accordingly, an impairment assessment was performed, resulting an impairment loss of RMB8,514,000 (2023: reversal of impairment loss of RMB4,491,000) was recognised during the year as the carrying amount of the investment exceeded its recoverable amount.

8. Inventories

	Group	
	2024 RMB'000	2023 RMB'000
Carrying amounts		
Raw materials	852	900
Work-in-progress	8,445	8,784
Finished goods	2,348	2,470
	11,645	12,154

The cost of inventories recognised as expenses and included in 'cost of sales' amounted to RMB30,271,000 (2023: RMB28,993,000), which includes RMB880,000 (2023: RMB1,454,000) in respect of allowance of inventory obsolescence.

The movement in allowance for inventory obsolescence is as follows:

	Group	
	2024 RMB'000	2023 RMB'000
At beginning of the year	21,704	20,250
Additions	880	1,454
At end of the year	22,584	21,704

9. Trade receivables

	Note	Group 31 December 2024 RMB'000	 31 December 2023 RMB'000 (Restated)	 1 January 2023 RMB'000
Trade receivable		37,787	34,647	35,335
ECL for trade receivables	30	(14,732)	(9,629)	(15,221)
		23,055	25,018	20,114
Bills receivables		59	5,320	3,294
		23,114	30,338	23,408

Trade receivables are non-interest bearing and are generally on 90 days terms.

The movement of ECL for trade receivable are as follows:

	Group 2024 RMB'000	 2023 RMB'000
At beginning of the year	9,629	15,221
ECL made/(reversed)	6,186	(5,592)
ECL utilised	(1,083)	-
At end of the year	14,732	9,629

10. Other receivables, deposits and prepayments

	Note	Group 31 December 2024 RMB'000	 31 December 2023 RMB'000	 1 January 2023 RMB'000
Current assets				
Advances to employees		611	371	627
Tender deposits		400	400	200
Other receivables		19	261	140
		1,030	1,032	967
Advances to suppliers	A	926	16,970	15,203
Prepayments		21	664	552
		1,977	18,666	16,722
Non-current asset				
Other receivable	A	10,394	-	-

Note A

In FY2022, the Group entered into a contract with a third-party supplier for the purchase of raw materials and the Group was requested to pay to the supplier in advance amounting to RMB15,024,000. In current financial year, the Group has requested for refund as no raw material was provided. A portion of the amount was repaid, and the remaining amount was reclassified to non-current assets as the amount was only expected to be repaid after one year.

11. Cash and cash equivalents

	Note	Group		
		31 December 2024 RMB'000	31 December 2023 RMB'000	1 January 2023 RMB'000
Cash in hand		38	47	863
Bank balances		11,890	8,752	12,839
Pledged deposits		760	338	-
Cash and cash equivalents as stated in the statement of financial positions		12,688	9,137	13,702
Less: Pledged deposit	A	(760)	(338)	(1,753)
Cash and cash equivalents as stated in the consolidated statement of cash flows		11,928	8,799	11,949

As of 31 December 2024, the Group has bank balances placed with banks in PRC denominated in Chinese Renminbi ("RMB") amounting to RMB8,923,000 (2023: RMB6,861,000). The RMB is not freely convertible to foreign currencies. Under the People's Republic of China's Foreign Exchange Control Regulations and Administration of Settlement, Sales and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorised to conduct foreign exchange business.

Note A
Bank balances of RMB760,000 (2023: RMB338,000) are pledged in connection with bills payable facilities (**Note 12**).

	Group	
	2024 RMB'000	2023 RMB'000
The movement in pledged deposits:		
At beginning of the year	338	1,753
Placement/(Withdrawal) of pledged deposits	422	(1,415)
At end of the year	760	338

12. Trade payables

	Group		
	31 December 2024 RMB'000	31 December 2023 RMB'000 (Restated)	1 January 2023 RMB'000
Trade payables	26,096	18,072	14,235
Bill payables	760	338	1,753
	26,856	18,410	15,988

Trade payables are non-interest bearing and are repayable on demand.

Bill payables are secured by a pledge of land use right (**Note 5**).

13. Other payable and accruals

	Group			Company		
	31 December 2024 RMB'000	31 December 2023 RMB'000 (Restated)	1 January 2023 RMB'000	31 December 2024 RMB'000	31 December 2023 RMB'000 (Restated)	1 January 2023 RMB'000
Other payables – third parties	655	1,155	183	-	-	-
Accrued expenses	8,390	5,822	5,369	2,457	1,475	1,989
Deposits received	347	347	280	-	-	-
	9,392	7,324	5,832	2,457	1,475	1,989
Advance rental	840	786	560	-	-	-
Other tax payables	453	326	519	-	-	-
VAT payables	509	413	1,988	-	-	-
	11,194	8,849	8,899	2,457	1,475	1,989

14. Borrowings

	Group	
	2024 RMB'000	2023 RMB'000
Secured borrowings [i]	25,000	30,000
Unsecured borrowings [ii]	17,500	14,500
	42,500	44,500

(i) These borrowings are secured by a pledge over the land use right of Changzhou 3D, which had a carrying amount of RMB8,092,000 (2023: RMB8,332,000) as at 31 December 2024. Interest on the secured bank loan was charged at a rate of 3.20% (2023: 4.20%) per annum. One secured bank loan of RMB25,000,000 (2023: three secured bank loans of RMB30,000,000) is repayable in December 2025 (2023: January 2024). As at the date of authorisation of these financial statements, the loan had been fully repaid and new loans amounting to RMB45,000,000 had been drawn down, maturing in April 2026.

(ii) Interest on unsecured bank loans was charged at the rate of 3.00% and 3.70% (2023: 3.65% and 3.90%) per annum. An individual shareholder has provided a personal guarantee on loan amounting to RMB8,000,000. As at the date of authorisation of these financial statements, all loans had been fully repaid and new loans amounting to RMB17,400,000 had been drawn down, maturing in August 2026 and February 2029.

The Group has access to facility limit (including loans and trade facility) of which RMB500,000 were unused at the reporting date, which has since increased to RMB25,700,000 as of the date of authorisation of these financial statements.

Reconciliation of liabilities arising from financing activities:

		Financing cash flow			Non-cash changes	
	As at 1 January RMB'000	Repayment of principal RMB'000	Repayment of interest RMB'000	Drawdown of loan RMB'000	Accretion of interest RMB'000	As at 31 December RMB'000
2024						
Bank loans						
- current	44,500	(109,500)	(1,732)	107,500	1,732	42,500
2023						
Bank loans						
- current	43,500	(43,500)	(1,819)	44,500	1,819	44,500

15. Provision for government fine and contingent liability

Changzhou 3D was served a notice dated 2017 by 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

Changzhou 3D received a notice from government agency with a fine of RMB3,060,000 on 13 May 2019. Up to 31 December 2024, the management confirms that Changzhou 3D has received neither further information on the investigation nor notification of the specific necessary rectification required from the government agency and has not paid the fine yet.

The provision is as follows:

	Group	
	2024 RMB'000	2023 RMB'000
At beginning and at end of the year	4,373	4,373

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 Notice indicates that the local government has commenced administrative enforcement procedures in relation to the relevant properties. The matter remains at the investigation and evidence-gathering stage and has neither reached the stage where a "Letter of Statement of Averment" would be issued nor constituted a final and conclusive administrative decision.

Since 2017 and up to the date these financial statements were authorised for issue, management confirms that Changzhou 3D has received neither further information on the investigation nor any notification of specific rectification measures required by the government agency.

16. Deferred government grants

	Note	Group 2024 RMB'000	Group 2023 RMB'000
Balance at the beginning of financial year		668	890
Transfer to profit or loss	23	(223)	(222)
Balance at the end of financial year		445	668

This relates to grant received from government in FY2017 for purchase of plant and machinery with a useful life of 10 years.

17. Due to subsidiaries (non-trade)

These non-trade balances are unsecured, interest-free and repayable on demand.

18. Share capital

	Group and Company			
	2024 Number of ordinary shares	USD'000	2023 Number of ordinary shares	USD'000
Authorised	200,000,000	50,000	200,000,000	50,000
Issued and fully paid				
At beginning and end of the year	30,520,000	7,630	30,520,000	7,630
Equivalent to (RMB'000)		60,318		60,318

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

19. Share premium

	Group and Company 2024 RMB'000	Group and Company 2023 RMB'000
At beginning and end of the year	79,803	79,803

Under The Companies Law (revised) of the Cayman Islands, the funds in the share premium account of the Company are distributable to the shareholders of the Company provided that immediately following the date on which a dividend is proposed to be distributed, the Company will be in a position to pay off its debts as they fall due in the ordinary course of business.

20. Statutory reserve

	Percentage of contribution from profit	Group	
		2024 RMB'000	2023 RMB'000
Statutory reserve fund	10%	30,526	30,526

In accordance with the Foreign Enterprise Law of the PRC, the subsidiary, being a wholly foreign-owned enterprise is required to make contributions to a statutory reserve fund. At least 10% of the statutory after-tax profits as determined in accordance with the applicable PRC accounting standards and regulations is required to be allocated to the statutory reserve fund. If the cumulative total of the statutory reserve fund reaches 50% of the subsidiary's registered capital, the enterprise will not be required to make any additional contribution.

The statutory reserve fund may be used to offset accumulated losses or increase the registered capital of the subsidiary, subject to approval from the relevant PRC authorities and is not available for dividend distribution to the shareholders. The PRC enterprise is prohibited from distributing dividends unless the losses (if any) of previous years have been made up.

21. Translation reserve

The exchange translation reserve is used to record foreign currency exchange differences arising from the translation of the financial statements of foreign operations whose functional currencies are different from that of the Group's presentation currency. It is also used to record the exchange differences arising from monetary items which form part of the Group's net investment in foreign operations, where the monetary item is denominated in either the functional currency of the reporting entity or the foreign operation.

22. Revenue from contracts with customers

Disaggregation of revenue

	Timing of	Group	
		2024 RMB'000	2023 RMB'000
Sale of goods	Point in time	83,018	78,994

The following table provides a disaggregation disclosure of the Group's revenue from continuing operations by primary geographical market.

	Group	
	2024 RMB'000	2023 RMB'000
People's Republic of China	80,367	69,386
Korea	2,651	9,608
	83,018	78,994

22. Revenue from contracts with customers (Continued)

Contract balances

Contract assets relate to the Group's right to consideration for revenue recognised on sales of goods but not invoiced to customers, which will be transferred to trade receivables when the rights become unconditional upon invoicing.

Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers. Contract liabilities are recognised as revenue as the Group fulfils its performance obligations under the contract.

23. Other operating income

	Note	Group	
		2024	**2023**
		RMB'000	**RMB'000**
Gain on sale of scrap materials		1,431	1,159
Rental income		2,092	1,046
Amortisation of deferred government grants	16	223	222
Refund receipt from former key management personnel		-	3,750
Gain on disposal of property, plant and equipment		128	-
Others		499	485
		4,373	6,662

24. Loss before income tax

This is determined after charging the following:

	Note	**Group**	
		2024	**2023**
		RMB'000	**RMB'000**
Depreciation of property, plant and equipment	4	832	781
Depreciation of right-of-use assets	5	240	242
Directors' fee			
- Directors of the Company	29	576	563
Audit fees			
- Auditors of the Company		1,094	1,029
- Other auditors		60	135
Personnel expenses [(i)]	25	26,763	26,637
Allowance for inventory obsolescence	8	880	1,454
Legal and professional fee		384	255

[(i)] Includes directors' remuneration as disclosed in this note.

25. Personnel expenses

	Group	
	2024 RMB'000	2023 RMB'000
Wages, salaries and bonuses	22,132	22,216
Contribution to defined contribution plans	3,594	3,322
Other employees' benefits	1,037	1,099
	26,763	26,637

26. Income tax

Major components of income tax expenses for the year ended 31 December were:

	Group	
	2024 RMB'000	2023 RMB'000
Current income tax	-	-

The reconciliation of the tax expense and the product of accounting loss multiplied by the applicable rate is as follows:

	Group	
	2024 RMB'000	2023 RMB'000
Profit before tax	(11,686)	(12,688)
Tax at the applicable tax rate of 25% (2023: 25%)	(2,922)	(3,172)
Tax effect of:		
- income not subject to tax	-	(2,336)
- expenses not deductible for tax purpose	3,500	5,382
- expenses incurred in tax-free jurisdictions	528	164
- utilisation of prior year deferred tax assets not recognised	(1,112)	-
- others	6	(38)
Current income tax	-	-

Unrecognised tax losses

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. The Group has unrecognised tax losses of RMB165,492,000 (2023: RMB169,940,000) at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The tax losses can be carried forward for ten years starting from the year subsequent to the year in which the loss was incurred.

26. Income tax (Continued)

The Company

The Company is operating in a tax-free jurisdiction. The dividend received which is eliminated has no tax consequences; and the corporate expenses incurred are included in the “expenses incurred in tax-free jurisdiction” line item in the tax reconciliation above.

Subsidiaries

a. Best Success, which is subject to Hong Kong tax rate of 16.5% (2023: 16.5%), does not have taxable profit since its incorporation on 23 April 2005.

b. In accordance with the Income Tax Law of the PRC for High Technology Enterprises and various approval documents issued by the PRC Tax Bureau, Changzhou 3D being awarded the “High Technology Enterprise” status, enjoys a concessionary tax rate of 15%, as compared to the statutory tax rate for PRC companies of 25%. The concessionary income tax status is valid for 3 years and is subjected to renewal when it expires in November 2027. This benefit will be disclosed under the tax incentive in the tax reconciliation. However, Changzhou 3D is in tax loss position since financial year 2017.

27. Loss per share

Basic earnings per share is calculated by dividing the net loss attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2024	2023
Net loss attributable to equity holders of the Company	(11,678)	(12,427)
Weighted average number of ordinary shares outstanding for basic and diluted loss per share	30,520,000	30,520,000
Basic and diluted loss per share (RMB cents per share)	(38.29)	(41.57)

28. Commitments

Non-cancellable operating lease commitments – Group as lessor

The Group has entered into operating lease contract on its building. This is negotiated term of 3 to 10 years. The future minimum rental receivable under non-cancellable operating leases contracted for at the reporting period are as follows:

	Group	
	2024 RMB’000	2023 RMB’000
Future minimum lease receivables		
Not later than 1 year	2,549	1,135
Later than 1 year but not later than 5 years	7,524	3,340
More than 5 years	3,290	-
	13,363	4,475

29. Related party information

Some of the arrangements with related parties and the effects of these bases determined between the parties are reflected elsewhere in this report. Transactions between the Company and its subsidiaries, which are related companies of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below:

	Note	Group	
		2024	**2023**
		RMB'000	**RMB'000**
Key management personnel compensation			
Directors of the Company			
- Directors' fee	24	576	563
Other key management personnel			
- Salaries, bonus and other short-term employee benefits		839	617
		1,415	1,180

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and General Manager are considered key management personnel.

30. Financial instruments

Financial risk management objectives and policies

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks are market risks (including foreign exchange risk and interest rate risk), liquidity risk and credit risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks.

It is the Group's policy not to trade in derivative contracts.

(i) Market risk

(a) Foreign exchange risk

Currently, the PRC government imposes control over foreign currencies, RMB, the official currency in the PRC, is not freely convertible. Enterprises operating in the PRC can enter into exchange transactions through the People's Bank of China or other authorised financial institutions. The Group has not entered into any derivative instruments for hedging or trading purposes.

30. Financial instruments

(i) Market risk (Continued)

(a) Foreign exchange risk (Continued)

The Group's currency exposure is as follows:

Group	Singapore Dollars	Chinese Renminbi	Hong Kong Dollars	United States Dollars	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2024					
Financial assets					
Cash and cash equivalents	-	11,925	17	746	12,688
Trade receivables	-	21,305	-	1,809	23,114
Other receivables (excluding advances to suppliers and prepayments)	-	1,030	-	-	1,030
	-	34,260	17	2,555	36,832
Financial liabilities					
Trade payables	-	26,856	-	-	26,856
Other payables and accruals	904	8,438	51	-	9,393
Bank loans	-	42,500	-	-	42,500
	904	77,794	51	-	78,749
Net financial assets/(liabilities)	(904)	(43,534)	(34)	2,555	(41,917)
Less: Net liabilities/(assets) denominated in the functional currency	-	43,534	-	-	43,534
Foreign currency exposures	(904)	-	(34)	2,555	1,617

30. Financial instruments (Continued)

(i) Market risk (Continued)

(a) Foreign exchange risk (Continued)

The Group's currency exposure is as follows:

Group	Singapore Dollars	Chinese Renminbi	Hong Kong Dollars	United States Dollars	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2023					
Financial assets					
Cash and cash equivalents	-	7,246	21	1,870	9,137
Trade receivables	-	27,943	-	2,395	30,338
Other receivables (excluding advances to suppliers and prepayments)	-	1,032	-	-	1,032
	-	36,221	21	4,265	40,507
Financial liabilities					
Trade payables	-	18,410	-	-	18,410
Other payables and accruals	689	6,635	-	-	7,324
Bank loans	-	44,500	-	-	44,500
	689	69,545	-	-	70,234
Net financial assets/(liabilities)	(689)	(33,324)	21	4,265	(29,727)
Less: Net liabilities/(assets) denominated in the functional currency	-	33,324	-	-	33,324
Foreign currency exposures	(689)	-	21	4,265	3,597

30. Financial instruments (Continued)

(i) Market risk (Continued)

(a) Foreign exchange risk (Continued)

Foreign exchange risk sensitivity

The following table details the sensitivity to a 5% (2023: 5%) increase and decrease in the Chinese Renminbi against the relevant foreign currencies. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period.

If the Chinese Renminbi strengthens by 5% (2023: 5%) against the relevant foreign currencies with all the other variables held constant, loss for the year will increase/(decrease) by:

Group	**Singapore Dollars**	**United States Dollars**
	RMB'000	**RMB'000**
2024		
Loss for the year	34	(96)
2023		
Loss for the year	26	(160)

The Group is also exposed to currency translation risk arising from its net investment in its foreign operation in Hong Kong including intragroup balances. The Group's net investment in Hong Kong is not hedged as currency position in Hong Kong Dollar is considered to be long-term in nature.

(b) Interest rate risk

The Group obtains additional financing through bank borrowings.

The Group's policy is to obtain the most favorable interest rates available without increasing its foreign currency exposure. The Group constantly monitors its interest rate risk and does not utilise interest rate swap or other arrangements for trading or speculative purposes. As at 31 December 2024, there were no such arrangements, interest rate swap contracts or other derivative instruments outstanding.

The Group's total comprehensive loss is not affected by changes in interest rates as the interest-bearing loans carry fixed interest (**Note 14**) and are measured at amortised cost. As such, sensitivity analysis is not provided.

30. Financial instruments (Continued)

(ii) Liquidity risk

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Typically, the Group ensures that it has sufficient cash on demand to meet expected operational expenses including the servicing of financial obligations. The Group actively manages its operating cash flows to finance the Group's operations. As part of its overall prudent liquidity management, the Group minimises liquidity risk by ensuring the availability of funding through an adequate amount of credit facilities, subject for approval by PRC banks, and maintaining a sufficient level of cash to meet its working capital requirements.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's financial liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Carrying amount RMB'000	One year or less RMB'000
Group		
2024		
Financial liabilities		
Trade payables	26,856	26,856
Other payables and accruals	9,393	9,393
Borrowings	42,500	43,514
Total undiscounted financial liabilities	78,749	79,763
2023		
Financial liabilities		
Trade payables	18,410	18,410
Other payables and accruals	7,324	7,324
Borrowings	44,500	44,669
Total undiscounted financial liabilities	70,234	70,403

(iii) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's major class of financial assets are cash and cash equivalents, pledged deposits and trade and other receivables. Cash and cash equivalents and pledged deposits are placed with state-owned financial institutions in the PRC. Bills receivables (**Note 9**) are mainly redeemable from government controlled commercial banks in the PRC. Therefore, credit risk arises mainly from the inability of its customers to make payments when due.

30. Financial instruments (Continued)

(iii) Credit risk (Continued)

For trade receivables, the Group mainly deals with long-time customers of appropriate credit history. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level by the Board of Directors. The average credit period on sales of goods is 90 days (2023: 90 days). No interest is imposed on overdue trade receivables.

As the Group and Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position. The amounts presented in the statement of financial position are net of allowances for impairment of trade receivables, estimated by management based on prior experience and the current economic environment.

The credit risk for trade receivables is as follows:

	Group	
	2024 RMB'000	2023 RMB'000
By geographical areas		
- People's Republic of China	21,246	22,623
- South Korea	1,809	2,395
	23,055	25,018

The Group's major customers are located in the PRC and principally engaged in development and manufacture of power equipment. Revenue, carrying amount of trade receivables and net impairment loss on financial assets made of major customers are disclosed as follows.

		Trade receivables		
	Revenue	Gross	ECL	Net
Group	RMB'000	RMB'000	RMB'000	RMB'000
2024				
Credit-impaired				
Customer A	64,986	24,475	(8,057)	16,418
Customer B	1,781	-	-	-
Customer C	1,969	2,655	(288)	2,367
Customer D	106	4,648	(4,318)	330
Others	14,176	6,009	(2,069)	3,940
At end of year	83,018	37,787	(14,732)	23,055

30. Financial instruments (Continued)

(iii) Credit risk (Continued)

		Trade receivables		
	Revenue	Gross	ECL	Net
Group (Continued)	**RMB'000**	**RMB'000**	**RMB'000**	**RMB'000**
2023				
Credit-impaired				
Customer A	60,753	18,597	(1,545)	17,052
Customer B	9,206	2,481	-	2,481
Customer C	2,830	3,577	(967)	2,610
Customer D	318	7,859	(5,286)	2,573
Others	5,887	2,133	(1,831)	302
At end of year	78,994	34,647	(9,629)	25,018

Management assessed the ECL on whether there is a significant increase in credit risk since initial recognition and this resulting in an ECL allowance of RMB14,732,000 (2023: RMB9,629,000) as at 31 December 2024.

Expected Credit Losses ("ECL")

The Group manages credit loss based on ECL model. The Group and Company have the following financial assets subject to lifetime ECL under General Approach:

Group	Trade receivables RMB'000 (Note 9)	Bill receivables RMB'000 (Note 9)	Total RMB'000
2024			
Gross amount of financial assets subject to ECL	37,787	59	37,846
Movement of lifetime ECL:			
Balance at 1 January 2024	9,629	-	9,629
ECL recognised during the year	6,186	-	6,186
ECL utilised during the year	(1,083)	-	(1,083)
Balance at 31 December 2024	14,732	-	14,732
Carrying amounts of financial assets, representing net exposure as at reporting date	23,055	59	23,114

30. Financial instruments (Continued)

(iii) Credit risk (Continued)

Expected Credit Losses (Continued)

	Trade receivables	Bill receivables	Total
	RMB'000	RMB'000	RMB'000
Group (Continued)	(**Note 9**)	(**Note 9**)	
2023			
Gross amount of financial assets subject to ECL	34,647	5,320	39,967
Movement of lifetime ECL:			
Balance at 1 January 2023	15,221	-	15,221
ECL recognised during the year	882	-	882
ECL written back during the year due to recovery	(6,474)	-	(6,474)
Balance at 31 December 2023	9,629	-	9,629
Carrying amounts of financial assets, representing net exposure as at reporting date	25,018	5,320	30,338

The Group considers the above ECL to be Stage 3 ECL (credit impaired) considering that:

- Trade receivables which are unlikely to pay its credit obligation in full, without recourse by the Group
- Ongoing dispute with customer
- Historical credit loss experience, payment trend and past due status.

The other receivables and deposits (**Note 10**) balance mainly comprise advances to suppliers and employees as well as non-current receivables. Based on management's assessment of the recoverability on the non-current receivable, no impairment of ECL is required.

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or conditions. Concentrations indicate the relative sensitivity of the Group's performance to developments affecting a particular industry.

Exposure to credit risk

At the end of the reporting period, the Group's credit risk is concentrated with 2 customers (2023: 3 customers) with outstanding receivables balance at year end representing 72% (2023: 87%) of total trade receivables balances.

30. Financial instruments (Continued)

(iv) Financial instruments by category

The carrying amounts of the different categories of financial instruments are as follows:

	Group	
	2024 RMB'000	2023 RMB'000
Financial assets at amortised cost	36,832	40,507
Financial liabilities at amortised cost	78,749	70,234

Capital risk management policies and objectives

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

The capital structure of the Group consists of debt, net of cash and cash equivalents, and the equity attributable to equity holders of the parent, comprising issued capital and reserves as disclosed in **Notes 19 to 21**.

The Board of Directors reviews the capital structure on an annual basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. Based on guidance of the Board, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt. The Group's overall strategy remains unchanged from 2023.

As disclosed in **Note 20**, the PRC incorporated subsidiary of the Group is required by the Foreign Enterprise Law of PRC to contribute to and to maintain a non-distributable statutory reserve fund, the utilisation of which is subject to approval of the relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiary for the financial year ended 31 December 2024.

31. Segment information

The Group operates in only one operating segment, i.e. the manufacture and sale of vane products.

The operating segment has been identified on the basis of internal management reports that are regularly reviewed by management of the Group. Management of the Group reviews the overall results of the Group as a whole to make decisions about resource allocation. Accordingly, no further analysis of this single reporting segment has been prepared.

The major customers in the PRC contributing 10% or more to the Group's revenue is disclosed in **Note 30 (iii)**. The Group's entire non-current assets are located in PRC.

32. Fair values of financial instruments

The Group and the Company had no financial assets or liabilities carried at fair values in FY2024 and FY2023.

The carrying amounts of cash and cash equivalents, pledged deposits, trade and other receivables, and trade and other payables are reasonable approximation of fair values due to the relatively short-term maturity of these financial instruments.

33. Ongoing investigation of debt collection agent fees by public security authorities

In 2018 and 2019, a subsidiary, Changzhou 3D Technological Complete Set Equipment Co., Limited ("Changzhou 3D") (through its former director), entered into seven debt collection service agreements with two purportedly third-party companies ("Debt Collection Agents") to collect certain trade receivables on behalf of Changzhou 3D. The amounts to be collected by these Debt Collection Agents as stipulated under these agreements were approximately RMB11.5 million and RMB14.1 million for FY2018 and FY2019 respectively; the actual amounts collected were RMB11.0 million and RMB14.1 million respectively. The debt collection agent fees amounted to approximately RMB3.33 million and RMB3.15 million for FY2018 and FY2019 respectively, and were grouped under and classified as administrative expenses in the Group's consolidated statement of profit or loss and other comprehensive income in those financial years.

In June 2019, Changzhou 3D appointed a local accounting firm in China ("Chinese Accounting Firm") to carry out an ad hoc internal control review over some issues, including the appropriateness of the debt collection agent fees incurred as described above. As stated in the internal control report issued in the same month, the Chinese Accounting Firm raised concerns on the cost-effectiveness of these debt collection agent fees given that the proportion of the debt collection agent fees to the amounts of receivables to be collected was inexplicably significant (ranging from 16% to 68%).

Following the issuance of the internal control review report by the Chinese Accounting Firm, in July 2019, Changzhou 3D sought legal opinion ("Legal Opinion") from its legal counsel ("Chinese Legal Counsel") on those concerns, observations and remarks noted in the report (including the debt collection agent fees). The Chinese Legal Counsel was of the view that, among others, based on their findings, the debt collection agent fees were patently exorbitant and there was no evidence of debt collection activities carried out by these Debt Collection Agents, thereby characterising these debt collection agent fees as potential misappropriation of company's property by the then management personnel authorising such transactions and the payments. In that regard, the Chinese Legal Counsel recommended Changzhou 3D to make a report to the Chinese Public Security authorities for further investigation of the matter.

Based upon the Legal Opinion, Changzhou 3D accordingly reported the matter to the Chinese Public Security authorities in October 2019.

In November 2019, Changzhou 3D received the Notice of Filing from the Chinese Public Security authorities ("Notice of Filing") and consulted the Chinese Legal Counsel regarding the significance of the document. The Chinese Legal Counsel advised that the Notice of Filing generally indicates the acknowledgement by the Chinese Public Security authorities that it had preliminarily considered that the facts and information of the complaint being reported and decided to formally conduct further investigation into the complaint. As at the date of these financial statements, the investigation by Chinese Public Security is still ongoing and the outcome of it is presently unknown.

34. Prior year adjustments

The prior year adjustments were due to the followings:

(a) The adjustment related to the impairment assessment of property, plant and equipment. Following a reassessment of the recoverable amount of the Changzhou 3D CGU, management determined that an impairment loss should have been recognised for the financial year ended 31 December 2023. Accordingly, the comparative figures have been restated to recognise the impairment loss and reduce the carrying amount of property, plant and equipment.

(b) The adjustment related to the capitalisation of inspection costs. Certain inspection costs were previously recognised as an asset and amortised over subsequent periods. Management subsequently determined that the expenditure did not meet the asset recognition criteria and should have been recognised as an expense when incurred. Accordingly, the comparative figures have been restated to derecognise the asset and recognise the related expense in the appropriate reporting period.

(c) The adjustment related to the reversal of a processing fee accrual originally recognised in FY2019 and the correction of an overstatement of production costs in FY2019.

(d) The adjustment related to outsourcing processing fees that were incorrectly recognised in FY2024 instead of FY2023.

(e) The adjustment related to the impairment assessment of an investment in a subsidiary. Following a reassessment of the recoverable amount of the investment in a subsidiary, management determined that an adjustment to the impairment loss recognised in prior years was required. Accordingly, the comparative figures have been restated to reverse part of the impairment loss previously recognised and increase the carrying amount of the investment in a subsidiary.

Details of the prior year adjustments in statement of financial position, statement of comprehensive income and statement of cash flows are provided in the following table.

	31 December 2023			
	As previously reported RMB'000		**Adjustments RMB'000**	**As restated RMB'000**
Group				
Statement of financial position				
Non-current assets				
Property, plant and equipment	19,445	(a)	(18,103)	1,342
Current assets				
Other receivables, deposits and prepayments	18,942	(b)	(276)	18,666
Equity				
Accumulated losses	(148,009)		(19,837)	(167,846)
Liabilities				
Trade payables	19,051	(c)	(641)	18,410
Other payables and accruals	6,750	(d)	2,099	8,849

34. Prior year adjustments (Continued)

	31 December 2023			
	As previously reported RMB'000		Adjustments RMB'000	As restated RMB'000
Group (Continued)				
Statement of comprehensive income				
Cost of sales	(57,644)	(d)	(2,099)	(59,743)
Administrative expenses	(15,607)	(b)	(276)	(15,242)
		(c)	641	
Impairment loss on property, plant and equipment	-	(b)	(18,103)	(18,103)
Statement of cash flows				
Changes in working capital:				
Trade and other receivables	(3,307)	(b)	276	(3,031)
Trade and other payables	914	(d)	2,099	2,372

	31 December 2023			
	As previously reported RMB'000		Adjustment RMB'000	As restated RMB'000
Company				
Statement of financial position				
Non-current assets				
Investment in a subsidiary	11,900	(e)	18,491	30,391
Equity				
Accumulated losses	(163,713)	(e)	18,491	(145,222)

35. Comparative information

The financial statements for the financial year ended 31 December 2023 were audited by another firm of auditors.

36. Authorisation of financial statements for issue

The financial statements for the financial year ended 31 December 2024 were authorised for issue in accordance with a resolution of the directors on 26 June 2026.

As at 23 June 2026 Amounts in thousands of Chinese Renminbi ("RMB'000")

Class of equity securities	Number of equity securities	Voting rights
Ordinary at 23 June 2026	30,520,000	One vote per share

There is no treasury share and subsidiary holding in the issued share capital of the Company.

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	16	2.62	789	0.00
100 – 1,000	244	40.00	156,348	0.51
1,001 – 10,000	298	48.85	1,064,485	3.49
10,001 – 1,000,000	48	7.87	5,627,991	18.44
1,000,001 AND ABOVE	4	0.66	23,670,387	77.56
TOTAL	610	**100.00**	30,520,000	**100.00**

SUBSTANTIAL SHAREHOLDERS

(as recorded in the Register of Substantial Shareholders)

Name	NUMBER OF ORDINARY SHARES			
	Direct Interest	%	Deemed Interest	%
Liu Ming	8,240,000	27.00	0	0.00
Shanghai Suan Ni Li Enterprise Management Consulting Service Partnership (LP)	3,673,800	12.04	0	0.00
Yugen Kaisha Simon Murray And Company Japan	3,300,000	10.81	0	0.00
Yonehara Shinichi (1)	0	0.00	3,300,000	10.81
Gao Zhong	3,051,527	10.00	0	0.00

Notes:

1 Yonehara Shinichi is the 100% shareholder of Yugen Kaisha Simon Murray And Company Japan and is therefore deemed to be interested in the shares of the Company by virtue of Section 4 of the Securities and Future Act 2002 of Singapore.

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	LIU MING	8,240,000	27.00
2	IFAST FINANCIAL PTE LTD	7,478,130	24.50
3	UOB KAY HIAN PTE LTD	6,774,527	22.20
4	CGS INTL SECURITIES SINGAPORE PL	1,177,730	3.86
5	LIM SIAN KOK	900,000	2.95
6	DBS VICKERS SECURITIES (S) PTE LTD	830,500	2.72
7	TAN ENG CHUA EDWIN	741,400	2.43
8	RAFFLES NOMINEES(PTE) LIMITED	310,207	1.02
9	PENG CHEE SENG (PENG ZHICHENG)	301,000	0.99
10	LEE KUNFENG DANIEL	300,000	0.98
11	PHILLIP SECURITIES PTE LTD	278,150	0.91
12	TIGER BROKERS (SINGAPORE) PTE. LTD.	267,200	0.88
13	CITIBANK NOMS SPORE PTE LTD	250,900	0.82
14	WONG PANG FEI	250,000	0.82
15	YONG WOON CHONG	162,200	0.53
16	DBS NOMINEES PTE LTD	151,715	0.50
17	THAM FOO KHEY	104,100	0.34
18	BOON KIA IN VINCENT (WEN JIAYIN)	65,000	0.21
19	MAYBANK SECURITIES PTE. LTD.	59,000	0.19
20	TEO BOCK HENG	45,701	0.15
	TOTAL	**28,687,460**	**94.00**

PERCENTAGE OF SHAREHOLDING IN HANDS OF PUBLIC

Based on the information available to the Company as at 23 June 2026 approximately 40.15% of the issued ordinary shares of the Company were held by the public and therefore, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited is complied with.

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting (the "**AGM**") of Shanghai Turbo Enterprises Ltd. (the "**Company**") will be held at The White Label in The SULTAN HOTEL, 101 Jalan Sultan #01-01 Singapore 199002 on Wednesday, 22 July 2026, at 2:00 p.m. to transact the following businesses:

ORDINARY BUSINESSES

1.	To receive and adopt the Directors' Statement and the Financial Statements of the Company for the financial year ended 31 December 2024 together with the Independent Auditors' Report thereon.	**Resolution 1**
2.	To re-elect Mr. Foo Chee Meng retiring pursuant to Article 86(1) of the Company's Articles of Association. [See Explanatory Note (i)]	**Resolution 2**
3.	To approve the payment of Directors' Fees of RMB1.125 million for the financial year ended 31 December 2025 (FY2024: RMB1.125 million)	**Resolution 3**
4.	To re-appoint Messrs. Nexia Singapore PAC and NLA DFK Assurance PAC as the joint auditors of the Company and to authorise the Directors of the Company to fix their remuneration.	**Resolution 4**
5.	To transact any other ordinary business which may properly be transacted at an Annual General Meeting.	

SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as Ordinary Resolution, with or without modifications:-

6. **AUTHORITY TO ALLOT AND ISSUE SHARES** — **Resolution 5**

"That pursuant to Section 161 of the Companies Act 1967 of Singapore (the "**Companies Act**"), Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution is in force,

provided that:

(1) the aggregate number of Shares to be allotted and issued pursuant to this Resolution (including Shares to be allotted and issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be allotted and issued other than on a pro rata basis to shareholders of the Company (including Shares to be allotted and issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) subject to such manner of calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury Shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of any convertible securities;

(b) new Shares arising from exercising share options or vesting of share awards, provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares;

adjustments in accordance with sub-paragraphs 2(a) and 3(b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of passing of this Resolution; and

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST from the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Constitution for the time being of the Company; and

(4) (unless revoked or varied by the Company in General Meeting), the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.”

[See Explanatory Note (ii)]

BY ORDER OF THE BOARD

Chong Eng Wee
Company Secretary
Singapore, 6 July 2026

Explanatory Notes:

(i) Mr. Foo Chee Meng will, upon re-election as a Director, remain as Non-Executive Independent Director, Chairman of the Nominating Committee and Remuneration Committee and a member of the Audit Committee.

Mr. Foo Chee Meng will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. Please refer to Corporate Governance Report on pages 34 to 37 in the Annual Report for the detailed information required pursuant to Rule 720(6) of the SGX-ST.

(ii) The Ordinary Resolution 5, if passed, will empower the Directors, effective until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, fifty per cent (50%) of the total number of issued shares in the capital of the Company of which up to twenty per cent (20%) may be issued other than on a pro-rata basis to Shareholders. For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding Treasury Shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding Treasury Shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities, share options or share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

IMPORTANT NOTES:

1. The members of the Company are invited to attend physically at the AGM. There will be no option for shareholders to participate virtually.

2. The Annual Report, Notice of AGM and Proxy Form will be despatched to shareholders and published on SGXNet at the URL https://www.sgx.com/securities/company-announcements.

3. Shareholders may attend, speak and vote at the AGM or appoint proxy or proxies to attend, speak and vote on their behalf at the AGM. A proxy need not be a member of the Company.

4. If a shareholder wishes to appoint a proxy or proxies to vote on their behalf at the AGM, duly executed proxy forms must be submitted through any one of the following means:

   (a) if submitted by post, to be deposited at the registered office of the Company's Singapore Share Transfer Agent, In.Corp Corporate Services Pte. Ltd., at 36 Robinson Road, #20-01 City House, Singapore 068877; or

   (b) if submitted electronically, to be submitted via email in Portable Document Format (PDF) to the Company's Singapore Share Transfer Agent, at shareregistry@incorp.asia,

   in either case, by **20 July 2026, 2:00 p.m.**, being not less than forty-eight (48) hours before the time appointed for the holding of the AGM (or any adjournment thereof). A member who wishes to submit the proxy form must complete and sign the proxy form, before submitting it by post to the address provided above, or by scanning and sending it by email to the email address provided above.

5. Shareholders are strongly encouraged to submit completed proxy forms electronically via email.

6. In appointing the Chairman of the AGM as proxy, shareholders should specifically indicate in the proxy form how they wish to vote for or vote against (or abstain from voting on) the resolution set out in this Notice of AGM, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

7. The proxy form must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. Where a proxy form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with its Constitution and Section 179 of the Companies Act 1967 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

9. A shareholder including a Relevant Intermediary (as defined below) is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such shareholder's proxy form appoints more than one (1) proxy, the proportion of his/her/its shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this proxy form as invalid.

   A "**Relevant Intermediary**" is:

   (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

10. Shareholders and duly appointed proxy or proxies will be able to ask questions relating to the resolutions to be tabled for approval at the AGM. The Company will endeavour to respond to and address substantial and relevant questions as far as reasonably practicable during the AGM. Where there are substantially similar questions, the Company will consolidate such questions and consequently not all questions may be individually addressed.

11. Alternatively, Shareholders may submit questions related to the resolutions which will be tabled for approval at the AGM in advance either via:

    (a) if submitted by post, to be deposited at the registered office of the Company's Singapore Share Transfer Agent, In.Corp Corporate Services Pte. Ltd., at 36 Robinson Road, #20-01 City House, Singapore 068877; or

    (b) if submitted electronically, to be submitted via email to the Company, at shareregistry@incorp.asia,

    by **15 July 2026, 2:00 p.m.**. Shareholders who submit questions in advance of the AGM should identify themselves by stating *(i)* his/her/its full name as it appears in the Depository Register and the Register of Members; and *(ii)* NRIC/Passport/Company Registration Number for verification purposes,

12. Shareholders are encouraged to submit their questions via one of the foregoing means as soon as possible so that they may have the benefit of the answers to their questions (where substantial and relevant to the agenda of the AGM) prior to submitting their proxy forms. Please note that substantial and relevant questions (as may be determined by the Company at its sole discretion) from shareholders submitted in advance and received by the Company would be addressed by the Company and published on the SGX website no later than 48 hours before the deadline for submission of the proxy forms. The Company will also address any subsequent clarifications sought, or follow-up questions, prior to, or at, the AGM in respect of substantial and relevant matters.

Personal data privacy:

"**Personal data**" in this notice has the meaning ascribed to it pursuant to the Personal Data Protection Act 2012 of Singapore ("**PDPA**"), which includes your name, address and NRIC/Passport number. By submitting (a) details for the registration to observe or participate in the proceeding of the AGM, (b) an instrument appointing a proxy or proxies to attend, speak and vote at the AGM and/or any adjournment thereof, or (c) any questions prior to the AGM in accordance with this notice of AGM, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the proxy(ies) for the AGM (including any adjournment thereof), processing the registration for purpose of granting access to members (or their appointed proxy(ies)) to observe and participate in the proceedings of the AGM, addressing relevant and substantial questions from members received before the AGM and if necessary, following-up with the relevant members in relation to such questions, and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Use of Data Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Use of Data Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

Photographic, sound and/or video recordings at the AGM (including any adjournment thereof) may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company (such as his name, his presence at the AGM and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

REPORT

全球业务解决方案

SHANGHAI TURBO ENTERPRISES LTD.
上海动力发展有限公司

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