SHANGHAI TURBO ENTERPRISES LTD.
No.9 Yinghua Road, Zhonglou Economic Development Zone
Changzhou, Jiangsu Province, 213016, the PRC

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE NINE MONTHS ENDED
30 September 2026

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

		The Group		
		9 months ended 30 Sep 2026	9 months ended 30 Sep 2025	Change +/(-)
	Note	RMB'000	RMB'000	%
Revenue	4	109,989	55,726	97%
Cost of sales		(78,990)	(44,795)	76%
Gross profit / (loss)		30,999	10,931	184%
Other income / (expenses)		3,243	3,183	2%
Distribution and marketing expenses		(5,421)	(3,693)	47%
General and administrative expenses		(14,772)	(12,142)	22%
Finance expenses		(2,323)	(1,351)	72%
Impairment loss on financial assets (addition)/		-	-	
Loss before income tax	6	11,726	(3,072)	482%
Tax expenses	7	-	-	NM
Profit/(Loss) for the financial period, net of tax		11,726	(3,072)	482%
Other comprehensive (expenses) / income				
Items that may be reclassified to profit or loss in subsequent period (net of tax)				
Currency translation differences on consolidation		-	-	NM
Total other comprehensive loss for the period		-	-	NM
Total comprehensive profit/(loss) for the period		11,726	(3,072)	482%
Profit / (Loss) attributable to				
- Owners of the Company		9,357	(2,451)	482%
- Non-controlling interest		2,369	(621)	482%
Total comprehensive profit/(loss) attributable to :				
- Owners of the Company		9,357	(2,451)	482%
- Non-controlling interest		2,369	(621)	482%
Earnings per share for profit / (loss) for the period attributable to the owners of the Company during the year :				
Basic (RMB in cent)		38.421	(10.066)	482%
Diluted (RMB in cent)		38.421	(10.066)	482%
Basic (SGD in cent)		7.323	(1.824)	502%
Diluted (SGD in cent)		7.323	(1.824)	502%

NM - Not meaningful

B. Condensed statements of financial position

		The Group		The Company	
		30 Sep 2026	31 December 2025	30 Sep 2026	31 December 2025
	Note	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Current assets					
Cash and bank balances	15	9,083	8,687	-	-
Trade and other receivables	14	68,109	60,480	-	-
Inventories	13	23,670	28,345	-	-
Total current assets		100,862	97,512	-	-
Non-current assets					
Subsidiaries	12	-	-	21,877	21,877
Property, plant and equipment	10	39,479	25,901	-	-
Right-of-use assets	11	15,246	15,542	-	-
Financial assets at fair value through		-	-	-	-
Total non-current assets		54,725	41,443	21,877	21,877
Total assets		155,587	138,955	21,877	21,877
LIABILITIES					
Current liabilities					
Trade and other paybales	16	50,975	49,698	2,457	2,457
Provision	17	4,373	4,373	-	-
Borrowings	18	59,200	62,500	-	-
Due to subsidiaries (non-trade)		-	-	35,148	35,148
Total current liabilities		114,548	116,571	37,605	37,605
Non-current liabilities					
Deferred government grants		446	446	-	-
Long-term Borrowings		34,305	27,376		
Total liabilities		149,299	144,393	37,605	37,605
NET ASSETS	9	6,288	(5,438)	(15,728)	(15,728)
EQUITY					
Equity attributable to equity holders					
Share capital	19	60,318	60,318	60,318	60,318
Share premium	20	79,803	79,803	79,803	79,803
Retained losses		(165,482)	(177,208)	(155,849)	(155,849)
Other Reserves					
Statutory reserve		30,526	30,526	-	-
Foreign exchange translation reserve		1,123	1,123	-	-
		31,649	31,649	-	-
Total equity		6,288	(5,438)	(15,728)	(15,728)

C. Condensed statements of changes in equity

The Group

	Note	Share capital	Share premium	Statutory reserve	Foreign exchnage translation reserve	Retained losses	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2026							
Balance at 1 January 2026		60,318	79,803	30,526	1,123	(177,208)	(5,438)
Issue of share capital		-	-	-	-	-	-
Total Comprehensive loss for the financial period		-	-	-	-	11,726	11,726
Balance at 30 Sep 2026		60,318	79,803	30,526	1,123	(165,482)	6,288
2025							
Balance at 1 January 2025		60,318	79,803	30,526	1,123	(179,532)	(7,762)
Issue of share capital		-	-	-	-	-	-
Total Comprehensive loss for the financial period		-	-	-	-	(3,072)	(3,072)
Balance at 30 Sep 2025		60,318	79,803	30,526	1,123	(182,604)	(10,834)

The Company

	Note	Share capital	Share premium	Statutory reserve	Foreign exchnage translation reserve	Retained losses	Total equity
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2026							
Balance at 1 January 2026		60,318	79,803	-	-	(155,849)	(15,728)
Issue of share capital		-	-	-	-	-	-
Total Comprehensive loss for the financial period		-	-	-	-	-	-
Balance at 30 Sep 2026		60,318	79,803	-	-	(155,849)	(15,728)
2025							
Balance at 1 January 2025		60,318	79,803	-	-	(155,849)	(15,728)
Issue of share capital		-	-	-	-	-	-
Total Comprehensive loss for the financial period		-	-	-	-	-	-
Balance at 30 Sep 2025		60,318	79,803	-	-	(155,849)	(15,728)

D. Condensed consolidated statements of cash flows

	Note	The Group		
		9 months ended 30 Sep 2026	9 months ended 30 Sep 2025	Change +/(-)
		RMB'000	RMB'000	%
Cash flows from operating activities				
Loss before tax		11,726	(3,072)	482%
Adjustment for :				
Interest Income		-	-	NM
Depreciation of property, plant and equipment		4,329	4,010	8%
Amortisation of right of use of assets		296	180	64%
Impairment loss on trade receivables		-	-	NM
Reversal of impairment loss on property, plant and			-	
Interest Expense		2,323	1,351	72%
Loss / (gain) on disposal of property, plant & equipment		(1)	-	NM
Amortisation of defered government grant			-	
Transfer from deferred capital grant		-	-	NM
Foreign Exchange loss/(gain), net		-	-	NM
Operating loss before working capital changes		18,673	2,469	656%
Decrease / (increase) in inventories		4,675	(20,152)	NM
Decrease / (increase) in trade & other Receivables		(7,629)	7,066	-208%
(Decrease) / increase in trade & other Payables		1,277	136	839%
Cash generated from / (used in) operations		16,996	(10,481)	NM
Interest income received		-	-	NM
Net taxation paid		-	-	NM
Net Cash generated from / (used in) operating activities		16,996	(10,481)	NM
Cash flow from investing activities				
Purchase of property, plant and equipment		(17,914)	(22,127)	NM
Purchase of right of use of assets		-	-	NM
Increase in share capital paid through special placement		-	-	NM
Increase in share premium paid through special placement		-	-	NM
Loan to a shareholder		-	-	
Interest income from loan to a shareholder		-	-	
Net cash generated from / (used in) investing activities		(17,914)	(22,127)	NM
Cash flow from financing activities				
Withdrawal of pledged deposits		-	-	NM
Loan from banks		67,201	74,305	-10%
Repayment to banks		(63,572)	(42,500)	NM
Interest Expense		(2,323)	(1,351)	72%
Net cash generated from / (used in) financing activities		1,306	30,454	-96%
Net (decrease) / increase in cash and cash equivalents		388	(2,154)	-118%
Cash and cash equivalents at beginning of the period		8,687	12,688	-32%
Effects of exchange rate changes in cash and cash equivalents		8	6,322	-100%
Cash and cash equivalents at end of the period		9,083	16,856	-46%

Effects of exchange rate changes in cash and cash equivalent

NM - Not meaningful

Cash and bank balances comprise the following:

		The Group		
		9 months ended 30 Sep 2026	9 months ended 30 Sep 2025	Change +/(-)
	Note	RMB'000	RMB'000	%
Cash and cash equivalent		9,083	16,856	-46%
Pledged cash placed with bank		-	-	NM
		9,083	16,856	-46%

NM - Not meaningful

E. Notes to the condensed consolidated financial statements

1. Corporate information

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

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

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

2. Basic of preparation

The condensed financial statements for the nine months ended 30 September 2026 have been prepared in accordance with SFRS(I) 1-34 Financial Reporting issued by the Accounting Standards Council Singapore and International Financial Reporting Standards ("IFRSs"). All references to SFRS(I)s and IFRSs are referred to as SFRS(I)s in these condensed financial statements unless otherwise specified. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2025.

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

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

2.1 New and amended standards adopted by the Group

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

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

2.2 Use of judgements and estimates

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

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2025.

3. Seasonal operation

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

4. Segment and revenue information

The Group is organised into one main business segment only.

4.1 Reportable segments

	Note	Segment 1 RMB'000	Consolidation RMB'000
1 January 2026 to 30 Sep 2026			
Total segment revenue		109,989	109,989
Dividend income			
Interest income			
Miscellaneous income		3,243	3,243
Total other income		3,243	3,243
Total revenue and other income		113,232	113,232
Depreciation		(4,625)	(4,625)
Finance expense		(2,323)	(2,323)
Segment profit		106,284	106,284
Unallocated expenses		(94,558)	(94,558)
Loss before taxation		11,726	11,726
Taxation		-	-
Earnings / (loss) for the interim period		11,726	11,726
Segment assets		155,587	155,587
Total assets per statement of financial position		155,587	155,587
Expenditures for segment non-current assets			
- Additions to PPE		(17,914)	(17,914)
Segment liabilities		148,853	148,853
Deferred government grants		446	446
Total liabilities per statement of financial position		149,299	149,299

		Segment 1 RMB'000	Consolidation RMB'000
1 January 2025 to 30 Sep 2025			
Total segment revenue		55,726	55,726
Dividend income			
Interest income			
Miscellaneous income		3,183	3,183
Total other income		3,183	3,183
Total revenue and other income		58,909	58,909
Depreciation		(4,190)	(4,190)
Finance expense		(1,351)	(1,351)
Segment profit		53,368	53,368
Unallocated expenses		(56,440)	(56,440)
Loss before taxation		(3,072)	(3,072)
Taxation		-	-
Earnings / (loss) for the interim period		(3,072)	(3,072)
Segment assets		119,533	119,533
Total assets per statement of financial position		119,533	119,533
Expenditures for segment non-current assets			
- Additions to PPE		22,127	22,127
Segment liabilities		91,228	91,228
Deferred government grants		(891)	(891)
Total liabilities per statement of financial position		90,337	90,337

4.2 Disaggregate of Revenue

	Note	The Group 9 months ended 30 Sep 2026 Segment 1 RMB'000	The Group 9 months ended 30 Sep 2026 Total RMB'000
Types of goods or services			
Sale of goods		109,989	109,989
Total revenue		109,989	109,989
Geographical information :			
China		71,098	71,098
Korea		38,891	38,891
Japan		-	-
Total revenue		109,989	109,989

	Note	The Group 9 months ended 30 Sep 2025 Segment 1 RMB'000	The Group 9 months ended 30 Sep 2025 Total RMB'000
Types of goods or services			
Sale of goods		55,726	55,726
Total revenue		55,726	55,726
Geographical information :			
China		50,777	50,777
Korea		4,949	4,949
Japan		-	-
Total revenue		55,726	55,726

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 September 2026 and 31 December 2025.

	Note	The Group 30 Sep 2026 RMB'000	The Group 31 December 2025 RMB'000	The Company 30 Sep 2026 RMB'000	The Company 31 December 2025 RMB'000
Financal Assets					
Cash and bank balances and trade and other receivables (Amortised cost)		77,192	69,167	-	-
Financal Liabilities					
Trade and other payables and borrowings (Amortised cost)		114,548	116,571	2,457	2,457

6. Profit before taxation

6.1 Significant items

		The Group		
		9 months ended 30 Sep 2026	9 months ended 30 Sep 2025	Change +/(-)
	Note	RMB'000	RMB'000	%
Income				
Miscellaneous income		3,243	3,183	2%
Expenses				
Interest on borrowings		(2,323)	(1,351)	72%
Depreciation of property, plant and equipment and amortisation on use of rights		(4,625)	(4,190)	10%
Loss / (gain) on disposal of property, plant &		1	-	NM

6.2 Related party transaction

In addition to the information disclosed elsewhere in the condensed consolidated financial statements, the following transactions with related parties took place during the period at terms agreed between the parties:

		The Group		
		9 months ended 30 Sep 2026	9 months ended 30 Sep 2025	Change +/(-)
	Note	RMB'000	RMB'000	%
Transactions with related parties				
Purchase goods and/or services from:				
– Wholly-owned SC3D		4,959	-	NM
Total related party purchases		4,959	-	NM

The above purchases were eliminated on consolidation in the Group's financial statements and do not impact the Group's consolidated revenue or profit for the period. These transactions were entered into on normal commercial terms in the ordinary course of business.

These related party transactions are not interested party transactions in accordance with SGX Listing Rules because the parties do not fall within the definition of interested persons as they are not (i) a controlling shareholder of the Company; or (ii) an associate of any of the Company's directors, chief executive officer or controlling shareholder.

7. Taxation

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

		The Group		
		9 months ended 30 Sep 2026	9 months ended 30 Sep 2025	Change +/(-)
	Note	RMB'000	RMB'000	%
Current income tax expense		-	-	NM
Deferred income tax expense relating to origination and reversal of temporary differences		-	-	NM
		-	-	NM

8. Dividends

		The Group		
		9 months ended 30 Sep 2026	9 months ended 30 Sep 2025	Change +/(-)
	Note	RMB'000	RMB'000	%
Ordinary dividends paid:		-	-	NM
dividend		-	-	NM
Dividend per share (net of tax)		-	-	NM

9. Net Assets Value

		The Group		The Company	
		30 Sep 2026	31 December 2025	30 Sep 2026	31 December 2025
	Note	RMB	RMB	RMB	RMB
Net assets value per ordinary share		0.206	(0.178)	(0.515)	(0.515)

10. Right-of-use assets

		The Group		The Company	
		30 Sep 2026	31 December 2025	30 Sep 2026	31 December 2025
	Note	RMB'000	RMB'000	RMB'000	RMB'000
Cost					
Beginning of financial year		20,237	20,237	-	-
End of period		20,237	20,237	-	-
Additions		-	-		
Accumulated depreciation and impairment losses					
Beginning of financial year		4,695	4,455	-	-
Depreciation charge for the period		296	240		-
End of period		4,991	4,695	-	-
Net book value		15,246	15,542	-	-

The Group has 50-year land use right over a plot of state-owned land in Changzhou PRC where the Group's manufacturing and storage facilities reside. The land use right has a remaining tenure of 30 years (2025: 31 years).
On 22 October 2024, the Group has newly purchased the 50-year land use right over a plot of state-owned land in Deyang Sichuan PRC where the Group's another manufacturing base will reside.
As at 30 September 2026, the entire Group land use right is pledged in connection with bank facility including both bill payable facilities and bank loans.

Impairment testing of land use right

No impairment loss is recognized in 3Q FY2026 (2025: Nil), as the Group has estimated the recoverable amount of the land use rights to be higher than the net carrying amount. The recoverable amount of the land use rights was based on its fair value on 31 December 2023. Valuations are performed by Jones Lang LaSalle, an independent valuer with a recognized and relevant professional qualification and with recent experience in the location and category of the land use rights being valued. The valuations are based on comparable market transactions that consider the sales of similar assets that have been transacted in the open market.

11. Property, plant and equipment

Property, plant and equipment ("PPE"), right of use of assets and intangible assets as at YTD 3Q FY2026 was RMB39.48 million as compared to RMB25.90 million as at YTD 4Q FY2025. This was mainly due to decrease in depreciation in YTD 3Q FY2026 amounting to RMB4.33 million; increased in newly purchased PPE in YTD 3Q FY2026 amounting to RMB17.91 million.

Impairment assessment of property, plant and equipment

The Group carried out a review of the recoverable amount of non-financial assets of Changzhou 3D which is determined to be a Cash-Generating Unit ("CGU") arising from indicator for impairment. The Group have recognised an impairment loss of RMB49.351 million 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 million respectively.

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 of RMB3.158 million was recognised during the year.

12. Subsidiaries

		The Group		The Company	
		30 Sep 2026	31 December 2025	30 Sep 2026	31 December 2025
	Note	RMB'000	RMB'000	RMB'000	RMB'000
Unquoted equity shares at cost		-	-	21,877	21,877
Purchase consideration					
Cash paid		-	-	21,877	21,877
Additional : Cash paid during the		-	-	-	-
Impairment loss				-	-
Total		-	-	21,877	21,877

Name of subsidiaries	Note	Principal activities	Country of incoporation and place of business	Proportion (%) of ownership interest	
				30 Sep 2026	31 December 2025
				%	%
Held by the Company					
Best Success (Hong Kong) Limited ("BS")	(1)	Investment holdings	Hong Kong	100	100
Held by BS					
Changzhou 3D Technological Complete Set Equipment Co., Ltd ("CZ3D")	(2)	Manufacturing of vane products and relating subcontracting	China	100	100
Held by CZ3D					
Sichuan 3D New Power Technological Co., Ltd ("SC3D")		Manufacturing of vane products and relating subcontracting	China	100	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.

Impairment assessment of investment in subsidiaries

The management had performed an impairment assessment for the investment in Changzhou 3D arising from indicator of impairment. Resulting an impairment loss of RMB8.514 million (2023: reversal of impairment loss of RMB4.491 million) was recognised during in FY2024 as the carrying amount of the investment exceeded its recoverable amount.

13. Inventories

		The Group		The Company	
		30 Sep 2026	31 December 2025	30 Sep 2026	31 December 2025
	Note	RMB'000	RMB'000	RMB'000	RMB'000
Statements of Financial Position :					
Inventories :					
Raw material		650	871	-	-
Work-in-progress		18,575	21,337	-	-
Finished goods		4,445	6,137	-	-
Total		23,670	28,345	-	-

As at YTD 3Q FY2026, inventories stood at RMB23.67 million (YTD 4Q FY2025: RMB28.35 million) mainly consist of WIP inventory amounting to RMB18.58 million (YTD 4Q FY2025: RMB21.34 million), newly purchased raw materials amounting to RMB0.65 million (YTD 4Q FY2025: RMB0.87 million) and finished goods amounting to RMB4.45 million (YTD 4Q FY2025: RMB6.14 million) to fulfill the sales orders.

14. Trade and other receivables

		The Group		The Company	
		30 Sep 2026	31 December 2025	30 Sep 2026	31 December 2025
	Note	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables					
Bill receivables		354	-	-	-
Trade receivables		56,813	46,114	-	-
Total trade receivables		57,167	46,114	-	-
Other receivables					
Advances to suppliers		8,843	12,507	-	-
Advances to employees		510	614	-	-
Prepayments		389	631	-	-
Tender deposits		1,200	614	-	-
Other receivables		-	-	-	-
Total other receivables		10,942	14,366	-	-
Total trade and other receivables		68,109	60,480	-	-

Trade receivables		The Group		The Group	
		30 Sep 2026	30 Sep 2026	31 December 2025	31 December 2025
	Note	RMB'000	%	RMB'000	%
Customer :					
A		32,665	57%	33,803	73%
B		922	2%	651	1%
Others		23,580	41%	11,660	25%
Total		57,167	100%	46,114	100%
Aged (Days)					
0-90		37,539	66%	35,815	78%
91-180		19,543	34%	8,420	18%
181-270		85	0%	1,879	4%
More Than 270		-	0%	-	0%
Total		57,167	100%	46,114	100%

Trade receivables:

Trade receivables increased from RMB46.11 million in YTD 4Q FY2025 to RMB57.17 million in YTD 3Q FY2026 .The business of the group is mainly concentrated in state-owned enterprises, and the objects of trade receivables are mainly state-owned enterprises also, so the trade receivables can generally be collected as scheduled, there is no risk of bad debt loss.

These outstanding amounts are not owing to any related parties.

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

These customers are still in operation.

Based on the assessment performed by the management on the current trade receivables, they are still recoverable although payment may be slow, barring any unforeseen circumstances or changes to the business environment and sluggish market conditions. The management is of the view that the Group has unconditional rights on trade receivables including unbilled trade receivables as at 30 September 2026.

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

Other receivables:

Other receivables amounting to RMB10.94 million in YTD 3Q FY2026 as compared to RMB14.37 million in YTD 4Q FY2025.This was mainly due to decrease in advance to suppliers amounting to RMB8.84 million in YTD 3Q FY2026 (YTD 4Q FY2025: RMB12.51 million); decrease in prepayments amounting to RMB0.39 million in YTD 3Q FY2026 (YTD 4Q FY2025: RMB0.63 million); increase in tender deposits amounting to RMB1.2 million in YTD 3Q FY2026 (YTD 4Q FY2025: RMB0.61 million).

15. Cash and bank balances

		The Group		The Company	
		30 Sep 2026	31 December 2025	30 Sep 2026	31 December 2025
	Note	RMB'000	RMB'000	RMB'000	RMB'000
Cash in hand		53	193	-	-
Bank balances		9,030	8,832	-	-
Cash and bank balances as stated in the statement of financial position		9,083	8,687	-	-
Less: Pledged deposits		-	-	-	-
Cash and cash equivalents as stated in the consolidated statement of cash flows		9,083	8,687	-	-

16. Trade and other payables

		The Group		The Company	
		30 Sep 2026	31 December 2025	30 Sep 2026	31 December 2025
	Note	RMB'000	RMB'000	RMB'000	RMB'000
Trade payables					
Bill payables		-	-	-	-
Trade payables		42,601	39,904	-	-
Total trade payables		42,601	39,904	-	-
Other payables					
Accrued operating expenses		3,967	3,967	990	990
Accrued employee salaries		1,964	1,984	-	-
Accrued director fees		-	450	563	563
Advance from customers		378	317	-	-
Shipping fee payable		5	5	-	-
Security fee payable		-	56	-	-
Legal and professional fee payable		-	-	904	904
Electricity bill payable		-	-	-	-
Labor union expenditure payable		21	99	-	-
Value-Added Tax payables		(142)	163	-	-
Other taxes payable		298	308	-	-
Other payables		1,883	2,445	-	-
Total other payables		8,374	9,794	2,457	2,457
Total trade and other payables		50,975	49,698	2,457	2,457

Trade payables

The trade payables increased from RMB39.90 million in YTD 4Q FY2025 to RMB42.60 million in YTD 3Q FY2026.The trade payables are all within a reasonable payment period, the accounts payable will be paid on schedule as product sales are realized and accounts receivable are collected.

Other payables

Other payables and accruals decreased by RMB1.42 million from RMB9.79 million in YTD 4Q FY2025 to RMB8.37 million in YTD 3Q FY2026.This was mainly due to decrease in accrued director fees amounting to RMB0.00 million in YTD 3Q FY2026 (YTD 4Q FY2025: RMB0.45 million), decrease in other payables amounting to RMB1.88 million in YTD 3Q FY2026 (YTD 4Q FY2025: RMB2.45 million).

17. Provisions

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

Provision for government fine

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

Contingent liability on rectification cost

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

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

18. Borrowings

		The Group		The Company	
		30 Sep 2026	31 December 2025	30 Sep 2026	31 December 2025
	Note	RMB'000	RMB'000	RMB'000	RMB'000
Borrowings		59,200	62,500	-	-
Amount repayables within one year or on					
Secured	*	51,700	46,900	-	-
Unsecured	~	-	15,600	-	-
Guarantee	**	7,500	-		
Total		59,200	62,500	-	-

Description	Note	RMB'000	Started Date	Expired Date	Interest Rate Per Annum
Secured	~	35,000	9 Apr 2025	9 Apr 2026	3.200%
Secured	*#	10,000	10 Apr 2025	10 Apr 2026	3.200%
Secured	*##	1,900	25 Feb 2025	24 Feb 2026	3.000%
Unsecured	~#	4,000	19 Aug 2025	18 Aug 2026	3.000%
Unsecured	~###	4,000	27 Aug 2025	24 Aug 2026	3.000%
Unsecured	~##	7,600	26 Feb 2025	26 Feb 2026	3.000%
		62,500			
Secured	*	1,900	10 Feb 2026	9 Feb 2027	2.800%
Guaranteed	**	7,500	10 Feb 2026	9 Feb 2027	2.800%
Secured	*###	35,000	30 Mar 2026	30 Apr 2027	3.100%
Secured	*####	10,000	30 Mar 2026	30 Apr 2027	3.100%
Secured	*#####	4,800	21 Aug 2026	21 Aug 2027	3.000%
Total loans at 30 Sep 2026		59,200			

~ and *# Secured loan repaid in Mar 2026

*## Secured loan repaid in Feb 2026

~# and ~### Unsecured loan repaid in Aug 2026

~## Unsecured loan repaid in Feb 2026.

* Secured by private property of shareholder Liu Ming since Feb 2026

** Provided with joint and several liability guarantee by Jiangsu Changzhou Hi-Tech Credit Financing Guarantee Co., Ltd which is a government-backed financing guarantee agency.

*### Secured by right-of-use assets and shareholder Liu Ming's personal credit since Mar 2026

*#### Secured by right-of-use assets and shareholder Liu Ming's personal credit since Mar 2026

*##### Secured by right-of-use assets and shareholder Liu Ming's personal credit since Aug 2026

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

18.1 Long-term Borrowings

		The Group		The Company	
		30 Sep 2026	31 December 2025	30 Sep 2026	31 December 2025
	Note	RMB'000	RMB'000	RMB'000	RMB'000
Long-term borrowings		34,305	27,376	-	-
Amount repayables exceeding one year					
Secured	**	34,305	27,376	-	-
Unsecured	~~		-	-	-
Total		34,305	27,376	-	-

Description	Note	RMB'000	Started Date	Expired Date	Interest Rate Per Annum
Secured	*###	11,805	7 Jul 2025	7 Jul 2035	3.500%
Secured	*####	5,261	14 Nov 2025	7 Jul 2035	3.500%
Secured	*#####	10,310	9 Dec 2025	7 Jul 2035	3.500%
		27,376			
Secured	**###	11,447	7 Jul 2025	7 Jul 2035	3.500%
Secured	**####	5,102	14 Nov 2025	7 Jul 2035	3.500%
Secured	**#####	9,998	9 Dec 2025	7 Jul 2035	3.500%
Secured	**######	4,196	28 Jan 2026	7 Jul 2035	3.500%
Secured	**#	2,541	23 Apr 2026	7 Jul 2035	3.500%
Secured	**##	1,021	22 Jun 2026	7 Jul 2035	3.500%
Total loans at 30 Sep 2026		34,305			

**###Secured by SC3D's right-of-use assets and CZ3D's credit since Jul 2025.Partial principal amount of RMB0.36 million was repaid on this secured term loan in Aug 2026 in accordance with the loan agreement.

**####Secured by SC3D's right-of-use assets and CZ3D's credit since Nov 2025.Partial principal amount of RMB0.16 million was repaid on this secured term loan in Aug 2026 in accordance with the loan agreement.

**#####Secured by SC3D's right-of-use assets and CZ3D's credit since Dec 2025.Partial principal amount of RMB0.31 million was repaid on this secured term loan in Aug 2026 in accordance with the loan agreement.

**######Secured by SC3D's right-of-use assets and CZ3D's credit since Jan 2026.Partial principal amount of RMB0.13million was repaid on this secured term loan in Aug 2026 in accordance with the loan agreement.

**#Secured by SC3D's right-of-use assets and CZ3D's credit since Apr 2026.Partial principal amount of RMB0.08 million was repaid on this secured term loan in Aug 2026 in accordance with the loan agreement.

**##Secured by SC3D's right-of-use assets and CZ3D's credit since Jun 2026.Partial principal amount of RMB0.03 million was repaid on this secured term loan in Aug 2026 in accordance with the loan agreement.

Notes :

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

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

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

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

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

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

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

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

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

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

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

assets and CZ3D's credit.

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

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

The Subsidiary has repaid the non-secured loan of RMB7.6 million and the secured loan of RMB1.9 million in February 2026 to Wuxi Rural Commercial Bank ("WX").

The Subsidiary has repaid the secured loan amounting to RMB35 million and the secured loan amounting to RMB10 million in March 2026 to JRC Bank.

The Subsidiary has obtained a new guaranteed loan amounting to RMB 7.50 million on 10 February 2026 with the interest rate 2.8% per annum from Wuxi Rural Commercial Bank ("WX").The loan is supported by a joint and several liability guarantee provided by Jiangsu Changzhou Hi-Tech Credit Financing Guarantee Co., Ltd., a government-backed financing guarantee institution.

The Subsidiary has obtained a new secured loan amounting to RMB1.9 million on 10 February 2026 with the interest rate 2.8% per annum from Wuxi Rural Commercial Bank ("WX")

The Subsidiary has obtained a new secured loan amounting to RMB35 million and a new secured loan amounting to RMB10 million with the interest rate 3.1% per annum from JRC Bank on 30 March 2026.

SC3D has obtained a new secured loan of RMB4.33 million from 28 January 2026 to 7 July 2035 from Bank of China Deyang Branch with interest rate of 3.5 % per annum against its current right-of-use assets and CZ3D's credit.

SC3D has obtained a new secured loan of RMB2.62 million from 23 April 2026 to 7 July 2035 from Bank of China Deyang Branch with interest rate of 3.5 % per annum against its current right-of-use assets and CZ3D's credit.

SC3D has obtained a new secured loan of RMB1.05 million from 22 June 2026 to 7 July 2035 from Bank of China Deyang Branch with interest rate of 3.5 % per annum against its current right-of-use assets and CZ3D's credit.

The Subsidiary has obtained a new secured loan amounting to RMB4.8 million with the interest rate 3.0% per annum from JRC Bank on 21 August 2026.

The Subsidiary has repaid the non-secured loan amounting to RMB4 million on 18 August 2026 to BOCOM Bank.

The Subsidiary has repaid the non-secured loan amounting to RMB4 million on 24 August 2026 to BOCOM Bank.

19. Share capital

		The Group		The Company	
		30 Sep 2026	31 December 2025	30 Sep 2026	31 December 2025
	Note	No. of shares	No. of shares	No. of shares	No. of shares
Authorized		200,000,000	200,000,000	200,000,000	200,000,000
Issued and fully paid					
At beginning		30,520,000	30,520,000	30,520,000	30,520,000
Additional : share capital paid		-	-	-	-
At end of the period		30,520,000	30,520,000	30,520,000	30,520,000

		The Group		The Company	
		30 Sep 2026	31 December 2025	30 Sep 2026	31 December 2025
	Note	USD'000	RMB'000	RMB'000	RMB'000
Issued and fully paid @ USD0.25 per share					
At beginning		7,630	7,630	7,630	7,630
Additional : share capital paid		-	-	-	-
At end of the period		7,630	7,630	7,630	7,630

		The Group		The Company	
		30 Sep 2026	31 December 2025	30 Sep 2026	31 December 2025
	Note	RMB'000	RMB'000	RMB'000	RMB'000
Issued and fully paid					
At beginning		60,318	60,318	60,318	60,318
Additional : share capital paid		-	-	-	-
At end of the period		60,318	60,318	60,318	60,318

The Company did not hold any treasury shares as at 30 September 2026.

The Company's subsidiaries do not hold any shares in the Company as at 30 September 2026 and 31 December 2025.

20. Share premium

		The Group		The Company	
		30 Sep 2026	31 December 2025	30 Sep 2026	31 December 2025
	Note	RMB'000	RMB'000	RMB'000	RMB'000
Issued and fully paid					
At beginning		79,803	79,803	79,803	79,803
Additional : share capital paid		-	-	-	-
At end of the period		79,803	79,803	79,803	79,803

21. Subsequent events

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

F. Other information required by Listing Rule Appendix 7.2

1. Review

The condensed consolidated statement of financial position of Shanghai Turbo Enterprises Ltd. and its subsidiaries as at 30 September 2026 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the nine-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Overview

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

Revenue

3Q FY2026 vs 3Q FY2025

Revenue increased by 97% from RMB55.73 million in 3Q FY2025 to RMB109.99 million in 3Q FY2026.

Cost of Sales

3Q FY2026 vs 3Q FY2025

Cost of sales increased by 76% from RMB44.80 million in 3Q FY2025 to RMB78.99 million in 3Q FY2026 mainly due to revenue increased in the same period. The cost of sales in compared to revenue was 71.82% and 80.38% for 3Q FY2026 and 3Q FY2025 respectively.

Gross profit / (gross loss)

3Q FY2026 vs 3Q FY2025

The Group achieved a gross profit amounting to RMB 31.00 million in FY2026 as compared to a gross profit of RMB10.93 million in FY2025. Gross profit margin is 28.18% and 19.62% for FY2026 and FY2025 respectively. The increase in gross profit margin was due to the Group strengthened cost control, improved production capacity and increased the gross margin of products, so as to increase profitability of enterprise.

Other operating income

3Q FY2026 vs 3Q FY2025

Other operating income increased by 2% from RMB3.18 million in 3Q FY2025 to RMB3.24 million in 3Q FY2026. The other operating income consists mainly of scraps and wastage iron disposal and rental income.

Selling and distribution expenses

3Q FY2026 vs 3Q FY2025

Selling and distribution expenses increased by 47% from RMB3.69 million 3Q FY2025 to RMB5.42 million in 3Q FY2026 mainly due to increase in sales commission expenses (3Q FY2026: RMB1.93 million; 3Q FY2025: 0.22 million); increase in sales transportation expenses (3Q FY2026: RMB1.14 million; 3Q FY2025: 1.02 million); increase in quality control expenses (3Q FY2026: RMB0.45 million; 3Q FY2025: 0.22 million); increase in entertainment expenses (3Q FY2026: RMB1.18 million; 3Q FY2025: 0.69 million); decrease in sales tender cost (3Q FY2026: RMB0.02 million; 3Q FY2025: 0.53 million); decrease in staff costs (3Q FY2026: RMB0.51 million; 3Q FY2025: 0.66 million); decrease in repair and maintenance expenses (3Q FY2026: RMB0.08 million; 3Q FY2025: 0.29 million).

Administrative expenses

3Q FY2026 vs 3Q FY2025

Administrative expenses increased from RMB12.14 million in 3Q FY2025 to RMB14.77 million in 3Q FY2026 mainly due to increase in staff cost (3Q FY2026: RMB2.41 million; 3Q FY2025:RMB1.78 million); increase in office expenses (3Q FY2026: RMB0.77 million; 3Q FY2025:RMB0.45 million); increase in social benefits (3Q FY2026: RMB4.47 million; 3Q FY2025:RMB3.69 million); increase in audit fee (3Q FY2026: RMB1.62 million; 3Q FY2025:RMB0.08 million); increase in other taxes (3Q FY2026: RMB1.20 million; 3Q FY2025:RMB0.99 million);decrease in depreciations (3Q FY2026: RMB0.07 million; 3Q FY2025: RMB0.79 million); decrease in discounts (3Q FY2026: RMB0.30 million; 3Q FY2025: RMB0.90 million).

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

3Q FY2026

The Group's net cash generated from operating activities amounting to RMB17.00 million arising from profit before income tax adjusted for non-cash effects items of RMB11.73 million after accounting of negative changes in working capital amounting to RMB1.68 million.

The Group's net cash generated from financing activities amounting to positive 1.31 million mainly due to new secured loan amounting to RMB1.9 million obtained from WX, new guaranteed loan amounting to RMB7.5 million obtained from WX, new secured loan RMB35 million obtained from JRC Bank, new secured loan RMB10 million obtained from JRC Bank, new secured loan amounting to RMB4.33 million obtained from BOC Bank, new secured loans amounting to RMB2.62 million and 1.05million obtained from BOC Bank, and new secured loan RMB4.80 million obtained from JRC Bank, including the payoff of the loan of RMB7.6 million to WX, the payoff of the loan of RMB1.9 million to WX, the payoff of the secured loan RMB35 million to JRC Bank, the payoff of the secured loan RMB10 million to JRC Bank, the payoff of the unsecured loan RMB 8.0 million to BOCOM Bank, and partial principal amounts totaling RMB1.07 million were repaid on the secured term loans in August 2026 in accordance with the respective loan agreements. The interest expenses of the bank loans were RMB2.32 million in 3Q FY2026.

In 3Q FY2026, the Group had a positive cash inflow of RMB0.39 million.

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

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

In the Group's latest audited financial statements for the financial year ended 31 December 2024 ("FY2024"), Nexia Singapore PAC and NLA DFK Assurance PAC ("Nexia and NLA") have issued a disclaimer of opinion in respect of:(1) Opening balance; (2) Trade receivable balance and revenue; (3) Borrowings under entrusted payment arrangements; (4) Provision for government fine and contingent liability;(5) Use of going concern basis

Use of Going Concern basis

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

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

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

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

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

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

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

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

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

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

The Subsidiary has repaid the non-secured loan of RMB7.6 million and the secured loan of RMB1.9 million in February 2026 to Wuxi Rural Commercial Bank ("WX").

The Subsidiary has repaid the secured loan amounting to RMB35 million and the secured loan amounting to RMB10 million in March 2026 to JRC Bank.

The Subsidiary has obtained a new guaranteed loan amounting to RMB 7.50 million on 10 February 2026 with the interest rate 2.8% per annum from Wuxi Rural Commercial Bank ("WX").The loan is supported by a joint and several liability guarantee provided by Jiangsu Changzhou Hi-Tech Credit Financing Guarantee Co., Ltd., a government-backed financing guarantee institution.

The Subsidiary has obtained a new secured loan amounting to RMB1.9 million on 10 February 2026 with the interest rate 2.8% per annum from Wuxi Rural Commercial Bank ("WX")

The Subsidiary has obtained a new secured loan amounting to RMB35 million and a new secured loan amounting to RMB10 million with the interest rate 3.1% per annum from JRC Bank on 30 March 2026.

SC3D has obtained a new secured loan of RMB4.33 million from 28 January 2026 to 7 July 2035 from Bank of China Deyang Branch with interest rate of 3.5 % per annum against its current right-of-use assets and CZ3D's credit.

SC3D has obtained a new secured loan of RMB2.62 million from 23 April 2026 to 7 July 2035 from Bank of China Deyang Branch with interest rate of 3.5 % per annum against its current right-of-use assets and CZ3D's credit.

SC3D has obtained a new secured loan of RMB1.05 million from 22 July 2026 to 7 July 2035 from Bank of China Deyang Branch with interest rate of 3.5 % per annum against its current right-of-use assets and CZ3D's credit.

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

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

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

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

The Board confirms that all impact of outstanding audit issues on financial statements in relation to FY2024 have been adequately disclosed.

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

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

Starting from the fourth quarter of 2025, the rapid development of overseas AI computing centers and the reindustrialization initiatives in certain developed countries have led to an explosive growth in local power demand. Featuring reliable power supply and short construction lead time, gas turbines have become a preferred solution for overseas power consumption needs. Consequently, the Company has seen a substantial rise in overseas orders. Based on current order backlog, our overseas business will maintain strong growth throughout 2026.

Combined with previous operation experience and external environment, the Group's sales growth target is around 15% in FY2026. China's economy is returning to the normal track. Since the beginning of this year, the national government has issued targeted policies to expand domestic demand and enhance market confidence. Economic improvement is a top priority and the local governments have also made various efforts to promote economic development. At the same time, the Group will further optimize the organizational structure to improve work efficiency, optimize employee incentive system and improve employee's work enthusiasm and creativity. In terms of sales, on the basis of maintaining existing customers, the Group is actively developing new customers to improve sales performance through multiple channels. Although the Group still faces many difficulties, the Group has achieved this year's economic growth target.

5. Dividends information

(a) Current Financial Period Reported On
None

(b) Corresponding Period of the Immediately Preceding Financial Year
None

(c) Date payable
Not applicable

(d) Record date
Not applicable

(e) *If no dividend has been declared/(recommended), a statement to that effect and the reason(s) for the decision.*
No dividend has been declared for 3Q FY2026 as the Group has been incurring losses since year 2017.

6. Interested person transaction

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

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

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

7. Update on use of net proceeds from placement

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

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

Notes :
* The calculation is based on the Monetary Authority of Singapore's ("MAS") exchange rates as at 25 May 2021 with SGD1 = RMB4.8309 and SGD1 = HKD5.848.
# The amount is extracted from the bank debit advice as at 25 June 2021.

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

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

THE PLACEMENT

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

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

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

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

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

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

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

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

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

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

RATIONALE AND USE OF NET PROCEEDS

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

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

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

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

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

CZ3D has used the money to pay the procurement of machineries amounting to 0.8million; travel expenses amounting to 0.14 million; meal subsidy amounting to 0.28 million; water & electricity amounting to1.97 million; staff's housing fund and social security amounting to 1.36 million; tax amounting to 0.83 million and other daily operating expense amounting to 0.28 million.

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

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

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

Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the nine-month period ended 30 September 2026 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Zhang Wen Jun
Director

Foo Chee Meng
Director

Singapore
11 November 2026