



SAPPHIRE CORPORATION LIMITED

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

UNAUDITED CONDENSED INTERIM FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2025

Contents

A. Condensed interim consolidated statement of profit or loss and other comprehensive income	1
B. Condensed interim statements of financial position	2
C. Condensed interim statements of changes in equity	3
D. Condensed interim consolidated statement of cash flows.....	6
E. Notes to the condensed interim consolidated financial statements	7
F. Other information required by Listing Rule Appendix 7.2.	26

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

		Group					
Notes	2H2025 RMB'000	2H2024 RMB'000	Change %	FY2025 RMB'000	FY2024 RMB'000	Change %	
Revenue	4.2	281,529	216,686	29.9	483,564	432,629	11.8
Cost of sales		(274,415)	(210,894)	30.1	(472,751)	(422,872)	11.8
Gross profit		7,114	5,792	22.8	10,813	9,757	10.8
Other income	5	2,502	4,431	(43.5)	4,296	5,250	(18.2)
Administrative expenses		(10,672)	(8,549)	24.8	(19,071)	(18,054)	5.6
Impairment losses on trade and other receivables		(3,839)	(68)	N/M	(6,204)	(68)	N/M
Provision for liabilities		(946)	(1,291)	(26.7)	-	(1,291)	(100.0)
Provision for guarantee		(853)	(552)	54.5	-	(552)	(100.0)
Other expenses		(248)	(451)	(45.0)	(598)	(1,123)	(46.7)
Loss from operating activities		(6,942)	(688)	909.0	(10,764)	(6,081)	77.0
Finance costs	6	(1,061)	(1,504)	(29.5)	(2,168)	(2,982)	(27.3)
Share of profit of associates, net of tax		11,487	2,065	456.3	18,122	11,597	56.3
Profit/(Loss) before tax		3,484	(127)	N/M	5,190	2,534	104.8
Tax expense	8	(175)	(357)	(51.0)	(409)	(1,015)	(59.7)
Profit/(Loss) for the year		3,309	(484)	(783.7)	4,781	1,519	214.7
Other comprehensive (loss)/income after tax:							
<i>Items that are or may be reclassified to profit or loss:</i>							
Foreign currency translation differences arising from foreign operations		14	(55)	(125.5)	19	32	(40.6)
Share of other comprehensive profit/(loss) of an associate		287	101	184.2	486	(761)	(163.9)
Total other comprehensive income/(loss) for the year		301	46	554.3	505	(729)	(169.3)
Total comprehensive income/(loss) for the year		3,610	(438)	(924.2)	5,286	790	569.1
Profit/(Loss) attributable to:							
Owners of the Company		3,467	(521)	(765.5)	4,887	1,376	255.2
Non-controlling interests		(158)	37	(527.0)	(106)	143	(174.1)
(Loss)/Profit for the year		3,309	(484)	(783.7)	4,781	1,519	214.7
Total comprehensive income/(loss) attributable to:							
Owners of the Company		3,768	(475)	(893.3)	5,392	647	733.4
Non-controlling interests		(158)	37	(527.0)	(106)	143	(174.1)
		3,610	(438)	(924.2)	5,286	790	569.1
Earnings/(Loss) per share							
Basic/diluted (RMB cents)		0.85	(0.13)	(753.8)	1.20	0.34	252.9

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

B. Condensed interim statements of financial position

	Notes	Group		Company	
		Unaudited 31.12.2025 RMB'000	Audited 31.12.2024 RMB'000	Unaudited 31.12.2025 RMB'000	Audited 31.12.2024 RMB'000
Assets					
Property, plant and equipment	9	72,462	82,563	277	553
Intangible assets		363	448	-	-
Investment in subsidiaries		-	-	374,755	369,327
Investment in associates	10	469,450	458,909	-	-
Total non-current assets		542,275	541,920	375,032	369,880
Other investments	11	1,463	957	1,463	957
Inventories	12	2,450	590	-	-
Trade receivables	13	67,650	53,162	-	-
Other receivables	13	87,550	63,691	216	452
Cash and cash equivalents	14	33,240	61,802	50	242
Total current assets		192,353	180,202	1,729	1,651
Total assets		734,628	722,122	376,761	371,531
Equity					
Share capital	15	350,874	350,874	350,874	350,874
Reserves		233,772	228,380	617	107
Equity attributable to owners of the Company		584,646	579,254	351,491	350,981
Non-controlling interests		13,554	11,982	-	-
Total equity		598,200	591,236	351,491	350,981
Liabilities					
Provisions	16	12,627	12,627	-	-
Lease liabilities	17	28,254	34,354	91	363
Other payables	18	-	-	22,257	17,382
Total non-current liabilities		40,881	46,981	22,348	17,745
Lease liabilities	17	6,448	5,550	187	173
Trade payables	18	44,930	34,347	-	-
Other payables	18	44,169	44,008	2,735	2,632
Total current liabilities		95,547	83,905	2,922	2,805
Total liabilities		136,428	130,886	25,270	20,550
Total equity and liabilities		734,628	722,122	376,761	371,531

C. Condensed interim statements of changes in equity

The Group	<-----Attributable to owners of the Company----->						Total RMB'000	Non- controlling interests RMB'000	Total equity RMB'000
	Share capital RMB'000	Capital reserve RMB'000	Fair value reserve RMB'000	Other reserves RMB'000	Translation reserve RMB'000	Accumulated profits RMB'000			
2024 (Audited)									
Balance at 1 January 2024	350,874	(7,585)	(14,205)	(8,968)	1,673	256,818	578,607	11,541	590,148
Profit for the year	–	–	–	–	–	1,376	1,376	143	1,519
<i>Other comprehensive income/(loss):</i>									
Foreign currency translation differences	–	–	–	–	32	–	32	–	32
Share of other comprehensive loss of an associate	–	–	–	–	(761)	–	(761)	–	(761)
Total other comprehensive loss	–	–	–	–	(729)	–	(729)	–	(729)
Total comprehensive (loss)/income for the year	–	–	–	–	(729)	1,376	647	143	790
Transactions with owners, recognised directly in equity									
Non-controlling interests arising from incorporation of a new subsidiary	–	–	–	–	–	–	–	298	298
Balance at 31 December 2024	350,874	(7,585)	(14,205)	(8,968)	944	258,194	579,254	11,982	591,236

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

The Group	Attributable to owners of the Company						Non-controlling interests		Total equity RMB'000
	Share capital RMB'000	Capital reserve RMB'000	Fair value reserve RMB'000	Other reserves RMB'000	Translation reserve RMB'000	Accumulated profits RMB'000	Total RMB'000	RMB'000	
2025 (Unaudited)									
Balance at 1 January 2025	350,874	(7,585)	(14,205)	(8,968)	944	258,194	579,254	11,982	591,236
Profit for the year	–	–	–	–	–	4,887	4,887	(106)	4,781
<i>Other comprehensive income/(loss):</i>									
Foreign currency translation differences	–	–	–	–	19	–	19	–	19
Share of other comprehensive loss of an associate	–	–	–	–	486	–	486	–	486
Total other comprehensive income	–	–	–	–	505	–	505	–	505
Total comprehensive income for the year	–	–	–	–	505	4,887	5,392	(106)	5,286
Transactions with owners, recognised directly in equity									
Non-controlling interests arising from incorporation of new subsidiaries	–	–	–	–	–	–	–	1,678	1,678
Balance at 31 December 2025	350,874	(7,585)	(14,205)	(8,968)	1,449	263,081	584,646	13,554	598,200

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

The Company	Share capital RMB'000	Capital reserve RMB'000	Fair value reserve RMB'000	Other reserves RMB'000	Translation reserve RMB'000	Accumulated losses RMB'000	Total equity RMB'000
2024 (Audited)							
Balance at 1 January 2024	350,874	(8,294)	(14,205)	(8,968)	41,951	(5,251)	356,107
Loss for the year	–	–	–	–	–	(3,996)	(3,996)
<u>Other comprehensive loss:</u>							
Foreign currency translation differences	–	–	–	–	(1,130)	–	(1,130)
Total comprehensive loss for the year	–	–	–	–	(1,130)	(3,996)	(5,126)
Balance at 31 December 2024	350,874	(8,294)	(14,205)	(8,968)	40,821	(9,247)	350,981
2025 (Unaudited)							
Balance at 1 January 2025	350,874	(8,294)	(14,205)	(8,968)	40,821	(9,247)	350,981
Loss for the year	–	–	–	–	–	(4,698)	(4,698)
<u>Other comprehensive loss:</u>							
Foreign currency translation differences	–	–	–	–	5,208	–	5,208
Total comprehensive profit for the year	–	–	–	–	5,208	(4,698)	510
Balance at 31 December 2025	350,874	(8,294)	(14,205)	(8,968)	46,029	(13,945)	351,491

D. Condensed interim consolidated statement of cash flows

	Note	Group	
		Unaudited FY2025 RMB'000	Audited FY2024 RMB'000
Operating activities			
Profit before tax		5,190	2,534
Adjustments for:			
Change in fair value of financial asset mandatorily at fair value through profit or loss ("FVTPL")		(506)	(32)
Amortisation of intangible assets		85	88
(Gain)/Loss on disposal of property, plant and equipment		(9)	164
Depreciation of property, plant and equipment		11,148	10,600
Provision for liabilities		-	1,291
Provision for guarantee		-	552
Impairment losses on trade and other receivables		6,204	68
Interest income		(1,496)	(1,514)
Interest expense		2,168	2,982
Share of profits from associates, net of tax		(18,122)	(11,597)
Operating profit before working capital changes		4,662	5,136
Changes in working capital:			
Inventories		(1,860)	(575)
Trade and other payables		17,616	(11,279)
Trade and other receivables		(66,484)	1,675
Cash flows used in operations		(46,066)	(5,043)
Income tax paid		(409)	(924)
Net cash used in operating activities		(46,475)	(5,967)
Investing activities			
Interest received		1,496	1,514
Investment in an associate		-	(280)
Acquisition of property, plant and equipment and intangible assets	(a)	(752)	(10,076)
Proceeds from disposal of plant and equipment		275	-
Repayment of loan to an associate		30,000	-
Net cash generated from/(used in) investing activities		31,019	(8,842)
Financing activities			
Interest paid		(2,168)	(2,850)
Payment to a related party		(5,132)	(1,968)
Payment to shareholders		(262)	(1,070)
Payment of lease liabilities		(5,562)	(4,890)
Net cash used in financing activities		(13,124)	(10,778)
Net decrease in cash and cash equivalents		(28,580)	(25,587)
Cash and cash equivalents at beginning of the year		61,802	87,389
Effect of exchange rate fluctuations on cash held		18	-
Cash and cash equivalents at end of the year (Note 14)		33,240	61,802

Note:

- (a) During the financial year, the property, plant and equipment of the Group (including rights-of-use assets) increased by RMB 1,268,000 (FY2024: RMB 25,242,000) of which (i) RMB 752,000 were paid (FY2024: RMB 10,076,000); and (ii) RMB 516,000 (FY2024: RMB 15,166,000) were added under operating lease arrangement.

1. Corporate information

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

These condensed interim consolidated financial statements for the 6 months and full year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the “**Group**” and individually as “**Group entities**”) and the Group’s interest in equity-accounted investee.

The principal activities of the Company are those of investment management, provision of management services and holding company. The principal activities of the subsidiaries and the associates are set out in Notes 11 and 12 to the financial statements, respectively, in the annual report for the year ended 31 December (“**FY**”) 2024 (the “**Annual Report 2024**”).

During the year 2025, the Group incorporated subsidiaries, Shengshi Fanmu (Sichuan) Cultural and Creative Development Co., Ltd. and Chengdu Fanmu Technology Co., Ltd. whose principal activities have been disclosed in the announcement released separately on 12 August 2025 and also incorporated associated company, Benxishi Benxihu Industrial Tourism Co., Ltd (“**BITC**”) whose principal activities have been disclosed in the announcement released separately on 27 February 2026.

2. Basis of Preparation

The condensed financial statements for the 6 months and full year ended 31 December 2025 (“**FY2025**”) have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2024. The condensed financial statements for FY2025 has not been audited; and also included the share of results of the Group’s major associate, Ranken Railway based on its unaudited management accounts and information currently available to the Group. As such, the Group’s unaudited results may be subject to additional adjustments upon completion of its audits, and if there are material variances between the Group’s audited results for FY2025 and its unaudited results, the Group will announce such details with explanatory notes, as applicable.

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

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

2.1. New and amended standards adopted by the Group

The Group has adopted all the amendments to SFRS(I)s that are effective for annual financial periods beginning on or after 1 January 2025. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards. In addition, the adoption of these amendments did not have any material effect on the financial performance or position of the Group and the Company.

2.2. Use of judgements and estimates

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

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

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

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

(a) Judgements made in applying accounting policies

(i) Identification of functional currency

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

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

(ii) Income tax

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

The Group recognises liabilities for expected tax issue based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amount of the Group's income tax payable as at 31 December 2025 is Nil (31 December 2024: Nil).

(b) Key sources of estimation uncertainty

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

UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2025

(i) Depreciation of property, plant and equipment

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

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

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

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

The carrying amount of the Group's and the Company's trade and other receivables are disclosed in Section E Note 13.

(iii) Accounting for investment in an associate

In applying the equity method on the Group's interest in an associate, Ranken Railway Construction Group Co., Ltd ("**Ranken Railway**", together with its subsidiaries, "**Ranken Group**"), for the year ended 31 December 2025, management has made certain adjustments to the financial results of Ranken Group to align the accounting policies of Ranken Group with those of the Group.

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

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

(iv) Provision for liabilities

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

As at 31 December 2025, the management performed an assessment and no provision was recognised (FY2024: provision of RMB 1,291,000 was recognized) based on the expected credit losses of these receivables with reference to SFRS(I) 9 *Financial Instruments*. Please refer to Section E Notes 10, 13 and 16 for further details.

3. Seasonal operations

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

4. Segment and revenue information

4.1 Reportable Segment

For the year ended 31 December 2025 the Group has only one reportable segment, the “Infrastructure Segment”.

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

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

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

The wholesale operation, which comprises wholesale, rental and leasing of industrial machinery and other equipment, and provision of immersive performances and virtual simulations event were not significant in FY2025; and was thus included as “Other” under the Infrastructure Segment. These operating segments are reported in a manner consistent with internal reporting provided to the CEO who is responsible for allocating resources and assessing the performance of the operating segments.

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

	Infrastructure Segment				
	Jialong RMB'000	Yilong RMB'000	Chengdu		Total RMB'000
			KQR RMB'000	Other RMB'000	
2H2025					
Revenue	23,392	255,288	-	2,850	281,530
Interest income	1	1	470	-	472
Interest expense	(898)	(75)	(77)	(6)	(1,056)
Depreciation of property, plant and equipment	(3,458)	(1,685)	(54)	(201)	(5,398)
Amortisation of intangible assets	(41)	-	-	-	(41)
Share of profit of an associate	395	-	11,092	-	11,487
Reportable segment (loss)/profit before tax	438	1,758	6,436	(932)	7,700

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

UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2025

	Infrastructure Segment				
	Jialong RMB'000	Yilong RMB'000	Chengdu		Total RMB'000
			KQR RMB'000	Other RMB'000	
FY2025					
Revenue	32,888	447,154	-	3,523	483,565
Interest income	3	6	1,485	-	1,494
Interest expense	(1,855)	(125)	(155)	(17)	(2,152)
Depreciation of property, plant and equipment	(6,967)	(3,541)	(80)	(361)	(10,949)
Amortisation of intangible assets	(85)	-	-	-	(85)
Share of profit of an associate	395	-	17,727	-	18,122
Reportable segment (loss)/profit before tax	(923)	2,157	13,043	(1,485)	12,792

As at 31 December 2025

Other segment information

Reportable segment assets	39,545	147,006	538,885	5,452	730,888
Capital expenditure					
- Property, plant and equipment	527	9	486	246	1,268
Reportable segment liabilities	(43,525)	(74,406)	(7,858)	(4,367)	(130,156)

	Infrastructure Segment				
	Jialong RMB'000	Yilong RMB'000	Chengdu		Total RMB'000
			KQR RMB'000	Other RMB'000	
FY2024					
Revenue	19,737	411,991	-	901	432,629
Interest income	7	103	1,400	-	1,510
Interest expense	(2,168)	(542)	(258)	(6)	(2,974)
Depreciation of property, plant and equipment	(7,138)	(3,168)	(28)	(69)	(10,403)
Amortisation of intangible assets	(88)	-	-	-	(88)
Share of profit of an associate	-	-	11,597	-	11,597
Reportable segment (loss)/profit before tax	(5,266)	3,222	11,898	(120)	9,734

As at 31 December 2024

Other segment information

Reportable segment assets	41,759	128,045	546,041	2,366	718,211
Capital expenditure					
- Property, plant and equipment	14,479	9,197	146	864	24,686
Reportable segment liabilities	(47,211)	(33,059)	(51,381)	(853)	(132,504)

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

	2H2025 RMB'000	2H2024 RMB'000	FY2025 RMB'000	FY2024 RMB'000
Revenue				
Total revenue for reportable segments	281,530	216,686	483,565	432,629
Profit or loss				
Total profit before tax for reportable segments	7,700	3,359	12,792	9,734
Unallocated amounts:				
- Other income	-	15	1	23
- Other expenses	(4,216)	(3,501)	(7,603)	(7,223)
- Tax (expense)/credit	(175)	(357)	(409)	(1,015)
Consolidated (loss)/profit for the period/year	3,309	(484)	4,781	1,519

	FY2025 RMB'000	FY2024 RMB'000
Assets		
Total assets for reportable segments	730,888	718,211
Other unallocated amounts	3,740	3,911
Consolidated total assets	734,628	722,122

Liabilities		
Total liabilities for reportable segments	130,156	132,504
Elimination of inter-segment liabilities	(4,449)	(12,367)
Other unallocated amounts	10,721	10,749
Consolidated total liabilities	136,428	130,886

	Reportable segment total RMB'000	Unallocated amounts RMB'000	Consolidated total RMB'000
2H2025			
Other material items			
Interest income	472	-	472
Interest expense	(1,057)	(5)	(1,062)
Depreciation of property, plant and equipment	(5,398)	(101)	(5,499)
Amortisation of intangible assets	(41)	-	(41)
Capital expenditure:			
- Property, plant and equipment	(727)	-	(727)

2H2024			
Other material items			
Interest income	781	-	781
Interest expense	(1,502)	(2)	(1,504)
Depreciation of property, plant and equipment	(5,462)	(94)	(5,556)
Amortisation of intangible assets	(44)	-	(44)
Capital expenditure:			
- Property, plant and equipment	(8,095)	(541)	(8,636)

	Reportable segment total RMB'000	Unallocated amounts RMB'000	Consolidated total RMB'000
FY2025			
Other material items			
Interest income	1,494	2	1,496
Interest expense	(2,153)	(15)	(2,168)
Depreciation of property, plant and equipment	(10,949)	(199)	(11,148)
Amortisation of intangible assets	(85)	-	(85)
Capital expenditure:			
- Property, plant and equipment	(1,268)	-	(1,268)
FY2024			
Other material items			
Interest income	1,510	4	1,514
Interest expense	(2,974)	(8)	(2,982)
Depreciation of property, plant and equipment	(10,403)	(197)	(10,600)
Amortisation of intangible assets	(88)	-	(88)
Capital expenditure:			
- Property, plant and equipment	(24,686)	(556)	(25,242)

Geographical information

	Revenue		Non-current assets	
	FY2025 RMB'000	FY2024 RMB'000	FY2025 RMB'000	FY2024 RMB'000
China	480,832	431,728	541,490	540,572
Singapore and Malaysia	2,732	901	785	1,348
	483,564	432,629	542,275	541,920

4.2 Revenue

	Group			
	2H2025 RMB'000	2H2024 RMB'000	FY2025 RMB'000	FY2024 RMB'000
Revenue from contracts with customers	279,920	214,920	480,128	427,935
Warehouse, equipment and premise leasing	1,609	1,766	3,436	4,694
	281,529	216,686	483,564	432,629

Disaggregation of revenue from contracts with customers

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

	Notes	Group			
		2H2025 RMB'000	2H2024 RMB'000	FY2025 RMB'000	FY2024 RMB'000
Major products/service lines					
Sale of goods, including trading	(a)	255,956	205,556	446,903	408,548
Rendering of services		23,964	9,364	33,225	19,387
		<u>279,920</u>	<u>214,920</u>	<u>480,128</u>	<u>427,935</u>
Primary geographical markets					
China		277,861	214,019	477,396	427,034
Malaysia		2,059	901	2,732	901
		<u>279,920</u>	<u>214,920</u>	<u>480,128</u>	<u>427,935</u>
Timing of revenue recognition					
Products transferred at a point in time		255,956	205,556	446,903	408,548
Products and services transferred over time		23,964	9,364	33,225	19,387
		<u>279,920</u>	<u>214,920</u>	<u>480,128</u>	<u>427,935</u>

Notes:

- (a) The top 10 customers account for 99.4% of total trading revenue during FY2025.
(b) The above excludes revenue from warehouse, equipment and premise leasing.

5. Other income

	Group			
	2H2025 RMB'000	2H2024 RMB'000	FY2025 RMB'000	FY2024 RMB'000
Other income				
Interest income:				
banks	219	328	531	475
loan to an associate	254	449	965	1,039
Government grants	1,347	422	1,347	422
Covered guarantee fee income from an associate	414	2,528	1,054	2,528
Gain/(loss) on disposal of property, plant and equipment	(92)	-	9	-
Others	360	704	390	786
	<u>2,502</u>	<u>4,431</u>	<u>4,296</u>	<u>5,250</u>

6. Finance costs

	Group			
	2H2025 RMB'000	2H2024 RMB'000	FY2025 RMB'000	FY2024 RMB'000
Interest expense:				
- Lease liabilities	901	1,009	1,873	2,099
- Banks and institutions	14	17	31	33
- Loan from a related party	72	131	144	249
- Factoring expenses	74	347	120	601
	<u>1,061</u>	<u>1,504</u>	<u>2,168</u>	<u>2,982</u>

7. Profit before tax

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

	Group			
	2H2025 RMB'000	2H2024 RMB'000	FY2025 RMB'000	FY2024 RMB'000
Change in fair value of financial asset mandatorily at FVTPL	(311)	181	(506)	(32)
Impairment losses on trade and other receivables and contract assets	3,839	68	6,204	68
(Gain)/Loss on disposal of property, plant and equipment	92	164	(9)	164
Amortisation of intangible assets	41	44	85	88
Depreciation of property, plant and equipment	5,499	5,599	11,148	10,600

8. Tax expense/(credit)

	Group			
	2H2025 RMB'000	2H2024 RMB'000	FY2025 RMB'000	FY2024 RMB'000
Current year	175	207	409	865
Under-provision of tax expense in prior years	-	150	-	150
	175	357	409	1,015

9. Property, plant and equipment

The property, plant and equipment inclusive of right-of-use assets amounting to RMB 72,462,000 as at 31 December 2025 (31 December 2024: RMB 82,563,000). During the year ended 31 December 2025, the Group acquired assets for an aggregate cost of RMB 1,268,000 (FY2024: RMB 25,242,000), of which (i) RMB 516,000 (FY2024: RMB 15,166,000) relates to addition of right-of-use assets through tenancy agreements; and (ii) RMB 752,000 (FY2024: RMB 10,076,000) relates to acquisition of property, plant and equipment. During the year, there was disposal of assets with carrying value of RMB 267,000 (FY2024: RMB 164,000).

10. Investment in associates

The Group invests and manages EPC projects for land transport infrastructure and environmental conservation in China; undertaken by its associate, Ranken Railway, in which the Group owns a 48.82% effective interest. During FY2024, Yilong invested in an associate company in China, Beijing Aide Zhengze Education Technology Co., Ltd. ("BAZET") and the principal activities of which are in the educational equipment certification and trading platform. During FY2025, Shengshi Fanmu (Sichuan) Cultural and Creative Development Co., Ltd. ("SFCCD") incorporated a new associate company in China, Benxishi Benxihu Industrial Tourism Co., Ltd ("BITC") for a 35% ownership and its principal activities are in Tourism Services and Construction of Cultural Relic Protection Projects.

	Group	
	31.12.2025 RMB'000	31.12.2024 RMB'000
Interests in associates	469,450	458,909
Group's interest in the net assets of investees:		
At beginning of the year	458,909	448,444
Dividends declared during the year	(8,067)	(13,654)
Group's contribution during the year	-	13,003
Group's share of other comprehensive loss	486	(761)
Group's share of profit	17,727	11,597
	469,055	458,629
Group's investment in BAZET	-	280
Group's share of profit from BITC during the year	395	-
At end of the year	469,450	458,909

Based on the unaudited financial statements of Ranken Railway, the working capital position for Ranken Railway was RMB 0.6 billion as at 31 December 2025 (FY2024: RMB 0.8 billion).

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

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

- b. any full guarantee(s) provided by the Investor to the lender(s) for banking facilities granted to Ranken Railway (“**Principal Guarantee**”) would have to be secured by a covered guarantee from Chengdu KQR in respect of the Principal Guarantee based on its 49.82% shareholding in Ranken Railway (the “**Covered Guarantee**”). In the event of default by Ranken Railway, the Investor shall fulfil its payment obligations in full under the Principal Guarantee and seek recourse from Chengdu KQR under the Covered Guarantee.
3. It was further disclosed in the Ranken Disposal Circular that “Ranken Railway would be placed in a more favourable position to secure project contracts in the PRC, and may be able to enjoy lower interest rates on external borrowings from financial institutions, given its status as an indirect SOE following the Proposed Transaction” (the “**Guarantee Rationale**”). As such, management understands from the Investor that the provision of Principal Guarantee would allow Ranken Railway to borrow at lower interest rates compare to other non-secured financing facilities.

11. Other investment

Equity investments – mandatorily at FVTPL

Financial assets mandatorily at FVTPL comprise the following:

	Group		Company	
	31.12.2025 RMB'000	31.12.2024 RMB'000	31.12.2025 RMB'000	31.12.2024 RMB'000
Hong Kong listed equity securities				
China Vanadium Titano-Magnetite Mining Company Limited (“CVT”)	1,463	957	1,463	957

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

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

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

The following table presented the assets measured at fair value:

	Level 1 RMB'000	Level 2 RMB'000	Level 3 RMB'000	Total RMB'000
Group and Company as at 31.12.2025				
Equity investments – mandatorily at FVTPL	1,463	–	–	1,463
Group and Company as at 31.12.2024				
Equity investments – mandatorily at FVTPL	957	–	–	957

12. Inventories

	Group	
	31.12.2025	31.12.2024
	RMB'000	RMB'000
Finished goods	2,450	590

The cost of inventories recognised as an expense and included in profit or loss amounted to RMB 437,836,243 (FY2024: RMB 400,265,000).

13. Trade and other receivables

	Notes	Group	
		31.12.2025	31.12.2024
		RMB'000	RMB'000
Trade receivables			
Third parties	(a)	16,892	39,935
Associate	(b)	49,636	12,772
Bills receivables from an associate	(c)	2,048	1,381
		68,576	54,088
Impairment loss		(926)	(926)
Net		67,650	53,162

Notes:

- (a) Trade receivables from third parties are non-interest bearing and the credit terms are 7 to 90 days (FY2024: 7 to 90 days). Approximately RMB 7.8 million or 46.1% has been collected as at the date of this announcement.
- (b) Trade receivables from an associate are non-interest bearing and the credit terms are 30 to 90 days (FY2024: 30 to 90 days). Approximately RMB 5.9 million or 11.9% has been collected as at the date of this announcement.
- (c) Bills receivables from an associate are non-interest bearing and credit terms are up to 12 months. The amount has been collected as at the date of this announcement.

	Notes	Group		Company	
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
		RMB'000	RMB'000	RMB'000	RMB'000
Other receivables					
Other receivables due from third parties	(a)	24,372	22,686	216	277
Amount due from a former subsidiary		14,859	14,859	14,859	14,859
Impairment loss		(27,153)	(20,296)	(14,859)	(14,859)
		12,078	17,249	216	277
Amount due from an associate		8,067	3,195	-	-
Loan to an associate	(b)	-	30,000	-	-
Impairment loss		-	(653)	-	-
Financial assets at amortised costs		20,145	49,791	216	277
Prepayments		67,405	13,900	-	175
Net		87,550	63,691	216	452

Notes:

- (a) Other receivables are unsecured and non-interest bearing. Of which, RMB 20.6 million relates to Overdue Guaranteed Receivables assigned by Ranken Railway to Chengdu KQR. Please refer to Section E Note 10 for further details.
- (b) Loan to an associate, Ranken Railway, is unsecured, bear an interest rate at 3.95% per annum with a maturity period of 12 months and was fully repaid during FY2025. Please refer to Section E Note 10 for further details.

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

	Group		Company	
	FY2025 RMB'000	FY2024 RMB'000	FY2025 RMB'000	FY2024 RMB'000
At beginning of the year	21,875	21,807	14,859	14,859
Impairment losses recognised during the year	6,204	68	–	–
At end of the year	28,079	21,875	14,859	14,859

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

The Guaranteed Receivables

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

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

The aging of the Guaranteed Receivables is as follow:

	Ranken Group	
	31.12.2025 RMB'000	31.12.2024 RMB'000
<u>Not past due</u>		
Current	198,281	217,114
<u>Past due</u>		
< 1 year	-	-
1 to 2 years	-	-
2 to 3 years	-	-
3 to 4 years	-	-
4 to 5 years	163	163
> 5 years (“Overdue Guaranteed Receivables”)	22,948	42,811
	23,111	42,974
Total Guaranteed Receivables	221,392	260,088

As at 31 December 2025:

- the total amount of the Guaranteed Receivables was RMB 221.4 million (FY2024: RMB 260.1 million);
- the total amount of the Overdue Guaranteed Receivables was RMB 22.9 million (FY2024: RMB 42.8 million);
- the total Overdue Guaranteed Receivables which had been assigned to Chengdu KQR and recorded as other receivables was RMB 20.6 million in aggregate;
- The Group conducted an ECL assessment on the Guaranteed Receivables and the Overdue Guaranteed Receivables and no provision was recognized in accordance with SFRS(I) 9 *Financial Instruments* in FY2025 (FY2024: RMB 1.3 million of provision recognised), as disclosed in Section E Note 2.2(b)(iv).

14. Cash and cash equivalents

	Group		Company	
	31.12.2025 RMB'000	31.12.2024 RMB'000	31.12.2025 RMB'000	31.12.2024 RMB'000
Cash and bank balances	33,240	61,802	50	242

15. Share capital

	The Group and the Company			
	31.12.2025 No. of ordinary shares ('000)	31.12.2024 No. of ordinary shares ('000)	31.12.2025 RMB'000	31.12.2024 RMB'000
Issued and paid up:				
At the beginning and end of the period/year	407,590	407,590	350,874	350,874

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

16. Provisions

	Notes	Group	
		31.12.2025 RMB'000	31.12.2024 RMB'000
Provision for liabilities	(a)	9,475	9,475
Provision for guarantee	(b)	3,152	3,152
		12,627	12,627

Notes:

- (a) This relates to the provision for a guarantee provided by the Group to the Investor for the recoverability of outstanding receivable balances in Ranken Railway as at 31 August 2019. During FY2025, no provision was recognized due to a decrease in the outstanding receivables. (During FY2024, the Group made a provision of RMB 1,291,000). Please refer to Section E Notes 2.2(b)(iv), 10 and 13 for further details.

UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2025

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

- (b) The Group did not make any provision relating to the Covered Guarantee for the banking facilities of Ranken Railway during FY2025 (FY2024: a provision of RMB 0.6 million was recognised.) in accordance with SFRS(I) 9. The Group's 49.82% share of the covered guarantee provided for banking facilities of Ranken Railway amounting to RMB 88.2 million (FY2024: RMB 180.0 million).
- (c) Please refer to Section E Note 10 for further details in relation to the Principal Guarantee, the Covered Guarantee, and the Guarantee Rationale.

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

17. Lease liabilities

	Group		Company	
	31.12.2025 RMB'000	31.12.2024 RMB'000	31.12.2025 RMB'000	31.12.2024 RMB'000
The Group				
Undiscounted lease payments due:				
- Later than five years	6,671	11,475	-	-
- Later than one year and not later than five years	25,450	28,321	92	379
- No later than one year	8,049	7,411	195	192
	40,170	47,207	287	571
Less: Future interest costs	(5,468)	(7,303)	(9)	(35)
	<u>34,702</u>	<u>39,904</u>	<u>278</u>	<u>536</u>
Represented by:				
- Non-current	28,254	34,354	91	363
- Current	6,448	5,550	187	173
	<u>34,702</u>	<u>39,904</u>	<u>278</u>	<u>536</u>

The lease liabilities relate to right of use assets – shop spaces and premises with carrying value of RMB 27,514,000 as at 31 December 2025 (31 December 2024: RMB 33,720,000).

Other than the above, the Group has no borrowings and debts securities as at 31 December 2025 and 2024.

18. Trade and other payables

	Notes	Group	
		31.12.2025 RMB'000	31.12.2024 RMB'000
Trade payables			
Third parties	(a)	44,165	28,332
Associated company	(b)	765	6,015
		<u>44,930</u>	<u>34,347</u>

Notes:

- (a) Trade payables owing to third parties was related to project costs such as labour, materials and other incidental costs. The amount is non-interest bearing and credit terms are between 90 to 180 days (FY2024: 90 to 180 days).
- (b) Trade payables owing to an associate was related to project costs such as labour, materials and other incidental costs. The amount is non-interest bearing and the credit terms are between 30 to 90 days (FY2024: 30 to 90 days).

	Notes	Group		Company	
		31.12.2025	31.12.2024	31.12.2025	31.12.2024
		RMB'000	RMB'000	RMB'000	RMB'000
Other payables					
Amounts due to a subsidiary		–	–	22,257	17,382
Amounts owing to shareholders	(a)	8,049	8,311	–	–
Amounts owing to an associate	(b)	20,588	20,588	–	–
Advances received from an associate	(c)	-	295	–	–
Loan from a related company	(d)	-	5,132	–	–
Accrued expenses		3,004	2,204	2,735	2,632
Security deposits		2,494	2,473	–	–
Other payables		4,700	4,043	–	–
Financial liabilities at amortised costs		38,835	43,046	24,992	20,014
Other tax payables		5,334	962	-	-
		44,169	44,008	24,992	20,014

Notes:

- (a) The amount due to shareholders comprises advances, which are non-trade, unsecured, non-interest bearing and repayable on demand.
- (b) The amounts due to an associate relate to the total amount of the Overdue Guaranteed Receivables which had been assigned by Ranken Railway to Chengdu KQR. Refer to Section E Notes 10 and 16 for further details on Guaranteed Receivables and Overdue Guaranteed Receivables.
- (c) Advances received from an associate are mainly for purchase of materials and supplies, are unsecured, non-interest bearing and repayable on demand.
- (d) Amount due to a related company relate to short-term loan from Chengdu Yunlong Technology Pte Ltd, is unsecured, bears fixed interest rate at 3.6% (FY2024: 3.6%) per annum and was repaid during FY2025.

	Group		Company	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
	RMB'000	RMB'000	RMB'000	RMB'000
Presented by:				
Current	44,169	44,008	2,735	2,632
Non-current	-	-	22,257	17,382
	44,169	44,008	24,992	20,014

19. Financial assets and financial liabilities

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

	Group		Company	
	31.12.2025 RMB'000	31.12.2024 RMB'000	31.12.2025 RMB'000	31.12.2024 RMB'000
Financial Assets				
Equity investments – mandatorily at FVTPL	1,463	957	1,463	957
Trade and other receivables (Amortised cost)	87,795	102,953	216	277
Cash and bank balances	33,240	61,802	50	242
	<u>122,498</u>	<u>165,712</u>	<u>1,729</u>	<u>1,476</u>
Financial Liabilities				
Provisions	12,627	12,627	-	-
Trade and other payables and lease liabilities (Amortised cost)	118,467	117,297	25,270	20,550
	<u>131,094</u>	<u>129,924</u>	<u>25,270</u>	<u>20,550</u>

20. Related party transactions

Notes	Group			
	2H2025 RMB'000	2H2024 RMB'000	FY2025 RMB'000	FY2024 RMB'000
Transactions with key management personnel:				
Directors' remuneration	(1,514)	(1,124)	(2,227)	(1,814)
Transactions with an associate:				
- Guarantee fee income	414	2,528	1,054	2,528
- Leasing income	474	162	736	1,883
- Sale of goods	44,925	38,952	61,896	58,397
- Rendering of services	1,497	1,709	2,676	4,062
- Interest income	254	449	965	1,039
Transaction with other related parties:				
Interest expenses	(72)	(131)	(144)	(249)
Legal services rendered by a firm of which a director is a partner of the firm (a)	-	(161)	-	(161)
Sponsorship fee paid to a director's research fund	(209)	-	(209)	-

		Group	
		31.12.2025	31.12.2024
		RMB'000	RMB'000
Covered guarantee provided for banking facilities – an associate	(b)	88,181	180,053

Notes:

- (a) The director did not seek re-election at the Company's annual general meeting held on 30 April 2024 and retired accordingly.
- (b) Based on Chengdu KQR's 49.82% share of covered guarantees provided on banking facilities utilised by the associate amounting to RMB 177.0 million as at 31 December 2025 (FY2024: RMB 361.4 million). Please refer to Section E Notes 10 and 16 for further details.

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

21. Subsequent events

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

1. Review

The condensed consolidated statements of financial position of Sapphire Corporation Limited and its subsidiaries as at 31 December 2025 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the full year then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Review of Condensed interim consolidated statement of profit or loss and other comprehensive income (FY2025 vs FY2024)

Revenue increased by RMB 50.9 million to RMB 483.6 million in FY2025, mainly due to higher revenues from Yilong's trading business, which supplies infrastructure construction materials for urban renewal and redevelopment services under its existing supply chain networks. Notably, there was also a maiden revenue contribution of approximately RMB 13.5 million in aggregate during 2H2025, as derived from its newly-incorporated subsidiary, Shengshi Fanmu (Sichuan) Cultural and Creative Development Co (盛世梵木(四川)文化创意发展有限公司) ("Shengshi Fanmu") in relation to (i) provision of integrated and consultancy services in cultural and creative event planning, including procurement services; and (ii) commercial space optimisation and transformation projects, including such designs and management services; in addition to an increase in revenue for services rendered for its existing urban infrastructure construction and renewal projects.

Correspondingly, gross profit increased by RMB 1.1 million to RMB 10.8 million in FY2025 while the profit margin remained unchanged at 2.2% year-on-year. Management further noted that the Group's operating environment in China remain highly competitive while operating costs are increasingly higher.

Other income decreased by RMB 1.0 million to RMB 4.3 million in FY2025 mainly due to lower covered guarantee fee income of RMB 1.5 million from Ranken Railway on lower covered guarantee amount, slightly offset by higher interest income from bank deposits and government grants.

Administrative expenses comprise mainly directors' remuneration, staff cost, professional fees (including corporate compliance related), travelling and other general office expenses, which increased by RMB 1.0 million to RMB 19.1 million in FY2025 mainly due to expansion of the business activities during the year, particularly in 2H2025.

Impairment losses on other receivables of RMB 6.2 million was recognised in FY2025, in relation to the overdue guaranteed receivables assigned by Ranken Railway to Chengdu KQR.

No provision for liabilities was recognised in FY2025 as the overdue guaranteed receivables decreased to RMB 22.9 million (FY2024: RMB 42.8 million)

No provision for guarantees was recognised in FY2025 as the guaranteed banking facilities for Ranken Railway decreased to RMB 88.2 million (FY2024: RMB 180.1 million)

Other expenses decreased by RMB 0.5 million to RMB 0.6 million in FY2025 mainly due to cost control measures.

Finance costs decreased by RMB 0.8 million to RMB 2.2 million mainly due to lower factoring expenses, which fell by RMB 0.5 million for trade receivables financing and lower interest expense on loan from a related party as the loan was repaid during FY2025.

Share of profits of an associate, net of tax, increased by RMB 6.5 million to RMB 18.1 million, mainly due to higher profits derived from Ranken Railway.

Tax expenses decreased by RMB 0.6 million to RMB 0.4 million mainly due to lower taxable profits for the subsidiaries during the year.

Given the above, net profit increased by RMB 3.3 million to RMB 4.8 million in FY2025, net of non-controlling interests.

Review of Financial Position (31 December 2025 vs 31 December 2024)

Total assets

Total non-current assets increased by RMB 0.4 million. Significant changes are as follows:

- Property, plant and equipment (including right-of-use assets) decreased by RMB 10.1 million mainly due to (i) depreciation of RMB 11.1 million during the year and (ii) disposal of plant and machinery amounting to RMB 0.3 million, partially offset by addition of right-of-use assets in relation to the new office space amounting to RMB 0.5 million and purchase of new plant and machinery of RMB 0.7 million; and
- Investment in an associate increased by RMB 10.5 million mainly due to the Group's share of profit of Ranken Railway, partly offset by the dividends declared by Ranken Railway.

Total current assets increased by RMB 12.2 million. Significant changes are as follows:

- Other investment increased by RMB 0.5 million due to higher fair value recorded for quoted investment;
- Inventories increased by RMB 1.9 million due to the newly-commenced wholesale business operation;
- Trade receivables increased by RMB 14.5 million on the back of higher revenue during FY2025. Approximately RMB 15.7 million or 23.2% of the trade receivables has since been collected as at the date of this announcement;
- Other receivables increased by RMB 23.9 million mainly due to (i) deposits paid for rental, utilities and tender deposits, which increased by RMB 1.7 million, (ii) higher prepayments to suppliers of RMB 53.5 million due to increase in orders and (iii) higher amount due from an associate which increased by RMB 4.9 million, all of which were partially offset by (i) impairment losses of RMB 6.2 million and (ii) repayment of loan to an associate of RMB 30.0 million; and
- Cash and cash equivalents decreased by RMB 28.6 million mainly due to net cash used in operating activities, investing activities and financing activities. Please refer to review of cash flows below for further details.

Total liabilities

Total non-current liabilities decreased by RMB 6.1 million mainly due to the repayment of lease liabilities.

Total current liabilities increased by RMB 11.6 million. Significant changes are as follows:

- Trade payables increased by RMB 10.6 million mainly due to higher third party trade payables of RMB 15.8 million as a result of higher purchases of materials on the back of higher sales volume, offset by lower amount due to Ranken Railway of RMB 5.2 million.;

UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2025

- Other payables increased by RMB 0.2 million mainly due to increase in (i) accrued expenses and other payables which include advances received from customers of RMB 1.5 million in aggregate, (ii) other tax payables, which include mainly value added tax, of RMB 4.4 million and partially offset by (iii) repayment of amount due to a related company of RMB 5.1 million and (iv) repayment of amount owing to shareholders and advance from an associate of RMB 0.6 million in aggregate; and

- Lease liabilities increased by RMB 0.9 million mainly due to additional finance lease for office premises.

Total equity

Total equity attributable to owners of the Company or shareholders' equity increased by RMB 5.4 million to RMB 584.6 million in FY2025 due to profit for the year of RMB 4.9 million, and foreign currency translation gain of RMB 0.5 million in FY2025.

Review of Cash Flows (FY2025 vs FY2024)

The net operating cash outflow for FY2025 was RMB 46.5 million after accounting for (i) operating profit before working capital changes of RMB 4.6 million, after adjusting mainly for total non-cash adjustments arose from depreciation, fair value change in financial asset, impairment losses on trade and other receivables and share of profit of an associate during the period; (ii) net working capital outflows of RMB 50.7 million as a result of increase in inventories of RMB 1.8 million, increase in trade and other receivables of RMB 66.5 million (as explained in the above review of financial position), partially offset by increase of trade and other payables of RMB 17.6 million; and (iii) tax payment of RMB 0.4 million.

Cash inflow from investing activities was RMB 31.0 million after accounting for interest income received of RMB 1.5 million, proceeds from disposal of plant and equipment of RMB 0.3 million, repayment of loan to an associate of RMB 30 million, and partially offset by acquisition of property, plant and equipment of RMB 0.8 million.

Cash outflow from financing activities was RMB 13.1 million after accounting for (i) payments of lease liabilities of RMB 5.5 million, (ii) payments of interest and factoring expenses of RMB 2.2 million, and (iii) repayments for short-term loan due to a related party, Chengdu Yunlong Technology Pte Ltd, of RMB 5.1 million and (iv) repayment to shareholders of RMB 0.3 million.

Given the above, cash and cash equivalents as at 31 December 2025 fell by RMB 28.6 million to RMB 33.2 million.

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

Share Capital

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

Convertible Securities

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

UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2025
To show the total number of issued shares excluding treasury shares as at end of the current financial period and as at end of the immediately preceding year

	31.12.2025	31.12.2024
Total number of issued shares excluding treasury shares	407,589,893	407,589,893

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

The Company did not have any treasury shares as at 31 December 2025 and 31 December 2024.

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

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

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

Not applicable.

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

	2H2025	2H2024	FY2025	FY2024
Basic and diluted (loss)/earnings per share (RMB cents)	0.85	(0.13)	1.20	0.34

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

	FY2025	FY2024
Weighted average number of shares	407,589,893	407,589,893

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

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

UNAUDITED CONDENSED FINANCIAL STATEMENTS FOR THE SIX MONTHS AND FULL YEAR ENDED 31 DECEMBER 2025

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

	Group		Company	
	31.12.2025	31.12.2024	31.12.2025	31.12.2024
Net asset value per ordinary share (RMB cents)	143.4	142.1	86.2	86.1
Number of shares in issue	407,589,893	407,589,893	407,589,893	407,589,893

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

Not applicable.

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

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

- (i) provide services for urban renewal and redevelopment; urban infrastructure and projects related (including leasing);
- (ii) procure and supply infrastructure construction materials (including the recently commenced trading business) for urbanisation related projects; and
- (iii) invest and jointly manage investment in EPC projects for land transport infrastructure and environmental conservation in China via our significant equity interest in Ranken Railway (which we effectively owns 48.82%).

As previously disclosed,

- the Chinese government stepped up efforts to support local economy while navigating the country’s economic risk that part of such initiatives would continue to stimulate the business dynamism and boosting the operating scales of China’s private sector; and in this regard, we continue to believe that more policies could be rolled out to sustain such economic activities, boost local consumption, navigate the economic risks ahead and in response to the trade tensions with the U.S. which continues to weigh on exports and industrial output.
- we strongly believe that the lingering issues of spiraling real estate crisis in China and its spillover effects are not ignored as the government pledges to preserve economic stability amidst this operating environment. Since then, we have seen new set-up of task force committee and have also read about several potential bailout talks in a bid to stabilise the sector and boost confidence while managing the risks of the prolonged downturn.

Against this backdrop, our strategies remain largely consistent with what we had previously guided. That:

- urbanisation remains one of the key economic drivers in China as the government has been proactively supporting and promoting urban infrastructure development, urban renewal and city redevelopment in several key clusters under its economic policies and innovation ecosystem. Alongside these city modern urbanisation programmes, the Group recorded a maiden revenue contribution from its newly-operated subsidiary in 2H2025 for provision of integrated services in cultural and creative event planning; and commercial space optimisation and transformation projects, which have successfully been initiated under the brand of “盛世梵木”;
- the eco-friendly development, sustainable urban renewal plans and environmental conservation solutions will hold an increasingly important and integral role in the China’s urban infrastructure development sector; and that if such related projects could successfully be procured, managed, and executed, will help to diversify and expand our recurring revenue streams; and
- we have significant investments in EPC projects for land transport infrastructure and environmental conservation in China which we jointly manage via our principal associate, Ranken Railway. In FY2025, the financial performance for Ranken Railway improved and its net asset position of Ranken Railway remains robust with our share of this investment close to RMB 468 million as at 31 December 2025.

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

10. Dividend

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

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

No dividend has been declared or recommended for 2H2025 and FY2025 as the Company seeks to conserve its cash for its existing working capital requirements and projected capital investments for business growth.

12. Disclosure of Interested Person Transaction Conducted under a Shareholder Mandate for the financial year ended 31 December 2025

The Group does not have a general mandate for interested person transactions. There were no interested person transactions of S\$100,000 and above entered into for FY2025.

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

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

14. A breakdown of sales

	FY2025 RMB'000	FY2024 RMB'000	Change %
(a) Sales reported for first half year	202,035	215,943	(6.4)
(b) Operating profit after tax before deducting non-controlling interests reported for first half year	1,472	2,003	(26.5)
(c) Sales reported for second half year	281,529	216,686	29.9
(d) Operating (loss)/profit after tax before deducting non-controlling interests reported for second half year	3,309	(484)	(783.7)

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

Name	Age	Family relationship with the CEO, any director, and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
ZHANG CHI	39	Daughter of the Company's Executive Chairman, Mr Cheung Wai Suen	Operations Director: Oversee operations of Company's business in China. Develop and implement strategic plans for the Company's operations aligning with the overall organizational goals. Identify and pursue new business opportunities in Singapore and South-East Asia. Date of Appointment: 29 Dec 2023	Not applicable

On behalf of the Board of Directors

Wang Heng
Group Chief Executive Officer
27 February 2026

Cheung Wai Suen
Executive Chairman
27 February 2026