



2023

ANNUAL REPORT

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

MR. ZHANG WENJUN
NON-EXECUTIVE AND LEAD INDEPENDENT DIRECTOR
(RE-DESIGNATED ON 18 MARCH 2024)

MR. FOO CHEE MENG
NON -EXECUTIVE INDEPENDENT DIRECTOR

MR. TAN JUAY KIAT
NON-EXECUTIVE INDEPENDENT DIRECTOR
(APPOINTED ON 1 JUNE 2024)

MR. GAO ZHONG
EXECUTIVE DIRECTOR

AUDIT COMMITTEE ("AC")

MR. ZHANG WENJUN
MR. FOO CHEE MENG
MR. TAN JUAY KIAT

NOMINATING COMMITTEE ("NC")

MR. FOO CHEE MENG
MR. ZHANG WENJUN
MR. GAO ZHONG

REMUNERATION COMMITTEE ("RC")

MR. FOO CHEE MENG
MR. ZHANG WENJUN
MR. GAO ZHONG

SECRETARY

MR. CHONG ENG WEE

REGISTERED OFFICE

CRICKET SQUARE, HUTCHINS DRIVE
P.O. BOX 2681, GRAND CAYMAN KY1-1111
CAYMAN ISLANDS

BUSINESS OFFICE

NO. 9, YINGHUA ROAD, ZHONGLOU ECONOMIC DEVELOPMENT
ZONE, CHANGZHOU CITY, JIANGSU PROVINCE
THE PEOPLE' S REPUBLIC OF CHINA

CAYMAN ISLANDS SHARE REGISTRAR

CODAN TRUST COMPANY (CAYMAN) LIMITED
CRICKET SQUARE, HUTCHINS DRIVE,
P.O. BOX 2681, GRAND CAYMAN KY1-
1111 CAYMAN ISLANDS

SHARE TRANSFER AGENT

IN.CORP CORPORATE SERVICES PTE. LTD.
36 ROBINSON ROAD
#20-01 CITY HOUSE
SINGAPORE 068877
GENERAL LINE: 6990 8220
FAX: 6395 0670

EXTERNAL AUDITORS

CROWE HORWATH FIRST TRUST LLP
9 RAFFLES PLACE
#19-20 REPUBLIC PLAZA TOWER 2
SINGAPORE 048619
AUDIT PARTNER-IN-CHARGE LEE YAN HUEI
APPOINTED WITH EFFECT FROM FINANCIAL YEAR 2023

INVESTOR AND MEDIA CONTACT

SHANGHAI TURBO ENTERPRISES LTD.
MR. ZHANG WENJUN
TEL: 86 135 0168 1631
EMAIL:WENJUN.ZHANG@SHANGHAITURBO.COM

2023 ANNUAL REPORT

CORPORATE PROFILE



ShanghaiTurbo is a precision engineering group that specialises 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 maximise the efficiency of steam flow in the generation of electricity.

2023 ANNUAL REPORT

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尊敬的各位股东：

Dear Shareholders,

值此SHANGHAI TURBO 发布2023年度报告之际，我谨代表公司董事会，向长期以来信任与支持我们的股东、精诚合作的伙伴、给予我们厚爱的客户，以及为公司发展付出智慧与汗水的全体员工，致以最诚挚的感谢和最崇高的敬意！

2023年，全球能源格局加速重构，中国“双碳”战略深入推进，电力装备产业面临前所未有的机遇与挑战。在复杂多变的环境中，SHANGHAI TURBO 全体员工迎难而上，锐意进取，坚定不移地推进技术创新与战略转型，交出了一份彰显韧性、蕴含希望的答卷。

On the occasion of releasing SHANGHAI TURBO's 2023 Annual Report, I, on behalf of the Board of Directors, extend our deepest gratitude and highest respect to you—our trusted shareholders, dedicated partners, valued clients, and all employees whose wisdom and hard work have fueled the Company's growth.

In 2023, as the global energy landscape underwent accelerated transformation and China's "dual-carbon" strategy advanced profoundly, the power equipment industry faced unprecedented opportunities and challenges. Amid complex conditions, SHANGHAI TURBO employees rose to the occasion with determination, driving technological innovation and strategic transformation to deliver resilient and promising results.

1 在变革中砥砺前行，于挑战中夯实根基

1. Forging Ahead Amid Change, Fortifying Foundations Through Challenges

过去一年，全球经济增长放缓，地缘政治冲突加剧供应链不确定性，国内电力结构转型深化，火电投资在保供与转型中寻求平衡，新能源装备需求持续攀升。面对复杂形势，我们聚焦主业，精准施策，取得了以下关键进展：

Over the past year, slowing global growth and geopolitical conflicts intensified supply chain volatility. Domestically, power structure transformation deepened, with thermal power investments balancing supply security and low-carbon transition, while demand for new energy equipment surged. Confronting these complexities, we focused on our core business and executed targeted strategies to achieve the following milestones:

1.1 经营业绩稳中有进，结构持续优化：

1.1 Steady Performance with Optimized Structure

公司全年实现营业收入7899万元，同比增长23.56%；归属于母公司股东的净利润741万元。

核心业务板块表现稳健：高效清洁火电汽轮机领域，我们成功交付多个国家重大煤电升级改造项目，如：华电潼南2#GT 压气机项目、大唐江津2#GT 压气机项目、中煤鄂州1# 常规火电项目等。

Full-year revenue reached RMB 78.99 million (up 23.56%), with net profit attributable to shareholders of RMB 7.41 million.

Core business stability: Delivered multiple national coal-power upgrade projects, including Huadian Tongnan 2# GT Compressor Retrofit, Datang Jiangjin 2# GT Compressor Retrofit, and China Coal Ezhou 1# Conventional Thermal Power Project.

1.2 科技创新驱动发展，核心竞争力跃升：

1.2 Innovation-Driven Growth, Enhanced Core Competitiveness

研发投入创新高达338万元，占营业收入比重达4.2%，聚焦“高参数、大容量、智能化、低碳化”方向。公司目前拥有4项发明专利和36项实用新型专利，具备生产百万等级超超临界、燃气轮机和核电汽轮机等各类叶片的能力，是中国叶片制造领域的领军企业。

- R&D investment hit a record RMB 3.38 million (4.2% of revenue), targeting high-parameter, large-capacity, intelligent, and low-carbon technologies.

- Held 4 invention patents and 36 utility model patents, with full-capability manufacturing of blades for megawatt-class ultra-supercritical units, gas turbines, and nuclear steam turbines—solidifying our leadership in China's blade production sector.

1.3 市场拓展卓有成效，品牌影响力提升：

1.3 Market Expansion Breakthroughs, Elevated Brand Influence

国内市场：深度服务国家能源安全与转型战略，在大型清洁煤电、燃气调峰电站、综合能源服务项目中标率保持领先。

国际市场：“走出去”战略成果丰硕，斩获韩国燃机、美国分布式燃机叶片的加工项目，日本东芝项目已启动并将于明年扩产，出口项目本土材料采购获国际客户认证授权，国际化营收占比提升50%。

- Domestic market: Served national energy security and transition strategies, maintaining leading bid-win rates in clean coal power, gas-fired peak-shaving plants, and integrated energy projects.

- International market: Executed the "Going Global" strategy with landmark wins—including South Korean gas turbine projects and U.S. distributed gas turbine blade processing contracts. The Toshiba Japan project commenced in 2023 and will expand in 2024, while localized material sourcing gained international client certification. International revenue contribution increased by 50%.

2 展望未来：拥抱能源革命，引领装备未来

2.Outlook: Embracing the Energy Revolution, Leading Equipment Innovation

展望未来，能源转型的浪潮势不可挡。构建新型电力系统对电力装备的灵活性、清洁性、智能化提出了更高要求。全球能源安全关切上升，对高效、可靠、低碳的发电设备需求旺盛。同时，竞争格局加剧，技术迭代加速。挑战与机遇并存，我们已做好充分准备：

The energy transition is irreversible. Building a new power system demands greater flexibility, sustainability, and intelligence from equipment, while global energy security concerns drive robust demand for efficient, reliable, and low-carbon solutions. Amid intensifying competition and rapid technological evolution, we stand prepared:

2.1 坚定战略方向，巩固与开拓并举：

2.1 Dual-Track Strategy: Consolidating Strengths, Capturing New Frontiers

深耕清洁高效传统能源装备：持续提升超超临界煤电、大型燃机的技术领先性和成本竞争力，服务好存量升级与必要新建项目。

全力抢占新能源与灵活调节装备制高点：加大在大功率、高参数燃气轮机、中小型燃机分布式能源、先进储能配套动力装备等领域的研发与市场投入，将其打造为未来核心增长极。

拓展多元化高端动力市场：巩固在核电、工业驱动、舰船动力等领域的优势地位，探索新应用场景。

- Advance clean traditional energy equipment: Enhance technological leadership and cost competitiveness in ultra-supercritical coal power and large gas turbines, serving upgrade projects and essential new builds.

- Dominate new energy and flexible solutions: Scale R&D and market investments in high-power gas turbines, distributed energy systems, and advanced energy storage equipment to establish future growth pillars.

- Expand diversified high-end markets: Cement advantages in nuclear power, industrial drives, and marine propulsion while exploring emerging applications.

2.2 深化全球布局，提升国际化经营能力：

2.2 Globalization Deepening

优化国际营销网络与服务布局，深耕重点目标市场。

加强本地化合作与适应性开发，提升海外项目执行效率和客户满意度。

积极参与国际标准制定，提升全球品牌影响力。

- Optimize international sales networks and service hubs in key target markets.
- Strengthen localized partnerships and adaptive development to boost overseas project efficiency and client satisfaction.
- Actively participate in international standard-setting to elevate global brand influence.

3 致股东：共享价值，同创未来

3.To Shareholders: Shared Value, Collective Future

董事会始终视股东利益为最高准则。我们深知，持续、稳定、透明的回报是股东信任的基石。未来，我们将继续致力于提升公司内在价值和长期竞争力，在平衡业务发展需求与股东回报之间审慎决策，力求为股东创造更丰厚的长期回报。我们也将持续加强与资本市场的沟通，提升信息披露质量。

The Board prioritizes shareholder interests above all. We recognize that sustained, stable, and transparent returns are the bedrock of your trust. Moving forward, we commit to:

- Elevating intrinsic value and long-term competitiveness while prudently balancing growth investments with shareholder returns;
- Enhancing capital market communication and disclosure quality to maximize long-term value creation.

结语

Closing Remarks

能源革命方兴未艾，大国重器使命在肩。站在新的起点上，上海动力发展有限公司对未来充满信心！这份信心源于我们对行业趋势的深刻洞察，源于我们雄厚的技术积淀和创新能力，源于我们敢打硬仗、能打胜仗的优秀团队，更源于各位股东和社会各界长期以来的信任与支持！

The energy revolution surges forward, and as a critical player in national energy infrastructure, Shanghai Turbo Enterprises Limited strides confidently into the future. This confidence stems from:

- Our profound insight into industry trends;
- Robust technological expertise and innovation capabilities;
- A battle-tested team that delivers against challenges;
- And above all, your unwavering trust and support.

董事会将与管理层及全体员工一道，以创新为魂、质量为本、客户为本，牢牢把握能源转型的历史机遇，勇攀科技高峰，开拓全球市场，奋力谱写高质量发展新篇章，以卓越的业绩回报股东，以先进的装备助力能源革命，为构建清洁低碳、安全高效的现代能源体系贡献我们的力量！

The Board, alongside management and employees, will anchor our efforts in innovation, quality, and customer focus. We will seize historic opportunities in the energy transition, scale new technological heights, and expand global markets to write a new chapter of high-quality growth—delivering exceptional returns to shareholders, powering the energy revolution with cutting-edge equipment, and advancing a clean, secure, and efficient modern energy ecosystem.

再次感谢大家的信任与同行！

Thank you for your enduring partnership and steadfast support.

Zhang Wenjun

Non-Executive Chairman and Lead Independent Director

OPERATIONAL AND FINANCIAL REVIEW

Statement of Profit or Loss and Other Comprehensive Income

Group revenue increased by 23.56% from RMB63.93 million in FY2022 to RMB78.99 million in FY2023 mainly due to the Subsidiary's prompt delivery of orders as requested by the major local customers during FY2023.

Cost of sales increased by 14.16% from RMB50.49 million in FY2022 to RMB57.64 million in FY2023 mainly due to the increase in revenue from RMB63.93 million in FY2022 to RMB78.99 million in FY2023. The cost of sales in compared to revenue was 72.97% and 78.98% for FY2023 and FY2022 respectively.

The Group achieved a gross profit amounting to RMB21.35 million in FY2023 as compared to a gross profit of RMB13.44 million in FY2022. 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.

Selling and distribution expenses increased by 75.11% from RMB4.66 million in 4Q FY2022 to RMB8.16 million in 4Q FY2023 mainly due to increase in entertainment expenses (4Q FY2023: RMB4.93 million; 4Q FY2022: RMB2.78 million); increase in staff costs (4Q FY2023: RMB0.84 million; 4Q FY2022: RMB0.74 million); increase in travelling expenses (4Q FY2023: RMB0.11 million; 4Q FY2022: RMB0.07 million); increase in repair and maintenance expenses (4Q FY2023: RMB0.46 million; 4Q FY2022: RMB0.16 million); increase in sales commission (4Q FY2023: RMB0.91 million; 4Q FY2022: 0.1 million).

Administrative expenses increased from RMB12.22 million in 4Q FY2022 to RMB15.61 million in 4Q FY2023 mainly due to increase in travel expenses (4Q FY2023: RMB0.19 million; 4Q FY2022: RMB0.03 million); increase in office expenses (4Q FY2023: RMB0.98 million; 4Q FY2022: RMB0.32 million); increase in audit fees (4Q FY2023: RMB1.48 million; 4Q FY2022: RMB0.78 million); increase in postage (4Q

FY2023: RMB0.05 million; 4Q FY2022: RMB0.04 million); increase in telecommunications (4Q FY2023: RMB0.04 million; 4Q FY2022: RMB0.03 million); increase in discounts (4Q FY2023: RMB1.3 million; 4Q FY2022: RMB0.6 million); increase in water & electricity (4Q FY2023: RMB0.94 million; 4Q FY2022: RMB0.91 million); increase in others (4Q FY2023: RMB1.22 million; 4Q FY2022: RMB1.17 million)

The Group ended FY2023 with a net profit of RMB7.15 million, compared to RMB4.96 million net loss in FY2022.

Statement of Financial Position

As at 31 December 2023, the Group's non-current assets stood at RMB27.78 million, an increase from RMB26.37 million.

Over the same period, current assets increased from RMB64.62 million to RMB72.10 million, mainly trade receivables increased by RMB6.93 million.

The Group's total liabilities increased from RMB74.66 million as at 31 December 2022 to RMB76.13 million as at 31 December 2023 is mainly due to the bank loans increased from RMB43.50 million 31 December 2022 to RMB44.50 million as at 31 December 2023.

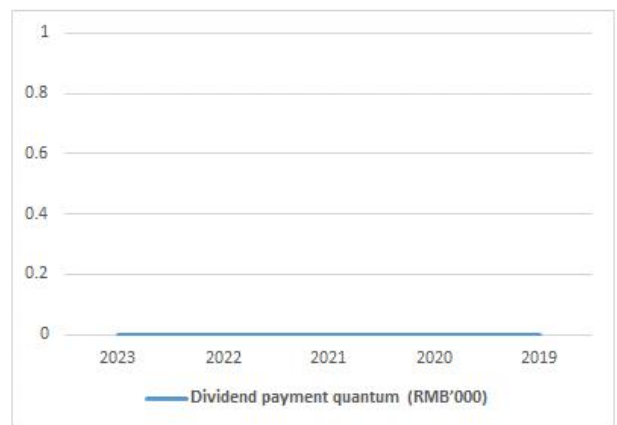
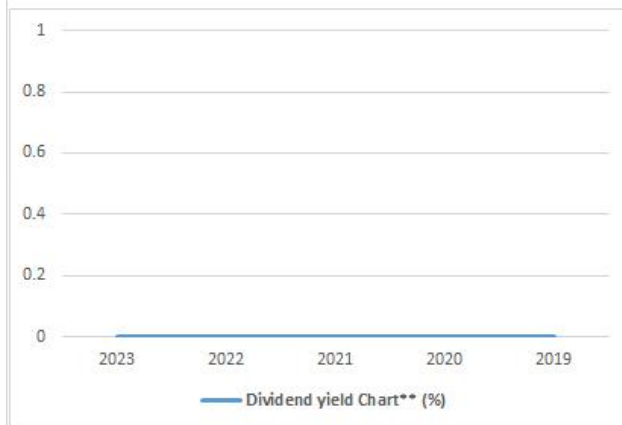
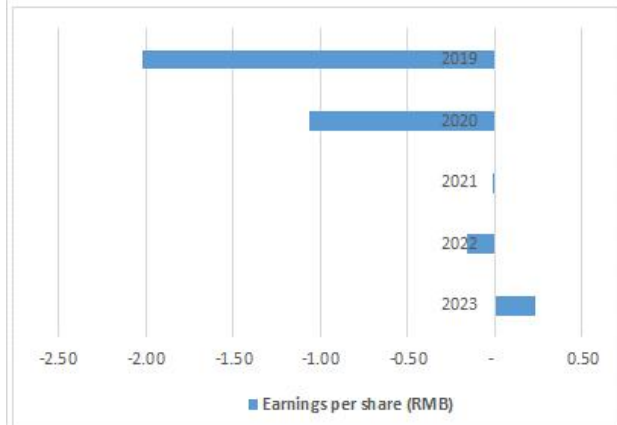
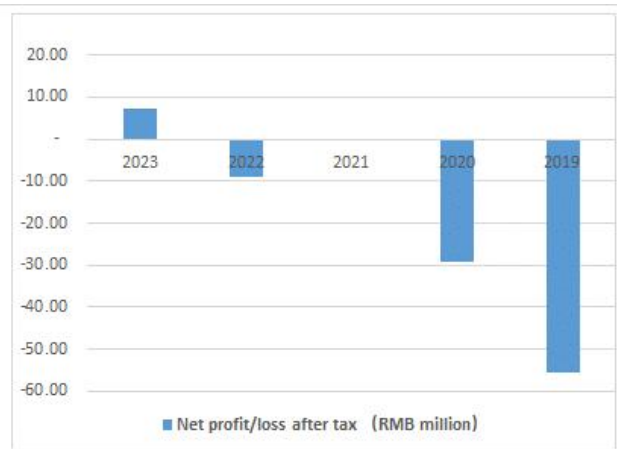
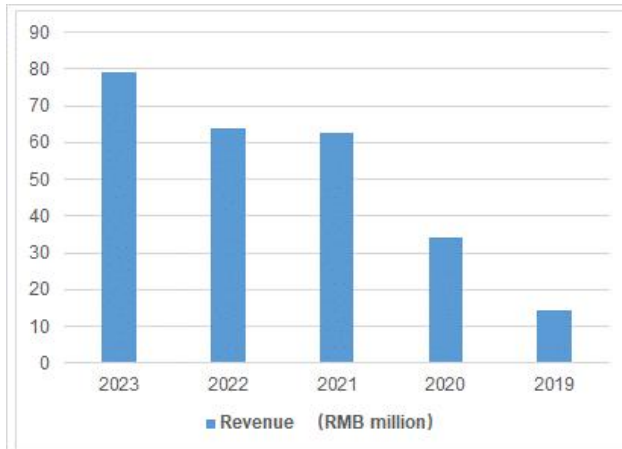
Statement of Cash Flows

The Group's net cash expenditure from operating activities amounting to RMB0.80 million in FY2023.

The Group's net cash generated from financing activities amounting to RMB0.07 million mainly due to the Group has obtained new loans amounting to RMB44.5 million from Bank with interest payment for bank loan amounting to RMB1.82 million and repaid the loans of RMB43.50 million to bank in FY2023.

In view of the above, there was a net decrease in cash and cash equivalents of about RMB3.16 million in FY2023, compared to a net increase of RMB11.39 million in FY2022.

FINANCIAL HIGHLIGHTS



Source: Bloomberg

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

FINANCIAL HIGHLIGHTS

	2019	2020	2021	2022	2023
Statement of Profit or Loss and Other Comprehensive Income (in RMB'000)					
Revenue	14,402	34,273	62,556	63,933	78,994
Gross profit/loss	-15,132	-38,174	14,776	13,441	21,350
Profit/loss before tax	-55,060	-29,228	-244	-4,960	7,149
Net profit/loss after tax	-55,568	-29,329	-466	-9,085	7,410
Statement of Financial Position (in RMB'000)					
Property, plant and equipment	83,769	70,455	29,873	26,374	27,777
Inventories	2,850	7,773	10,600	10,792	12,154
Trade receivables	29,575	22,953	36,486	23,408	30,338
Cash and bank balances	7,526	3,811	5,731	13,702	9,137
Trade payables	7,733	17,685	29,088	15,988	19,051
Other payables and accruals	5,124	8,419	6,183	8,899	6,750
Provision-	4,373	4,373	4,373	4,373	4,373
Bank loan	13,300	9,497	17,490	43,500	44,500
Shareholders' equity	93,836	64,507	29,701	16,343	23,753
Total assets	126,420	105,816	87,947	90,998	99,881
Total liabilities	32,584	41,309	58,246	74,655	76,128
Statement of Cash Flows (in RMB'000)					
Operating activities	-1,877	1,314	-3,839	-15,360	-801
Investing activities	-694	235	-6,621	-241	-2,426
Financing activities	-2,603	-4,506	8,012	26,989	67
Net movement	-5,174	-2,957	-2,448	11,388	-3,160
Financial Ratios					
Earnings per share (RMB)	-2.02	-1.06	-0.01	-0.16	0.23
Net asset value per share (RMB)	3.42	2.35	0.97	0.54	0.78
Dividend yield (%)	-	-	-	-	
Dividend payment quantum (RMB'000)	-	-	-	-	-

BOARD OF DIRECTORS

MR. ZHANG WENJUN / AGE 55

Non-Executive and Lead Independent Director

Bachelor of Engineering Degree, Xi'an Jiao Tong Technological University
MBA Macau International Public University

Date of Appointment: 1 September 2021 (*re-designated as Non-Executive and Lead Independent Director with effect from 18 March 2024*)

Serves on the following Board Committees

Audit Committee – Chairman

Nominating Committee – Member

Remuneration Committee – Member

Present directorships in other listed companies

NIL

Present principal commitments

(other than directorships in other listed companies)

Board Director, Shanghai Grateful Nursing Home Co., Ltd.

Director ships in other listed companies held over the preceding three years (2020-2023)

NIL

Background and experience

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

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

BOARD OF DIRECTORS

MR. FOO CHEE MENG / AGE 57

Non-Executive Independent Director

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

Singapore Polytechnic – Diploma in Manufacturing Engineering

Date of Appointment: 2 May 2021

Serves on the following Board Committees

Audit Committee – Member

Nominating Committee – Chairman

Remuneration Committee – Chairman

Present directorships in other listed companies

NIL

Present principal commitments

(other than directorships in other listed companies)

NIL

Director ships in other listed companies held over the preceding three years (2020-2023)

NIL

Background and experience

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

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

BOARD OF DIRECTORS

MR. TAN JUAY KIAT/AGE 57

Non-Executive Independent Director

Bachelor Degree of Mechanical Engineering – National University of Singapore

Date of appointment: 1 June 2024

Serves on the following Board Committees

Audit Committee – Member

Present directorships in other listed companies

NIL

Present principal commitments

(other than directorships in other listed companies)

Changzhou 3D Technological Complete Set Equipment Co., Limited

Director shipsin other listed companie sheld over the preceding three years

(2020-2023)

NIL

Background and experience

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

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

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

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

BOARD OF DIRECTORS

MR. GAO ZHONG / AGE 57

Executive Director

Bachelor of Business Administration, Xiamen University

Date of appointment: 11 August 2023

Serves on the following Board Committees

Nominating Committee – Member

Remuneration Committee – Member

Present directorships in other listed companies

NIL

Present principal commitments

(other than directorships in other listed companies)

1. Best Success (Hong Kong) Limited
2. Changzhou 3D Technological Complete Set Equipment Co., Limited

**Director shipsin other listed companie sheld over the preceding three years
(2020-2023)**

NIL

Background and experience

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

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

CORPORATE GOVERNANCE REPORT

For the Financial Year Ended 31 December 2023 Amounts in thousands of Chinese Renminbi (“RMB’000”)

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

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

BOARD MATTERS

The Board’s Conduct of Affairs

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

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

Role of the Board

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

- (a) setting the overall strategy of the Group, supervising and working with the Management to make objective decisions in the interest of the Group including establishing goals and priorities for the Management and reviewing the Management’s performance by monitoring the achievement of these goals;
- (b) establishing policies on matters such as financial control, financial performance and risk management procedures, thereby taking responsibility for the overall corporate governance of the Group;
- (c) setting objective performance criterion to evaluate the Board’s performance and succession planning process;
- (d) reviewing the adequacy and effectiveness of the Group’s risk management and internal controls framework including financial, operational, compliance and information technology controls and establishing risk appetite and parameters to safeguard shareholders’ interests and the Company’s assets;
- (e) reviewing and approving key operational and business initiatives, major funding proposals and other corporate actions, significant investment and divestment proposals, including determining the Group’s operating and financial performance, the Group’s annual budget and capital expenditure, release of the Group’s half-year and full-year financial results (including quarterly financial results, if applicable) and other strategic initiatives proposed by Management;

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- (f) approving all Board appointments/re-appointments and appointment of Key Management Personnel,¹ evaluating their performance and reviewing their remuneration packages;
- (g) identifying the key stakeholder groups and recognising that their perceptions affect the Company's reputation;
- (h) setting the Company's values and standards (including ethical standards), and ensuring that obligations to shareholders and other stakeholders are understood and met; and
- (i) considering sustainability issues (where applicable), e.g. environmental and social factors, as part of its strategic formulation.

Provision 1.1

Disclosure of Interest

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

Provision 1.2

Director Induction, Training and Development

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

As announced by the Company on 11 August 2023 and 31 May 2024, Mr Gao Zhong and Mr Tan Juay Kiat have been appointed as an Executive Director and Non-Executive Independent Director of the Company with effect from 11 August 2023 and 1 June 2024 respectively. As Mr Gao Zhong and Tan Juay Kiat does not have any prior experience as a director of a listed company, they will attend the relevant training conducted by the Singapore Institute of Directors within one year from the date of his appointment in accordance with Rule 210(5)(a) and Practice Note 2.3 of the Listing Rules.

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

During the financial year ended 31 December 2023 ("FY2023"), the Board received regular updates on changes in listing rules, financial reporting standards, regulatory requirements, corporate governance

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

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guidelines and best practices. New releases issued by the SGX-ST and other relevant regulatory bodies which are relevant to the Group and/or Directors are circulated to the Board.

Provision 1.3

Matters Requiring Board Approval

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

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

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

Provision 1.4

Board Committees

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

Provision 1.5

Meetings of Board and Board Committees

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

During the financial year under review, the Board met 4 times. The number of Board and Board Committee meetings held and the attendance of each Director in FY2023 are disclosed below:

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Attendance Report of the Directors

Name of Directors	Number of meetings held							
	AC		RC		NC		Board	
	Held	Attended	Held	Attended	Held	Attended	Held	Attended
Zhang Wenjun	4	4	1	1	1	1	4	4
Foo Chee Meng	4	4	1	1	1	1	4	4
Gao Zhong	4	4	1	1	1	1	4	4
Hong Yong ⁽¹⁾	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Dr Daniel Liu Danjun ⁽²⁾	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL
Simon Poh Siew Beng ⁽³⁾	NIL	NIL	NIL	NIL	NIL	NIL	NIL	NIL

Notes:

- (1) Mr Hong Yong resigned as a Non-Executive Chairman and Lead Independent Director of the Company on 1 March 2023.
- (2) Dr Daniel Liu Danjun resigned as a Non-Executive Independent Director of the Company on 1 February 2023.
- (3) Mr Simon Poh Siew Beng resigned as a Non-Executive Director Independent Director of the Company on 1 April 2023.

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

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

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

Provision 1.6

Access to Information

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

Provision 1.7

The Company Secretary and Other Professional Advisers

Board members have separate and independent access to Management and the Company Secretary. The Company Secretary and/or his or her representative attend all meetings of the Board and Board

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

Board Composition and Guidance

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

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

Provisions 2.1, 2.2 and 2.3

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

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

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

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

Provision 2.4 and 2.5

Board Diversity

The Board comprises Directors who possess the relevant core competencies, experience and knowledge in business, finance and management skills critical to the Company's business and that each Director brings to the Board an independent and objective perspective to enable balanced and well-considered decisions to be made. In particular, the Non-Executive Directors, who are mostly professionals and experts in their own fields, are able to take a broader view of the Group's activities, contribute their

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valuable experiences and provide independent and objective judgement during Board deliberations or when challenging Management's proposals or decisions constructively on business activities and transactions involving conflicts of interest and other complexities. The Non-Executive Directors also contribute to the Board process by monitoring and reviewing Management's performance against goals and objectives. Their views and opinions provide alternate perspectives to the Group's business. The Directors, having reviewed the composition of the Board, are satisfied that the present size and composition of the Board is effective for decision making.

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

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

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

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

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

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

Directors:	Designation:
Mr Zhang Wenjun ⁽¹⁾	Non-Executive and Lead Independent Director
Mr Foo Chee Meng	Non-Executive Independent Director
Mr Tan Juay Kiat ⁽²⁾	Non-Executive Independent Director
Mr Gao Zhong ⁽³⁾	Executive Director

Notes:

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

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- (3) As announced by the Company on 11 August 2023, Mr Gao Zhong has been appointed as an Executive Director of the Company with effect from 11 August 2023.

Chairman and Chief Executive Officer

Principle 3: There is a clear division of responsibilities between the leadership of the Board and the Management, and no one individual has unfettered powers of decision-making.

Provisions 3.1, 3.2 and 3.3

The Company does not have a Chief Executive Officer ("CEO"). However, the responsibility to perform the duties typically performed by a CEO is assumed by Mr Gao Zhong, the General Manager of Changzhou 3D Technological Complete Set Equipment Co., Ltd ("CZ3D") (the "GM"), who is responsible for the management of the day-to-day operations of the Group. As announced by the Company on 11 August 2023, Mr Gao Zhong was appointed as an Executive Director of the Company.

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

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

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

- (a) acting as liaison between the Non-Executive Directors and the Executive Director of CZ3D to provide non-executive perspectives; and
- (b) assisting the Board and Company officers in better ensuring compliance with and implementation of corporate governance. During FY2023, the Company's Non-Executive Directors have communicated between themselves, without the presence of the management as and when the need arises.

As announced by the Company on 28 February 2023, Mr Hong Yong resigned as the Non-Executive Chairman and Lead Independent Director of the Company.

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

Board Membership

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

Provisions 4.1 and 4.2

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

During the financial year under review, the NC comprise five (5) directors, the majority of whom, including the NC Chairman, are independent. The lead independent director is also a member of the NC.

Directors:	Designation
Mr Hong Yong	Chairman
Mr Foo Chee Meng	Member
Mr Simon Poh Siew Beng	Member
Dr Daniel Liu Danjun	Member
Mr Zhang Wenjun	Member

As announced by the Company, the following Directors of the Company had resigned subsequent to FY2023:

Name of Director	Designation	Date of Announcement	Date of Resignation
Dr Daniel Liu Danjun	Non-Executive and Non-Independent Director	1 February 2023	1 February 2023
Mr Hong Yong	Non-Executive Chairman and Lead Independent Director	28 February 2023	1 March 2023
Mr Simon Poh Siew Beng	Non-Executive Independent Director	29 March 2023	1 April 2023

As such, the NC currently comprise three (3) Directors as follows as at the date of this report:-

Directors:	Designation
Mr Foo Chee Meng	Chairman
Mr Gao Zhong ⁽¹⁾	Member
Mr Zhang Wenjun ⁽²⁾	Member

Notes:

- (1) As announced by the Company on 11 August 2023, Mr Gao Zhong has been appointed as an Executive Director of the Company with effect from 11 August 2023.
- (2) As announced by the Company on 18 March 2024, Mr Zhang Wenjun re-designated as Non-Executive and Lead Independent Director with effect from 18 March 2024.

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

- to make recommendations to the Board on all Board appointments and re-nomination having regard to the director's contribution and performance (e.g. attendance, preparedness, participation, candour, and any other salient factors);
- to ensure that all directors would be required to submit themselves for re-nomination and re-election at regular intervals and at least once in every three years;
- to determine annually whether a director is independent, in accordance with the independence guidelines contained in the Code;
- to review whether a director is able to and has adequately carried out his duties as a director of the Company in particular where the director concerned has multiple board representations; and

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

Provision 4.4

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

Provisions 4.3 and 4.5

Article 86(1) of the Company's Articles require that every director on the Board shall retire at least once every three (3) years. A retiring director shall be eligible to offer himself for re-election. Pursuant to Article 85(6) of the Company's Articles, any new director appointed by the Board during the year shall retire at the next annual general meeting ("**AGM**") of the Company and shall then be eligible for re-election. The NC is responsible for the nomination of retiring Directors for re-election.

Mr Tan Juay Kiat and Mr Zhang Wenjun, who are retiring pursuant to Article 85(6) and Article 86(1) of the Company's Articles respectively, will be put forward for re-election at the forthcoming AGM. The NC has recommended, and the Board has approved, the re-election of Mr Tan Juay Kiat and Mr Zhang Wenjun at the forthcoming AGM for FY2023. The details of the Director seeking for re-election are found in Table A set out on page 35 to page 40 of this Annual Report.

Mr Tan Juay Kiat will, upon re-election as Director of the Company, remain as Non-Executive Independent Director and member of the AC. Mr Zhang Wenjun will, upon re-election as Director of the Company, remain as Non-Executive and Lead Independent Director, the chairman of the AC and member of the NC and RC.

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

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

Name of Directors	Date of first appointment as a Director	Date of last re-election as Director	Present Directorships in other listed companies	Past directorships in other listed companies and other major appointments over the preceding three (3) years	Due for re-appointment at the AGM
Dr Daniel Liu Danjun ⁽¹⁾	01.05.2016	15.02.2023	NIL	NIL	NIL
Mr Hong Yong ⁽²⁾	30.09.2020	31.08.2021	NIL	NIL	NIL
Mr Liu Ming ⁽³⁾⁽⁵⁾	03.03.2023	NIL	NIL	NIL	NIL
Mr Simon Poh Siew Beng ⁽⁴⁾	08.07.2020	31.08.2021	NIL	NIL	NIL
Mr Foo Chee Meng	02.05.2021	20.12.2023	NIL	NIL	NIL
Mr Gao Zhong ⁽⁶⁾	11.08.2023	20.12.2023	NIL	NIL	NIL
Mr Zhang Wenjun ⁽⁷⁾	01.09.2021	15.02.2023	NIL	NIL	Retirement by rotation Article 86 (1)
Mr Tan Juay Kiat ⁽⁸⁾	01.06.2024	NIL	NIL	NIL	Retirement by rotation Article

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Notes:

- (1) As announced by the Company on 1 February 2023, Dr Daniel Liu Danjun resigned as Non-Executive Non-Independent Director with effect from 1 February 2023.
- (2) As announced by the Company on 28 February 2023, Mr Hong Yong resigned as Non-Executive Chairman and Lead Independent Director with effect from 1 March 2023.
- (3) As announced by the Company on 3 March 2023, Mr Liu Ming appointed as an Executive Director with effect from 3 March 2023.
- (4) As announced by the Company on 29 March 2023, Mr Simon Poh Siew Beng resigned as Non-Executive Independent Director with effect from 1 April 2023.
- (5) As announced by the Company on 15 May 2023, Mr Liu Ming resigned as an Executive Director with effect from 15 May 2023.
- (6) As announced by the Company on 11 August 2023, Mr Gao Zhong appointed as an Executive Director with effect from 11 August 2023.
- (7) As announced by the Company on 18 March 2024, Mr Zhang Wenjun re-designated as Non-Executive and Lead Independent Director with effect from 18 March 2024.
- (8) As announced by the Company on 31 May 2024, Mr Tan Juay Kiat appointed as Non-Executive Independent Director with effect from 1 June 2024.

Currently, the Company does not have any alternate director.

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

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

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

The NC conducts an annual review of the balance, diversity and size of the Board to determine any changes are required in relation to the Board composition. Where a vacancy arises, the NC will consider each candidate based on the selection criteria determined after consultation with the Board and after taking into consideration the qualification, experience, ability to contribute effectively to the Board and to add value to the Company's business, in line with its strategic objectives before recommending the suitable candidate to the Board for approval. There is no new director appointed on Board during FY2023.

Candidates may be suggested by Directors and Management or sourced from external sources. The NC will interview the candidates and assess them based on objective criteria approved by the Board such as integrity, independent mindedness, possession of the relevant skills required or skills needed to complement the existing Board members, ability to commit the time and effort to carry out his or her responsibilities, good decision-making track record, relevant experience and financial literacy. The NC will make a recommendation to the Board on the appointment of any candidate and such candidate may be

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appointed by way of a Board resolution, with the Board taking into account the evaluation and recommendation by the NC. Any such director appointed will be subject to re-election at the next AGM of the Company pursuant to Article 85(6) of the Articles.

The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs and is satisfied that the Directors are able to and have adequately carried out his or her duties as Directors of the Company and has contributed to the effectiveness of the Board as a whole and its Board Committees during FY2023.

Listed Company Directorship and Principal Commitments

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

Name of Director	Date of last re-election/ appointment	Nature of appointment	Functions/ Board Committee served	Directorships present in other listed companies and other principal commitments
Gao Zhong	20 December 2023	Executive	Executive Director and a member of NC and RC	1. Best Success (Hong Kong) Limited 2. Changzhou 3D Technological Complete Set Equipment Co., Limited
Zhang Wenjun	15 February 2023	Non-Executive and Independent	Non-Executive And Lead Independent Director, Chairman of AC and a member of NC and RC	Nil
Foo Chee Meng	20 December 2023	Non-Executive and Independent	Non-Executive Independent Director, Chairman of NC and RC and a member of AC	Nil
Tan Juay Kiat	1 June 2024	Non-Executive and Independent	Non-Executive Independent Director and a member of the AC	Changzhou 3D Technological Complete Set Equipment Co., Limited

Board Performance

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

Provisions 5.1 and 5.2

In line with the principles of good corporate governance, the Board has implemented a structure process to be carried out by the NC to assess and evaluate the performance and effectiveness of the Board as a whole, its Board Committees and individual Directors annually. The evaluation process involves each Director completing an evaluation form on the overall effectiveness of the Board, covering areas such as

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Board composition, processes, accountability, succession planning of key executives and risk management and internal controls. Each Board Committee member is also required to complete an evaluation form in respect of the effectiveness of their respective Board Committees. Any recommendation and suggestion arising from the evaluation exercise are circulated to the Board for consideration and appropriate measures to be taken.

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

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

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

Based on the evaluation results and findings for FY2023, the NC is satisfied that the Board has been effective as a whole and that each and every Director has contributed to the effective functioning of the Board. In addition, the NC is also satisfied that sufficient time and attention has been given by the Directors to the affairs of the Company.

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

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REMUNERATION MATTERS

Procedures for Developing Remuneration Policies

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

Provisions 6.1 and 6.2

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

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

Directors:	Designation
Mr Hong Yong	Chairman
Mr Foo Chee Meng	Member
Mr Simon Poh Siew Beng	Member

As announced by the Company, the following Directors of the Company had resigned subsequent to FY2023:

Name of Director	Designation	Date of Announcement	Date of Resignation
Mr Hong Yong	Non-Executive Chairman and Lead Independent Director	28 February 2023	1 March 2023
Mr Simon Poh Siew Beng	Non-Executive Independent Director	29 March 2023	1 April 2023

As at the date of this report, the RC currently comprise three (3) Directors as follows:-

Directors:	Designation
Mr Foo Chee Meng	Chairman
Mr Gao Zhong ⁽¹⁾	Member
Mr Zhang Wenjun ⁽²⁾	Member

Notes:

- (1) As announced by the Company on 11 August 2023, Mr Gao Zhong has been appointed as an Executive Director of the Company with effect from 11 August 2023.
- (2) As announced by the Company on 18 March 2024, Mr Zhang Wenjun re-designated as Non-Executive and Lead Independent Director with effect from 18 March 2024.

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

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

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- (b) reviewing all aspects of remuneration including, but not limited to, directors' fees, salaries, allowances, bonus, share options and benefits in kind and specific remuneration packages for each director;
- (c) structuring a compensation framework for executive directors and key executives, the RC seeks to link a proportion of executive compensation to the Group's performance; and
- (d) recommending in consultation with the Chairman of the Board and submitting for endorsement by the entire Board and ensuring no director is involved in deciding his own remuneration.

Provision 6.3

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

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

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

Provision 6.4

The RC has access to, and will seek expert professional advice on remuneration matters as and when necessary at the Company's expense. No remuneration consultants were engaged by the Company in FY2023.

Level and Mix of Remuneration

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

Provision 7.1 and 7.3

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

- (a) due consideration is given to the Code's principles on the level and mix of remuneration to ensure that the level of remuneration is appropriate to attract, retain and motivate the Directors to run the Company successfully;
- (b) ensure that a proportion of the remuneration is linked to corporate and individual performance; and
- (c) design remuneration packages in such a manner as to align the interests of the Executive Directors and Key Management Personnel with those of shareholders of the Company.

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

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

Provision 7.2

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

Disclosure on Remuneration

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

Provisions 8.1, 8.2 and 8.3

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

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

The breakdown (in percentage terms) of the remuneration of the Directors (including GM) for FY2023 is set out as below:-

Name of Director	Salary (%)	Benefits in-kind (%)	Variable Bonus (%)	Directors' Fees (%)	Share Incentive Schemes (%)	Total (%)	Total (RMB'000)
Dr Daniel Liu Danjun ⁽¹⁾	-	-	-	100%	-	100%	18.75
Mr Hong Yong ⁽²⁾	-	-	-	100%	-	100%	37.5
Mr Liu Ming ⁽³⁾⁽⁵⁾	-	-	-	-	-	-	-
Mr Simon Poh Siew Beng ⁽⁴⁾	-	-	-	100%	-	100%	56.25
Mr Gao Zhong ⁽⁶⁾	100%	-	-	-	-	100%	305.4
Mr Zhang Wenjun ⁽⁷⁾	-	-	-	100%	-	100%	225
Mr Foo Chee Meng	-	-	-	100%	-	100%	225
Mr Tan Juay Kiat ⁽⁸⁾	-	-	-	-	-	-	-

Notes:

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- (1) As announced by the Company on 1 February 2023, Dr Daniel Liu Danjun resigned as Non-Executive Non-Independent Director with effect from 1 February 2023.
- (2) As announced by the Company on 28 February 2023, Mr Hong Yong resigned as Non-Executive Chairman and Lead Independent Director with effect from 1 March 2023.
- (3) As announced by the Company on 3 March 2023, Mr Liu Ming appointed as an Executive Director with effect from 3 March 2023.
- (4) As announced by the Company on 29 March 2023, Mr Simon Poh Siew Beng resigned as Non-Executive Independent Director with effect from 1 April 2023.
- (5) As announced by the Company on 15 May 2023, Mr Liu Ming resigned as an Executive Director with effect from 15 May 2023.
- (6) As announced by the Company on 11 August 2023, Mr Gao Zhong appointed as an Executive Director with effect from 11 August 2023.
- (7) As announced by the Company on 18 March 2024, Mr Zhang Wenjun re-designated as Non-Executive and Lead Independent Director.
- (8) As announced by the Company on 31 May 2024, Mr Tan Juay Kiat appointed as Non-Executive Independent Director with effect from 1 June 2024.

The Company has no other key management personnel other than the Executive Director in FY2023.

There is no employee of the Company who is substantial shareholder of the Company, or an immediate family member of a Director, the CEO or a substantial shareholder of the Company and whose remuneration has exceeded S\$100,000 during FY2023.

No termination, retirement and post-employment or other long-term incentives have been granted to the Directors or Key Management Personnel during FY2023.

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

ACCOUNTABILITY AND AUDIT

Risk Management and Internal Controls

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

Provision 9.1

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

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

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

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

Provision 9.2

For FY2023, the Board has received assurance from Zhang Wenjun, the Non-Executive and Lead Independent Director of the Company, that:

- (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Company's operations and finances; and
- (b) the adequacy and effectiveness of the Company's risk management and internal control systems in addressing financial, operational, compliance and information technology risks are operating effectively.

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

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

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

Based on the framework of risk management and internal controls established and maintained by the Company, the work performed by the internal auditors and the audit undertaken by the external auditors, the Board with the concurrence of the AC is of the opinion that the Company's internal controls and risk management procedures in addressing financial, operational, compliance and information technology controls and risk management systems maintained by the Company during the year were adequate and effective for FY2023.

Audit Committee

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

Provisions 10.1 and 10.2

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

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

Directors:	Designation
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Mr Simon Poh Siew Beng	Chairman
Mr Foo Chee Meng	Member
Mr Hong Yong	Member

As announced by the Company, the following Directors of the Company had resigned subsequent to FY2023:

Name of Director	Designation	Date of Announcement	Date of Resignation
Mr Hong Yong	Non-Executive Chairman and Lead Independent Director	28 February 2023	1 March 2023
Mr Simon Poh Siew Beng	Non-Executive Independent Director	29 March 2023	1 April 2023

As at the date of this report, the AC currently comprise three (3) Directors as follows:-

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

Notes:

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

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

- (a) assisting the Board in discharging its statutory responsibilities on financial and accounting matters;
- (b) reviewing the financial and operating results and accounting policies of the Group;
- (c) reviewing significant financial reporting issues and judgments relating to financial statements for each interim and annual results announcement before submission to the Board for approval;
- (d) reviewing and reporting to the Board annually on the adequacy of the Company's internal controls (financial, operational, compliance and information technology) and risk management policies and systems established by the management;
- (e) reviewing the audit plans and reports of the external auditors and consider the effectiveness of the actions taken by the management on the auditors' recommendations;
- (f) appraising and reporting to the Board on the audits undertaken by the external auditors, the adequacy of the disclosure of information, and the appropriateness and quality of the system of management and internal controls;
- (g) reviewing the independence of external auditors annually, and considers the appointment or re-appointment of external auditors and matters relating to the resignation or removal of the external auditors, and approves the remuneration and terms of engagement of the external auditors;

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- (h) reviewing interested person transactions, as defined in the Listing Rules of the SGX-ST;
- (i) reviewing the remuneration of employees who are related to the Company's directors or substantial shareholders; and
- (j) reviewing the effectiveness of the Company's internal audit function.

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

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

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

The AC, having reviewed the scope and value of non-audit services provided to the Company by the external auditors, are satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external auditors. The AC has recommended to the Directors the nomination of Crowe Horwath First Trust LLP for re-appointment as external auditors of the Company at the forthcoming AGM for FY2023.

The Company has paid the following aggregate amount of fees to the external auditors for services rendered during FY2023:

Fees to External Auditors	2023 RMB'000	2022 RMB'000
Audit services	937	850
Non-audit service	0	0
Total	937	850

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

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

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

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For FY2023 and up to the date of this report, there were no complaints, concerns or issues received by the AC.

Provision 10.3

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

Provision 10.4

Internal Audit

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

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

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

In FY2023, the AC has reviewed and approved the internal audit plan to ensure the adequacy of the scope of audit, the internal auditor's reports, and proposed follow-up actions implemented by the Management and has noted that the necessary co-operation required from the Management has been provided to enable the internal auditors to perform its function effectively. In addition, the experience of the internal auditors has been reviewed, including the assigned engagement personnel's experience and is satisfied that the internal auditors are adequately qualified (given, inter alia, its adherence to standards set by internationally recognised professional bodies) and resourced, and has the appropriate standing in the Company to discharge its duties effectively. As such, the AC is of the view that the internal audit function of the Company is independent, effective and adequately resourced for FY2023.

Provision 10.5

During FY2023, the Company's internal and external auditors were invited to attend the AC meetings and make presentations as appropriate. The AC meets with the Company's internal and external auditors without the presence of Management at least annually.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Shareholder Rights and Conduct of General Meetings

Principle 11: The Company treats all shareholders fairly and equitably in order to enable

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them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1

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

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

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

Provision 11.2

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

Provision 11.3

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

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

Provision 11.4

The Company's Articles does not allow for absentia voting at general meetings and the Company has not implemented any measures to allow shareholders who are unable to vote in person at the AGM the option

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to vote in absentia, whether by way of mail, electronic mail, facsimile transactions or otherwise as the authentication of shareholder identity and other related security issues still remain a concern.

Provision 11.5

The proceedings of the general meetings will be properly recorded, including all comments and/or queries from shareholders relating to the agenda of the meeting and responses from the Board, Management or external auditors to such comments and/or queries. The Company also ensures that all material information relating to the Group is disclosed in an accurate and timely manner through publication on the SGX-ST. In addition, the minutes of the AGM in respect of FY2023 would be released on the company's website and on the SGX-ST'S website within one (1) month from the date of the AGM.

Provision 11.6

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

Having considered that the Group remains loss-making, the Board has therefore recommended that no dividends be declared for FY2023.

Engagement with Shareholders

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

Provision 12.1

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

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

Provisions 12.2 and 12.3

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

MANAGING STAKEHOLDERS RELATIONSHIPS

Engagement with Stakeholders

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

Provisions 13.1 and 13.2

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

Provision 13.3

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

DEALINGS IN SECURITIES

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

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

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

INTERESTED PERSON TRANSACTIONS

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

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

MATERIAL CONTRACTS

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

SUSTAINABILITY REPORTING

The Company had published its sustainability report for the financial year ended 31 December 2023 on a standalone basis on 30 April 2024.

CORPORATE GOVERNANCE REPORT

For the Financial Year Ended 31 December 2023 Amounts in thousands of Chinese Renminbi ("RMB'000")

TABLE A

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

Name of retiring Director	Mr Tan Juay Kiat	Mr Zhang Wenjun
Date of appointment	1 June 2024	1 September 2021
Date of last re-appointment (if applicable)	NIL	15 February 2023
Age	55	54
Country of principal residence	Singapore	China
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The Board has reviewed the credential of Mr. Tan Juay Kiat and has approved the Nominating Committee's recommendation of the appointment of Mr. Tan Juay Kiat as Non-Executive Independent Director.	The Board has reviewed the credential of Mr. Zhang Wenjun and has approved the Nominating Committee's recommendation of the appointment of Mr. Zhang Wenjun as Non-Executive and Lead Independent Director.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job title (e.g. Lead ID, AC Chairman, AC Member etc.)	Non-Executive Independent Director and a member of the Audit Committee	Non-Executive and Lead Independent Director, Chairman of the Audit Committee and a member of Nominating Committee and Remuneration Committee
Professional qualifications	GCE O Level, Victoria School GCE A Level, Victoria Junior College Bachelor Degree of Mechanical Engineering, National University of Singapore	Bachelor of Engineering Degree, Xi'an Jiao Tong Technological University MBA Macau International Public University
Working experience and occupation(s) during the past 10 years	2021 to Present Consultant of Changzhou 3D Technological Complete Set Equipment Co., Limited 2021 to 2023 Director and Division General Manager of Jie Capital (Shanghai)	2012 to 2014 Assistant President of Shanghai Branch and Shenyang Branch of Ping An Bank Limited 2015 to 2021 General Manager of Shanghai Branch of Ping An Securities Company Ltd

CORPORATE GOVERNANCE REPORT

For the Financial Year Ended 31 December 2023 Amounts in thousands of Chinese Renminbi ("RMB'000")

Name of retiring Director	Mr Tan Juay Kiat	Mr Zhang Wenjun
Working experience and occupation(s) during the past 10 years	<p>2020 to 2020 Managing Director and Legal Representative of Changzhou 3D Tehnological Complete Set Equipment Co., Limited</p> <p>2017 to 2019 Chief Executive Officer and Regional Managing Director of Nufin Data (Shanghai), Chief Representative of Jin King Tech</p> <p>2015 to 2017 Director and Vice President of Hi-P International Corp. Ltd.</p>	
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking submitted to the listed issuer in the form of Appendix 7.7 (Listing Rule 720(1))	Yes	Yes
Past (for the last 5 years)	<ol style="list-style-type: none"> 1. Nufin Data (Shanghai) – Managing Director 2. Nufin Data (Singapore) – Director 3. Changzhou 3D Technological Complete Set Equipment Co., Limited – Managing Director 	Nil
Present	Nil	Nil

CORPORATE GOVERNANCE REPORT

For the Financial Year Ended 31 December 2023 Amounts in thousands of Chinese Renminbi ("RMB'000")

Name of retiring Director	Mr Tan Juay Kiat	Mr Zhang Wenjun
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No

Name of retiring Director	Mr Tan Juay Kiat	Mr Zhang Wenjun
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CORPORATE GOVERNANCE REPORT

For the Financial Year Ended 31 December 2023 Amounts in thousands of Chinese Renminbi ("RMB'000")

(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

CORPORATE GOVERNANCE REPORT

For the Financial Year Ended 31 December 2023 Amounts in thousands of Chinese Renminbi ("RMB'000")

Name of retiring Director	Mr Tan Juay Kiat	Mr Zhang Wenjun
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-	No	No
(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or	No	No
(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or	No	No
(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No

CORPORATE GOVERNANCE REPORT

For the Financial Year Ended 31 December 2023 Amounts in thousands of Chinese Renminbi ("RMB'000")

Name of retiring Director	Mr Tan Juay Kiat	Mr Zhang Wenjun
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No
Any prior experience as a director of an issuer listed on the Exchange?	No	No
If Yes, please provide details of prior experience.	Nil	Nil
If No, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange	Mr Tan Juay Kiat will be attending the mandatory training courses conducted by Singapore Institute of Directors, within one year from the date of his appointment, to familiarise himself with the roles and responsibilities of a public listed in Singapore.	Nil

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

CONSOLIDATED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED
31 DECEMBER 2023
TOGETHER WITH DIRECTORS' STATEMENT
AND AUDITOR'S REPORT

SHANGHAI TURBO ENTERPRISES LTD.
(Incorporated in the Cayman Islands)
AND SUBSIDIARIES

DIRECTORS' STATEMENT
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

The directors present their statement to the members together with the audited financial statements of Shanghai Turbo Enterprises Ltd. (the "Company") and subsidiaries (the "Group") for the financial year ended 31 December 2023 and the statement of financial position of the Company as at 31 December 2023.

In the opinion of the directors,

- (a) the statement of financial position of the Company and the consolidated financial statements of the Group as set out on pages 7 to 63 are drawn up so as to give a true and fair view of the financial position of the Company and of the Group as at 31 December 2023 and of the financial performance, changes in equity and cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, based on the factors as described in Note 2.2 to the financial statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors has, on the date of this statement, authorised these financial statements for issue.

Directors

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

Gao Zhong	(Executive Director)
Zhang Wenjun	(Non-Executive and Lead Independent Director)
Foo Chee Meng	(Non-Executive Independent Director)
Tan Juay Kiat	(Non-Executive Independent Director) (appointed on 1 June 2024)

Directors' interests in shares or debentures

According to the register kept by the Company, none of the directors and chief executive officer holding office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

Direct interests		Deemed interests	
At the date of appointment	At 31 December 2023	At the date of appointment	At 31 December 2023

Company

Ordinary shares

Gao Zhong	3,051,527	3,051,527	-	-
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The directors' interests in the ordinary shares of the Company and its related corporation at 21 January 2024 were the same as at 31 December 2023.

DIRECTORS' STATEMENT (Continued)

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

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

Share options

During the financial year, no options to take up unissued shares of the Company or any subsidiaries were granted and no shares were issued by virtue of the exercise of options to take up unissued shares of the Company or any subsidiaries. There were no unissued shares of the Company or any subsidiaries under option at the end of the financial year.

Audit committee

The members of the Audit Committee are as follows:

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

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

- the scope and the results of internal audit procedures with the internal auditors;
- the audit plan of the Company's independent auditors and any recommendations on internal accounting controls arising from the statutory audit;
- the assistance given by the Company's management to the independent auditors;
- the periodic results announcements prior to their submission to the Board for approval;
- the statement of financial position of the Company and the consolidated financial statements of the Group for the financial year ended 31 December 2023 prior to their submission to the Board of Directors, as well as the independent auditors' report on the statement of financial position of the Company and the consolidated financial statements of the Group; and
- interested person transactions (as defined in Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited).

The Audit Committee has informed to the Board of Directors that the independent auditors, Crowe Horwath First Trust LLP, would not seek for re-appointment at the forthcoming Annual General Meeting of the Company.

The Audit Committee is still in negotiation with Crowe Horwath First Trust, and will conduct immediate review of alternative auditors to satisfy itself that the nature and extent of such services will not affect the independence and objectivity of the external auditors before confirming their re-nomination. In appointing the external auditors for the Company and subsidiaries, we will comply with Rules 712 and 715 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

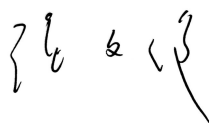
Further details regarding the Audit Committee are disclosed in the Report on Corporate Governance.

DIRECTORS' STATEMENT (Continued)

Independent auditors

The independent auditors, Crowe Horwath First Trust LLP, have expressed that they will not seek for re-appointment as auditors of the Company.

On behalf of the Board of Directors



ZHANG WENJUN
Director



FOO CHEE MENG
Director

8 July 2025

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SHANGHAI TURBO ENTERPRISES LTD.**

Report on the Audit of the Financial Statements

Disclaimer of Opinion

We were engaged to audit the financial statements of Shanghai Turbo Enterprises Ltd. (the Company) and its subsidiaries (the Group), set out on pages 7 to 63 which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2023, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including material accounting policy information.

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

Basis for Disclaimer of Opinion

(1) Trade receivable balance and revenue

As at 31 December 2023, the Group's trade receivables and contract assets included a balance of a balance of RMB18,586,000 (net of allowance for impairment losses of RMB1,545,000) owed by a major customer (Customer A) (2022: RMB15,432,000 (net of allowance for impairment losses of RMB1,545,000)). As disclosed in Note 28(iii) to the financial statements, sales to Customer A accounted for 77% of the Group's revenue for the financial year ended 31 December 2023 ("FY2023") (2022: 64%). We have obtained written confirmation reply from Customer A which confirms materially different balances as at 31 December 2023 and 31 December 2022 from the Group's recorded balances. As the date of this report, management was unable to reconcile the customer's confirmed balances against the recorded balances for both years. Consequently, we were unable to determine whether any adjustments to the Group's financial statements for FY2023 were necessary regarding:

- (a) the revenue for FY 2023 and corresponding effect on trade receivables and contract assets/liabilities as at 31 December 2023; and
- (b) the potential effect on the opening balances of trade receivables and accumulated losses as at 1 January 2023 as well as any consequential impact to the financial statements of FY 2023.

As the above balance and transactions recorded with this major customer is both material and pervasive to the financial statements, we were unable to opine on the accompanying financial statements.

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SHANGHAI TURBO ENTERPRISES LTD. (Continued)**

Basis for Disclaimer of Opinion (Continued)

(2) Use of Going Concern basis

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

- (a) the Group's and the Company's current liabilities exceeded their current assets by RMB3,356,000 and RMB35,492,000 respectively as at 31 December 2023.
- (b) for FY 2023, the Group recorded a profit of RMB7,149,000 which includes a one-off gain from recovery of misappropriated funds from former key management personnel amounting to RMB3,750,000 and a reversal of impairment losses of RMB5,256,000. Had these two gain or income items been disregarded, the Group would have recorded a net loss of RMB1,857,000.
- (c) the Group continues to incur losses for the subsequent financial periods, based on the unaudited results for financial year ended 31 December 2024 and quarter ended 31 March 2025 as announced via SGXNet.

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

As a result of the conditions stated above, and in conjunction with our concerns regarding the trade receivables and revenue recorded as detailed in matter (1) above, we were unable to determine the reliability of the cash flows forecast prepared by the Company to support the Group's ability to continue as a going concern and whether there is any potential adverse impact on the Group's ability to renew existing loan facilities and/or obtain any new loan facility. Accordingly, we are unable to opine on the appropriateness of the use of going concern basis in the preparation of these financial statements.

(3) Impairment assessment of the investment in a subsidiary of the Company

As at 31 December 2023, the carrying amount of investment in a subsidiary stood at RMB11,900,000, which is stated after an impairment loss of RMB14,000,000 recognised during FY 2023 as disclosed in Note 6. We were unable to obtain sufficient appropriate audit evidence on the appropriateness of the recoverable amount used. Accordingly, we were unable to determine whether any adjustments were necessary to be made to the carrying amount of the investment in a subsidiary as at 31 December 2023, and loss for the year for FY 2023. In addition, we were unable to ascertain the appropriateness and adequacy of the related disclosures, and presentations in the financial statements.

Other Matter

The financial statements for the year ended 31 December 2022 were audited by another auditor whose report dated 14 November 2023 expressed a disclaimer of opinion on those financial statements.



**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF
SHANGHAI TURBO ENTERPRISES LTD. (Continued)**

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of International Financial Reporting Standards (IFRSs), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

The engagement partner on the audit resulting in this independent auditor's report is Lee Yan Huei.

Crowe Horwath First Trust LLP

Crowe Horwath First Trust LLP
Public Accountants and
Chartered Accountants
Singapore

8 July 2025

SHANGHAI TURBO ENTERPRISES LTD.
(Incorporated in the Cayman Islands)
AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2023

(Amounts in Chinese Renminbi)

	Note	Group		
		31 December 2023	31 December 2022	1 January 2022
		RMB'000	RMB'000	RMB'000
			(Restated)	(Restated)
			(Note 35)	(Note 35)
ASSETS				
Non-current assets				
Property, plant and equipment	3	19,445	17,800	16,786
Right-of-use assets	4	8,332	8,574	8,814
Intangible assets	5	-	-	-
		27,777	26,374	25,600
Current assets				
Inventories	7	12,154	10,792	10,600
Trade receivables	8	30,338	23,408	32,464
Contract assets	19(b)	1,533	-	4,022
Other receivables, deposits and prepayments	9	18,942	16,722	5,257
Cash and cash equivalents	10	9,137	13,702	5,731
		72,104	64,624	58,074
TOTAL ASSETS				
		99,881	90,998	83,674
LIABILITIES				
Current liabilities				
Trade payables	11	19,051	15,988	29,088
Contract liabilities	19(b)	786	1,005	272
Other payables and accruals	12	6,750	8,899	5,911
Borrowings	13	44,500	43,500	17,490
Provision	14	4,373	4,373	4,373
		75,460	73,765	57,134

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

SHANGHAI TURBO ENTERPRISES LTD.
(Incorporated in the Cayman Islands)
AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (Continued)
AS AT 31 DECEMBER 2023
(Amounts in Chinese Renminbi)

	Note	Group		
		31 December 2023 RMB'000	31 December 2022 RMB'000 (Restated) (Note 35)	1 January 2022 RMB'000 (Restated) (Note 35)
LIABILITIES (Continued)				
Non-current liability				
Deferred government grants	15	668	890	1,112
		668	890	1,112
TOTAL LIABILITIES		76,128	74,655	58,246
NET ASSETS		23,753	16,343	25,428
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	16	60,318	60,318	60,318
Share premium	17	79,803	79,803	79,803
		140,121	140,121	140,121
Other reserves				
Statutory reserve	18(a)	30,526	30,526	30,526
Translation reserves	18(c)	1,115	854	4,979
		31,641	31,380	35,505
Accumulated losses		(148,009)	(155,158)	(150,198)
TOTAL EQUITY		23,753	16,343	25,428

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

SHANGHAI TURBO ENTERPRISES LTD.
(Incorporated in the Cayman Islands)
AND SUBSIDIARIES

STATEMENT OF FINANCIAL POSITION (Continued)
AS AT 31 DECEMBER 2023
(Amounts in Chinese Renminbi)

	Note	Company		
		31 December 2023	31 December 2022	1 January 2022
		RMB'000	RMB'000 (Restated) (Note 35)	RMB'000 (Restated) (Note 35)
ASSETS				
Non-current asset				
Investment in a subsidiary	6	11,900	25,900	25,600
Current asset				
Cash and cash equivalents	10	-	7	10
TOTAL ASSETS		11,900	25,907	25,610
LIABILITIES				
Current liabilities				
Other payables and accruals	12	1,475	1,989	2,100
Due to subsidiaries (non-trade)	25	34,017	32,855	27,849
		35,492	34,844	29,949
TOTAL LIABILITIES		35,492	34,844	29,949
NET LIABILITIES		(23,592)	(8,937)	(4,339)
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	16	60,318	60,318	60,318
Share premium	17	79,803	79,803	79,803
		140,121	140,121	140,121
Other reserves				
Accumulated losses	18(b)	(163,713)	(149,058)	(144,460)
TOTAL DEFICIT		(23,592)	(8,937)	(4,339)

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

SHANGHAI TURBO ENTERPRISES LTD.
(Incorporated in the Cayman Islands)
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

(Amounts in Chinese Renminbi)

	Note	2023 RMB'000	2022 RMB'000 (Restated) (Note 35)
Revenue	19	78,994	63,933
Cost of sales		(57,644)	(50,492)
Gross profit		21,350	13,441
Other operating income	20	6,662	7,314
Selling and distribution expenses		(8,164)	(4,655)
Administrative expenses		(15,607)	(12,221)
Other operating expenses		(56)	(121)
Reversal of / impairment (loss) on financial assets	28(iii)	5,256	(6,750)
Finance income		56	479
Finance costs		(2,348)	(2,447)
Finance costs, net	21	(2,292)	(1,968)
Profit / (Loss) before tax	22	7,149	(4,960)
Income tax expense	23	-	-
Profit / (Loss) for the year		7,149	(4,960)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss:			
- Currency translation differences arising from consolidation		261	(4,125)
Total comprehensive income / (loss) for the year, representing income / (loss) attributable to equity holders of the Company		7,410	(9,085)
Profit / (loss) per share (cents)			
Basic and diluted	24	23.42	(16.25)

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

SHANGHAI TURBO ENTERPRISES LTD.
(Incorporated in the Cayman Islands)
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023
(Amounts in Chinese Renminbi)

2023	Attributable to equity holders of the Company					
	Share capital	Share premium	Statutory reserve	Translation reserves	Accumulated losses	Total equity
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance as at 1 January 2023	60,318	79,803	30,526	854	(155,158)	16,343
Profit for the year	-	-	-	-	7,149	7,149
Other comprehensive income, net of tax - Currency translation differences arising from consolidation	-	-	-	261	-	261
Total comprehensive income	-	-	-	261	7,149	7,410
Balance at 31 December 2023	60,318	79,803	30,526	1,115	(148,009)	23,753

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

SHANGHAI TURBO ENTERPRISES LTD.
(Incorporated in the Cayman Islands)
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (Continued)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023
(Amounts in Chinese Renminbi)

	Attributable to equity holders of the Company				
	Share capital	Share premium	Statutory reserve	Translation reserves	Accumulated losses
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2022					
Balance as at 1 January 2022	60,318	79,803	30,526	4,979	(145,925)
Prior year adjustment (Note 35)	-	-	-	-	(4,273)
Balance as at 1 January 2022 (Restated)	60,318	79,803	30,526	4,979	(150,198)
Loss for the year	-	-	-	-	(4,960)
Other comprehensive income, net of tax					
- Currency translation differences arising from consolidation	-	-	-	(4,125)	-
Total comprehensive loss	-	-	-	(4,125)	(4,960)
Balance at 31 December 2022	60,318	79,803	30,526	854	(155,158)

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

SHANGHAI TURBO ENTERPRISES LTD.
(Incorporated in the Cayman Islands)
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023
(Amounts in Chinese Renminbi)

	Note	2023 RMB'000	2022 RMB'000 (Restated) (Note 35)
Cash flows from operating activities			
Profit / (loss) before tax		7,149	(4,960)
Adjustments:			
(Reversal of) / Impairment loss on trade receivables	28(iii)	(5,592)	6,750
Impairment loss on contract assets	28(iii)	336	-
Depreciation of property, plant and equipment	3	781	464
Reversal of impairment loss on property, plant and equipment	22	-	(1,245)
Loss on disposal of property, plant and equipment	22	-	8
Impairment loss / (Reversal) on allowance of stock obsolescence	7	1,454	(4,218)
Interest income	21	(56)	(479)
Amortisation of deferred government grants	15	(222)	(222)
Depreciation of right-of-use of assets	4	242	240
Interest expenses	21	2,348	2,447
Operating profit / (loss) before working capital changes		6,440	(1,215)
Inventories		(2,816)	4,026
Contract assets		(1,869)	4,022
Contract liabilities		(219)	733
Trade and other receivables		(3,307)	(13,293)
Trade and other payables		914	(10,112)
Cash used in operations		(857)	(15,839)
Interest income received		56	479
Net cash used in operating activities		(801)	(15,360)
Cash flows from investing activities			
Purchase of property, plant and equipment	3	(2,426)	(255)
Proceeds from disposal of property, plant and equipment		-	14
Net cash used in investing activities		(2,426)	(241)

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

SHANGHAI TURBO ENTERPRISES LTD.
(Incorporated in the Cayman Islands)
AND SUBSIDIARIES

CONSOLIDATED STATEMENT OF CASH FLOWS (Continued)
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023
(Amounts in Chinese Renminbi)

	Note	2023 RMB'000	2022 RMB'000 (Restated) (Note 35)
Cash flows from financing activities			
Withdrawal of pledged deposits	10	1,415	3,426
Loan from banks	13	44,500	43,500
Repayment of bank borrowings	13	(43,500)	(17,490)
Interest expenses on bank borrowings	13	(1,819)	(1,694)
Discount expense on bill receivables	21	(529)	(753)
		<hr/>	<hr/>
Net cash from financing activities		67	26,989
		<hr/>	<hr/>
Net (decrease) / increase in cash and cash equivalents		(3,160)	11,388
Cash and cash equivalents at beginning of year		11,949	552
Effects of exchange rate changes in cash and cash equivalents		10	9
		<hr/>	<hr/>
Cash and cash equivalents at end of year	10	8,799	11,949
		<hr/>	<hr/>

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

SHANGHAI TURBO ENTERPRISES LTD.
(Incorporated in the Cayman Islands)
AND SUBSIDIARIES

NOTES TO THE FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023
(Amounts in Chinese Renminbi unless otherwise stated)

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

1. GENERAL INFORMATION

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

The principal activity of the Company is that of investment holding. The principal activities of its subsidiaries are shown in Note 6.

The financial statements for the financial year ended 31 December 2023 were authorised for issue in accordance with a resolution of the Board of Directors on 8 July 2025.

2. BASIS OF PREPARATION

2.1. Basis of measurement

The financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below and are drawn up in accordance with the International Financial Reporting Standards (“IFRS”).

The preparation of the financial statements in conformity with IFRS requires management to exercise its judgement in the process of applying the Group’s accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions, actual results may ultimately differ from those estimates. Critical accounting estimates and assumptions used that are significant to the financial statements and areas involving a higher degree of judgement or complexity, are disclosed in this Note 2.4.

2.2. Fundamental accounting concept

As at 31 December 2023, the Group’s and the Company’s was in net current liabilities position of RMB3,356,000 and RMB35,492,000 respectively (2022: Group’s and the Company’s net current liabilities of RMB9,141,000 and RMB34,837,000 respectively). The Group’s cash and cash equivalents balance were continuously lower than the outstanding balance of bank loans by RMB35,363,000 (2022: lower by RMB29,798,000). The Group also generated operating cash outflows of RMB801,000 (2022: RMB15,360,000) for the current financial year. For the year ended on that date, the Group recorded a profit for the year of RMB7,149,000. The Group would have incurred a net loss of RMB1,857,000 if the one-off gain from recovery of misappropriated funds from former key management personnel amounting to RMB3,750,000 and the reversal of expected credit loss of RMB5,256,000 were to be excluded. The Group incurred loss of RMB6,169,000 and RMB2,265,000 for the financial year 2024 and quarter ended 31 March 2025 based on unaudited results announced via SGXNet. These facts and circumstances indicate the existence of material uncertainties that may cast significant doubts over the ability of the Group and of the Company to continue as going concerns.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. BASIS OF PREPARATION (Continued)

2.2. Fundamental accounting concept (Continued)

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

- (i) PRC has its plan of peaking carbon dioxide emissions in 2030. In the "14th Five-Year Plan", the new coal power generation focuses on the control of quantity and efficiency, while continuing to shut down backward coal power units with emissions and energy efficiency not up to the standard, the total amount is controlled at 1.1 billion Kilowatt. Therefore, the thermal power market still has certain growth space, at the same time, PRC increases the development and utilization of clean energy such as hydropower and wind energy, which brings broad space for the development of the Group's subsidiary in PRC, Changzhou 3D Technological Complete Set Equipment Co., Limited ("Changzhou 3D");
- (ii) Management is confident to obtain continuing support from principal lenders including maintaining the existing total loan facility limit of RMB88,200,000 (out of which RMB68,800,000 is available up to 2030) as the Group has never defaulted and has always managed to roll-over the banking facility since its establishment;
- (iii) As disclosed in Note 32 and as announced on 10 September 2024 via SGXNet, the Group is expanding its manufacturing operation in Deyang, Sichuan province ("Deyang site") which is located next to the factory of the largest customer. The expansion with a total investment of RMB89,257,500 was by invitation of the Investment Promotion Bureau of the local government, which is also helping the Group in arranging for project financing of up to RMB65,000,000 (currently in the stage of finalising loan agreement). Other incentives provided by the local government are in the form of favourable rate of land use right and grants for construction costs of factory. The expansion to Deyang is also in collaboration with the major customer which agreed to grant more contracts to the Group and the site, when commenced full production in 2 years' time, will enhance the cost efficiency of Changzhou 3D and improve profitability due to cheaper labour and better supply chain management;
- (iv) Once the Deyang site is ready, this will free up production capacity in the Changzhou site which will be focused on supplying to new customers and overseas customers, which will reduce the business dependence on key customer, so as to reduce the operating risk;
- (v) Although Changzhou 3D was in a state of loss in recent years, while its sales has gradually increased by every year, the subsidiary company has sufficient working capital to guarantee its operation and development;
- (vi) Changzhou 3D continuously improve the ways and methods of enterprise operation and management to achieve cost reduction, efficiency increase, added-value of products increase. Achieve the goal of sustainable development of enterprises;
- (vii) Changzhou 3D will focus on research and development in the future, and formulate a development strategy that new product development and market expansion are equally important. Based on the subsidiary company's existing Computerised Numerical Control machine tools and abundant human resources, it will expand a new incremental market for the subsidiary company's development.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. BASIS OF PREPARATION (Continued)

2.2. Fundamental accounting concept (Continued)

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

2.3. Functional and presentation currency

The individual financial statements of each entity are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in Chinese Renminbi ("RMB"), which is the functional currency of the Company. All values are rounded to the nearest thousand (RMB'000) as indicated.

2.4. Critical accounting estimates, assumptions and judgements

Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(i) Critical accounting estimates and assumptions

The Group makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

(a) Impairment of non-financial assets

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

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

The carrying amounts of property, plant and equipment and right-of-use assets of the Group and key assumptions used in estimating recoverable amounts are disclosed in Note 3 and 4 to the financial statements.

(b) Impairment on investment in a subsidiary

Investment in a subsidiary is tested for impairment as there are indicators that the carrying amounts may not be recoverable due to recent operating losses for the past 5 years. This requires an estimation of the recoverable amount of the cash generating units. The carrying amount and key assumptions used in estimating recoverable amount are disclosed in Note 6 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. BASIS OF PREPARATION (Continued)

2.4. Critical accounting estimates, assumptions and judgements (Continued)

(i) Critical accounting estimates and assumptions (Continued)

(c) *Impairment of financial assets*

Impairment allowance for financial assets measured at amortized costs are applied using the ECL model, which requires assumptions of risk of default and expected loss rates. The Group uses judgement in making these assumptions, and measures ECL on trade receivables on individual basis, using information such as profile of customers, historical credit loss experience, payment trends, trading history, business practices in the PRC and adjusting for forward-looking information specific to the customers. In assessing the probability of default, the Group also considers the industry norm, and whether there is any dispute with the customer. As the Group and Company does not hold any collateral to the financial assets, the expected loss rates will be the full amount of the financial assets if there is high risk of default.

The carrying amounts and further details of the key assumptions for the ECL assessment are disclosed in Note 28 (iii) to the financial statements.

(d) *Net realisable values of inventory*

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

The carrying amount of inventories and allowance for inventory allowance are disclosed in Note 7 to the financial statements.

(e) *Useful lives of plant and machinery*

The cost of plant and machinery for the manufacture of precision vane products are depreciated on a straight-line basis over the plant and machinery's estimated economic useful lives. Management estimates the useful lives of these plant and machinery to be within 2 to 10 years and the residual values to be 10% of the cost of these assets. These are common life expectancies and residual values applied in the industry. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore, future depreciation charges could be revised. The carrying amount of the Group's plant and machinery at 31 December 2023 are disclosed in Note 3 to the financial statements.

(ii) Critical judgements in applying the entity's accounting policies

The management is of the opinion that any instances of judgements, other than those arising from the estimates described above, are not expected to have significant effect on the amounts recognized in the financial statements.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

2. BASIS OF PREPARATION (Continued)

2.5. Adoption of new and revised standards

On 1 January 2023, the Group adopted the new or amended IFRS and 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 FRS and INT FRS 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, except as follows:

Material accounting policy information

The Group has adopted *Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)*. Although the amendments did not result in any changes to the accounting policies themselves, they impacted the accounting policy information disclosed in the financial statements.

The amendments require the disclosure of 'material', rather than 'significant', accounting policies. The amendments also provide guidance on the application of materiality to disclosure of accounting policies, assisting entities to provide useful, entity-specific accounting policy information that users need to understand other information in the financial statements.

Management reviewed the accounting policies and made updates to the information disclosed in respective notes and Note 33 Summary of material accounting policies in certain instances in line with the amendments.

3. PROPERTY, PLANT AND EQUIPMENT

Group	Leasehold buildings	Plant and machinery	Office equipment	Motor vehicles	Renovation	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Cost						
As at 1 January 2022	32,580	237,899	2,927	2,846	4,797	281,049
Additions	-	53	202	-	-	255
Disposals	-	(224)	-	-	-	(224)
As at 31 December 2022	32,580	237,728	3,129	2,846	4,797	281,080
As at 1 January 2023	32,580	237,728	3,129	2,846	4,797	281,080
Additions	-	2,406	20	-	-	2,426
As at 31 December 2023	32,580	240,134	3,149	2,846	4,797	283,506

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. PROPERTY, PLANT AND EQUIPMENT (Continued)

Group	Leasehold buildings RMB'000	Plant and machinery RMB'000	Office equipment RMB'000	Motor vehicles RMB'000	Renovation RMB'000	Total RMB'000
Accumulated depreciation						
As at 1 January 2022	24,155	189,603	2,620	2,401	4,797	223,576
Prior year adjustment	(1,423)	(8,324)	(104)	(58)	-	(9,909)
As at 1 January 2022 (Restated)	22,732	181,279	2,516	2,343	4,797	213,667
Charge for the year	-	458	2	4	-	464
Disposals	-	(202)	-	-	-	(202)
As at 31 December 2022	22,732	181,535	2,518	2,347	4,797	213,929
As at 1 January 2023	22,732	181,535	2,518	2,347	4,797	213,929
Charge for the year	-	712	61	8	-	781
As at 31 December 2023	22,732	182,247	2,579	2,355	4,797	214,710
Accumulated impairment losses						
As at 1 January 2022	5,338	30,471	238	367	-	36,414
Prior year adjustment	2,258	11,691	122	111	-	14,182
As at 1 January 2022 (Restated)	7,596	42,162	360	478	-	50,596
Reversal of impairment	(180)	(1,045)	(11)	(9)	-	(1,245)
As at 31 December 2022	7,416	41,117	349	469	-	49,351
As at 1 January 2023 and 31 December 2023	7,416	41,117	349	469	-	49,351
Net carrying amount						
As at 31 December 2023	2,432	16,770	221	22	-	19,445
As at 31 December 2022 (Restated)	2,432	15,076	262	30	-	17,800
As at 1 January 2022 (Restated)	2,252	14,458	51	25	-	16,786

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. PROPERTY, PLANT AND EQUIPMENT (Continued)

Impairment assessment – Cash-Generating Unit

During the year, the Group carried out a review of the recoverable amount of non-financial assets of Changzhou 3D which is determined to be a Cash-Generating Unit (“CGU”) arising from indicator for impairment based on facts and circumstances as described in Note 2.4 to the financial statements.

The Group has engaged an independent valuer to perform the valuation of property, plant and equipment, right-of-use assets (Note 4) of the Group attributed to the CGU during the financial year. The recoverable amount of the CGU was estimated based on the higher of fair value less cost of disposal (“FVLCD”) of the land use right and value in use (“VIU”) of business operation of Changzhou 3D.

During the financial year, the Group did not recognise any impairment loss on plant and equipment (2022: reversal of impairment loss of RMB1,245,000) to profit or loss, based on the outcome of the assessment using FVLCD of the CGU.

FY2022

As at 31 December 2022, the recoverable amounts of the CGU attributed to the CGU were determined based on their VIU. The VIU of Changzhou 3D, which is discounted cash flows based on 10 years financial budgets approved by management. The management used budgets beyond 5-years period as they were of the view that it was the appropriate period to reflect the plan for Changzhou 3D to recover to its historical track record prior to the business disruptions brought about by shareholders dispute occurred in 2017 as disclosed in Annual Report 2017, and to continuously grow the business thereafter. The key management assumptions underlying the computation as at reporting date are:

	Group
Next financial year	
- Forecasted revenue (RM'000)	70,000
- Gross profit margin	25%
Subsequent years up to year 2031 (2022: year 2030)	
- Revenue growth rate (declining)	4.5% - 12.0%
- Gross profit margin (increasing)	25.0% - 32.0%
Discount rate	13%

The management is cautiously confident in the business recovery of Changzhou 3D in 2022 despite the current economic environment in the PRC; and are of the view that the above key assumptions represent the best estimates based on available data and there are no reasonably possible changes that could result in substantial impairment in the next financial year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

3. PROPERTY, PLANT AND EQUIPMENT (Continued)

Material accounting policy

All items of property, plant and equipment are initially recorded at cost and are depreciated using the straight-line method to write-off the cost of the assets less estimated residual value over their estimated useful lives as follows:

	<u>Useful lives</u> <u>(Years)</u>	<u>Estimated residual value</u> <u>as a percentage of cost (%)</u>
Leasehold buildings	5 - 20	10
Plant and machinery	2 - 10	10
Office equipment	2 - 5	10
Motor vehicles	4 - 5	10
Renovation	3	-

4. RIGHT-OF-USE ASSETS

Group	<u>Land Use Right</u> RMB'000
Cost	
As at 1 January 2022, 31 December 2022 and 31 December 2023	12,547
Accumulated depreciation	
As at 1 January 2022	3,733
Charge for the year	240
As at 31 December 2022	3,973
As at 1 January 2023	3,973
Charge for the year	242
As at 31 December 2023	4,215
Net carrying amount	
As at 31 December 2023	8,332
As at 31 December 2022	8,574

The Group has 50-year land use right over a plot of state-owned land in the PRC where the Group's manufacturing and storage facilities reside. The land use right has a remaining tenure of 33 years (2022: 34 years).

As at 31 December 2023, the entire land use right is pledged in connection with a bank facility including both bill payable facilities (Note 11) and bank loans (Note 13).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

5. INTANGIBLE ASSETS

Group	Software	
	2023 RMB'000	2022 RMB'000
Cost		
At beginning and end of the year	1,277	1,277
Accumulated amortisation		
At beginning and end of the year	1,277	1,277
Net carrying amount		
At beginning and end of the year	-	-

6. INVESTMENT IN A SUBSIDIARY

	Company		
	31 December 2023 RMB'000	31 December 2022 RMB'000 (Restated) (Note 35)	1 January 2022 RMB'000 (Restated) (Note 35)
Unquoted equity shares, at cost	161,889	161,889	161,889
Less: Impairment loss			
At beginning of the year	(135,989)	(136,289)	(136,289)
(Addition) / Reversal	(14,000)	300	-
At end of the year	(149,989)	(135,989)	(136,289)
Net carrying amount	11,900	25,900	25,600

The details of the subsidiaries are as follows:

Name of companies	Principal activities	Country of incorporation and place of business	Proportion (%) of ownership interest	
			2023 %	2022 %
Held by the Company				
Best Success (Hong Kong) Limited (“Best Success”) ⁽¹⁾	Investment holding	Hong Kong	100	100
Held through Best Success				
Changzhou 3D Technological Complete Set Equipment Co., Limited (“Changzhou 3D”) ⁽²⁾	Manufacturing of vane products and relating subcontracting services	PRC	100	100

NOTES TO THE FINANCIAL STATEMENTS (Continued)

6. INVESTMENT IN A SUBSIDIARY (Continued)

(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 Public Accountants registered in the PRC for statutory purpose and Crowe Horwath First Trust LLP for consolidation purpose.

Impairment assessment of investment in subsidiaries

During the year, management had performed an impairment assessment for the investment in a subsidiary, based on the underlying business operation of Changzhou 3D arising from indicator of impairment based on facts and circumstances as described in Note 2.4 to the financial statements. The recoverable amount is defined as the higher of the subsidiary's fair value less cost of disposal ("FVLCD") and its value in use ("VIU").

FY2023

As at 31 December 2023, the recoverable amounts of the investment in a subsidiary were determined based on FVLCD of business operation of Changzhou 3D. The FVLCD was estimated using the discounted cash flows method, based on 9 years financial budgets approved by management. Management has extended the forecast period beyond the typical five years, as they believe this more appropriately reflects the Group's expansion plans—specifically, the construction of the Deyang site, as disclosed in Note 2.2. The Deyang site is expected to commence production approximately two years from the date of this report, with Changzhou 3D projected to achieve stable profitability beyond the five-year period. The key management assumptions underlying the computation as at reporting date are:

	Group
Next financial year	
- Forecasted revenue (RM'000)	81,000
- Gross profit margin	19.8%
Subsequent years up to year 2031	
- Revenue growth rate (declining)	5.0% - 12.0%
- Gross profit margin (increasing)	26.8% - 31.5%
Discount rate	11.97%

The management is cautiously confident in the business recovery of Changzhou 3D in 2025 despite the current economic environment in the PRC; and are of the view that the above key assumptions represent the best estimates based on available data and there are no reasonably possible changes that could result in substantial impairment in the next financial year.

FY2022

The recoverable amounts of the investment in subsidiary were determined based on fair value less costs of disposal of the land use right of Changzhou 3D as at 31 December 2022.

Impairment loss

As a result of the impairment assessment, the Company recognised RMB14,000,000 of impairment loss (2022: reversal of impairment loss of RMB300,000) on investment in subsidiary for financial year 31 December 2023.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

7. INVENTORIES

	Group	
	2023 RMB'000	2022 RMB'000 (Restated) (Note 35)
Carrying amounts		
Raw materials	900	730
Work-in-progress	8,784	7,500
Finished goods	2,470	2,562
	<u>12,154</u>	<u>10,792</u>

The cost of inventories recognised as expense and included in 'cost of sales' amounted to RMB28,993,000 (2022: RMB22,931,000), which includes RMB1,454,000 (2022: Reversal of allowance of stock obsolescence of RMB4,218,000) in respect of allowance of stock obsolescence.

The movement in allowance for inventory obsolescence is as follows:

	Group	
	2023 RMB'000	2022 RMB'000
At beginning of the year	20,250	24,468
Additions	1,454	-
Reversal of allowances	-	(4,218)
	<u>21,704</u>	<u>20,250</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

8. TRADE RECEIVABLES

	Note	Group		
		31 December 2023 RMB'000	31 December 2022 RMB'000	1 January 2022 RMB'000 (Restated) (Note 35)
Trade receivable		34,647	35,335	47,607
Allowance for impairment of trade receivables	28(iii)	(9,629)	(15,221)	(22,982)
		<u>25,018</u>	<u>20,114</u>	<u>24,625</u>
Bills receivables		5,320	3,294	7,839
Allowance for impairment of bill receivables	28(iii)	-	-	-
		<u>5,320</u>	<u>3,294</u>	<u>7,839</u>
		<u>30,338</u>	<u>23,408</u>	<u>32,464</u>

9. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	Note	Group	
		2023 RMB'000	2022 RMB'000
Advances to employees		371	627
Tender deposits		400	200
Other receivables		261	140
Financial assets at amortised cost		<u>1,032</u>	<u>967</u>
Advances to suppliers	A	16,970	15,203
Prepayments		<u>940</u>	<u>552</u>
		<u>18,942</u>	<u>16,722</u>

Note A

The Group entered into a contract with a third-party supplier for the purchase of raw materials and the Group was requested to pay to the supplier in advance amounting to RMB15,024,000 (2022: RMB15,024,000).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

10. CASH AND CASH EQUIVALENTS

	Note	Group		Company	
		2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Cash in hand		47	863	-	-
Bank balances		9,090	12,839	-	7
Cash and bank balances as stated in the statement of financial position		9,137	13,702	-	7
Less: Pledged deposits	A	(338)	(1,753)	-	-
Cash and cash equivalents as stated in the consolidated statement of cash flows		8,799	11,949	-	7

As at 31 December 2023, the Group has bank balances placed with banks in the PRC denominated in Chinese Renminbi ("RMB") amounting to RMB6,861,000 (2022: RMB10,878,000). The RMB is not freely convertible to foreign currencies. Under the People's Republic of China's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange RMB for foreign currencies through banks that are authorized to conduct foreign exchange business.

Note A

Bank balances of RMB338,000 (2022: RMB1,753,000) are pledged in connection with bills payable facilities (Note 11).

	Group	
	2023 RMB'000	2022 RMB'000
The movement in pledged deposits:		
At beginning of the year	1,753	5,179
Withdrawal of pledged deposits	(1,415)	(3,426)
At end of the year	338	1,753

11. TRADE PAYABLES

	Group	
	2023 RMB'000	2022 RMB'000
Trade payables	18,713	14,235
Bills payables	338	1,753
	19,051	15,988

Bills payables facilities are secured by a pledge of land use right (Note 4).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

12. OTHER PAYABLES AND ACCRUALS

	Group			Company	
	31 December 2023 RMB'000	31 December 2022 RMB'000 (Restated) (Note 35)	1 January 2022 RMB'000 (Restated) (Note 35)	2023 RMB'000	2022 RMB'000
Accrued operating expenses	1,070	1,688	1,258	8	1,572
Accrued employee benefits	1,768	1,762	2,165	-	227
Accrued director fees	563	753	-	563	190
Deposits received	347	280	-	-	-
Legal and professional fee payable	904	828	1,076	904	-
Electricity bill payable	364	338	300	-	-
Labor union expenditure payable	77	66	55	-	-
Others	190	117	271	-	-
Financial liabilities at amortised cost	5,283	5,832	5,125	1,475	1,989
Advance rental received	781	560	92	-	-
Value-Added Tax payables	352	1,988	356	-	-
Other taxes payable	334	519	338	-	-
	6,750	8,899	5,911	1,475	1,989

13. BORROWINGS

	Group	
	2023 RMB'000	2022 RMB'000
Secured borrowings ⁽ⁱ⁾	30,000	30,000
Unsecured borrowings ⁽ⁱⁱ⁾	14,500	13,500
	44,500	43,500

NOTES TO THE FINANCIAL STATEMENTS (Continued)

13. BORROWINGS (Continued)

- (i) These borrowings are secured by a pledge of the Group's land use rights with carrying amount of RMB8,332,000 (2022: RMB8,574,000) (Note 4) as at 31 December 2023. Interest on secured bank loans were charged at the rate of 4.2% (2022: 4.20%) per annum. Three secured bank loans totalling of RMB30,000,000 (2022: RMB30,000,000) are repayable in January 2024 (2022: January 2023) respectively. As at date of authorisation of these financial statements, all loans have been fully repaid and total amounts of RMB45,000,000 has been drawdown, maturing in April 2026.
- (ii) Interest on unsecured bank loans were charged at the rate of 3.90% and 3.65% (2022: 4.70% and 3.70%) per annum, which are repayable in March 2024 (2022: March 2023). An individual shareholder has provided a personal guarantee on loan amounting to RMB5,000,000. As at date of authorisation of these financial statements, all loans have been fully repaid and total amounts of RMB17,500,000 has been drawdown, maturing in August 2025 and February 2026.

The Group has access to facility limit (including loans and trade facility) of which RMB520,000 were unused at the reporting date, which has since increased to RMB25,700,000 as of the date of authorisation of these financial statements that are mostly available for use up to April 2030.

Reconciliation of liabilities arising from financing activities:

	Financing cash flow				Non-cash changes	
	As at 1 January	Repayment of principal	Repayment of interest	Drawdown of loan	Accretion of Interest (Note 21)	As at 31 December
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
2023						
Bank loans						
- current	43,500	(43,500)	(1,819)	44,500	1,819	44,500
2022						
Bank loans						
- current	17,490	(17,490)	(1,694)	43,500	1,694	43,500

14. PROVISION FOR GOVERNMENT FINE AND CONTINGENT LIABILITY

Changzhou 3D was served a notice dated 2017 by local government agency which required the subsidiary to provide compliance documents relating to its leasehold buildings in accordance with relevant laws and regulations in PRC ("the Notice"). The buildings were constructed in 2003 without obtaining relevant permits from government.

Provision for government fine

Changzhou 3D received a notice from government agency with a fine of RMB4,373,000 on 13 May 2019. Up to 31 December 2023, the management confirms that Changzhou 3D has received neither further information regarding the investigation nor notification of the specific necessary rectification from the government agency and has not paid the fine yet.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

14. PROVISION FOR GOVERNMENT FINE AND CONTINGENT LIABILITY (Continued)

Provision for government fine (Continued)

The balance of provision is as follows:

	Group	
	2023 RMB'000	2022 RMB'000
At beginning and at end of the year	4,373	4,373

Contingent liability on rectification cost

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

The 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 Changzhou 3D 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 Changzhou 3D has received neither further information regarding the investigation nor notification of the specific necessary rectification from the government agency.

15. DEFERRED GOVERNMENT GRANTS

	Group	
	2023 RMB'000	2022 RMB'000
Balance at the beginning of financial year	890	1,112
Recognised in profit or loss	(222)	(222)
Balance at the end of financial year	668	890

This relates to import subsidies received from government in financial year 2017 for purchase of plant and machinery with a useful life of 10 years.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

16. SHARE CAPITAL

	Group and Company			
	2023		2022	
	Number of ordinary shares	US\$'000	Number of ordinary shares	US\$'000
Authorized	200,000,000	50,000	200,000,000	50,000
Issued and fully paid				
At beginning and end of the year	30,520,000	7,630	30,520,000	7,630
Equivalent to (RMB'000)		60,318		60,318

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

17. SHARE PREMIUM

	Group and Company	
	2023	2022
	RMB'000	RMB'000
At beginning and end of the year	79,803	79,803

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

18(a). STATUTORY RESERVE

	Percentage of contribution from profit for the year	Group	
		2023	2022
		RMB'000	RMB'000
Statutory reserve fund	10%	30,526	30,526

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

18(b). ACCUMULATED LOSSES

	Company		
	31 December 2023 RMB'000	31 December 2022 RMB'000 (Restated) (Note 35)	1 January 2022 RMB'000 (Restated) (Note 35)
At beginning the year	149,058	144,460	96,577
Loss for the year	14,655	4,598	47,883
At end of the year	163,713	149,058	144,460

18(c). TRANSLATION RESERVE

Translation reserve arises from translating the financial statements of a foreign subsidiary whose functional currency is different from the Group's presentation currency. Cumulative translation differences will be reclassified to profit or loss upon disposal of the foreign operation, or partial disposal that results in loss of control.

19. REVENUE FROM CONTRACTS WITH CUSTOMERS

(a) Disaggregation of revenue

		Group	
		2024 RMB'000	2023 RMB'000
	Timing of recognition		
Sale of goods	Point in time	29,148	20,030
Subcontracting services	Over time	49,846	43,903
		78,994	63,933

The following table provides a disaggregation disclosure of the Group's revenue by location of customers.

	Group	
	2023 RMB'000	2022 RMB'000
People's Republic of China	69,386	62,000
South Korea	9,608	1,933
	78,994	63,933

Material accounting policy

- Revenue from sale of goods is recognized upon transfer of control to the customers, usually being when the goods have been delivered to customers and the acceptance criteria is met (either the customer has accepted the goods in accordance with the sales contract or the Group has objective evidence that all criteria for acceptance have been satisfied.) The Group normally invoices the customers upon customers' acceptance of the goods with 90 days' credit term.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

19. REVENUE FROM CONTRACTS WITH CUSTOMERS (Continued)

(a) Disaggregation of revenue (Continued)

Material accounting policy (Continued)

- Revenue from subcontracting services is recognised over time based on output of finished products to date as a proportion of the total contracted output. The Group normally invoices the customers upon customers' acceptance of the processed subcontracting products with 90 days credit term.

(b) Contract balances

Contract with customers give rise to the following balances as at the reporting date:

	Group	
	2024 RMB'000	2023 RMB'000
Trade receivables (Note 8)	30,338	23,408
Contract asset	1,533	-
Contract liabilities	786	1,005

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

Contract liabilities mainly relates to advance consideration received from customers.

Significant changes in the contract assets and liabilities balance during the year are:

	Contract Assets		Contract Liabilities	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Transferred to trade receivables	-	4,022	-	-
Amount included in opening balance recognised as revenue	-	-	881	272

20. OTHER OPERATING INCOME

	Note	Group	
		2023 RMB'000	2022 RMB'000
Gain on sale of scrap materials		1,159	1,147
Rental income		1,046	17
Amortisation of deferred government grants	15	222	222
Reversal of allowance of stock obsolescence	7	-	4,218
Reversal of impairment loss on property, plant and equipment	3	-	1,245
Refund receipt from former key management personnel	31	3,750	-
Others		485	465
		6,662	7,314

NOTES TO THE FINANCIAL STATEMENTS (Continued)

21. FINANCE COSTS

	Group	
	2023 RMB'000	2022 RMB'000
Interest income from		
- bills payable	25	49
- bank balances	31	397
- loan to a shareholder	-	33
	56	479
Interest expense on		
- bank borrowings (Note 13)	(1,819)	(1,694)
- discount expense on bills receivables	(529)	(753)
	(2,348)	(2,447)
Net finance cost recognised in profit or loss	(2,292)	(1,968)

22. PROFIT / (LOSS) BEFORE TAX

This is determined after charging / (crediting) the following:

	Note	Group	
		2023 RMB'000	2022 RMB'000
Depreciation of property, plant and equipment	3	781	464
Depreciation of right-of-use assets	4	242	240
Directors' fee			
- Directors of the Company	27	563	1,125
Audit fees			
- auditors of the Company		1,029	784
- other auditors		35	15
Personnel expenses ⁽ⁱ⁾		26,637	26,958
- Wages, salaries and bonuses		22,216	22,245
- Contribution to defined contribution plans		3,322	3,398
- Other employee benefits		1,099	1,315
Impairment loss / (Reversal) on allowance of stock obsolescence	7	1,454	(4,218)
Reversal of impairment loss of property, plant and equipment	3	-	(1,245)
Loss on disposal of property, plant and equipment		-	8
Legal and professional fee		255	318

(i) Includes directors' remuneration as disclosed in Note 27.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. INCOME TAX EXPENSE

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

	Group	
	2023 RMB'000	2022 RMB'000
Current income tax	-	-

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

	Group	
	2023 RMB'000	2022 RMB'000
Accounting profit / (loss)	7,149	(4,960)
Tax at the applicable tax rate of 25% (2022: 25%)	1,787	(1,240)
Tax effect of:		
- income not subject to tax	(6,545)	(4,698)
- expenses not deductible for tax purpose	1,695	928
- expenses incurred in tax-free jurisdictions	114	1,150
- deferred tax asset not recognized	2,945	3,500
- others	4	360
Current income tax	-	-

Unrecognised tax losses

Deferred income tax assets are recognised for tax losses carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable. Changzhou 3D has unrecognised tax losses of RMB173,687,000 (2022: RMB161,907,000) at the reporting date which can be carried forward and used to offset against future taxable income subject to meeting certain statutory requirements. The tax losses can be carried forward for ten years starting from the year subsequent to the year in which the loss was incurred.

The Company

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

Subsidiaries

- Best Success, which is subject to Hong Kong tax rate of 16.5% (2022: 16.5%), does not have taxable profit since its incorporation on 23 April 2005.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

23. INCOME TAX EXPENSE (Continued)

Subsidiaries (Continued)

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

24. PROFIT / (LOSS) PER SHARE

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

	Group	
	2023	2022
Net profit / (loss) attributable to equity holders of the Company (RMB'000)	7,149	(4,960)
Weighted average number of ordinary shares outstanding for basic and diluted loss per share	30,520,000	30,520,000
Basic and diluted profit / (loss) per share (RMB cents per share)	23.42	(16.25)

25. DUE TO SUBSIDIARIES (NON-TRADE)

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

26. COMMITMENTS

Non-cancellable operating lease commitments – Company as lessor

The Company has entered into operating lease contract on its building. This is negotiated for term of 3 to 5 years. The future minimum rental receivable under non-cancellable operating leases contracted for at the reporting period are as follows:

	2023 RMB'000	2022 RMB'000
Future minimum lease receivables		
Not later than 1 year	1,135	69
Later than 1 year but not later than 5 years	3,340	120
	4,475	189

NOTES TO THE FINANCIAL STATEMENTS (Continued)

27. RELATED PARTY INFORMATION

Some of the arrangements with related parties (as defined in Note 33) and the effects of these bases determined between the parties are reflected elsewhere in this report. Transactions between the Company and its subsidiaries, which are related companies of the Company, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between the Group and other related parties are disclosed below:

	Note	Group	
		2023 RMB'000	2022 RMB'000
<u>Key management personnel compensation</u>			
Directors of the Company			
- Directors' fee	22	563	1,125
Other key management personnel			
- Salaries and bonus		617	1,141
		<u>1,180</u>	<u>2,266</u>
Total compensation comprises:			
Short-term employee benefits		617	1,141

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

28. FINANCIAL INSTRUMENTS

Financial risk management objectives and policies

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk

(a) Foreign exchange risk

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

Group	Singapore dollars RMB'000	Chinese Renminbi RMB'000	Hong Kong dollars RMB'000	United States dollars RMB'000	Total RMB'000
2023					
<u>Financial assets</u>					
Cash and cash equivalents	-	7,246	19	1,872	9,137
Trade receivables	-	27,805	-	2,533	30,338
Other receivables and deposits	-	1,032	-	-	1,032
	-	36,083	19	4,405	40,507
<u>Financial liabilities</u>					
Trade payables	-	19,051	-	-	19,051
Other payables and accruals	912	4,371	-	-	5,283
Borrowings	-	44,500	-	-	44,500
	912	67,922	-	-	68,834
Net financial assets / (liabilities)	(912)	(31,839)	19	4,405	(28,327)
Add: Contract assets	-	1,533	-	-	1,533
Less: Net liabilities / (assets) denominated in the Company's functional currencies	-	30,306	(19)	-	30,287
Foreign currency exposure	(912)	-	-	4,405	3,493

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

(a) Foreign exchange risk (Continued)

Group	Singapore dollars RMB'000	Chinese Renminbi RMB'000	Hong Kong dollars RMB'000	United States dollars RMB'000	Total RMB'000
2022					
<u>Financial assets</u>					
Cash and cash equivalents	7	13,494	20	181	13,702
Trade receivables	-	23,355	-	53	23,408
Other receivables and deposits	-	967	-	-	967
	<u>7</u>	<u>37,816</u>	<u>20</u>	<u>234</u>	<u>38,077</u>
<u>Financial liabilities</u>					
Trade payables	-	15,988	-	-	15,988
Other payables and accruals	1,991	3,841	-	-	5,832
Borrowings	-	43,500	-	-	43,500
	<u>1,991</u>	<u>63,329</u>	<u>-</u>	<u>-</u>	<u>65,320</u>
Net financial assets / (liabilities)	(1,984)	(25,513)	20	234	(27,243)
Less: Net liabilities / (assets) denominated in the Company's functional currencies	-	25,513	(20)	-	25,493
Foreign currency exposure	<u>(1,984)</u>	<u>-</u>	<u>-</u>	<u>234</u>	<u>(1,750)</u>

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

(a) Foreign exchange risk (Continued)

Company	Singapore dollars RMB'000	Chinese Renminbi RMB'000	Total RMB'000
2023			
<u>Financial liabilities</u>			
Other payables and accruals	912	563	1,475
Due to subsidiaries (non-trade)	-	34,017	34,017
	912	34,580	35,492
Net financial liabilities	(912)	(34,580)	(35,492)
Add: Net liabilities denominated in the Company's functional currency	-	34,580	34,580
Foreign currency exposure	(912)	-	(912)
2022			
<u>Financial assets</u>			
Cash and cash equivalents	7	-	7
<u>Financial liabilities</u>			
Other payables and accruals	1,989	-	1,989
Due to subsidiaries (non-trade)	-	32,855	32,855
	1,989	32,855	34,844
Net financial liabilities	(1,982)	(32,855)	(34,837)
Add: Net liabilities denominated in the Company's functional currency	-	32,855	32,855
Foreign currency exposure	(1,982)	-	(1,982)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

(a) Foreign exchange risk (Continued)

Foreign exchange risk sensitivity

The following table details the sensitivity to a 5% (2022: 5%) increase and decrease in the Chinese Renminbi against the relevant foreign currencies. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period.

If the Chinese Renminbi strengthens by 5% (2022: 5%) against the relevant foreign currencies with all the other variables held constant, profit / (loss) for the year will increase / (decrease) by:

Group	Singapore dollars RMB'000	United States Dollar RMB'000
2023		
Profit for the year	34	(165)
2022		
Loss for the year	(74)	9
Company		Singapore dollars RMB'000
2023		
Loss for the year		(34)
2022		
Loss for the year		(74)

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

(b) Interest rate risk

The Group obtains additional financing through bank borrowings.

The Group's policy is to obtain the most favorable interest rates available without increasing its foreign currency exposure. The Group constantly monitors its interest rate risk and does not utilize interest rate swap or other arrangements for trading or speculative purposes. As at 31 December 2023, there were no such arrangements, interest rate swap contracts or other derivative instruments outstanding.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(i) Market risk (Continued)

(b) Interest rate risk (Continued)

The Group's total comprehensive loss is not affected by changes in interest rates as the interest-bearing loans carry fixed interest (Note 13) and are measured at amortised cost. As such, sensitivity analysis is not provided.

(ii) Liquidity risk

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

All the financial liabilities of the Group as at 31 December 2023 are repayable on demand or due within 1 year from the reporting date. The carrying amount recorded represents the contractual cash flows of these financial liabilities.

(iii) Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group's major class of financial assets are cash and cash equivalents, pledged deposits and trade and other receivables. Cash and cash equivalents and pledged deposits are placed with state-owned financial institutions in the PRC and a Singapore-based reputable bank. Bills receivables (Note 8) are mainly redeemable from government controlled commercial banks in the PRC. Therefore, credit risk arises mainly from the inability of its customers to make payments when due.

For trade receivables, the Group mainly deals with long-time customers of appropriate credit history. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties. The counterparty's payment profile and credit exposure are continuously monitored at the entity level by the respective management and at the Group level by the Board of Directors. The average credit period on sales of goods is 90 days (2022: 90 days). No interest is imposed on overdue trade receivables.

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(iii) Credit risk (Continued)

The credit risk for trade receivables and contract assets based on the information provided to key management is as follows:

	Group	
	2023 RMB'000	2022 RMB'000
<u>By geographical areas</u>		
- PRC	24,018	20,114
- South Korea	2,533	-
	<u>26,551</u>	<u>20,114</u>
<u>By types of customers</u>		
Non-related parties		
- Government linked companies	21,160	16,687
- Private companies	5,391	3,427
	<u>26,551</u>	<u>20,114</u>

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

Group	Trade receivables and contract assets				Write back / (additional) ECL
	31 December				
	Revenue RMB'000	Gross RMB'000	ECL RMB'000	Net RMB'000	RMB'000
2023					
<u>Not credit-impaired</u>					
Customer A	60,753	20,131	(1,545)	18,586	-
Customer B	9,206	2,481	-	2,481	-
<u>Credit-impaired</u>					
Customer C	2,830	3,577	(967)	2,610	1,664
Customer D	318	7,859	(5,286)	2,573	3,176
Others	5,887	2,468	(2,167)	301	416
	78,994	36,516	(9,965)	26,551	5,256

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(iii) Credit risk (Continued)

Group	Revenue RMB'000	Trade receivables and contract assets		Write back / (additional) ECL RMB'000
		Gross RMB'000	31 December	
			ECL RMB'000	
			Net RMB'000	
2022 (Restated)				
Customer A	41,059	16,977	(1,545)	15,432
Customer B	-	-	-	-
Customer C	2,452	2,861	(2,630)	231
Customer D	9,215	9,717	(8,462)	1,255
Others	11,207	5,780	(2,584)	3,196
	<u>63,933</u>	<u>35,335</u>	<u>(15,221)</u>	<u>20,114</u>
				<u>(6,750)</u>

Customer A

The carrying amount of RMB18,586,000 as at 31 December 2023 (net of an impairment allowance of RMB1,545,000) had been fully collected subsequently as at date of authorisation of these financial statements. Based on management assessment, taking into account historical credit loss experience, payment trend, industry norm and forward looking information, no write back / additional of ECL has been recognised during the year (2022: a write back of ECL of RMB2,111,000).

Customer B

This is a new overseas customer in 2023 and the amount is fully recovered subsequently within the credit terms of 15 days. No ECL has been recognised during the year as the customer is assessed to be low credit risk in view of the profile of the customer.

Customer C

A total collection of RMB2,610,000 (2022: RMB231,000) was recovered subsequently as at date of authorisation of these financial statements from this private sector customer, against the gross carrying amount of RMB3,577,000 as at 31 December 2023 (2022: RMB2,861,000). As a result, a write back of ECL amounting to RMB1,664,000 (2022: RMB4,490,000 additional ECL provided) has been recognised during the year.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(iii) Credit risk (Continued)

Customer D

A total collection of RMB2,573,000 was recovered subsequently as at date of authorisation of these financial statements from this state-owned customer, against the gross carrying amount as at 31 December 2023 of RMB7,859,000 (2022: RMB9,717,000) out of which 94% was aged above 1 year. As a result, a write back of ECL amounting to RMB3,176,000 (2022: RMB8,462,000 additional ECL provided) has been recognised during the year.

Expected Credit Losses

The Group manages credit loss based on Expected Credit Losses (ECL) model. The Group and Company have the following financial assets subject to lifetime ECL under Simplified Approach:

Group	Trade receivables RMB'000 (Note 8)	Bill receivables RMB'000 (Note 8)	Contract assets RMB'000 (Note 19(b))	Total RMB'000
2023				
Gross amount of financial assets subject to ECL	34,647	5,320	1,869	41,836
<u>Movement of lifetime ECL:</u>				
Balance at 1 January 2023	15,221	-	-	15,221
ECL recognised during the year	882	-	336	1,218
ECL written back during the year due to recovery	(6,474)	-	-	(6,474)
	(5,592)	-	336	(5,256)
Balance at 31 December 2023	9,629	-	336	9,965
Carrying amounts of financial assets, representing net exposure as at reporting date	25,018	5,320	1,533	31,871

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(iii) Credit risk (Continued)

Expected Credit Losses (Continued)

Group	Trade receivables RMB'000 (Note 8)	Bill receivables RMB'000 (Note 8)	Total RMB'000
2022			
Gross amount of financial assets subject to ECL	35,335	3,294	38,629
<u>Movement of lifetime ECL:</u>			
Balance at 1 January 2022	22,982	-	22,982
ECL recognised during the year	12,952	-	12,952
ECL written back during the year	(6,202)	-	(6,202)
ECL written off during the year	(14,511)	-	(14,511)
	(7,761)	-	(7,761)
Balance at 31 December 2022	15,221	-	15,221
Carrying amounts of financial assets, representing net exposure as at reporting date	20,114	3,294	23,408

One customer with a contractual amount of RMB14,511,000 was written off during year 2022 as it was confirmed the balance would not be collectable.

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

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

The management assesses that there are no material ECL on other receivables (Note 9) and bank balances (Note 10).

Credit risk concentration

As at 31 December 2023, the Group's significant credit risk exposure to single counterparty or group of counterparties having similar characteristics, are mainly described as below:

- Trade receivables balances owing from Customer A to D (as disclosed above)
- Top two bank balances held with two PRC top-tier state-owned and commercially owned banks of RMB2,535,000 and RMB4,348,000 respectively.
- Advance paid to a supplier amounting to RMB15,024,000 (Note 9)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

28. FINANCIAL INSTRUMENTS (Continued)

Financial risk management objectives and policies (Continued)

(iv) Financial instruments by category

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

	Group		Company	
	2023 RMB'000	2022 RMB'000	2023 RMB'000	2022 RMB'000
Financial assets at amortised cost	40,507	38,077	-	7
Financial liabilities at amortised cost	68,834	65,320	35,492	34,844

Capital risk management policies and objectives

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

The capital structure of the Group consists of debt, net of cash and cash equivalents, and the equity attributable to equity holders of the parent, comprising issued capital and reserves as disclosed in Notes 16 to 18.

The Board of Directors reviews the capital structure on an annual basis. As part of this review, the Board considers the cost of capital and the risks associated with each class of capital. Based on guidance of the Board, the Group will balance its overall capital structure through the payment of dividends, new share issues as well as the issue of new debt. The Group's overall strategy remains unchanged from 2022.

As disclosed in Note 18(a), the PRC incorporated subsidiary of the Group is required by the Foreign Enterprise Law of PRC to contribute to and to maintain a non-distributable statutory reserve fund, the utilization of which is subject to approval of the relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiary for the financial year ended 31 December 2023.

29. SEGMENT INFORMATION

The Group operates in only one operating segment, i.e. the manufacture and sale of vane products and related subcontracting services. Subcontracting services are not separately reported to the management, as it is considered as the same business with manufacturing activities due to shared technology and production processes. The products for which the Group provided subcontracting services are similar to the products that the Group manufactures. The subcontracting services mainly arose due to a major customer's arrangement to source for its own raw material in certain contracts.

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

The major customers in the PRC contributing 10% or more to the Group's revenue is disclosed in Note 28 (iii). The Group's entire non-current assets are located in PRC.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

30. FAIR VALUES OF FINANCIAL INSTRUMENTS

The Group and the Company had no financial assets or liabilities carried at fair values in 2023.

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

31. ONGOING INVESTIGATION OF DEBT COLLECTION AGENT FEES BY PUBLIC SECURITY AUTHORITIES

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

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

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

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

During December 2023, the two former key management personnel (being former general manager and former sales assistant general manager, being Defendant A and Defendant B) of Changzhou 3D has been charged in the People's Court of Zhonglou District in Changzhou City ("the Court") for the criminal offence of misappropriation of funds in the pretext of collection fees and advisory fees. In August 2024, the Court found the defendants guilty and ruled that the Defendant A and B, and Defendant A are/is to refund RMB3.2 million and RMB3.9 million respectively to Changzhou 3D, in addition to jail terms and fine.

During financial year 2023, the Group has received the total refund of RMB1 million and RMB2.75 million from Defendant A and Defendant B which is recognised as 'Other operating income' (Note 20).

NOTES TO THE FINANCIAL STATEMENTS (Continued)

32. SUBSEQUENT EVENTS

On 12 March 2024, the Group has incorporated a wholly owned subsidiary, Sichuan 3D New Power Technology Co., LTD. ("Sichuan 3D"), with paid-up capital of RMB20,000,000.

As announced by the Company via SGXnet on 10 September 2024, the total investment in "Sichuan 3D" is RMB167,102,000. For this project, a 10,000 square meters of production center, a 5,184 square meters of office building will be constructed, production equipment will be purchased, and park supporting roads, parking lots and other ancillary works will be constructed. The construction period of the project is 2 years.

On 11 April 2025, as announced via SGXnet, todate the Group has made capital injection totalling RMB23 million to Sichuan 3D which is mainly used for the project infrastructure construction.

33. SUMMARY OF MATERIAL ACCOUNTING POLICIES

Group accounting

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- had power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the Company ceases to control the subsidiary.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

When the Group loses control of a subsidiary, a gain or loss is recognized in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognized in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under IFRS 9, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

33. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

Subsidiaries

Investments in subsidiaries are carried at cost less accumulated impairment losses in the Company's statement of financial position. On disposal of investments in subsidiaries, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Currency translation

(i) Transactions and balances

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

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

(ii) Translation of the Group's financial statements

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

33. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Cost also includes borrowing costs (see the accounting policy for borrowing costs as set out in this Note). The cost of an item of property, plant and equipment including subsequent expenditure is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. When significant parts of property, plant and equipment is required to be replaced in intervals, the Group recognises such parts as individual assets with specific lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance expenses are recognised in profit or loss when incurred.

After initial recognition, property, plant and equipment except for land and buildings are stated at cost less accumulated depreciation and any accumulated impairment loss.

The residual value, estimated useful life and depreciation method are reviewed, and adjusted as appropriate, at each reporting date to ensure that the amount, method and period of depreciation are consistent with the expected pattern of economic benefits from items of property, plant and equipment. Fully depreciated assets are retained in the financial statements until they are no longer in use.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The gain or loss on retirement or disposal is determined as the difference between any sales proceeds and the carrying amounts of the asset and is recognised in the profit or loss within "other operating income / (expenses)".

Land use rights

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

Impairment of non-financial assets

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

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

33. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

Impairment of non-financial assets (Continued)

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

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

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

Financial assets and liabilities

(i) Initial recognition and measurement

Trade receivables are initially recognised when they are originated. Other financial assets and financial liabilities are recognised on the statement of financial position when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Trade receivables without financing component is initially measured at the transaction price in accordance with IFRS 15. Other financial assets or financial liabilities are initially recognised at fair value plus, in the case of financial assets or liabilities not at fair value through profit or loss, directly attributable transaction costs.

(ii) Classification and subsequent measurement

Financial assets

Financial assets are classified and subsequently measured at amortised cost or fair value on the basis of the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets, at the following categories:

- Amortised costs
- Fair value through Other Comprehensive Income (FVOCI) – Debt investments
- FVOCI – Equity investments
- Fair value through profit or loss (FVPL)

Financial assets are not reclassified after initial recognition unless the Group changes its business model for managing financial assets, in which case such reclassification will be applied prospectively from the reclassification date.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

33. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

Financial assets and liabilities (Continued)

(ii) Classification and subsequent measurement (Continued)

Financial assets (Continued)

As at the reporting date, the Group does not have other categories of financial assets except for financial assets at amortised costs.

Financial assets at amortised costs

Unless designated at FVPL, financial assets are measured at amortised costs if:

- It is held within a business model with an objective to hold the assets to collect contractual cash flows; and
- Its contractual cash flows comprise of solely principal and interest on the principal amount outstanding

These assets, mainly trade and other receivables including amount due from related parties, cash and cash equivalents, are subsequently measured at amortised costs using the effective interest rate method, which is reduced by impairment losses. Interest income, foreign exchange differences, and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Financial liabilities

Financial liabilities are subsequently measured at amortised costs unless it is held for trading (including derivative liabilities), or designated as financial liabilities at FVPL on initial recognition to significantly reduce accounting mismatch or when a group of financial liabilities are managed whose performance is evaluated on a fair value basis.

As at the reporting date, the Group does not have other categories of financial liabilities except for financial liabilities at amortised costs.

Financial liabilities at amortised costs are subsequently measured at amortised costs using the effective interest rate method. Interest expense and foreign exchange differences are recognised in profit or loss. These financial liabilities mainly comprise trade and other payables including amount due to related parties, and loans and borrowings.

Financial liabilities at FVPL are measured at fair value with net gains and losses (including interest expense) recognised in profit or loss. Directly attributable transaction costs are recognised in profit or loss as incurred.

(iii) Derecognition

Financial assets

Financial assets are derecognised when the contractual rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all the risks and rewards of ownership or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and does not retain control of the financial assets. On derecognition of a financial asset in its entirety, the difference between the carrying amount measured at the derecognition date and the sum of the consideration received is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

33. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

Financial assets and liabilities (Continued)

(iii) Derecognition (Continued)

Financial assets (Continued)

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of the assets within the period generally established by regulation or convention in the marketplace concerned.

Financial liabilities

A financial liability is derecognised when the obligation specified in the contract is discharged, cancelled or expires. The Group also derecognise a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case, a new financial liability on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount of the financial liabilities extinguished, or transferred and the consideration paid (including non-cash transferred or liabilities assumed) is recognised in profit or loss.

(iv) Offsetting

Financial assets and liabilities are offset and the net amount reported on the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

Impairment of financial assets

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

ECLs are probability-weighted estimates of credit losses, which are measured at the present value of all cash shortfalls (difference between the cash flows due to the Group in accordance with the contracts and the cash flows that the Group expects to receive), discounted at effective interest rate of the financial asset. The expected cash flows include cash flows from the sale of collaterals held, if any, or other credit enhancements that are integral to the contractual terms.

Simplified approach

The Group applies simplified approach to all trade receivables and contract asset. Impairment loss allowance is measured at Life time ECL, which represents ECLs that result from all possible default events over the expected life of a financial instrument or contract asset ('life-time ECL'). The Group has established a provision matrix that is based on historical credit loss experience, adjusted for forward-looking factors specific to those customers and the economic environment.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

33. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

General approach

The Group applies general approach on all other financial instruments and financial guarantee contracts, and recognise a 12-month ECL on initial recognition. 12-months ECL are ECLs that result from possible default events within 12 months after the reporting date or up to the expected life of the instrument, if shorter.

Impairment loss allowance or reversals are recognised in profit or loss. Loss allowance on financial assets at amortised cost and contract assets are deducted from the gross carrying amount of those asset. Loss allowance on debt investments at FVOCI are recognised in OCI, and does not reduce the carrying amount of the financial assets.

Significant increase in credit risk (Stage 2)

For credit exposures for which there has been a significant increase in credit risk since initial recognition, impairment loss allowance is measured at life-time ECL. When a financial asset is determined to have a low credit risk at reporting date, the Group assumes that there has been no significant increase in credit risk since initial recognition. For other cases, the Group uses reasonable and supportable forward-looking information available without undue cost or effort to determine, at each reporting date, whether there is significant increase in credit risk since initial recognition. In assessing whether there has been significant increase in credit risks, the Group takes into account factors such as:

- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant change in the debtor's ability to meet its debt obligations
- actual or expected significant adverse change in the regulatory, economic, or technological environment that are expected to cause a significant change in the debtor's ability to meet its debt obligations
- an actual or expected significant change in the operating results of the debtors

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

If credit risk has not increased significantly since initial recognition or if the credit quality improves such that there is no longer significant increase in credit risk since initial recognition, loss allowance is measured at 12-month ECL.

Definition of default

The Group considers a financial asset to be in default when:

- The borrower is unlikely to pay its credit obligation in full, without recourse by the Group; or
- The financial asset is more than 90 days past due.

The Group considers a contract asset to be in default when the customer is unlikely to pay the contractual obligations to the Group in full without recourse by the Group.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

33. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

Impairment of financial assets (Continued)

General approach (Continued)

Credit-impaired (Stage 3)

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group write off the gross carrying amount of a financial assets to the extent that there is no realistic prospect of recovery, for example when the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the Group.

Inventories

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

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

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

Provisions

A provision is recognised when the Group has a present obligation, legal or constructive, as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. Provisions are reviewed at each reporting date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. Where the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

33. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

Borrowings

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

Borrowings are initially recorded at fair value, net of transaction costs and subsequently carried for at amortised costs using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

Borrowings which are due to be settled within twelve months after the reporting date are included in current borrowings in the statement of financial position even though the original term was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the reporting date and before the financial statements are authorised for issue.

Borrowing costs

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

Revenue from contracts with customers

The Group recognizes revenue when (or as) a performance obligation is satisfied, i.e. when 'control' of the goods or services underlying the particular performance obligation is transferred to the customers, at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services, which comprises the contractual price, net of prompt payment discount upon agreeing the payment timing and mode with customers (which represents variable consideration). Unless otherwise mentioned, the Group concludes that it is acting as a principal in the provision of goods or services in its contracts with customers.

The detailed revenue recognition policy for each major revenue stream is disclosed in Note 19.

Employees' benefits

(i) Short-term employee benefits

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

NOTES TO THE FINANCIAL STATEMENTS (Continued)

33. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

Employees' benefits (Continued)

(ii) Retirement benefits

The subsidiary, incorporated and operating in the PRC, is required to provide certain retirement plan contribution to their employees under the existing PRC regulations. Contributions are provided at rates stipulated by the PRC regulations and are managed by government agencies, which are responsible for administering these amounts for the subsidiary's employees.

Obligations for contributions to defined contribution retirement plans are recognised as an expense in the period in which the related service is performed.

(iii) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability as a result of services rendered by employees up to the reporting date.

Income tax

(i) Income tax

Income tax expense represents the sum of the tax currently payable and deferred tax.

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using tax rates and tax laws that have been substantially enacted by the reporting date in the countries where the Group operates and generates taxable income. Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

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

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date. Deferred tax is charged or credited to profit or loss, except when it relates to items charged or credited directly to other comprehensive income or equity, in which case the deferred tax is also dealt with in other comprehensive income or equity.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

33. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

Income tax (Continued)

(i) Income tax (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

(ii) Value-added-tax ("VAT")

The Group's sales of goods in the PRC are subjected to VAT at the applicable rate of 13% for PRC domestic sales. Input tax on purchases can be deducted from output VAT. The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of "Other receivables" or "Other payables" in the statement of financial position. The Group's export sales are not subjected to VAT.

Government grants and deferred capital grant

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all terms and conditions relating to the grants have been complied with. When the grant relates to an asset, the fair value is recognised as deferred government grant on the statement of financial position and is amortised to profit or loss over the expected useful life of the relevant asset on a straight line basis.

Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and the Company if that person:
 - (i) Has control or joint control over the Company;
 - (ii) Has significant influence over the Company; or
 - (iii) Is a member of the key management personnel of the Group or the Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:
 - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
 - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
 - (iii) Both entities are joint ventures of the same third party.
 - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
 - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.
 - (vi) The entity is controlled or jointly controlled by a person identified in (a);
 - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
 - (viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

33. SUMMARY OF MATERIAL ACCOUNTING POLICIES (Continued)

Cash and cash equivalents

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise cash on hand, deposits with financial institutions, and short term, highly liquid investments readily convertible to known amounts of cash and subjected to an insignificant risk of changes in value.

Segment reporting

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

34. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS

The Group has not adopted the following new or revised standards and interpretations that have been issued but not yet effective. The directors expect that the adoption of the other standards and interpretations above will have no material impact on the financial statements in the period of initial application, except for the following:

<u>Description</u>	<u>Effective for annual periods beginning on or after</u>
Amendments to IAS 21 <i>The Effects of Changes in Foreign Exchange Rates</i> : Lack of Exchangeability	1 January 2025
Annual improvements to IFRSs	1 January 2026
Amendments to IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments</i> : <i>Disclosures</i>	1 January 2026
Amendments to IFRS 9 <i>Financial Instruments</i> and IFRS 7 <i>Financial Instruments</i> : <i>Disclosures</i> : Contracts Referencing Nature-dependent Electricity	1 January 2026
IFRS 18 <i>Presentation and Disclosure in Financial Statements</i>	1 January 2027
IFRS 19 <i>Subsidiaries without Public Accountability</i> : <i>Disclosure</i>	1 January 2027
Amendments to IFRS 10 <i>Consolidated Financial Statements</i> and IAS 28 <i>Investments in Associates and Joint Ventures</i> : Sale or Contribution of Assets between an Investor and its Associate or Joint Venture	Date to be determined

Amendments to IFRS 9 *Financial Instruments* and IFRS 7 *Financial Instruments*: *Disclosures*

These amendments:

- clarify the timing of recognition and derecognition of some financial assets and liabilities, with a new exception for some financial liabilities settled through an electronic cash transfer system;
- clarify and add further guidance for assessing whether a financial asset meets the solely payments of principal and interest (SPPI) criterion for financial assets with certain contingent features;
- add new disclosures for certain instruments with contractual terms that can change cash flows (such as some financial instruments with features linked to the achievement of environment, social and governance targets); and
- update the disclosures for equity instruments designated at fair value through other comprehensive income (FVOCI).

These amendments are effective for annual periods beginning on or after 1 January 2026.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

34. NEW OR REVISED ACCOUNTING STANDARDS AND INTERPRETATIONS (Continued)

IFRS 18 Presentation and Disclosure in Financial Statements

IFRS 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories which include operating, investing, financing, income taxes and discontinued operations.

It also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified “roles” of the primary financial statements and the notes.

In addition, narrow scope of amendments been made to IFRS 7 *Statements of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from “profit or loss” to “operating profit or loss” and removing the optionality around classification of cash flows from dividend and interest. There are consequential amendments to several other standards.

These amendments are effective for annual periods beginning on or after 1 January 2027, to be applied on retrospective basis. Earlier application is permitted.

35. PRIOR YEAR ADJUSTMENTS

Prior year adjustments relate to the following restatements for the financial year (“FY”) 31 December 2022 and 1 January 2022:

(a) Over-recognition of depreciation expenses resulting in over-recognition of reversal of impairment loss on PPE for FY2022

The Group had engaged an independent valuer to re-perform the impairment assessment on Cash-Generating Unit (“CGU”) of the Group being Changzhou 3D and investment in subsidiary of the Company for the financial year ended 31 December 2020 (“FY2020”). The valuer determined the recoverable amount of the cash generating unit’s using the fair value less cost of disposals and its value in use. Based on the valuation, the management has recognised impairment loss on PPE in FY2020.

However, the management omitted to re-assess the impact of the impairment on the depreciation expenses of the affected PPE for the subsequent periods. As a result, there was an over-recognition of depreciation expenses for FY2021 and FY2022 (and corresponding the overhead cost of inventories for FY2022). This also impacted the recognition of the impairment loss for FY2021 and FY2022, based on valuations on the CGU performed by the management for FY2021 and FY2022.

(b) Under recognition of impairment loss on investment in subsidiary

As mentioned in item (a), the Company had re-performed the impairment assessment of its investment in a subsidiary during FY2020. However, for the purpose of impairment assessment, the management inadvertently used the carrying amount of cost of investment in subsidiary as recorded by Best Success (Hong Kong) Limited (immediate holding company of Changzhou 3D), instead of carrying amount recorded by the Company. Consequentially, there was an under recognition of impairment loss on investment in subsidiary amounted to RMB45,712,000 since beginning of FY2022.

(c) Certain comparative figures have been reclassified to conform with the current year’s presentation.

Accordingly, prior year adjustments have been raised to rectify the errors referred to in the preceding paragraph.

NOTES TO THE FINANCIAL STATEMENTS (Continued)

35. PRIOR YEAR ADJUSTMENTS (Continued)

The impact of the prior year restatement and reclassification on the various accounting captions of the Group and Company are as follows:

	As previously reported	Restatements (a) and (b)	Reclassification (c)	As restated
	RMB'000	RMB'000	RMB'000	RMB'000
Group				
FY 2022				
<u>Consolidated statement of</u>				
<u>financial position</u>				
Non-current assets				
Property, plant and equipment				
31 December 2022	22,695	(4,895)	-	17,800
1 January 2022	21,059	(4,273)	-	16,786
Current assets				
Inventories				
31 December 2022	11,435	(643)	-	10,792
Trade receivables				
1 January 2022	36,486	-	(4,022)	32,464
Contract assets				
1 January 2022	-	-	4,022	4,022
Current liabilities				
Other payables and accruals				
31 December 2022	9,904	-	(1,005)	8,899
1 January 2022	6,183	-	(272)	5,911
Contract liabilities				
31 December 2022	-	-	1,005	1,005
1 January 2022	-	-	272	272
Other reserves				
Translation reserves				
31 December 2022	6,379	-	(5,525)	854
Accumulated losses				
31 December 2022	(155,145)	(5,538)	5,525	(155,158)
1 January 2022	(145,925)	(4,273)	-	(150,198)

NOTES TO THE FINANCIAL STATEMENTS (Continued)

35. PRIOR YEAR ADJUSTMENTS (Continued)

Group	As previously reported	Restatements (a) and (b)	Reclassification (c)	As restated
	RMB'000	RMB'000	RMB'000	RMB'000
FY 2022				
<u>Consolidated Statement of profit or loss and other comprehensive</u>				
Revenue	64,566	-	(633)	63,933
Cost of sales	(53,895)	3,403	-	(50,492)
Administrative expenses	(15,346)	3,125	-	(12,221)
Other operating expenses	(6,971)	10	6,840	(121)
Other operating income	15,117	(7,803)	-	7,314
Finance costs, net	(1,286)	-	(682)	(1,968)
Loss before tax	(9,220)	(1,265)	5,525	(4,960)
<u>Statement of cash flows</u>				
Net cash used in operating activities	(16,521)	-	1,161	(15,360)
Net cash from financing activities	28,150	-	(1,161)	26,989
Company				
FY 2022				
<u>Statement of financial position</u>				
Non-current assets				
Investment in a subsidiary				
31 December 2022	71,612	(45,712)	-	25,900
1 January 2022	71,312	(45,712)	-	25,600
Current assets				
Due to subsidiaries (non-trade)				
31 December 2022	33,197	-	(342)	32,855
1 January 2022	28,179	-	(330)	27,849
Other reserves				
Translation reserve / (deficit)				
31 December 2022	(342)	-	342	-
1 January 2022	(330)	-	330	-
Accumulated losses				
31 December 2022	(103,346)	(45,712)	-	(149,058)
1 January 2022	(98,748)	(45,712)	-	(144,460)

SHAREHOLDINGS STATISTICS

As at 31 JULY 2025 Amounts in thousands of Chinese Renminbi ("RMB'000")

Class of equity securities	Number of equity securities	Voting rights
Ordinary at 31 JULY 2025	30,520,000	One vote per share

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

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	17	2.76	807	0.00
100 – 1,000	251	40.75	160,843	0.53
1,001 – 10,000	309	50.16	1,098,985	3.60
10,001 – 1,000,000	34	5.52	2,292,178	7.51
1,000,001 AND ABOVE	5	0.81	26,967,187	88.36
TOTAL	616	100.00	30,520,000	100.00

SUBSTANTIAL SHAREHOLDERS

(as recorded in the Register of Substantial Shareholders)

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

Notes:

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

SHAREHOLDINGS STATISTICS

TWENTY LARGEST SHAREHOLDERS

<u>NO</u>	<u>NAME</u>	<u>NO. OF</u>	
		<u>SHARES</u>	<u>%</u>
1	LIU MING	8,240,000	27.00
2	IFAST FINANCIAL PTE LTD	7,473,930	24.49
3	UOB KAY HIAN PTE LTD	6,774,527	22.20
4	DBS VICKERS SECURITIES (S) PTE LTD	3,301,000	10.82
5	CGS INTL SECURITIES SINGAPORE PL	1,177,730	3.86
6	TAN ENG CHUA EDWIN	741,400	2.43
7	RAFFLES NOMINEES(PTE) LIMITED	313,207	1.03
8	CITIBANK NOMS SPORE PTE LTD	250,900	0.82
9	YONG WOON CHONG	162,200	0.53
10	DBS NOMINEES PTE LTD	151,715	0.50
11	BOON KIA IN VINCENT (WEN JIAYIN)	65,000	0.21
12	MAYBANK SECURITIES PTE. LTD.	59,000	0.19
13	TEO BOCK HENG	40,501	0.13
14	PHILLIP SECURITIES PTE LTD	36,750	0.12
15	KOH TECK YEOW	35,500	0.12
16	YEO HUA MOK	33,800	0.11
17	CHEW CHIN SING	30,800	0.10
18	LIM SIAN KOK	30,000	0.10
19	LYE SOO MENG	30,000	0.10
20	LIM LEE KWAN	29,000	0.10
TOTAL		28,976,960	94.96

PERCENTAGE OF SHAREHOLDING IN HANDS OF PUBLIC

Based on the information available to the Company as at 31 JULY 2025 approximately 40.15% of the issued ordinary shares of the Company were held by the public and therefore, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited is complied with.

NOTICE OF ANNUAL GENERAL MEETING

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN THAT the Annual General Meeting (the “**AGM**”) of Shanghai Turbo Enterprises Ltd. (the “**Company**”) will be held at Singapore Zen Cultural Centre @ Orchid Country Club, 1 Orchid Club Road, #01-33B, Social Recreation Clubhouse, Singapore 769162 on Friday, 29 August 2025, at 10:00 a.m. to transact the following businesses:

ORDINARY BUSINESSES

- | | | |
|----|---|---------------------|
| 1. | To receive and adopt the Directors’ Statement and the Audited Financial Statements of the Company for the financial year ended 31 December 2023 together with the Independent Auditors’ Report thereon. | Resolution 1 |
| 2. | To re-elect Mr. Tan Juay Kiat retiring pursuant to Article 85(6) of the Company’s Articles of Association.
[See Explanatory Note (i)] | Resolution 2 |
| 3. | To re-elect Mr. Zhang Wenjun retiring pursuant to Article 86(1) of the Company’s Articles of Association.
[See Explanatory Note (ii)] | Resolution 3 |
| 4. | To approve the payment of Directors’ Fees of RMB1.125 million for the financial year ended 31 December 2024 (FY2023: RMB1.125 million) | Resolution 4 |
| 5. | To re-appoint Messrs. Crowe Horwath First Trust LLP as the Independent Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. | Resolution 5 |
| 6. | To transact any other ordinary business which may properly be transacted at an Annual General Meeting. | |

SPECIAL BUSINESS

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

- | | | |
|----|---|---------------------|
| 7. | AUTHORITY TO ALLOT AND ISSUE SHARES | Resolution 6 |
| | “That pursuant to Section 161 of the Companies Act 1967 of Singapore (the “ Companies Act ”), Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (the “ SGX-ST ”), the Directors of the Company be authorised and empowered to: | |
| | (a) (i) issue shares in the capital of the Company (“ Shares ”) whether by way of rights, bonus or otherwise; and/or | |
| | (ii) make or grant offers, agreements or options (collectively, “ Instruments ”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares, | |
| | at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and | |
| | (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution is in force, | |

NOTICE OF ANNUAL GENERAL MEETING

provided that:

- (1) the aggregate number of Shares to be allotted and issued pursuant to this Resolution (including Shares to be allotted and issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50% of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be allotted and issued other than on a pro rata basis to shareholders of the Company (including Shares to be allotted and issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 20% of the total number of issued Shares (excluding treasury Shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) subject to such manner of calculation as may be prescribed by the SGX-ST for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury Shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
 - (a) new Shares arising from the conversion or exercise of any convertible securities;
 - (b) new Shares arising from exercising share options or vesting of share awards, provided that the share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares;

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

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST from the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company in General Meeting), the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier."

[See Explanatory Note (iii)]

BY ORDER OF THE BOARD

Chong Eng Wee
Company Secretary
Singapore, 13 August 2025

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) Mr. Tan Juay Kiat will, upon re-election as a Director, remain as Non-Executive Independent Director and a member of the Audit Committee.

Mr. Tan Juay Kiat will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. Please refer to Corporate Governance Report on pages 35 to 40 in the Annual Report for the detailed information required pursuant to Rule 720(6) of the SGX-ST.

- (ii) Mr. Zhang Wenjun will, upon re-election as a Director, remain as Non-Executive and Lead Independent Director, Chairman of the Audit Committee and a member of the Nominating Committee and Remuneration Committee.

Mr. Zhang Wenjun will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited. Please refer to Corporate Governance Report on pages 35 to 40 in the Annual Report for the detailed information required pursuant to Rule 720(6) of the SGX-ST.

- (iii) The Ordinary Resolution 6, if passed, will empower the Directors, effective until the conclusion of the next annual general meeting of the Company, or the date by which the next annual general meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant Instruments convertible into shares and to issue shares pursuant to such Instruments, up to a number not exceeding, in total, fifty per cent (50%) of the total number of issued shares in the capital of the Company of which up to twenty per cent (20%) may be issued other than on a pro-rata basis to Shareholders. For determining the aggregate number of shares that may be issued, the total number of issued shares (excluding Treasury Shares and subsidiary holdings) will be calculated based on the total number of issued shares (excluding Treasury Shares and subsidiary holdings) in the capital of the Company at the time this Ordinary Resolution is passed after adjusting for new shares arising from the conversion or exercise of any convertible securities, share options or share awards which are outstanding or subsisting at the time when this Ordinary Resolution is passed and any subsequent bonus issue, consolidation or subdivision of shares.

NOTICE OF ANNUAL GENERAL MEETING

IMPORTANT NOTES:

1. The members of the Company are invited to attend physically at the AGM. There will be no option for shareholders to participate virtually.
2. The Annual Report, Notice of AGM and Proxy Form will be despatched to shareholders and published on the Company's website at URL <https://www.shanghaiturbo.com/> and also on SGXNet at the URL <https://www.sgx.com/securities/company-announcements>.
3. Shareholders may attend, speak and vote at the AGM or appoint proxy or proxies to attend, speak and vote on their behalf at the AGM. A proxy need not be a member of the Company.
4. If a shareholder wishes to appoint a proxy or proxies to vote on their behalf at the AGM, duly executed proxy forms must be submitted through any one of the following means:
 - (a) if submitted by post, to be deposited at the registered office of the Company's Singapore Share Transfer Agent, In.Corp Corporate Services Pte. Ltd., at 36 Robinson Road, #20-01 City House, Singapore 068877; or
 - (b) if submitted electronically, to be submitted via email in Portable Document Format (PDF) to the Company's Singapore Share Transfer Agent, at shareregistry@incorp.asia,

in either case, by **27 August 2025, 10:00 a.m.**, being not less than forty-eight (48) hours before the time appointed for the holding of the AGM (or any adjournment thereof). A member who wishes to submit the proxy form must complete and sign the proxy form, before submitting it by post to the address provided above, or by scanning and sending it by email to the email address provided above.
5. Shareholders are strongly encouraged to submit completed proxy forms electronically via email.
6. In appointing the Chairman of the AGM as proxy, shareholders should specifically indicate in the proxy form how they wish to vote for or vote against (or abstain from voting on) the resolution set out in this Notice of AGM, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
7. The proxy form must be under the hand of the appointor or of his attorney duly authorised in writing and where such instrument is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or a duly authorised officer. Where a proxy form is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with its Constitution and Section 179 of the Companies Act 1967 of Singapore, and the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.
9. A shareholder including a Relevant Intermediary (as defined below) is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where such shareholder's proxy form appoints more than one (1) proxy, the proportion of his/her/its shareholding concerned to be represented by each proxy shall be specified in the proxy form. If no proportion is specified, the Company shall be entitled to treat the first named proxy as representing the entire shareholding and any second named proxy as an alternate to the first named or at the Company's option to treat this proxy form as invalid.

A "Relevant Intermediary" is:

- (a) a banking corporation licensed under the Banking Act 1970 of Singapore or a wholly owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or

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- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.
10. Shareholders and duly appointed proxy or proxies will be able to ask questions relating to the resolutions to be tabled for approval at the AGM. The Company will endeavour to respond to and address substantial and relevant questions as far as reasonably practicable during the AGM. Where there are substantially similar questions, the Company will consolidate such questions and consequently not all questions may be individually addressed.
11. Alternatively, Shareholders may submit questions related to the resolutions which will be tabled for approval at the AGM in advance either via:
- (a) if submitted by post, to be deposited at the registered office of the Company's Singapore Share Transfer Agent, In.Corp Corporate Services Pte. Ltd., at 36 Robinson Road, #20-01 City House, Singapore 068877; or
 - (b) if submitted electronically, to be submitted via email to the Company, at shareregistry@incorp.asia,
- by **20 August 2025, 10:00 a.m.** Shareholders who submit questions in advance of the AGM should identify themselves by stating (i) his/her/its full name as it appears in the Depository Register and the Register of Members; and (ii) NRIC/Passport/Company Registration Number for verification purposes,
12. Shareholders are encouraged to submit their questions via one of the foregoing means as soon as possible so that they may have the benefit of the answers to their questions (where substantial and relevant to the agenda of the AGM) prior to submitting their proxy forms. Please note that substantial and relevant questions (as may be determined by the Company at its sole discretion) from shareholders submitted in advance and received by the Company would be addressed by the Company and published on the SGX website no later than 48 hours before the deadline for submission of the proxy forms. The Company will also address any subsequent clarifications sought, or follow-up questions, prior to, or at, the AGM in respect of substantial and relevant matters.

Personal data privacy:

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

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



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