

# C&N Holdings Limited 春能控股有限公司\*

Incorporated in the Cayman Islands with limited liability

Stock Code: 8430



# 2025

## ANNUAL REPORT

\* For identification purpose only

## **CHARACTERISTICS OF GEM OF THE STOCK EXCHANGE OF HONG KONG LIMITED (THE “STOCK EXCHANGE”)**

**GEM has been positioned as a market designed to accommodate small and mid-sized companies to which a higher investment risk may be attached than other companies listed on the Stock Exchange. Prospective investors should be aware of the potential risks of investing in such companies and should make the decision to invest only after due and careful consideration.**

**Given that the companies listed on GEM are generally small and mid-sized companies, there is a risk that securities traded on GEM may be more susceptible to higher market volatility than securities traded on the Main Board and no assurance is given that there will be a liquid market in the securities traded on GEM.**

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*This report, for which the directors (the “Directors”) of C&N Holdings Limited (the “Company”) collectively and individually accept full responsibility, includes particulars given in compliance with the Rules Governing the Listing of Securities on the GEM of the Stock Exchange (the “GEM Listing Rules”) for the purpose of giving information with regard to the Company. The Directors, having made all reasonable enquiries, confirm that to the best of their knowledge and belief (1) the information contained in this report is accurate and complete in all material respects and not misleading and deceptive; (2) there are no other matters the omission of which would make any statement herein or this report misleading; (3) all opinions expressed in this report have been arrived at after due and careful consideration and are founded on bases and assumptions that are fair and reasonable.*

*The original report is prepared in the English language. This report is translated into Chinese. In the event of any inconsistencies between the Chinese and the English version, the latter shall prevail.*

# Contents

	<b>Pages</b>
Corporate Information	2
Chairman's Statement	4
Management Discussion and Analysis	6
Directors and Senior Management Profile	12
Corporate Governance Report	13
Environmental, Social and Governance Report	24
Report of the Directors	49
Independent Auditor's Report	58
Consolidated Statement of Profit or Loss and Other Comprehensive Income	63
Consolidated Statement of Financial Position	64
Consolidated Statement of Changes in Equity	66
Consolidated Statement of Cash Flows	67
Notes to the Consolidated Financial Statements	69
Five Year Financial Summary	122



# Corporate Information

## EXECUTIVE DIRECTOR

Ms. Fung Mee Kuen

## INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Cheung Wai Kin

Ms. Wong Shuk Yee Camilla

Ms. Li HongJing

## COMPANY SECRETARY

Ms. Jim Shuk Yan

## AUTHORISED REPRESENTATIVES

*(for the purposes of the GEM Listing Rules)*

Ms. Fung Mee Kuen

Ms. Jim Shuk Yan

## AUTHORISED REPRESENTATIVES

*(for the purposes of the Companies Ordinance)*

Ms. Jim Shuk Yan

## AUDIT COMMITTEE

Mr. Cheung Wai Kin *(Chairman)*

Ms. Wong Shuk Yee Camilla

Ms. Li HongJing

## REMUNERATION COMMITTEE

Ms. Wong Shuk Yee Camilla *(Chairwoman)*

Mr. Cheung Wai Kin

Ms. Li HongJing

## NOMINATION COMMITTEE

Ms. Li HongJing *(Chairwoman)*

Ms. Wong Shuk Yee Camilla

Mr. Cheung Wai Kin

## REGISTERED OFFICE

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

## HEADQUARTERS AND PRINCIPAL PLACE OF BUSINESS

3 Soon Lee Street #06-03, Pioneer Junction, Singapore 627606

## PRINCIPAL PLACE OF BUSINESS IN HONG KONG

21st Floor, CMA Building, 64 Connaught Road Central, Hong Kong

## PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited

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

## HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Union Registrars Limited

Suites 3301-04, 33/F., Two Chinachem Exchange Square, 338 King's Road, North Point, Hong Kong

## AUDITORS

McMillan Woods (Hong Kong) CPA Limited

Certified Public Accountants

24/F., Siu On Centre, 188 Lockhart Road, Wan Chai, Hong Kong

## PRINCIPAL BANKER

DBS Bank Ltd

12 Marina Bay Boulevard, Level 3 Marina Bay Financial Centre Tower 3, Singapore 018982

## COMPANY WEBSITE

[www.cnlimited.com](http://www.cnlimited.com)

## STOCK CODE

8430

# Chairman's Statement

## TO OUR SHAREHOLDERS

On behalf of the board (the "Board") of directors (the "Directors") of C&N Holdings Limited (the "Company", together with its subsidiaries, the "Group"), I present the annual results of the Group for the year ended 31 December 2025, together with the comparative figures for the year ended 31 December 2024.

Our customers are mainly logistics service providers along the supply chain in Singapore and Hong Kong. The cargoes that we transport for our customers include various types of plastic resin, scrap steel, paper products and others. These cargoes are mainly for import/export business, hence any disruptions in the global trade economy will directly impact our customers, and hence the Group.

## REVIEW

Our Group's revenue comprised of revenue from provision of transport and storage services to the logistics industry in Singapore and Hong Kong. For the year ended 31 December 2025, the revenue of the Group decreased by approximately S\$8,208,000 or approximately 31.8% to approximately S\$17,600,000 compared to the year ended 31 December 2024.

The Group's gross profit of approximately S\$2,745,000 for the year ended 31 December 2024 to decreased to approximately S\$1,098,000 for the year ended 31 December 2025. Gross profit margin decreased from 10.6% for the year ended 31 December 2024 to 6.2% for the year ended 31 December 2025. The decreased in gross profit margin is mainly due to the increased in cost of diesel as compared to the year ended 31 December 2024.

The Group recorded a loss for the year of approximately S\$3,012,000 for the year ended 31 December 2025 compared to a loss for the year of approximately S\$412,000 for the year ended 31 December 2024.

## PROSPECTS

Considering 2026 to be an unprecedented year, Singapore is forecasting its gross domestic product ("GDP") forecast to grow at 2% to 4%. We have already witnessed the impact of COVID-19 on trade activities in 2021, and we believe that the economy and our Group is better prepared for any potential disruptions resulting. The coming year promises to continue to be a challenging and volatile year for the Group. Management is constantly monitoring the global trade economy and in constant discussion with our customers to understand the situation and their needs. Besides, in order to increase shareholder's return, the Group will put efforts to evaluate the feasibility of obtaining necessary licenses to carry out various transport management services to the logistics industry in other Asian countries. Meanwhile, the logistics sector in Singapore has also been significantly impacted by the current geopolitical conflict, resulting in reduced business activity and increased cost pressures across the industry.

Given the current industry conditions, rising operating costs, and declining cargo volumes, it may be prudent to evaluate strategic options for the business. Exploring a potential sale while the company still has operational value could allow us to realize a fair return and mitigate future risks.

## APPRECIATION

On behalf of the Board, I would like to thank shareholders and our business partners, suppliers and customers for their continuous support to the Group. My heartfelt appreciation also goes to our management and colleagues for their dedication and valuable contributions to the Group in the past year. We will pragmatically develop our business and strive for the best return for our shareholders.

**Fung Mee Kuen**  
*Executive Director*

31 March 2026

# Management Discussion and Analysis

## BUSINESS REVIEW

The Group is a provider of transport and storage services to the logistics industry in Singapore and Hong Kong, offering trucking and hubbing services to the customers. Trucking services refer to the delivery of cargo, primarily containers, from our customers' designated pick up point to their designated delivery point. Hubbing services refer to the handling and storage of laden and empty containers at the Group's logistics yard or other locations designated by the customers.

Led by our experienced management team, we have developed a reputation as a reliable transport and hubbing services provider equipped with a large vehicle fleet that is capable of handling large volumes of customer orders.

Our customers are mainly logistics service providers along the supply chain in Singapore and Hong Kong, the cargoes that we transport for our customers include various types of plastic resin, scrap steel, waste paper products and others. These cargoes are mainly raw materials used in factory production, hence the resumption of activities in ports and factories will directly have a positive impact on our customers, and hence the Group.

## FINANCIAL REVIEW

### Revenue

The Group's revenue comprised of revenue from provision of transport and hubbing services to the logistics industry in Singapore and Hong Kong. For the year ended 31 December 2025, the revenue of the Group decreased by approximately S\$8,208,000 or approximately 31.8% to approximately S\$17,600,000 compared to the year ended 31 December 2024. The decrease was mainly attributable to the decrease in revenue from trucking services. The following table sets forth the revenue of the Group by revenue type for the periods indicated:

	2025		2024	
	S\$'000	%	S\$'000	%
Trucking services	17,128	97.3	24,571	95.2
Hubbing services	472	2.7	1,237	4.8
	<b>17,600</b>	<b>100.0</b>	25,808	100.0

### Revenue from trucking services

Revenue from trucking services decreased by approximately S\$7,443,000 to approximately S\$17,128,000 for the year ended 31 December 2025, representing a 30.3% decrease. The decrease was mainly due to decrease in trading volume and disrupted global trade by the US tariff issue.

# Management Discussion and Analysis

## Revenue from hubbing services

Revenue from hubbing services decreased by 61.8% or approximately S\$765,000. It is common for customers to request for us to truck the containers, and also provide storage space for these containers while waiting for vessels to arrive at port before we can truck the containers over for loading. Customers that require hubbing services are generally those whom have large volume in the import and export of goods, who are mainly freight forwarders and global logistics companies.

However, the increase/decrease in hubbing revenue will not be proportionate to the trend in revenue from trucking services due to the following reasons: (i) different customers and different job orders may have different service requirements, such as different sizes of containers and number of storage days, hence revenue earned will differ; and (ii) not all our customers require hubbing services.

For the year ended 31 December 2025, the vessels started to arrive more timely reducing the need for extended hubbing hence the decrease in revenue from hubbing services.

## Gross (loss)/profit

The overall gross profit of approximately S\$2,745,000 for the year ended 31 December 2024 decreased to a gross loss of approximately S\$659,000 for the year ended 31 December 2025, mainly due to the decrease in revenue and increase in cost of services caused by the US tariff issue as compared to the year ended 31 December 2024. The overall gross profit margin from 10.6% for the year ended 31 December 2024 decreased to loss of 3.7% for the year ended 31 December 2025. The table below sets forth a breakdown of gross profit and gross profit margin by revenue type for the periods indicated:

	2025		2024	
	S\$'000	Gross profit/ (loss) margin	S\$'000	Gross profit margin
Trucking services	(762)	(4.4)	2,220	9.0
Hubbing services	103	21.8	525	42.4
	(659)	(3.7)	2,745	10.6

## Gross (loss)/profit from trucking services

The gross profit margin for trucking services decreased from approximately 9.0% for the year ended 31 December 2024 to loss of approximately 4.4% for the year ended 31 December 2025 mainly due to the decrease in revenue and increase in cost of services caused by the US tariff issue as compared to the year ended 31 December 2024. As more than a third of the costs for trucking services pertained to fixed costs like wages and depreciation, a decrease in revenue will decrease the gross profit margin.

## Gross profit from hubbing services

The gross profit margin for hubbing services decreased from approximately 42.4% for the year ended 31 December 2024 to profit of approximately 21.8% for the year ended 31 December 2025 mainly due to more timely arrival of vessels that resulted in the decrease in need from customers for hubbing services.

# Management Discussion and Analysis

## Other income and gains

Other income and gains increased by approximately S\$184,000 from approximately S\$73,000 for the year ended 31 December 2024 to approximately S\$257,000 for the year ended 31 December 2025. The increase was mainly attributed to the increase of gain on disposals of property, plant and equipment as compared to the year ended 31 December 2024.

## Administrative expenses

Administrative expenses comprised mainly of office expenses, staff costs, auditor's remuneration and compliance costs. Total administrative expenses decreased to approximately S\$2,608,000 for the year ended 31 December 2025 from approximately S\$2,965,000 for the year ended 31 December 2024.

## Income tax expense

There was no income tax expense for the year ended 31 December 2025 (2024: nil).

## Loss for the year

Due to the combined effect of the aforesaid factors, we recorded a loss of approximately S\$3,012,000 for the year ended 31 December 2025, representing an increase of approximately S\$2,600,000 as compared to the loss of approximately S\$412,000 for the year ended 31 December 2024.

## Liquidity and Financial Resources and Capital Structure

As at 31 December 2025, the Group had total assets of approximately S\$14,604,000 (2024: approximately S\$16,865,000), which is financed by total liabilities and shareholders' equity (comprising share capital, share premium and retained earnings) of approximately S\$4,048,000 (2024: approximately S\$2,924,000) and approximately S\$10,556,000 (2024: approximately S\$13,941,000) respectively. The current ratio as at 31 December 2025 of the Group was approximately 2.5 times (2024: approximately 3.9 times).

As at 31 December 2025, the Group had cash and cash equivalents of approximately S\$703,000 (2024: approximately S\$624,000) which were placed with major banks in Singapore and Hong Kong.

The bank borrowings and lease liabilities of the Group as at 31 December 2025 was approximately S\$582,000 (2024: approximately S\$1,076,000). The gearing ratio (calculated based on bank borrowings and lease liabilities divided by total equity) of the Group as of 31 December 2025 was 5.5% (2024: 7.7%).

## Foreign Exchange Exposure

The Group transacts mainly in Singapore dollars, which is the functional currency of all the Group's operating subsidiaries. However, the Group retains a large part of its proceeds from the Share Offer in Hong Kong dollars which contributed to a foreign exchange gain of approximately S\$12,000 (2024: loss of approximately S\$3,000) as Hong Kong dollars appreciated (2024: depreciated) against Singapore dollars.

# Management Discussion and Analysis

## Future Plans for Material Investments and Capital Assets

Save as disclosed in the Company's prospectus dated 6 October 2017 (the "Prospectus") and in this report, the Group did not have other plans for material investments or capital assets as of 31 December 2025.

## Material Acquisitions and Disposals of Subsidiaries, Associates and Joint Ventures

During the year ended 31 December 2025, except for disclosed elsewhere in the announcement, the Group did not have any material acquisitions or disposals of subsidiaries, associates or joint ventures.

## Significant Investments Held

The Group did not hold any significant investments during the year ended 31 December 2025.

## Contingent Liabilities

Performance guarantees were given by financial institutions and insurance companies on behalf of the Group to certain suppliers. The Group in turn, provides a counter indemnity to the financial institutions and insurance companies. The aggregate amount of the performance guarantees given by the financial institutions and insurance companies was S\$520,000 as at 31 December 2025 (2024: S\$670,000).

## Capital Commitments

As at 31 December 2025, the Group had no capital commitment contracted for purchase of property, plant and equipment (2024: S\$71,000).

## Employee Information and Remuneration Policies

As at 31 December 2025, the Group had an aggregate of 120 employees (2024: 121).

The employees of the Group are remunerated according to their job scope and responsibilities. The local employees are also entitled to discretionary bonus depending on their respective performance. The foreign workers are employed on one or two year contractual basis and are remunerated according to their work skills.

Total staff costs, including Directors' emoluments, amounted to approximately S\$6,035,000 for the year ended 31 December 2025 (2024: approximately S\$6,527,000).

The Group did not experience any significant problem with our employees or disruptions to our operations due to labour disputes, nor did the Group experience any difficulty in the recruitment and retention of experienced employees. The Group continues to maintain a good relationship with our employees.

# Management Discussion and Analysis

## Prospects

The Group continues to strive towards providing customers with timely delivery and storage of their containers, while actively working to establish a comprehensive one-stop service model. This model will not only encompass efficient storage solutions but also include assistance with purchasing, packaging, design, consultation, setup, and research and development. Additionally, we plan to engage robust power line system and energy-saving services business. This initiative is driven by the increasing demand for sustainable energy solutions and the global shift towards greener technologies. By leveraging our existing capabilities, we can effectively tap into emerging market opportunities within the energy sector. This strategic initiative not only enhances our growth strategy but also strengthens our overall competitiveness and market share in Singapore and Hong Kong.

As we navigate a challenging economic landscape, particularly with the significant deceleration of the Singapore economy since the end of last year, we recognize the critical factors contributing to this slowdown. The ongoing contractions in trade-related sectors, exacerbated by the global downturn in manufacturing and trade, especially in the electronics sector, pose notable challenges to our operations. Given the current industry conditions, rising operating costs, and declining cargo volumes, it may be prudent to evaluate strategic options for the business. Exploring a potential sale while the company still has operational value could allow us to realize a fair return and mitigate future risks.

Despite these hurdles, the Group is poised to adapt and thrive. Management remains vigilant in monitoring global trade dynamics and is engaged in ongoing dialogue with our customers to better understand their evolving needs and the broader market environment. Given the prevailing uncertainty in the global trade economy, the Group adopts a prudent approach to its expansion plans. We remain committed to fostering resilience and adaptability in our operations, ensuring that we are well-positioned to seize future growth opportunities while maintaining a customer-centric focus.

## Pledge of Assets

As at 31 December 2025, the carrying amounts of the Group's properties and bank deposits of S\$658,000 and S\$540,000 respectively were pledged for the Group's secured bank borrowings.

## Share Option Scheme

The Company has a share option scheme (the "Share Option Scheme") which was approved and adopted by the sole shareholder of the Company by way of written resolutions passed on 25 September 2017 and has been amended on 30 June 2025. Details of the Share Option Scheme can be found on Appendix IV to the Prospectus and the circular of the Company dated 5 June 2025.

# Management Discussion and Analysis

Movements in the share options granted under the Share Option Scheme during the year ended 31 December 2025 is set out below:

	Date of grant	Exercisable period	Exercise price HK\$	Closing price per share immediately before the date of grant HK\$	No. of options outstanding as at 1 January 2025	Lapsed/ cancelled during the year	No. of options outstanding as at 31 December 2025	Approximate percentage of the underlying shares for the options in the issued shares of the Company as at 31 December 2025
<b>Employees</b>	20 January 2022	20 January 2022 to 19 January 2025	2.026	0.102	1,221,156	(1,221,156)	– (Note)	–
					1,221,156	(1,221,156)	–	–

Note:

Options have been granted to 3 employees. Each of them have 407,052 Options

The Share Option Scheme will expire on 17 October 2027.

There were 1,221,156 share options lapsed upon expiry of the exercise period on 19 January 2025, other than that there was no option has been granted, exercised, cancelled or lapsed under the Share Option Scheme during the year ended 31 December 2025. The number of options available for grant under the scheme mandate of the Share Option Scheme at the beginning and the end of the financial year 2025 (the "FY2025") were 4,170,880 Shares and 16,683,520 Shares respectively. The total number of Shares available for issue under each of the Share Option Scheme (including options granted but not yet exercised and options available for issue) was 16,683,520 Shares, representing approximately 10.0% of the total number of issued Shares as at the date of the this report.

# Directors and Senior Management Profile

## EXECUTIVE DIRECTOR

**Ms. Fung Mee Kuen (“Ms. Fung”)**, aged 66, is our executive Director. Ms. Fung has over 20 years’ experience in sales and marketing, management and finance industry. She is experienced in financial investment and human resources management. She was a senior management of a sizable finance company which responsible for the risk management, business development, finance and internal control.

## INDEPENDENT NON-EXECUTIVE DIRECTORS

**Mr. Cheung Wai Kin (“Mr. Cheung”)**, aged 44, is our independent non-executive Director appointed on 23 August 2021. Mr. Cheung is a member of the Hong Kong Institute of Certified Public Accountants and he has over 14 years accounting and auditing experience. Since 27 September 2017, Mr. Cheung has been appointed as the independent non-executive director of Capital VC Limited (Stock Code: 2324), securities of which are listed on the main board of the Stock Exchange.

**Ms. Li HongJing**, aged 43, is our independent non-executive Director appointed on 1 July 2024. Ms. Li HongJing has over 15 years of management experience in education and human resources industries.

**Ms. Wong Shuk Yee Camilla (“Ms. Wong”)**, aged 56, is our independent non-executive Director appointed on 26 January 2022. Ms. Wong graduated from The University of Birmingham with Master of Social Science (Money Banking and Finance). Ms. Wong has over 12 years of financial planning and management experiences. She is the member of The Chinese Institute of Certified Financial Planners and Institute of Financial Planners of Hong Kong and she also qualified as Life Underwriter Training Council Fellow.

## COMPANY SECRETARY

**Ms. Jim Shuk Yan (“Ms. Jim”)**, aged 37, is the company secretary of our Company. Ms. Jim does not at as an individual employee of our Company, but as an external service provider. Ms. Jim is the sole proprietor of Ignitions CPA & Co. since 2019, and a practicing partner of The Dawn CPA & Co. since 2023. Ms. Jim received a Bachelor of Arts (Honours) in Accountancy from the Edinburgh Napier University and is a fellow member of the Hong Kong Institute of Certified Public Accountants. She has accumulated extensive experience in accounting and audit field.

# Corporate Governance Report

The Board believes that good corporate governance is essential for efficient and effective management of our business to safeguard the interest of our stakeholders and achieve the highest return for our shareholders.

The Company's corporate governance practices are based on the principles and code provisions as set out in the Corporate Governance Code and Corporate Governance Report (the "CG Code") in Appendix 15 of the GEM Listing Rules. In the opinion of the Board, the Company has complied with the CG Code from 1 January 2025 to 31 December 2025 Code Provision A.2.1 of the CG Code — segregation of the roles of chairman and chief executive officer.

Details of the corporate governance practices in compliance with the CG code under the principle of "Comply or Explain" are set out in this Corporate Governance Report, which is reviewed and approved by the Board.

## REQUIRED STANDARD OF DEALINGS FOR DIRECTORS' SECURITIES TRANSACTIONS

The Company has adopted the required standard of dealings regarding securities transactions by the Directors as set out in Rules 5.48 to 5.67 of the GEM Listing Rules (the "Required Standard of Dealings"). The Company had made specific enquiries with all the Directors and each of them had confirmed his/her compliance with the Required Standard of Dealings during the year ended 31 December 2025.

## THE BOARD OF DIRECTORS

The Board is comprised of four members, with one executive Director ("ED") and three independent non-executive Directors ("INED") as presented in below table. The Board considers that it has fulfilled the principles and requirements set out in code provision A.1.1.

Name	Role	Years of Services	No. of Attendance/ No. of Meeting	
			AGM	Board Meeting
1 Ms. Fung Mee Kuen	ED	4.3 years	1/1	11/11
2 Mr. Cheung Wai Kin	INED	4.3 year	1/1	11/11
3 Ms. Li HongJing	INED	1.5 year	1/1	11/11
4 Ms. Wong Shuk Yee Camilla	INED	3.9 year	1/1	11/11

On an annual basis, the Directors must disclose to the Company the number and nature of offices they hold in public companies or organizations and/or other significant commitments. The Board is of the view that all our Directors have devoted sufficient time and attention to their duties and the Company's affairs.

### Chairman and Chief Executive Officer

Code Provision A.2.1 of the CG Code provides that the roles of chairman and chief executive officer should be separate and should not be performed by the same individual. Currently, the Company does not have a director acting as the chairman and the chief executive officer. Therefore, the Directors consider there is no deviation from Code Provision A.2.1 of Appendix 15 to the GEM Listing Rules.

The Board will continue to review the effectiveness of the corporate governance structure of our Group in order to assess whether separation of the roles of the chairman and chief executive officer is necessary.

# Corporate Governance Report

## Directors' Independence

The Board has reviewed the relationship among all Directors and is satisfied that they are independent from any financial, business, family or other material/relevant relationship(s).

Each independent non-executive director has provided their annual independence confirmations based on which the Board is satisfied that all independent non-executive directors are independent and in compliance with the independence guidelines set out in the GEM Listing Rules 5.09.

## Directors' Training and Continuous Professional Development

Directors are aware of Code Provision A.6.5 regarding continuing professional development programme for directors. Every director is required to keep abreast of his responsibilities as a Director and of the conduct, business activities and development of the Company.

On appointment to the Board, each Director receives a comprehensive induction package covering business operations, policy and procedures of the Company as well as the general, statutory and regulatory obligations of being a Director to ensure that he/she is sufficiently aware of his/her responsibilities under the GEM Listing Rules and other relevant regulatory requirements.

The Directors are regularly updated and apprised of the amendments to or updates on the relevant laws, rules, regulations and guidelines, particularly the effects of such new or amended laws, rules, regulations and guidelines on directors specifically, and the Company and the Group generally. On an ongoing basis, Directors are encouraged to keep up-to-date on all matters relevant to the Group and to attend briefings, seminars and relevant training courses as appropriate.

During the year ended 31 December 2025, all Directors have participated in continuing professional development by attending training courses organised by the Company and reading relevant materials on topics related to corporate governance and regulatory matters. The Directors have confirmed that they have received the trainings as follows:

Name of Directors	Type of trainings
Ms. Fung Mee Kuen	A, B
Ms. Wong Shuk Yee Camilla	A, B
Mr. Cheung Wai Kin	A, B
Ms. Li HongJing	A, B

A: attending seminars/conferences/forums

B: reading newspapers, journals and updates relating to the economy, general business, corporate governance and directors' duties and responsibilities

## Directors' Responsibilities and Accountabilities

The Board is ultimately responsible for formulating the Group's strategy, developing sustainable business, maintaining a well-balanced and diversified board, preparing true and fair financial statements, and other functions and matters assigned to the Board as set out in the GEM Listing Rules and Articles of Association of the Company.

It is our policy that important matters, such as entering into major contracts and transaction, providing or accepting financial assistance and guarantee must be reserved to the decisions of Board pursuant to the Articles of Association and internal policies of the Company. In overall, the Directors of Board are well aware that they must act in the best interest of the Group and its shareholders.

Our executive director and other senior management of the Group is responsible for the daily management, the execution of Board's decision and plan and the implementation of risk management and internal controls.

## Corporate Governance Function

The Board, as a whole, is responsible for the Corporate Governance function of the Group. The main responsibilities include:

- (a) Develop and review the Company's policies and practices on corporate governance and make recommendations to the Board;
- (b) Review and monitor the training and continuous professional development of Directors and senior management of the Company;
- (c) Review and monitor the Company's policies and practices on compliance with legal and regulatory requirements;
- (d) Develop, review and monitor the code of conduct and compliance manual (if any) applicable to employees and directors of the Company; and
- (e) Review the Company's compliance with the corporate governance code and disclosure in the Corporate Governance Report of the Company.

# Corporate Governance Report

## Directors' Rights

The Directors may, where appropriate, seek independent professional advice for performing their duties of the Group, at the expense of the Group. Directors shall disclose the details of their other duties to the Group and the Board of Directors regularly reviews the contributions of the Directors in the discharge of their duties with the Group.

## Directors' Terms of Appointment

All executive Directors, non-executive Directors and independent non-executive Directors are appointed for a specific initial term of three years, subject to re-election or earlier determination in accordance with the Company's Articles of Association and/or applicable laws and regulations.

At each annual general meeting one-third of the Directors (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting at least once every three years.

## Directors' Insurance Coverage

The Company has in place appropriate insurance coverage on Directors' liabilities in respect of any legal actions taken against Directors out of corporate activities. The insurance coverage is reviewed on an annual basis by the Company.

## BOARD COMMITTEES

The Board has established three Board Committees, namely the Audit Committee (the "Audit Committee"), the Remuneration Committee (the "Remuneration Committee") and the Nomination Committee (the "Nomination Committee"). All three Board Committees are established, empowered and accountable for duties under relevant terms of references which are available on the Company's and HKEx's websites.

Our Company Secretary is also the company secretary of three Board Committees and is responsible for maintaining full minutes of the three Board Committees which are open for inspection at any reasonable time on reasonable notice by any of our director.

## Audit Committee

The Board has established an Audit Committee, composing of three independent non-executive Directors, in compliance with the code provision of the Corporate Governance Code set out in Appendix 15 of the GEM Listing Rules.

The Audit Committee's written terms of reference is adopted on 14 October 2017 and revised on 31 December 2018. The Audit Committee should hold four regular meetings in a year and the necessary quorum shall be at least two, including an independent non-executive Director. Mr. Cheung Wai Kin is the chairman of the Audit Committee and has professional qualifications and experience in accounting and financial management as stipulated in the GEM Listing Rules.

# Corporate Governance Report

For the financial year ended 31 December 2025, the Audit Committee has fulfilled its main responsibilities including, but not limited to:

1. Review and monitor the relationship with the Company's auditors, including being acting as the key representative body for overseeing the Company's relations with the external auditor, and to be primarily responsible for making recommendations to the Board on the appointment, reappointment and removal of the external auditor, and to approve the remuneration and terms of engagement of the external auditor, and to consider any questions of their resignation or dismissal;
2. Review of the Company's financial information, including monitoring integrity of the Company's financial statements and annual report and accounts, half-year report and quarterly reports, and reviewing significant financial reporting judgments contained in them before submission to the Board.
3. Oversight of the Company's financial reporting system, risk management and internal control systems, including but not limited to:
  - (a) Review the Company's financial controls, and unless expressly addressed by a separate Board risk committee, or by the Board itself, to review the Company's risk management and internal control systems;
  - (b) Discuss the risk management and internal control systems with management to ensure that management has performed its duty to have risk management and effective systems;
  - (c) Review the Company and its subsidiaries' financial and accounting policies and practices;
  - (d) Ensure the internal audit function is adequately resourced and has appropriate standing within the Company, and to review and monitor its effectiveness; and
  - (e) Review the external auditor's management letter, any material queries raised by the auditor to management about accounting records, financial accounts or systems of control and management's response.

For the financial year ended 31 December 2025, the Audit Committee has held 5 meetings and the attendance of the members is as follows:

<b>The Audit Committee</b>	<b>Position</b>	<b>Key Qualification, Experience or Expertise</b>	<b>No. of Attendance/ No. of Meeting</b>
Mr. Cheung Wai Kin	Chairman	Member of the Hong Kong Institute of Certified Public Accountant	5/5
Ms. Li HongJing	Member	Business management experience	5/5
Ms. Wong Shuk Yee Camilla	Member	Financial services experience	5/5

# Corporate Governance Report

The chairman of the Committee or in his absence, another member of the Committee or failing this, his duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to respond to questions at the Annual General Meeting on the Committee's work and responsibilities.

## Remuneration Committee

The Board has established a Remuneration Committee, composing of three independent non-executive Directors, in compliance with the code provision of the Corporate Governance Code set out in Appendix 15 of the GEM Listing Rules.

The Remuneration Committee's written terms of reference is adopted on 14 October 2017. The Remuneration Committee should meet at least once a year and the necessary quorum shall be at least two, including an independent non-executive Director. The Company adopts a remuneration committee model set out in B.1.2 (c) (i) of Appendix 15 of the GEM Listing rules.

For the financial year ended 31 December 2025, the Remuneration Committee has fulfilled its main responsibilities including, but not limited to:

1. Make recommendations to the Board on the Company's policy and structure for all directors' and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy;
2. Review and approve the senior management's remuneration proposals with reference to the Board's corporate goals and objectives;
3. Make recommendations to the Board on the remuneration packages of executive directors, non-executive directors and senior management;
4. Ensure that no director or any of his associates is involved in deciding his own remuneration.

For the financial year ended 31 December 2025, the Remuneration Committee has held three meetings.

<b>The Remuneration Committee</b>	<b>Position</b>	<b>Key Qualification, Experience or Expertise</b>	<b>No. of Attendance/ No. of Meeting</b>
Ms. Wong Shuk Yee Camilla	Chairwoman	Financial services experience	4/4
Mr. Cheung Wai Kin	Member	Member of the Hong Kong Institute of Certified Public Accountant	4/4
Ms. Li HongJing	Member	Business management experience	4/4

The chairwoman of the Committee or in her absence, another member of the Committee or failing this, her duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to respond to questions at the Annual General Meeting on the Committee's work and responsibilities.

# Corporate Governance Report

## Nomination Committee

The Board has established a Nomination Committee, composing of three independent non-executive Directors, in compliance with the code provision of the Corporate Governance Code set out in Appendix 15 of the GEM Listing Rules.

The Nomination Committee's written terms of reference is adopted on 14 October 2017 and revised on 31 December 2018. The terms of reference requires that the Nomination Committee should meet at least once a year and the necessary quorum shall be at least two, including an independent non-executive Director.

For the financial year ended 31 December 2025, the Nomination Committee has fulfilled its main responsibilities including, but not limited to:

1. review the structure, size and composition (including the gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service) of the Board at least annually and make recommendations on any proposed changes to the Board to complement the Company's corporate strategy, with due regard to the diversity of the Board;
2. identify individuals suitably qualified to become Board members and select or make recommendations to the Board on the selection of individuals nominated for directorships;
3. assess the independence of INEDs;
4. Implement and review the board diversity policy (the "Board Diversity Policy"), as appropriate, recommend any revisions of the Board Diversity Policy to the Board; review the measurable objectives that the Board has set for implementing the Board Diversity Policy, and the progress on achieving the objectives; and disclose the Board Diversity Policy or a subsidiary of such policy, in particular, the measurable objectives that it has set for implementing the Board Diversity Policy and the progress on achieving the objectives and its review results in the Company's corporate governance report annually; and
5. Develop, review and disclose the policy for nomination of directors (the "Nomination Policy"), as appropriate, in the Company's corporate governance report annually. The Nomination Policy shall set out, inter alia, the nomination procedures, process and criteria to select and recommend candidates for directorship.

For the financial year ended 31 December 2025, the Nomination Committee has held four meetings.

<b>The Nomination Committee</b>	<b>Position</b>	<b>Key Qualification, Experience or Expertise</b>	<b>No. of Attendance/ No. of Meeting</b>
Ms. Li HongJing	Chairwoman	Business management experience	4/4
Mr. Cheung Wai Kin	Member	Member of the Hong Kong Institute of Certified Public Accountant	4/4
Ms. Wong Shuk Yee Camilla	Member	Chartered Accountant of Singapore	4/4

# Corporate Governance Report

The chairman of the Committee or in his absence, another member of the Committee or failing this, his duly appointed delegate, shall attend the annual general meeting of the Company and be prepared to respond to questions at the Annual General Meeting on the Committee's work and responsibilities.

## Nomination Policy

The Board has established key principles, selection criteria and procedures to select and recommend suitable candidates for directorship. The Nomination Committee shall consider a variety of factors in assessing the suitability of a proposed candidate, including but not limited to the following criteria:

- (a) Board Diversity Policy;
- (b) Reputation;
- (c) Independence;
- (d) Commitment to the Group;
- (e) Qualification, experience and achievements that are relevant and appropriate to the Group's business; and
- (f) any other relevant and significant factors as may be considered by the Board.

## Board Diversity Policy

The Company recognises and embraces the benefits of having a diverse Board as an essential element to improving governance and performance, and to creating a competitive advantage. In designing the Board's composition, measurable objectives of the board diversity has been considered from a number of aspects, including but not limited to gender, age, cultural and educational background, ethnicity, professional experience, skills, knowledge and length of service.

The ultimate decision will be based on merit and contribution that the selected candidates will bring to the Board, having regard to the benefits of diversity on the Board and also the needs of the Board without focusing on a single diversity aspect. All Board appointments are made on merit, in the context of the skills, experience, independence and knowledge which the Board as a whole requires to be effective.

The Board, through the Nomination Committee, review the structure, size and composition of the Board from time to time to ensure that it has a balanced composition of skills and experience appropriate to the requirements of the Company's business, with due regard to the benefits of diversity of the Board.

## DIRECTORS' RESPONSIBILITY FOR FINANCIAL STATEMENTS

The Directors are aware of their obligations to prepare true and fair financial statements on an on-going basis in accordance in accordance with applicable statutory requirements and accounting standards.

The Directors are not aware of any material uncertainties that may affect the business of the Group or raise significant questions about the Group's ability to operate on an on-going basis.

## COMPANY SECRETARY

Ms. Jim Shuk Yan is the company secretary of the Company as appointed pursuant to Rule 5.14 of the GEM Listing Rules.

Ms. Jim does not act as an individual employee of the Company, but as an external service provider. Pursuant to paragraph F.1.1 of the CG Code, the Company can engage an external service provider as its company secretary, provided that the Company should disclose the identity of a person with sufficient sensitivity at the Company whom the external provider can contact, in this respect, the Company has nominated Ms. Fung Mee Kuen, an executive Director, as its contact point for Ms. Jim. Ms. Jim has taken no less than 15 hours of relevant professional training for the year ended 31 December 2025.

## DIVIDEND POLICY

Provided that the Group is profitable and without affecting the normal operations of the Group, the Company may consider to declare and pay dividends to the shareholders of the Company.

In deciding whether to propose a dividend and in determining the dividend amount, the Board shall take into account various factors, which include, but are not limited to, the operating results and performance, cash flow, financial position, capital requirements and future prospects of the Group, as well as the interests of the shareholders of the Company. Declaration and payment of dividend by the Company are also subject to the laws of the Cayman Islands, the memorandum and articles of association of the Company and any applicable laws, rules and regulations.

For the avoidance of doubt, there can be no assurance that a dividend will be proposed or declared in any specific period. The Board will review the Dividend Policy on a regular basis. Any dividend will be subject to shareholders' approval.

## AUDITOR'S STATEMENT AND REMUNERATION

A statement by the Group's auditors on their reporting obligations in respect of the Group's financial statements for the year ended 31 December 2025 is set out in the "Report of the Independent Auditor" section of the annual report.

The remuneration of external auditors of the Company, McMillan Woods (Hong Kong) CPA Limited, in respect of audit services and non-audit services for the year ended 31 December 2025 is set out below:

Services Rendered:	Fees paid/payable	
	2025 S\$000	2024 S\$000
Annual audit services	125	130
Non-audit services	–	–
Total	125	130

# Corporate Governance Report

## RISK MANAGEMENT AND INTERNAL CONTROLS

The Board is responsible for identifying, evaluating, and monitoring key risks associated with its financial, operational and compliance activities. It is also committed to establishing an effective risk management and internal control systems to manage the Group's key risk to a reasonable level.

The Management of the Company adopts a risk assessment process to identify and evaluate key risks or concerned areas in accordance to the significance of effect and likelihood of occurrence. The Board and Audit Committee have reviewed risk assessment, designed and implemented relevant risk responses and internal controls.

The Group does not have an internal audit department. The Board and the Audit Committee have reviewed the need for an internal audit function and consider it more cost-effective to appoint external independent professionals to independently review and continuously evaluate the Group's internal monitoring systems and risk management systems, taking into account the size and nature of the Group. The Board will review the need for an internal audit function at least once a year.

For the financial year ended 31 December 2025, the Company has engaged an independent internal control consultant firm (the "Internal Control Consultant") to review the key business process and internal control systems, policies and procedures from financial, operational and compliance aspects and in accordance to the approved risk assessment and internal audit plan. The Internal Control Consultant has also submitted its independent report, inclusive of the findings and recommendations, to the Board and Audit Committee.

The Board and the Audit Committee hold a view that the risk management and internal control system of the Group are effective and adequate based on their review of report submitted by the Internal Control Consultant, the confirmation they obtained from management on the effectiveness of the Group's risk management and internal control systems, their own understanding of the Company's key risks, policies and procedures, and all other important facts and information known to them.

### Inside Information Procedures

The Company has established the following inside information procedure pursuant to the Securities and Futures Ordinance (Cap. 571) (the "SFO") Part XIVA.

1. The Directors and senior management of the Company shall establish an effective system to identify and report inside information that is specific about the Company, not generally known to the public and that has impact on the price of the Company's securities;
2. The Directors, as soon as they are aware of any inside information, shall assess the information and document the process and result of the assessment, particularly in relation to the disclosure and confidentiality requirement;
3. The Directors and senior management and any relevant persons who might have access to the inside information shall not to deal in the Company's securities when they are in possession of unpublished inside information;
4. The Directors and senior management and any relevant persons who might have access to the inside information shall take reasonable due care for safeguarding the confidentiality of unpublished inside information;
5. The Directors shall ensure timely, fair and comprehensive dissemination of inside information, in principle of maintaining a fair and informed market, including issuing announcements and/or requesting trading halt in situation of unexpected and significant event.

## SHAREHOLDERS' RIGHT

The Group is dedicated in providing shareholders and investors with accurate and timely information regarding the Group's financial and operational performance, important development and major events through annual, interim reports and announcements. All published information is uploaded to the Group's website at <https://www.cnlimited.com/>.

### Right to Convening an Extraordinary General Meeting

The procedure to convene an extraordinary general meeting is set out in the Article of the Company effective from 18 October 2017. The Board may whenever it thinks fit call extraordinary general meetings. Any one or more Members holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the Secretary of the Company, to require an extraordinary general meeting to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition.

If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionist(s) himself (themselves) may do so in the same manner, and all reasonable expenses incurred by the requisitionist(s) as a result of the failure of the Board shall be reimbursed to the requisitionist(s) by the Company.

### Right to make enquiries to the Board

Shareholders may send their enquiries and concerns, in written form, to the Board by addressing them to the Company Secretary at the Company's principal place of business in Hong Kong: 21st Floor, CMA Building, 64 Connaught Road Central, Hong Kong. Shareholders may also make enquiries to the Board at the general meeting of the Company.

In addition, shareholders can contact Union Registrars Limited, the branch share registrar of the Company in Hong Kong, if they have any enquiries about their shareholdings and entitlements to dividend.

### Procedures for putting forward proposals at shareholders' meetings

To put forward proposals at a shareholders' meeting of the Company, a shareholder should lodge a written notice of his/her proposal with his/her detailed contact information at the Company's principal place of business in Hong Kong. The request will be verified with the Company's branch share registrar in Hong Kong and upon their confirmation that the request is proper and in order, the Board will be asked to include the proposal in the agenda for the general meeting.

## INVESTORS' RELATIONSHIP

During the period from Listing Date to 31 December 2025, there had been some changes in the Company's constitutional documents with effect on 30 June 2023. The Articles of Association of the Company are available on the websites of the Company and The Stock Exchange.

# Environmental, Social and Governance Report

## OUR VISION FOR SUSTAINABILITY

This Environmental, Social and Governance Report (the “ESG Report”) issued by C&N Holdings Limited (“C&N”, the “Company”, or “We”) outlines the initiatives, policies, data and relevant Key Performance Index (“KPI”) of the Company and its subsidiaries (collectively referred to the “Group”) in supporting our sustainable development and the performance from the Environmental, Social and Governance (“ESG”) aspects.

We have a goal to be a responsible enterprise which is dedicated in continuously improving our business and operation, and manage relevant and material issues of our business with respect to sustainability.

The Group has complied with all the “comply or explain” provisions set out in the Environmental, Social and Governance Reporting Guide (“ESG Reporting Guide”) set out in Appendix 20 to the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (“SEHK”). We also include a complete index of compliance with the ESG Reporting Guide at the end of the ESG Report for reference.

## REPORTING PERIOD, BOUNDARY AND PRINCIPLES

This ESG report is prepared in compliance with the provisions of ESG Reporting Guide.

This ESG report covers the financial year ended 31 December 2025 (“Reporting Period”) and confines to the scope relating to our principal activities, which is the provision of transport and storage services to the logistics industry in Singapore, primarily trucking and hubbing services where:

- Trucking services refer to the delivery of cargo, primarily containers, from the customers’ designated pick-up point to their designated delivery point.
- Hubbing services refer to the handling and storage of laden and empty containers at our logistic yards or other locations designated by our customers.

We also follow the principles of Materiality, Quantitative and Consistency and apply a consistent methodology in setting out relevant materiality, quantitatively measurement and reporting scope and format which is considered relevant and significant to the Group.

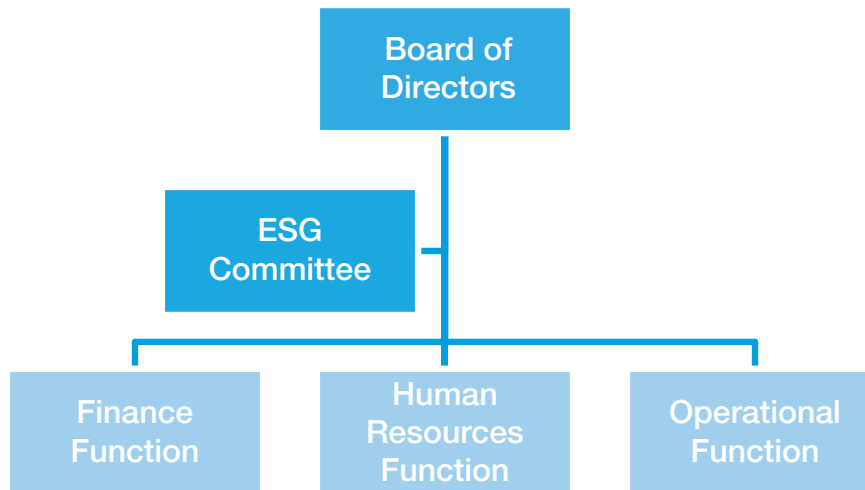
## OUR ESG GOVERNANCE STRUCTURE

The ultimate responsibilities for formulating ESG strategy, identifying ESG key matters, implementing ESG initiatives and policies, monitoring ESG performance, collecting and calculating ESG data and approving this ESG report are rested with The Board of directors (‘the “Board”) of our Group.

Under a written Terms of Reference, the Group has also established an ESG Committee, chaired by an Executive Director and other members holding the responsible persons position of our finance, human resources and operational department functions. The ESG Committee is responsible for executing the delegated duties of the Group in relation to ESG matters.

The ESG Committee also has the right to freely access the Group’s facts and information as to discharge its duties and the right to engage external professional assistance at the cost of the Group for matters relating to ESG reporting.

# Environmental, Social and Governance Report



## Management Approach

The Group has set out a systematic management approach to evaluate, prioritize and manage material ESG-related issues, including the following key steps.

1. Performing a risk assessment as to identify significant entities and activities of the Group
2. Performing a risk assessment as to identify significant risks and matters of the Group
3. Communicate with stakeholders as to collect and collaborate ESG concerns important to them
4. Conduct an internal assessment as to set out reporting scope and boundaries
5. Establish relevant ESG policies to implement the Group's important ESG initiatives
6. Ensure the effectiveness of important ESG initiatives
7. Keep record of sufficient ESG data for reflecting the effectiveness of ESG initiatives
8. Establish realistic and measurable ESG goals and targets and comparing them with actual performance
9. Launching remedial actions to meet with established goals and targets or to finetune them
10. Prepare and Submit ESG report for Board's approval

## COMMUNICATION WITH STAKEHOLDERS

Our stakeholders are those who affect our business or who are affected by our business.

We actively communicate with our stakeholders and are devoted to continuous improvement of our communication system. The Directors and Management of the Group has put tremendous effort in listening to both its internal and external stakeholders. The Group highly values the feedback from its stakeholders and takes initiative to build a trustful and supportive relationship with them through their preferred communication channels.

# Environmental, Social and Governance Report

We consider that Government Authorities, Investors & Shareholders, Employees, Customers, Suppliers and the Communities are our key stakeholders. The following table presents our communication channels with our stakeholders and their concerned matters.

Key Stakeholders	Communication Channels	Stakeholders' Concerned Matters
<b>Government Authorities</b>	<ul style="list-style-type: none"> <li>☑ Regulatory updates/circulars</li> <li>☑ inspections</li> <li>☑ Site visits</li> <li>☑ Through our professional advisor</li> </ul>	<ul style="list-style-type: none"> <li>◆ Legal compliance</li> <li>◆ Work safety</li> <li>◆ Environmental protection</li> <li>◆ Prevention of tax evasion</li> <li>◆ Social welfare</li> </ul>
<b>Investors &amp; Shareholders</b>	<ul style="list-style-type: none"> <li>☑ Annual general meeting</li> <li>☑ Announcements and disclosures</li> <li>☑ Interim/Annual Reports</li> <li>☑ Corporate website and emails</li> </ul>	<ul style="list-style-type: none"> <li>◆ Business strategies and performance</li> <li>◆ Performance and Profitability</li> <li>◆ Investment returns</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>☑ Regular management meetings</li> <li>☑ Performance Evaluation</li> <li>☑ Training</li> </ul>	<ul style="list-style-type: none"> <li>◆ Remuneration and benefits</li> <li>◆ Work health and safety</li> <li>◆ Career development</li> <li>◆ Staff training</li> <li>◆ Working environment</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>☑ Sales Representative visit</li> <li>☑ Customer hotline</li> <li>☑ After-sales services</li> <li>☑ Interim/Annual Reports</li> <li>☑ Site visits</li> </ul>	<ul style="list-style-type: none"> <li>◆ Service Quality</li> <li>◆ Delivery times</li> <li>◆ Reasonable pricing</li> <li>◆ Work safety</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>☑ Web sites</li> <li>☑ Product quality inspection</li> </ul>	<ul style="list-style-type: none"> <li>◆ Stable demand</li> <li>◆ Product quality</li> </ul>
<b>Community</b>	<ul style="list-style-type: none"> <li>☑ Community events</li> <li>☑ Employee voluntary activities</li> </ul>	<ul style="list-style-type: none"> <li>◆ Employment and community</li> <li>◆ Environmental protection</li> <li>◆ Social welfare</li> </ul>

We aim to collaborate with our stakeholders to improve our ESG performance and create greater value for the wider community continuously.

## MATERIALITY ASSESSMENT

In the preparation of this report, our ESG Committee gathers important facts and information through continuous communications with our stakeholders, particularly those in relation to our operating practices, employment practices, and environmental Performance/Impact. The ESG Committee has further analyzed those facts and information, collated them with industry reference and evaluated them against materiality, quantitative measures, balance and consistency of this ESG report.

# Environmental, Social and Governance Report

The ESG Committee has considered every provision of the ESG Reporting Guide and identified the 10 most concerned ESG issues for this report as presented below.

Concerned ESG issues	Relevant ESG Provision
1. Employment practices & labour standards	B1-Employment
2. Sustainability of business	B5-Supply Chain Management
3. Emission control	A1-Emissions
4. Supply Chain Management	B5-Supply Chain Management
5. Quality assurance	B5-Supply Chain Management
6. Employee health and safety	B2-Health & Safety
7. Efficient consumption	A2-Use of Resources
8. Customer services	B6-Product Responsibility
9. Staff development & training	B3-Development and Training
10. Ethical practice & Integrity	B7-Anti-corruption
11. Climate related	D-Climate-related Disclosures

The Board has reviewed and approved the assessment of the ESG Committee and has integrated the concerned ESG issues into the overall risk management framework and incorporated into regular internal review or internal audit plan on a rotation basis.

## Stakeholder's Feedback

Stakeholders' feedbacks on our ESG matters are highly welcomed. We will consider stakeholders' comments serious and take relevant actions (if any) to improve our overall ESG performance.

Our Stakeholders can provide their feedback to us at [business@cnilimited.com](mailto:business@cnilimited.com).

## CARE FOR OUR ENVIRONMENT

We have taken into account factors concerning environmental protection, and will continue to devote operating and financial resources on environmental compliance as required under applicable laws or regulations. These relate to air and greenhouse gas emissions ("GHG"), discharges into water and land, and generation of hazardous and non-hazardous waste, including, but not limited to The Environmental Protection and Management Act (Chapter 94A of Statutes of Singapore) ("EPMA").

### Environment

#### *Air & GHG Emission management*

The principal greenhouse gas ("GHG") emissions of the Group are direct GHG emissions from gasoline generated through logistic operation, energy indirect GHG emissions generated mainly from purchased electricity, and indirect GHG emissions mainly generated from paper consumption. We have implemented certain operational measures and minimized consumption by improving the efficiency of our workflow.

#### *Conservation Practices*

During daily operation and office administration, the Group generates GHG emissions directly or indirectly through resource consumption. To properly manage our GHG emissions, the Group actively adopts conservation and monitoring measures. We adopt digitized office to minimize paper usage, conduct regular vehicle maintenance and monitor fuel consumption, phase out any vehicles that fail to satisfy the standards of the national emission policy, purchase regular diesel and gasoline for vehicles, and conduct annual inspections to ensure the compliance with national emission standards, encouraging

# Environmental, Social and Governance Report

modern telecommunication system to avoid unnecessary travel arrangement; and encouraging employees to switch off IT devices such as computers and monitors when not in use. These are some of our conservation practices to increase our employees' awareness of reducing GHG emissions.

## **Our Environmental Compliance Status**

In the reporting period, the Group has complied with relevant laws and regulations that have a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste, including but not limited to:

- ☑ Environmental Public Health Act (EPHA) of Singapore.
- ☑ Environmental Protection and Management Act (EPMA) of Singapore.
- ☑ Hazardous Waste (Control of Export, Import and Transit) Act (HWA) of Singapore.



## **Use of Resources**

### **Consumption Efficiency Management**

The energy consumed by the Group in the operation are mainly electricity and diesel. The major energy consumption of the Group during its daily operation is electricity consumption in the operation, and gasoline consumption via logistic operation.

The Group regards reducing energy consumption and recycling of resources as priorities during operating processes. We keep improving our efficient minded management system and have implemented various resource conservation protocol and introduce more systematic software, which enable us to increase the efficiency of operation and thus reduce the consumption of diesel.

The Group is committed to establishing an electronic automated office. The office makes full use of the online system, while general business notices, communication and data transmissions are conducted through the internet system, and has established electronic workflows. Printing and copying are minimized to the largest extent to reduce paper usage, while double-side printing is also encouraged in the office.

The Group has formulated rules and regulations to achieve the goal of energy saving and efficient consumption. The relevant specific measures such as selecting energy-efficient equipment and electrical appliances, turning off all unnecessary lights, air conditioners, computers and other office equipment in office areas, forbidding the run of idle vehicles and equipment.

### **Water consumption**

In Singapore, water is supplied by the government and post no sourcing risk to our operation.

# Environmental, Social and Governance Report

The water consumption of the Group mainly comes from the office water consumption. We encourage all employees to develop the habit of conserving water consciously. The Group also discharges domestic sewage in our office premise during daily operation, which is discharged into the urban sewage pipe network. As water is supplied by the Government in Singapore and in consideration of our minimal water consumption needs, we do not have issues with sourcing water.

## Waste Management

Our operation did not generate significant amount of non-hazardous waste, including water wastage/pollution. The non-hazardous wastes generated by the Group's business activities are domestic waste and paper. Such wastes will eventually be collected and processed by general waste service providers.

## The Environment and Natural Resources

Through a series of measures to conserve electricity and diesel that have been introduced above, the Group continues to explore possible measure towards the building of a reliable, resilient and sustainable corporation that pioneers in the logistic industry in Singapore. The Group is committed to providing employees with a comfortable and green working environment to enhance work efficiency. The Group maintains office discipline and environmental hygiene and keeps the personal office area and public areas clean and tidy. We will deal with any identified problems and potential risks in time to maintain a sound working environment.

Our operation policy and process comply with all relevant environmental laws and regulations in relation to the waste disposal and environmental pollution management including Environmental Public Health Act, and Environmental Public Health (General Waste Collection) Regulations. In the Reporting Period, no non-compliance of the relevant regulations regarding emissions or environmental issues has been identified.

The ESG committee suggests a target reduction program on natural resource consumption as shown as below in the way of closely monitoring to minimize unnecessary usage and other principal mentioned in previous section.

RESOURCES	ACCUMULATED TARGET REDUCTION IN % ACHIEVING ON				
	2026	2027	2028	2029	2030
DIESEL <sup>1</sup>	1.4%	1.6%	1.8%	2.0%	2.2%
ELECTRICITY <sup>2</sup>	1.7%	1.9%	2.1%	2.3%	2.5%
WATER <sup>3</sup>	1.7%	1.9%	2.1%	2.3%	2.5%

### Reduction plans

- <sup>1</sup> enhance the maintenance and overhaul of equipment and maintain the condition of all vehicle regularly.
- <sup>2</sup> Promote and adopt energy-saving equipment. Turn off all unnecessary lights, air-conditioning and equipment.
- <sup>3</sup> Conduct checking and maintenance on water pipes to avoid any leakage of faucets and gaskets as well as other issues in the water supply system on a regular basis.

# Environmental, Social and Governance Report

## Climate Changes



In assessing the climate changes impact on the Group, the Group takes reference to the recommendations and approach set out by The Task Force of Climate-related Financial Disclosure (“TCFD”).

In alignment with the IFRS S2 Climate-related Disclosures framework, the Group has evaluated specific climate risks that could materially affect our business continuity.

The ESG Committee measures the climate change impact by the following two dimensions:

### Physical Risk

- Referring to direct damage to assets and indirect impacts from supply chain disruption that may have financial implications for the Group. Physical risk can be event driven (as “Acute Events risk”) or gradually shifted over in a period of time (as “Chronic Shift risk”).

### Transition Risk

- Referring to a situation where the transition to a lower-carbon economy may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change.

The ESG Committee has also put the following into the considerations:

1. The overall climate change situation and government initiatives in Singapore, such as
  - A. The Singapore Green Plan 2030 (SGP2030)
  - B. The Sustainable Singapore Blueprint (SSB) 2030
  - C. Climate Action Plan: Take Action Today, For a Carbon-Efficient Singapore
2. The trends and practices of the logistic industry in Singapore.
3. The particular business model and features of operations of the Group, of which the key features are:

#### Singapore's Feature

- Promoting the use of electricity cars
- Vehicle and Fuel standards are tightening
- No direct physical risk at large for Singapore at large

#### Industry's Feature

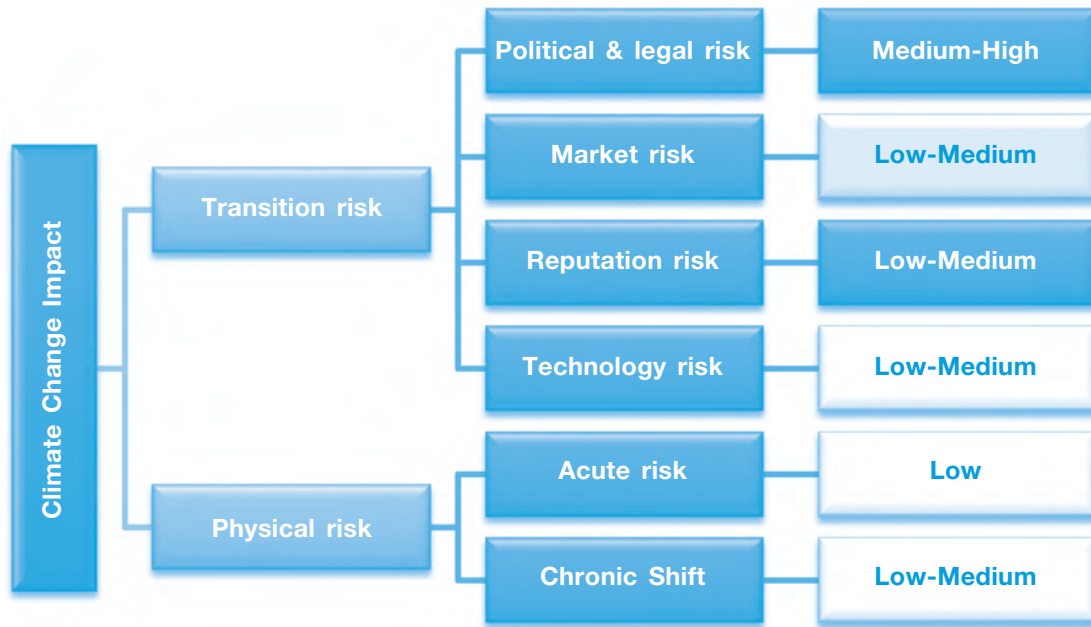
- Disruptive technology has not emerged yet
- No industry-specific regulation yet

#### Group's Features

- We have been optimizing our transportation route
- We have been using Euro VI standards trucks

# Environmental, Social and Governance Report

The ESG Committee has considered all relevant risks in relation to climate changes impact and believes that the Group is more likely to be subject to 1) Political & legal risk 2) Reputation risk and 3) Chronic Shift risk as graphically presented below.



## <Risk Level Consideration in relation to Climate Change Impact>

To the best judgement of the Group, the Group is considered to be subjected to the following climate change impacts to which the Group has developed relevant action plans to manage them as presented in below table. The Group is committed to monitor and update our climate changes impact from time to time.

Relevant Climate Change risk	Indicator	Potential Climate Change Impact on the Group
<b>Political &amp; Legal risk</b>	Singapore is on a trend of acquiring trucks and mover, eventually most type of vehicles to meet Euro VI emission standards.	The Group has been adopting a plan of using Euro VI compliant Vehicle.
<b>Political &amp; Legal risk</b>	Fuel cost may rise or may be subject to direct or indirect environmental tax.	The Group has a plan to negotiate a cost sharing scheme with customers if such risk is materialized.
<b>Reputation risk</b>	Our customers may have an expectation that require the Group to be environmentally friendly.	We have already put in place an ISO 14001 certified Environmental Management System.

# Environmental, Social and Governance Report

## ENVIRONMENTAL KEY PERFORMANCE INDICATORS

Emission Type	Indicator	FY2025	FY2024
Greenhouse gas <sup>1</sup>	Direct emissions — Scope 1 <sup>3</sup> (tonnes CO <sub>2</sub> )	<b>5,164</b>	7,426
	Indirect emissions — Scope 2 <sup>4</sup> (tonnes CO <sub>2</sub> )	<b>16</b>	24
	Indirect emissions — Scope 3 <sup>5</sup> (tonnes CO <sub>2</sub> )	<b>2</b>	6
Exhaust gas	Sulphur Dioxide (SO <sub>2</sub> ) — kg	<b>28</b>	46
	Nitrogen Oxides (NO <sub>x</sub> ) — kg	<b>4,098</b>	6,008
	Particulate Matter (PM) — kg	<b>268</b>	587

Major resource consumed	Unit	FY2025	FY2024	2025 Intensity
Water — processing	cm <sup>3</sup>	<b>256</b>	366	15
Electricity — processing	kWh	<b>38,226</b>	56,228	2,172
Diesel	liter	<b>1,466,448</b>	2,126,893	83,321
Paper	kg	<b>1,600</b>	1,800	91

Notes to above table:

- <sup>1</sup> GHG emissions data is presented in terms of carbon dioxide equivalent and are based on, but not limited to, “Guidelines to Account for and Report on Greenhouse Gas Emissions and Removals for Buildings (Commercial, Residential or Institutional Purposes) in Hong Kong” 2010 Edition and Appendix II: Reporting Guidance on Environmental KPIs” issued by the Hong Kong Stock Exchange.
- <sup>2</sup> Intensity is calculated by the emissions by the Group’s revenue for FY2025 (approximately S\$17.60 million).
- <sup>3</sup> Major source of Scope 1 emission came from usage of Diesel.
- <sup>4</sup> Major source of Scope 2 emission came from usage of purchased electricity.
- <sup>5</sup> Major source of Scope 3 emission came from processing fresh water and sewage by government departments.
- <sup>6</sup> Our operation does not generate hazardous waste.
- <sup>7</sup> Domestic waste totals have been deemed immaterial to our operations. Thus, we do not maintain relevant record.
- <sup>8</sup> Packaging material usage is insignificant in our operation process. Thus, we do not maintain relevant record.

## CARE FOR OUR EMPLOYEE



We believe that employees are the most important asset of an enterprise and the core driving force for continuous development. We are committed to improving the employment system and striving to provide employees with comprehensive protection of their rights and interests.

As we uphold the principles of openness, fairness, and impartiality, we advocate employee diversity and resolutely oppose discrimination, striving to eliminate any injustice to candidates and employees arising from factors such as gender, age, race, religious beliefs and gender orientations.

# Environmental, Social and Governance Report

## Employment and Labour Standards

Our Human Resource Department is responsible for monitoring the employment matters of the Group. All our employees are subjected to proper evaluation and approval by management at appropriate level before they are hired, remunerated, promoted or terminated. All our employees are treated in the principle of equal opportunity in the ways that they are hired, compensated and promoted in accordance to the merits and contributions they bring to the Group, which can be subjectively and fairly measured in accordance to their educations, experience, qualification, loyalty, efficiency and achievements at works.

We have established standard contractual process, operational procedures and effective system (e.g. attendance recording) to ensure our employee are remunerated fairly in accordance to our approved remuneration policy and working in a friendly environment where their working hours, entitled holidays and other benefits such as pension contribution are protected in accordance to the relevant laws and regulations.

We do not tolerate any forms of harassments and discrimination at our workplace or amongst our employees. We take proactive steps to ensure we are not engaged in any forms of forced labour and child labour, including verification of their identities at inception and on regular basis.

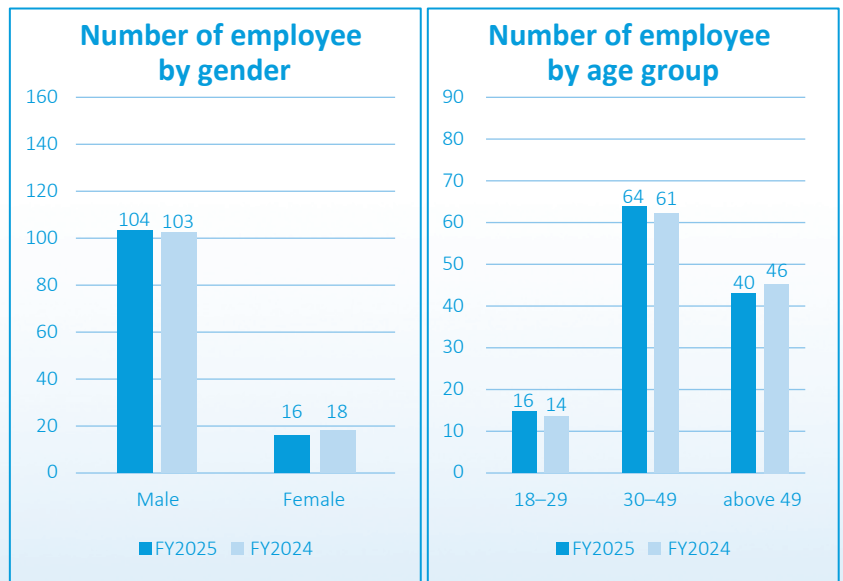
In daily operation, we encourage our employees to communicate with their department head or our Human Resources Department to express their views, needs and concerns. In addition, the Group has established a whistleblowing policy and related reporting mechanism through which our employees and any third parties can report their concerns over fraud, misconduct and/or non-compliance to our Executive Director who is responsible for reviewing the concerns and commence investigations when necessary.

## Workforce Composition

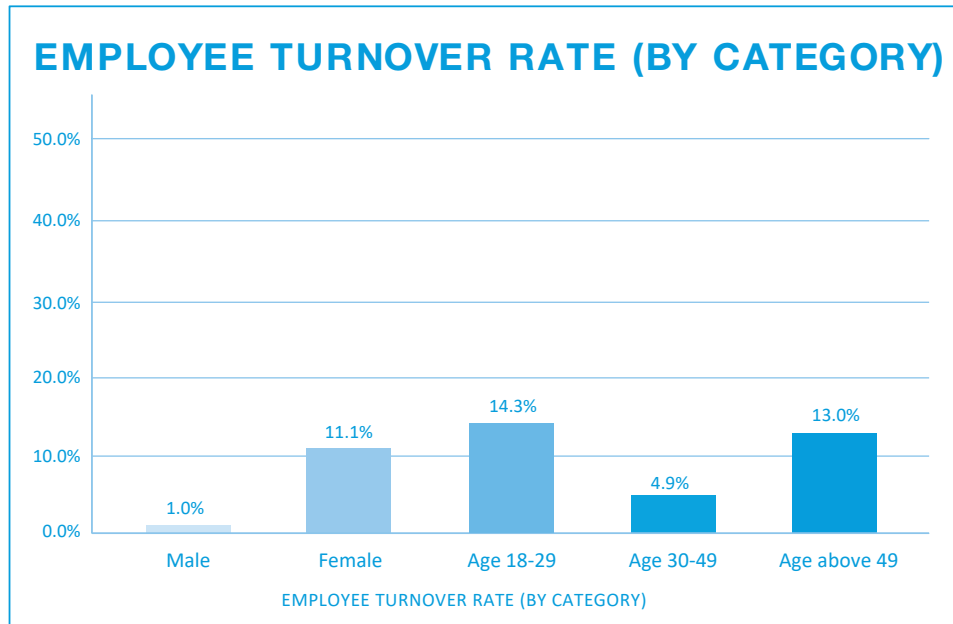
As at 31 December 2025, the Group has a total full-time workforce of 120 employees (2024: 121) inclusive of the 1 Director of the Board, with breakdowns presented:

By geographical region, 108 staffs are residing and operating in Singapore and 12 staffs are residing and operating in Hong Kong. During the year, the Group did not employ part-time or temporary staff, including the use of agents and outsourced staff. The overall employee turnover rate of the year is 1.1%, with further breakdowns by different categories presented.

The ESG Committee has made an assessment and considered our turnover relatively healthy and stable.



# Environmental, Social and Governance Report



Note: The turnover rate is arrived based on dividing the number of leavers over the year by the averaged total of employee of 2024 and 2025 reporting periods.

## Overall Employment Compliance Status



During the reporting period, the Group has complied with relevant laws and regulations, including those listed below that have a significant impact on the Group relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, other benefits and welfare and preventing child and forced labour.

- The Employment Act (Cap. 91)
- The Employment of Foreign Manpower Act (Cap. 91A)
- The Employment of Foreign Manpower (Work Passes) Regulations 2012
- The Employment of Children and Young Persons Regulations
- The Employees' Compensation Ordinance of Singapore
- The Central Provident Fund Act (Chapter 36)

# Environmental, Social and Governance Report

## **Welfares and safeguards**

A sustainable and stable workforce is the means to better facilitate every parties, creating common values with the hope to deliver up-standard quality service for a sustainable development and future.

To achieve the goal, we also put a strong emphasis on ensuring comprehensive welfares and safeguards for employees. The Group implemented a compensation and benefits system to further provide employees with competitive remuneration. On top of legislated requirements relating to employee compensation, our full-time employees are entitled to medical care, dental benefits, business travel accident insurance, matrimonial leave and paternity leave.

We are eager to provide a harmonious working environment for our employees. We offer various leisure and gathering events to light up the office atmosphere and enhance bonding among employees.

## **Health and Safety**

We are committed to providing a safe and healthy workplace to all our employees. Occupational health and safety concerns primarily stem from the use, handling, storage, transportation and maintenance of the equipment within the premises and in the customers' job sites. The Group believes that health and safety at work involves both the prevention of harm and the promotion of employees' well-being.

To provide and maintain a safe, clean and environmentally friendly working condition for employees, the Group has established protocol and guidelines regarding safety and health, which are in line with relevant laws and regulations in Singapore including, but not limited to The Workplace Safety and Health ("WSH") Act and The Workplace Safety and Health (Incident Reporting) Regulations of Singapore.

Health and safety requirements are incorporated into the Group's policies for all employees to comply with, which can be assessed in our safe work procedures and employee handbook (e.g. smoking and abuse of alcohol and drugs are prohibited in the workplace).

The Group provides induction programs and safety training programs to new employees such that they can be familiar with our protocol in relation to health and safety matters as quickly as they can. The Group also maintains the risk management system including procedures of identification and prevention of risks and hazards in the working area and follow-up actions for accidents or personal injuries.

In the past three years, we have not encountered any work-related fatalities.

There are occasions where minor traffic accidents occurred in the course of our logistic operation. Whenever our drivers are injured in the accidents, we have always fairly compensated them and the related costs are fairly covered by our insurance policy.

The following table indicates our rate of work-related injuries, to which the Directors consider satisfactory.

<b>Work-related injuries table</b>	<b>FY2023</b>	<b>FY2024</b>	<b>FY2025</b>
Rate of work-related injuries/No. of working hours for 262 working days by the total no of driver	0.0076%	0.0057%	<b>0.0049%</b>
Resulting loss of working days	28	26	<b>18</b>

# Environmental, Social and Governance Report

## Overall Health and Safety Compliance Status



In the reporting period, the Group has complied with relevant laws and regulations, including but not limited to the below listed, that have a significant impact on the Group relating to providing a safe working environment and protecting employees from occupational hazards.

- Workplace Safety and Health Act (CHAPTER 354A) of Singapore
- The Workplace Safety and Health (Incident Reporting) Regulations of Singapore.

## Development and Training

It is our policy to provide sufficient and relevant training to our employee for the purpose of their development in respect of professional knowledge, industry skill, physical health and safety and compliance awareness.

At oversight and management level, our Group has provided annual trainings to our Directors and Senior Management on topics of corporate governance and regulatory compliance to ensure they are updated with latest regulatory requirements or market trends.

## Occupational Training

At operational level, we provide induction and refresher courses to ensure that the drivers are up to date with the latest safety regulations, while our customers may also conduct their own safety courses for our drivers who operate within their premises.

For example, regular toolbox meeting with drivers were regularly conducted. The constant on-the-job training mainly cover the areas of health and work safety, occupational skills and knowledge and compliance, such as driver safety. Since these are incorporated into the normal operations, we do not record it in detail. We consider each driver, who are usually male employee, should have received at least 6 hours of training in the reporting period.

## Compliance Training

We also provide external training courses on topic of governance and compliance which are mainly provided by relevant professionals. In the reporting period, we have arranged a two-hours training course for our Directors and Senior Officers on the topic of listing rules and anti-corruption.

# Environmental, Social and Governance Report

## Anti-Corruption Training

For Anti-Corruption training, the Group has rolled out a continuous training plan under which our Management will roll out a training plan to our general office and drivers on a rotation basis with a target to achieve a 100% full training coverage in 4 years.

Our anti-corruption training shall take reference to the relevant guidelines published by anti-corruption authorities in Singapore and Hong Kong.

## ANTI-CORRUPTION SYSTEM

Our business model and operating procedures are inherently subjected to lower risk of anti-corruption and money laundering.

By our Anti-corruption policy, we prohibit all forms of bribery, extortion, fraud and money laundering and require all employees to strictly abide by professional ethics. All employees are expected to have high degree of integrity, to act fairly and professionally, and to abstain from engaging in bribery activities or any activities which might exploit their positions against the Group's interest.

Nevertheless, our internal control system covers these areas are highlighted below:

### 1. Established Policy



Expected behaviors and Prohibited acts, such as bribery, management collusion and money laundering are set out in the anti-corruption policy and anti-money laundering policy, which are communicated to our directors, management and employees from time to time.

### 2. Daily Management



Our Executive Director and Human Resources Director are highly involved in our daily operations. They are responsible for detecting and dealing with any identified or suspected corrupted acts. We encourage our employees to report to them of any concerns too.

### 3. Whistleblowing



We have established a whistleblowing policy and related reporting mechanism to facilitate goodwill whistleblowing that will be handled by our Executive Director who will be instructed by the Board to conduct necessary investigation of goodwill whistleblowing cases. Our whistleblowing policy is circulated to our management and employee with a guarantee that goodwill whistleblowers are protected from any forms of discrimination, retaliations and/or harassment.

### 4. Training



The Group has rolled out a continuous training plan on anti-corruption to enhance the ethic awareness of our employees.

# Environmental, Social and Governance Report

## Overall Anti-Corruption Compliance Status

The Group has not encountered any corruption cases in the past 3 years.

In the reporting period, the Group has complied with relevant laws and regulations, including but not limited, to the below listed that have a significant impact on the Group relating to bribery, extortion, fraud and money laundering.



- Prevention of Bribery Ordinance Cap. 201 of Hong Kong
- Prevention of Corruption Act of Singapore

In the Reporting Period, the Group has no suspicious or confirmed cases relating to bribery, extortion, fraud and money laundering.

## CRITICAL SUPPLIERS' MANAGEMENT



As of 31 December 2025, the Group is engaged with 4 critical suppliers in the area of port, diesel, tyres and land rental, who are of most relevance and significance to our businesses. These critical suppliers are all located in Singapore. The Group believes that managing the environmental and social risks of these critical suppliers will facilitate the sustainability of the Group and prevention of related financial and operational impact to the Group.

### Suppliers' Selection

We established a stringent supplier selection process which also takes environmental and social risk control of suppliers into account. As we only have a handful of long-time-history critical suppliers, our Executive Director and Senior Management monitor their performance very closely on daily basis, including whether they would use and provide us any environmental unfriendly products.

In the Reporting Period, we are not aware of any environmental or social non-compliance committed by our critical suppliers.

### Suppliers' Code of Conduct

The Group has also developed a suppliers' code of conduct and expect our suppliers and business partners shall understand and share our values and be compliant with all relevant laws and regulations in relation to environmental protection, labor protection and anti-corruption. By our code requirement, the Group shall take appropriate remedial actions on suppliers if their operations go against our environmental and social values and/or principles.

In the course of selecting our suppliers, the Group has been keeping environmentally preferable products and services as an important indicator, among all key considerations such as costs, quality of service and requirements of suppliers. The Group has assessed our critical suppliers, including the following dimensions and form a view that they are providing products and service that meet the relevant environmental and social standards.

- The products supplied by our material suppliers meet the quality standards of the Group.
- They are subject to their own licensing requirements, including the protection of their labors.

# Environmental, Social and Governance Report

## QUALITY SERVICE MANAGEMENT

As a leading transport and storage service provider in Singapore, our Group offers trucking and hubbing services to our customers locally and globally. We listen to the voices of our customers by providing responsive and attentive workforce equipped with up-to-date tools & equipment. The Group believes it can effectively extend its ESG values and manage relevant environmental and social risks so as to maintain and enhance the Group's competitive advantage.

In the Reporting Period, we have maintained a sizable logistic fleet, comprising of prime movers, trailers, reach stackers, forklifts, lorries and light vehicles. We provide our services through our qualified drivers responsible for handling and storage of empty containers and laden at our logistics yard, which is regarded as hubbing services, and for providing timely and quality cargo delivery service from pick up station to delivery station designated by customers, which is regarded as trucking service.

We have also invested and applied certain technological device and systems that would promote workflow timeliness and accuracy and abate the workload of our staff. For example, our operational system facilitates the matching and reconciliation of key operation data with our key business partners' database automatically on a daily basis.

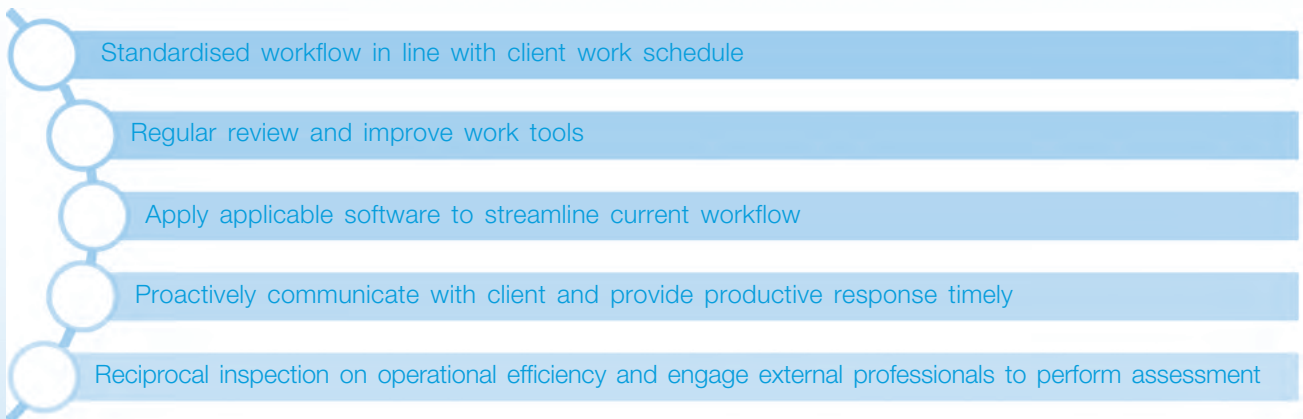
### Our value chain

Our Group's main business segment falls within the Transportation services of the value chain in Port logistic services. Being a leading transportation and logistics group in Singapore, the Group endeavors to up-keep the reputation, and build and excel in the business performance. Over the years, the Group managed to have a stable and close relationship with a list of suppliers who keep providing quality goods and services in contribution to our business.

### Quality management

The Group emphasizes the quality management of its services and is committed to providing customers with reliable and flexible services. Our quality control policy can be divided into two segments and they have provided a solid platform for us to deliver our services in a reliable and flexible manner to meet our customer's ever-changing demand and market needs.

We have implemented a number of management principles to ensure our workforce provides reliable and controllable services in various stages of operation, as tabled below.



# Environmental, Social and Governance Report

As a logistic service provider, the Group is not subjected to product or service recall risk. In situations where there are unresolved matters, our Executive Director will work with our client and supplier to resolve the matter. The Group has also established relevant quality and safety inspection protocol which standardizes order handling. Our customer service department plays a key role in understanding and confirming client's needs and expectation of each order, setting out direction prior to launching any project, and actively coordinating projects with customers in the course of providing services.

## Operational quality control mechanism

### 1. *Vehicle selection*

The selection of the brand and model of vehicles to purchase is important as it impacts on the ability of our Group to deliver reliable trucking services in a timely manner and concurrently provide a safe working environment for our drivers.

### 2. *Regular vehicle inspection*

Regular vehicle maintenance regime for our vehicles is implemented. All vehicles in our fleet are subject to regular inspection as regulated by the Land Transport Authority of Singapore ("LTA") with the view that vehicles which are not roadworthy can be a potential hazard to other road users and that regular inspections help to minimise vehicular breakdowns and road accidents.

### 3. *Safety courses for drivers*

As our drivers are operating heavy vehicles such as prime movers, reach stackers and lorries, we require all drivers to attend relevant safety courses. We conduct in-house safety courses for all our drivers. Our customers and suppliers may also conduct their own safety courses for our drivers who operate within their premises.

The Group does not have any recall procedures due to the nature of our service. Any failure to deliver on the first time due to either external or internal hurdles will be re-scheduled timely with customers' approval and be delivered again within our customers' expectation.

In the reporting period, the Group did not encounter any of the following situations:

- i. recalls or damage claim related to our services on the ground of safety and health reasons; and
- ii. material customer complaints that lead to or likely to lead to product recall or compensations.

# Environmental, Social and Governance Report

## Advertising and Labeling

In our course of operation, we are not required to handle advertising, labelling, and privacy matters of customers, suppliers, and business partners. We have confidentiality policy implemented and included in Employee handbook to require our employee to maintain confidentiality with respect to confidential information pertaining to our operations.

The Group did not identify any non-compliance in relation to service liability.

## Intellectual Property Rights, Consumer Data and Privacy Policy

The Group highly respects Intellectual property rights protection and consumer data. In the course of operation, we might have access to the intellectual properties or confidential data of customers, such as patents, trademark, copyrights and trade secrets (e.g. design of products), personalized information or contractual documents.

It is our principle that we will only use and/or store these intellectual properties or customer data in accordance to the purpose they are originally provided to us or collected by us. We have procedures to ensure these intellectual properties and customer data are stored in a safe manner, physically and digitally, with restricted access by authorized persons only. We prohibit all kinds of unauthorized use or leakage of intellectual properties by our Group's employee. Our Group will take appropriate actions against breach of Intellectual property rights and consumer data, including termination of employment or legal proceeding. All collected personal data is treated confidentially and kept securely, accessible by designated personnel only.

## Overall Service Liabilities Compliance



In the Reporting Period, the Group is in compliance with relevant laws and regulations that have a significant impact on us and are relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.

## We care our community



As a responsible corporation, the Group has been working towards to building a beautiful and healthy community and maintaining communication and interaction with the community to contribute to the development of the community.

# Environmental, Social and Governance Report

SEHK ESG Reporting Guide General Disclosures		Reference Section/Remark	Comply or Explain
<b>A. Environmental</b>			
<b>A1 Emissions</b>	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.</li> </ul>	Care for Our Environment	Complied
<b>KPI A1.1</b>	The types of emissions and respective emissions data.	Environmental Key performance Indicators	Complied
<b>KPI A1.2</b>	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Key performance Indicators	Complied
<b>KPI A1.3</b>	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	We do not provide any hazardous waste	Explained
<b>KPI A1.4</b>	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Environmental Key performance Indicators	Complied
<b>KPI A1.5</b>	Description of emission target(s) set and steps taken to achieve them.		
<b>KPI A1.6</b>	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Waste Management	Complied
<b>A2 Use of Resource</b>	Policies on efficient use of resources including energy, water and other raw materials.	Use of Resources	Complied

# Environmental, Social and Governance Report

SEHK ESG Reporting Guide General Disclosures		Reference Section/Remark	Comply or Explain
<b>KPI A2.1</b>	Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Environmental Key performance Indicators	Complied
<b>KPI A2.2</b>	Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Environmental Key performance Indicators	Complied
<b>KPI A2.3</b>	Description of energy use efficiency target(s) set and steps taken to achieve them.	The Environment and Natural Resources	Complied
<b>KPI A2.4</b>	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water consumption	Complied
<b>KPI A2.5</b>	Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	We do not use packaging material in our service.	Explained
<b>A3 The Environment and Natural Resources</b>	Policies on minimising the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources	Complied
<b>KPI A3.1</b>	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Our operation does not induce significant impacts on the environment and natural resource	Explained

# Environmental, Social and Governance Report

SEHK ESG Reporting Guide General Disclosures		Reference Section/Remark	Comply or Explain
<b>B. Social</b>			
<b>B1 Employment</b>	Policies and compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Care for Our Employees	Complied
<b>KPI B1.1</b>	Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Workforce composition	Complied
<b>KPI B1.2</b>	Employee turnover rate by gender, age group and geographical region.	Workforce composition	Complied
<b>B2 Health and Safety</b>	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance and material non-compliance with relevant standards, rules and regulations on providing a safe working environment and protecting employees from occupational hazards.</li> </ul>	Health and safety	Complied
<b>KPI B2.1</b>	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and safety	Complied
<b>KPI B2.2</b>	Lost days due to work injury.	Health and safety	Complied
<b>KPI B2.3</b>	Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and safety	Complied
<b>B3 Development and Training</b>	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and training	Complied
<b>KPI B3.1</b>	The percentage of employees trained by gender and employee category.	Development and training	Complied

# Environmental, Social and Governance Report

SEHK ESG Reporting Guide General Disclosures		Reference Section/Remark	Comply or Explain
<b>KPI B3.2</b>	The average training hours completed per employee by gender and employee category.	Development and training	Complied
<b>B4 Labour Standard</b>	Information on:  (a) the policies; and  (b) compliance and material non-compliance with relevant standards, rules and regulations on preventing child or forced labour.	Employment and labour standards	Complied
<b>KPI B4.1</b>	Description of measures to review employment practices to avoid child and forced labour.	Employment and labour standards	Complied
<b>KPI B4.2</b>	Description of steps taken to eliminate such practices when discovered.	Employment and labour standards	Complied
<b>B5 Supply Chain Management</b>	Policies on managing environmental and social risks of supply chain.	Critical Suppliers' Management	Complied
<b>KPI B5.1</b>	Number of suppliers by geographical region.	Critical Suppliers' Management	Complied
<b>KPI B5.2</b>	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Suppliers' Selection	Complied
<b>KPI B5.3</b>	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Our value chain	Complied
<b>KPI B5.4</b>	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Suppliers' Selection	Complied

# Environmental, Social and Governance Report

SEHK ESG Reporting Guide General Disclosures		Reference Section/Remark	Comply or Explain
<b>B6 Product Responsibility</b>	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.</p>	Our value chain	Complied
<b>KPI B6.1</b>	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	We do not have any recalls	Explained
<b>KPI B6.2</b>	Number of products and service-related complaints received and how they are dealt with.	We do not receive any complaints	Explained
<b>KPI B6.3</b>	Description of practices relating to observing and protecting intellectual property rights	Intellectual Property Rights, Consumer Data and Privacy Policy	Complied
<b>KPI B6.4</b>	Description of quality assurance process and recall procedures.	Care for our customers	Complied
<b>KPI B6.5</b>	Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Intellectual Property Rights, Consumer Data and Privacy Policy	Complied
<b>B7 Anti-corruption</b>	<p>Information on:</p> <p>(a) the policies; and</p> <p>(b) compliance with relevant laws and regulations that have a significant impact on the issuer</p> <p>relating to bribery, extortion, fraud and money laundering.</p>	Anti-Corruption System	Complied

# Environmental, Social and Governance Report

SEHK ESG Reporting Guide General Disclosures		Reference Section/Remark	Comply or Explain
<b>KPI B7.1</b>	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases	We do not have any legal case regarding corrupt practices	Complied
<b>KPI B7.2</b>	Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-Corruption System	Complied
<b>KPI B7.3</b>	Description of anti-corruption training provided to directors and staff.	Development and Training Anti-Corruption	Complied
<b>B8 Community Investment</b>	Policies on community engagement to understand the community's needs where it operates and to ensure its activities take into consideration communities' interests.	We care our community	Complied
<b>KPI B8.1</b>	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	We care our community	Complied
<b>KPI B8.2</b>	Resources contributed (e.g. money or time) to the focus area.	We care our community	Complied

# Environmental, Social and Governance Report

SEHK ESG Reporting Guide General Disclosures		Reference Section/Remark	Comply or Explain
<b>C: Climate-related Disclosures</b>			
<b>I Governance</b>	Climate-relevant governance structure		Partially Disclosed. We will actively collect relevant information and disclose it where practicable.
			Climate Change and Environmental Key Performance Indicators
<b>II Strategy</b>	Climate-related risks and opportunities Business model and value chain Strategy and decision-making Financial position, financial performance and cash flows Climate resilience		
<b>III Risk Management</b>	Risk management policies and procedures		
<b>IV Metrics &amp; Targets</b>	Greenhouse gas emissions Climate-related transition risks Climate-related physical risks Climate-related opportunities Capital deployment Internal carbon prices Remuneration Climate-related targets		

# Report of the Directors

The Directors present their report and the audited financial statements for the year ended 31 December 2025.

## PRINCIPAL ACTIVITIES AND BUSINESS REVIEW

The principal activity of the Company is investment holding. Details of the principal activities of the subsidiaries are set out in note 1 to the financial statements. The business of the Group comprises the provision of transport and storage services to the logistics industry in Singapore and Hong Kong, offering trucking and hubbing services to customers. There were no significant changes in the nature of the Group's principal activities during the year.

A review of the business of the Group as well as discussion and analysis of the Group's performance during the year and the material factors underlying its financial performance and financial position can be found in the section headed "Management Discussion and Analysis" set out on pages 6 to 11 of this annual report. This discussion forms part of this Directors' report.

## PRINCIPAL RISKS AND UNCERTAINTIES

Further discussion and analysis of the principal risks and uncertainties facing the Group can be found in the "Management Discussion and Analysis" set out on pages 6 to 11 of the annual report. The above section forms part of this report.

## RESULTS AND DIVIDENDS

The Group's loss for the year ended 31 December 2025 and the Group's financial position at that date are set out in the financial statements on pages 64 to 65.

The Board takes into account of the Group's overall results of operation, financial position and capital requirements, among other factors, in considering the declaration of dividends. The Directors do not recommend the payment of any dividend for the year ended 31 December 2025.

## SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in note 24 to the financial statements.

## PROPERTY, PLANT AND EQUIPMENT

Details of movements in the property, plant and equipment of the Group during the year are set out in note 13 to the financial statements.

## PURCHASE, REDEMPTION OR SALE OF LISTED SECURITIES OF THE COMPANY

Neither the Company, nor any of its subsidiaries purchased, redeemed or sold any of the Company's listed securities during the year ended 31 December 2025.

## PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's Articles of Association or the laws of the Cayman Islands, being the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders unless otherwise required by the Stock Exchange.

## RESERVES

Details of movements in reserves of the Group for the year ended 31 December 2025 are set out in the consolidated statement of changes in equity.

# Report of the Directors

## DISTRIBUTABLE RESERVES

The Company did not have reserves available for cash distribution as at 31 December 2025, calculated under the Companies Law, Cap 22 (Law 3 of 1961, as consolidated and revised) of the Cayman Islands, as it has accumulated losses. However, the amount of approximately S\$25.4 million included in the Company's share premium account may be distributed as dividends provided that immediately following the date on which the dividend is proposed to be paid, the Company is able to pay its debts as they fall due in the ordinary course of business.

## MAJOR CUSTOMERS AND SUPPLIERS

In the year under review, sales to the Group's five largest customers accounted for 74.9% of the total sales for the year and sales to the largest customer included therein amounted to 37.3%. Purchases from the Group's five largest suppliers accounted for 16.5% of the total purchases for the year and purchase from the largest supplier included therein amounted to 11.4%. The Group maintains good relationships with its customers and suppliers.

None of the Directors or any of their close associates or any shareholders (which, to the best knowledge of the directors, own more than 5% of the Company's share capital) had any beneficial interest in the Group's five largest customers or suppliers.

## ENVIRONMENTAL POLICIES

The Group is committed to building an environmentally-friendly corporate environment that focuses on conserving natural resources. We believe that everyone can make a difference — a small step from each employee will go a long way to reducing our carbon footprint on the earth. As a responsible Group, we strive to keep improving the efficient use of the natural resources, and aim to develop energy saving culture.

The environmental, social and governance report is set out on page 24 to 48 of the annual report.

## COMPLIANCE WITH LAWS AND REGULATIONS

To the best of the Directors' knowledge, information and belief, having made all reasonable enquiries, our Group has complied in material respects with the relevant laws and regulations that have a significant impact on the business and operation of our Group during the year ended 31 December 2025.

## DIRECTORS

The Directors during the year were:

### Executive Directors:

Mr. Chua Kang Lim (resigned on 28 February 2025)

Ms. Fung Mee Kuen

### Independent non-executive Directors:

Mr. Cheung Wai Kin

Ms. Li HongJing

Ms. Wong Shuk Yee Camilla

Ms. Li HongJing has obtained legal advice referred to in GEM Rule 5.02D of the Listing Rules on 22 August 2024 and has confirmed she understood her obligations as a director.

## **DIRECTORS' AND SENIOR MANAGEMENT'S BIOGRAPHIES**

Biographical details of the Directors and the senior management of the Group are set out on page 12 of the annual report.

## **DIRECTORS' SERVICE CONTRACTS**

The executive Director, Ms. Fung Mee Kuen has service contracts with the Company. The service contracts will continue thereafter until terminated by not less than three months' notice in writing sent by either party or the other.

Each of the independent non-executive Directors has entered into a letter of appointment with the Company. Each of the independent non-executive Directors is appointed with an initial term of one year commencing from the appointment date subject to termination in certain circumstances as stipulated in the relevant letters of appointment.

Pursuant to the Articles of Association of the Company, any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

In compliance with Code Provision A.4.2 of the CG Code, all Directors are subject to retirement by rotation at least once every three years. Furthermore, pursuant to the Articles of Association of the Company, at each annual general meeting, one-third of the Directors for the time being, or, if their number is not three or a multiple of three, then the number nearest to but not less than one-third, shall be subject to retirement by rotation at least once every three years. A retiring Director shall be eligible for re-election.

No Director proposed for re-election at the forthcoming annual general meeting has a service contract with the Company which is not determinable by the Company within one year without payment of compensation, other than statutory compensation.

## **DIRECTORS' REMUNERATION**

The Directors' fees are subject to shareholders' approval at general meetings. Other emoluments are determined by the Board with reference to Directors' duties, responsibilities and performance and the results of the Group. The remuneration of the employees of the Group are based on the remuneration policy of the Group considering the qualifications and contributions of individuals to the Group.

Details of the remuneration of the Directors and five highest paid individuals pursuant to Rules 18.28 to 18.30 of the GEM Listing Rules are set out in note 8 (for the Directors) and note 9 (for the five highest paid individuals) to the financial statements.

The Directors' remuneration are subject to the authority granted by the shareholders of the Company to the Board to fix their remuneration or shareholders' approval at general meetings and monitored by the remuneration committee on a continuous basis. Other emoluments are determined by the Company's remuneration committee with reference to directors' duties, responsibilities and performance and the results of the Group.

# Report of the Directors

## **DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS OR CONTRACTS**

No Director nor a connected entity of a Director had a material interest, either directly or indirectly, in any transactions, arrangements or contracts of significance to the business of the Group to which the Company, or any of the Company's subsidiaries was a party at any time during or as at the end of the year ended 31 December 2025.

As at 31 December 2025, no contract of significance had been entered into between the Company, or any of its subsidiaries and the Controlling Shareholder of the Company (as defined in the GEM Listing Rules) or any of its subsidiaries.

## **COMPETING BUSINESS**

For the year ended 31 December 2025, none of the Directors, controlling shareholder or their respective close associates (as defined in the GEM Listing Rules) has any interests in a business that competes or is likely to compete either directly or indirectly with the business of the Group.

## **MANAGEMENT CONTRACTS**

No contracts, other than employment contracts, concerning the management and administration of the whole and any part of the Company's business were entered into or existed during the year ended 31 December 2025.

## **Directors' and chief executive's interests and short positions in shares and underlying shares and debentures**

As at 31 December 2025, there was no interests and short positions of directors in the shares, underlying shares and debentures of the Company or any of its associated corporation (within the meaning of Part XV of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) (the "SFO")) held by the Directors and chief executives of the Company (the "Chief Executives") which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO), or which were recorded in the register maintained by the Company pursuant to section 352 of the SFO, or which were notified to the Company and the Stock Exchange pursuant to rules 5.46 to 5.67 of the GEM Listing Rules.

As at 31 December 2025, none of the Directors or the Chief Executive of the Company had any interests or short positions in the shares, debentures or underlying shares of the Company or any of its associated corporations (within the meaning of Part XV of the SFO), which were required to be notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they were taken or deemed to have under such provisions of the SFO) or which were required, pursuant to section 352 of the SFO, to be entered in the register referred to therein or which were required, pursuant to Rules 5.46 to 5.67 of the GEM Listing Rules, to be notified to the Company and the Stock Exchange.

## SHARE OPTION SCHEME

The Company adopted a share option scheme (the “Share Option Scheme”) which became effective on 18 October 2017 and has been amended on 30 June 2025. The following is a summary of the principal terms and conditions of the Share Option Scheme.

### (a) Purpose of the Share Option Scheme

The purpose of the Share Option Scheme is to enable the Company to grant options to selected participants as incentives or rewards for their contribution to the Group.

### (b) Eligible Participants

The eligible participants include Directors (including independent non-executive Directors) and employees of any member of the Group (including persons who are granted options under this Share Option Scheme as an inducement to enter into employment contracts with any member of the Group).

### (c) Total number of Shares available for issue

The total number of Shares which may be issued upon exercise of all options to be granted under the Share Option Scheme and any other share option scheme or awards of the Group must not in aggregate exceed 10% of the total number of Shares in issue as at 30 June 2025, being the date of approval of the refreshment of 10% general scheme limit under the Share Option Scheme by the Shareholders.

### (d) Maximum entitlement of each participant

The total number of Shares issued and to be issued upon exercise of the options or awards granted under the Share Option Scheme (including both exercised and outstanding options or awards) to each participant in any 12-month period must not exceed 1% of the Shares in issue for the time being (the “Individual Limit”). Any further grant of options or awards to a participant in excess of the Individual Limit in any 12-month period up to and including the date of such further grant shall be subject to the issue of a circular to the Shareholders and the Shareholders’ approval in the general meeting of the Company with such participant and his/her associates abstaining from voting.

Where any grant of options or awards to a substantial Shareholder or an independent non-executive Director (the “INED”) or any of their respective associates, would result in the Shares issued and to be issued upon exercise of all options already granted and to be granted (including options exercised, cancelled and outstanding) to such person in the 12-month period up to and including the date of such grant: (i) representing in aggregate over 0.1% of the Shares in issue; and (ii) having an aggregate value, based on the closing price of the Shares at the date of each grant, in excess of HK\$5 million, such further grant of options or awards must be approved by the Shareholders.

### (e) Period of the Share Option Scheme

The Share Option Scheme will remain in force for a period of ten years commencing on 18 October 2017, being the date of adoption of the Share Option Scheme, to 17 October 2027.

# Report of the Directors

**(f) Time of acceptance of the offer**

An option may be accepted by a participant within 21 days from the date of the offer of grant of the option.

**(g) Minimum period for which an option must be held before it can be exercised**

The vesting period for options shall not be less than 12 months. Options granted to employee participants may be subject to a shorter vesting period under the following circumstances:

- (i) grants of Options with performance-based vesting conditions as determined by the Board, in lieu of time-based vesting criteria;
- (ii) grants of Options with a mixed or accelerated vesting schedule such as where the awards may vest evenly over a period of 12 months; and
- (iii) grants of Options with a total vesting and holding period of more than 12 months.

**(h) Consideration for the option**

A nominal consideration of HK\$1 is payable on acceptance of the grant of an option.

**(i) Subscription price for Shares**

The subscription price for the Shares under the Share Option Scheme will be a price determined by the Director, but shall not be less than the highest of: (a) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date of the offer of grant, which must be a business day; (b) the average closing price of the Shares as stated in the Stock Exchange's daily quotations sheets for the five business days immediately preceding the date of the offer of the grant; and (c) the nominal value of a Share.

**(j) Transfer or assignment**

An option is personal to the grantee and shall not be transferable or assignable. Subject to the Stock Exchange granting the necessary waiver, a grantee may transfer any options to a vehicle (such as a trust or a private company) for the benefit of the grantee and any family members of such grantee including but not limited to for estate planning and/or tax planning purposes that would continue to meet the purpose of the Share Option Scheme and comply with other requirements of Chapter 23 of the GEM Listing Rules.

**(k) Termination of the Share Option Scheme**

The Company may by resolution in the general meeting at any time terminate the Share Option Scheme. Options (to the extent not already exercised) granted prior to such termination shall continue to be valid and exercisable in accordance with the Share Option Scheme.

## Report of the Directors

Movements in the share options granted under the Share Option Scheme during the year ended 31 December 2025 is set out below:

	Date of grant	Exercisable period	Exercise price HK\$	Closing price per share immediately before the date of grant HK\$	No. of options outstanding as at 1 January 2025	Lapsed/ cancelled during the year	No. of options outstanding as at 31 December 2025	Approximate percentage of the underlying shares for the options in the issued shares of the Company as at 31 December 2025
<b>Employees</b>	20 January 2022	20 January 2022 to 19 January 2025	2.026	0.102	1,221,156	(1,221,156)	-	-
					1,221,156	(1,221,156)	-	-

Note:

Options have been granted to 3 employees. Each of them have 407,052 Options

The Share Option Scheme will expire on 17 October 2027.

There were 1,221,156 share options lapsed upon expiry of the exercise period on 19 January 2025, other than that there was no option has been granted, exercised, cancelled or lapsed under the Share Option Scheme during the year ended 31 December 2025. The number of options available for grant under the scheme mandate of the Share Option Scheme at the beginning and the end of the financial year 2025 (the "FY2025") were 4,170,880 Shares and 16,683,520 Shares respectively. The total number of Shares available for issue under each of the Share Option Scheme (including options granted but not yet exercised and options available for issue) was 16,683,520 Shares, representing approximately 10.0% of the total number of issued Shares as at the date of the this report.

# Report of the Directors

## DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

During the year ended 31 December 2025 and up to the date of this report, except for the Share Option Scheme, the Company or any of its subsidiaries is not a party to any arrangement to enable the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any body corporate.

## EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme, no equity-linked agreements were entered into by the Company during the year or subsisted at the end of the year ended 31 December 2025.

## CONTRACT OF SIGNIFICANCE

No contracts of significance in relation to the Group's business in which the Company, any of its subsidiaries, or its parent company was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted during or at the end of the year.

## SUBSTANTIAL SHAREHOLDERS' AND OTHER PERSONS' INTERESTS AND SHORT POSITIONS IN SHARES AND UNDERLYING SHARES

So far as the Directors and the Chief Executive are aware, as at 31 December 2025, other than the Directors and Chief Executive, the following person had or were deemed or taken to have an interest and/or short position in the shares or the underlying shares of the Company which would fall to be disclosed to the Company and the Stock Exchange under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which would be recorded in the register of the Company required to be kept under section 336 of the SFO, or which would be, directly or indirectly, interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meetings of the Company or any other members of the Group:

Shareholder	Number of shares/Position	Percentage of shareholding	Capacity
1. Mr. Wang Hufei	10,471,750	6.28%	Beneficial owner

Save as disclosed above, as at 31 December 2025, the Directors and the Chief Executive of the Company are not aware of any other person who had an interest or short position in the shares or underlying shares which would require to be disclosed under the provisions of Divisions 2 and 3 of Part XV of the SFO, or who was directly or indirectly interested in 5% or more of the nominal value of any class of share capital carrying rights to vote in all circumstances at general meeting of the Company.

## CONNECTED TRANSACTIONS

During the year ended 31 December 2025, the Company and the Group had no transactions which need to be disclosed as connected transactions in accordance with the requirements of the GEM Listing Rules.

## SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total number of issued shares are held by the public as at the date of this report and the Company has maintained prescribed public float under the GEM Listing Rules.

## EVENTS AFTER THE REPORTING PERIOD

As at the date of this report, the Group had no significant events after the reporting period which need to be disclosed.

## COMPLIANCE WITH THE CODE ON CORPORATE GOVERNANCE

A full corporate governance report is set out on pages 13 to 23 of this annual report.

## PERMITTED INDEMNITY PROVISION

A permitted indemnity provision for the benefit of the Directors is currently in force and was in force throughout the year ended 31 December 2025. The Company has taken out and maintained appropriate insurance cover in respect of potential legal actions against its Directors and officers.

## AUDITORS

The financial statements for the year ended 31 December 2025 was audited by McMillan Woods (Hong Kong) CPA Limited. McMillan Woods (Hong Kong) CPA Limited will retire at the conclusion of the forthcoming annual general meeting and a resolution for their reappointment as auditors of the Company will be proposed at the forthcoming annual general meeting.

On behalf of the board of directors

**Fung Mee Kuen**

*Executive Director*

Hong Kong  
31 March 2026

# Independent Auditor's Report



**To the shareholders of C&N Holdings Limited**

*(Incorporated in the Cayman Islands with limited liability)*

## OPINION

We have audited the consolidated financial statements of C&N Holdings Limited (the “Company”) and its subsidiaries (collectively referred to as the “Group”) set out on pages 63 to 121, which comprise the consolidated statement of financial position as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2025, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with IFRS Accounting Standards as issued by the International Accounting Standards Board (the “IASB”) and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

## BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing (“HKSA”) as issued by the Hong Kong Institute of Certified Public Accountants (the “HKICPA”). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA’s Code of Ethics for Professional Accountants (the “Code”), as applicable to audits of financial statements of public interest entities. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

## KEY AUDIT MATTER

Key audit matter is the matter that, in our professional judgement, was of most significance in our audit of the consolidated financial statements of the current period. This matter was addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on this matter.

The key audit matter we identified is allowance for expected credit losses (“ECL”) on trade receivables.

## KEY AUDIT MATTER (continued)

### Key Audit Matter

#### Allowance for ECL on trade receivables

As at 31 December 2025, trade receivables of the Group amounted to Singapore dollars (“\$”) \$8,166,248, net of allowance for ECL of \$155,548.

In determining the amount of the allowance for ECL of trade receivables, management's judgements and estimates are required in considering the age of the outstanding balances, recent historical payment patterns, available information concerning the creditworthiness of customers, the current economic condition and forward-looking information.

Allowance for ECL on trade receivables is considered as a key audit matter due to the significance of the trade receivables balance to the consolidated financial statements overall as a whole and the involvement of significant judgements and estimates was involved in determining the allowance for ECL of trade receivables.

The material accounting policy information, critical judgements and key estimates, and the relevant disclosures related to trade receivables are included in notes 2.3, 3, 16 and 31 to the Group's consolidated financial statements.

### How our audit addressed the Key Audit Matter

Our procedures in relation to allowance for ECL on trade receivables included but not limited to:

- Obtaining an understanding of and evaluating the Group's credit policies and internal control on ECL assessment;
- With the assistance of auditor's expert, assessing the reasonableness of the Group's ECL models by examining the model inputs used by management to form such judgements, including testing the accuracy of the historical default data, evaluating whether the historical default rates are appropriately adjusted based on current economic conditions and forward-looking information;
- Recalculating the amount of allowance for ECL on trade receivables and assessing the appropriateness and adequacy of the ECL as at 31 December 2025;
- Reviewing settlements after the financial year end relating to the trade receivables as at 31 December 2025; and
- Reviewing the appropriateness of the disclosures made in the consolidated financial statements.

# Independent Auditor's Report

## OTHER INFORMATION

The directors of the Company (the "Directors") are responsible for the other information. The other information comprises the information in the Company's annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## RESPONSIBILITIES OF THE DIRECTORS AND AUDIT COMMITTEE FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRS Accounting Standards as issued by the IASB and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are 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 the Directors either intend to liquidate the Group or to cease operations or have no realistic alternative but to do so.

The Audit Committee assists the Directors in discharging their responsibilities for overseeing the Group's financial reporting process.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, in accordance with our agreed terms of engagement, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

As part of an audit in accordance with HKSAAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the Group as a basis for forming an opinion on the consolidated financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

# Independent Auditor's Report

## AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

From the matters communicated with the Audit Committee, we determine the matter that was of most significance in the audit of the consolidated financial statements of the current period and is therefore the key audit matter. We describe this matter in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **McMillan Woods (Hong Kong) CPA Limited**

*Certified Public Accountants*

#### **Sham Tsz Leung Desmond**

*Audit Engagement Director*

Practising Certificate Number: P08234

24/F, Siu On Centre

188 Lockhart Road

Wan Chai

Hong Kong

31 March 2026

# Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2025

	Notes	2025 \$	2024 \$
<b>Revenue</b>	5	<b>17,599,732</b>	25,807,716
Cost of services		<b>(18,258,317)</b>	(23,062,675)
<b>Gross (loss)/profit</b>		<b>(658,585)</b>	2,745,041
Other income and gains	5	<b>257,438</b>	73,275
Administrative expenses		<b>(2,607,870)</b>	(2,965,407)
Reversal of/(allowance for) expected credit losses ("ECL"), net		<b>32,978</b>	(199,596)
Finance costs	6	<b>(36,233)</b>	(64,939)
<b>Loss before tax</b>	7	<b>(3,012,272)</b>	(411,626)
Income tax	10	<b>-</b>	-
<b>Loss for the year attributable to owners of the Company</b>		<b>(3,012,272)</b>	(411,626)
Other comprehensive (expense)/income: <i>Item that may be reclassified subsequent to profit or loss</i>			
Exchange differences on translation of foreign operation		<b>(373,070)</b>	229,639
<b>Total comprehensive expense for the year attributable to owners of the Company</b>		<b>(3,385,342)</b>	(181,987)
<b>Loss per share</b>			
Basic and diluted (Singapore cents per share)	12	<b>(1.81)</b>	(0.25)

# Consolidated Statement of Financial Position

At 31 December 2025

	Notes	2025 \$	2024 \$
<b>Non-current assets</b>			
Property, plant and equipment	13	4,050,943	6,495,796
Right-of-use assets	14(a)	924,132	862,853
Intangible assets	15	–	–
<b>Total non-current assets</b>		<b>4,975,075</b>	<b>7,358,649</b>
<b>Current assets</b>			
Trade receivables	16	8,166,248	7,786,066
Deposits and other receivables	17	220,210	560,804
Pledged deposits	18	539,846	535,373
Bank balances	18	702,796	623,969
<b>Total current assets</b>		<b>9,629,100</b>	<b>9,506,212</b>
<b>Current liabilities</b>			
Trade payables	19	2,284,748	901,139
Contract liabilities	20	58,563	71,347
Other payables and accruals	21	1,123,519	875,019
Bank borrowings	22	59,885	57,324
Lease liabilities	14(b)	311,942	541,883
<b>Total current liabilities</b>		<b>3,838,657</b>	<b>2,446,712</b>
<b>Net current assets</b>		<b>5,790,443</b>	<b>7,059,500</b>
<b>Total assets less current liabilities</b>		<b>10,765,518</b>	<b>14,418,149</b>

# Consolidated Statement of Financial Position

At 31 December 2025

	Notes	2025 \$	2024 \$
<b>Non-current liabilities</b>			
Bank borrowings	22	127,909	187,799
Lease liabilities	14(b)	81,780	289,179
<b>Total non-current liabilities</b>		<b>209,689</b>	476,978
<b>Net assets</b>		<b>10,555,829</b>	13,941,171
<b>Capital and reserves</b>			
Share capital	24	5,725,993	5,725,993
Reserves	25	4,829,836	8,215,178
<b>Total equity</b>		<b>10,555,829</b>	13,941,171

Approved and authorised for issue by the board of directors on 31 March 2026 and are signed on its behalf by.

**Fung Mee Kuen**  
Director

**Cheung Wai Kin**  
Director

# Consolidated Statement of Changes in Equity

For the year ended 31 December 2025

	Share capital	Share premium	Option reserve	Foreign exchange reserve	Accumulated losses	Total equity
	\$	\$	\$	\$	\$	\$
At 1 January 2024	5,725,993	25,412,788	1,373,145	47,602	(18,436,370)	14,123,158
Loss for the year	-	-	-	-	(411,626)	(411,626)
Other comprehensive income	-	-	-	229,639	-	229,639
Total comprehensive income/(expense) for the year	-	-	-	229,639	(411,626)	(181,987)
Transactions with owners in their capacity as owners:						
Lapse of share options (note 26)	-	-	(1,174,452)	-	1,174,452	-
At 31 December 2024 and 1 January 2025	5,725,993	25,412,788	198,693	277,241	(17,673,544)	13,941,171
Loss for the year	-	-	-	-	(3,012,272)	(3,012,272)
Other comprehensive expense	-	-	-	(373,070)	-	(373,070)
Total comprehensive expense for the year	-	-	-	(373,070)	(3,012,272)	(3,385,342)
Transactions with owners in their capacity as owners:						
Lapse of share options (note 26)	-	-	(198,693)	-	198,693	-
At 31 December 2025	5,725,993	25,412,788	-	(95,829)	(20,487,123)	10,555,829

# Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	2025 \$	2024 \$
<b>Cash flows from operating activities</b>		
Loss before tax	(3,012,272)	(411,626)
Adjustments for:		
Depreciation of property, plant and equipment	1,783,849	1,881,972
Depreciation of right-of-use assets	103,852	93,205
(Reversal of)/allowance for ECL on trade receivables	(30,106)	199,885
Reversal of allowance for ECL on deposits and other receivables	(2,872)	(289)
Amortisation of intangible assets	–	49,672
Gain on disposal of property, plant and equipment	(209,822)	(28,411)
Finance costs	36,233	64,939
Interest income	(4,865)	(11,121)
Exchange (gains)/losses, net	(12,483)	3,360
	<b>(1,348,486)</b>	1,841,586
Operating (loss)/profit before working capital changes	(1,348,486)	1,841,586
Increase in trade receivables	(624,403)	(1,633,554)
Decrease/(increase) in deposits and other receivables	319,172	(11,686)
Decrease in prepayments	–	257,963
Increase/(decrease) in trade payables	1,411,485	(61,097)
Increase in other payables and accruals	270,717	11,792
Decrease in contract liabilities	(12,784)	(6,477)
	<b>15,701</b>	398,527
<b>Net cash generated from operating activities</b>	<b>15,701</b>	398,527
<b>Cash flows from investing activities</b>		
Interest received	4,865	11,121
Purchase of property, plant and equipment	–	(504,066)
Proceeds from disposal of property, plant and equipment	766,648	66,200
Increase in pledged deposits	(4,473)	(11,121)
	<b>767,040</b>	(437,866)
<b>Net cash generated from/(used in) investing activities</b>	<b>767,040</b>	(437,866)

# Consolidated Statement of Cash Flows

For the year ended 31 December 2025

	Note	2025 \$	2024 \$
<b>Cash flows from financing activities</b>			
Repayment of bank borrowings		(57,329)	(354,877)
Bank borrowings raised		–	300,000
Payment of principal and interest portion of lease liabilities		(629,109)	(941,797)
Bank interest paid		(9,595)	(12,047)
<b>Net cash used in financing activities</b>		<b>(696,033)</b>	<b>(1,008,721)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>			
Cash and cash equivalents at the beginning of the year		86,708	(1,048,060)
Effect of foreign exchange rate changes, net		623,969	1,664,561
		(7,881)	7,468
<b>Cash and cash equivalents at the end of the year, represented bank balances</b>	18	<b>702,796</b>	<b>623,969</b>

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 1. CORPORATE AND GROUP INFORMATION

C&N Holdings Limited (the “Company”) is an exempted company with limited liability incorporated in the Cayman Islands. The Company’s registered office address is Cricket Square, Hutchins Drive, P.O. Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The principal place of business of the Company is 21st Floor, CMA Building, 64 Connaught Road Central, Hong Kong. The head office and principal place of business of the Group is at 3 Soon Lee Street, #06-03, Pioneer Junction, Singapore 627606.

The Company is an investment holding company. Its subsidiaries (together with the Company collectively referred to as the “Group”) are engaged in offering various transport management services to the logistics industry in Singapore and Hong Kong, primarily trucking and hubbing services.

### Information about subsidiaries of the Company

Particulars of the Company’s subsidiaries at 31 December are as follows:

Company name	Place of incorporation/ operations	Issued ordinary share capital	Percentage of equity and voting power attributable to the Company		Principal activities
			2025	2024	
CA Transportation & Warehousing Pte. Ltd.	Singapore	Singapore dollars ("S\$" or "\$") \$3,000,000	<b>Indirect 100%</b>	Indirect 100%	Provision of trucking and hubbing services
New Pine Global Limited	The British Virgin Islands (the "BVI")	United States dollars ("US\$") US\$3	<b>Direct 100%</b>	Direct 100%	Investment holding
Loyal Zone Limited	The BVI	US\$1,000	<b>Direct 100%</b>	Direct 100%	Investment holding
C&N Hong Kong Limited	Hong Kong	HK\$1,000	<b>Indirect 100%</b>	Indirect 100%	Inactive
Success Elegant Limited	Hong Kong	HK\$1	<b>Direct 100%</b>	Direct 100%	Provision of trucking services
Singapore C&N Transportation Pte. Ltd.	Singapore	\$1,000	<b>Indirect 100%</b>	–	Inactive

None of the subsidiaries had issued any debt securities at 31 December 2025 and 2024.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 2.1 BASIS OF PREPARATION

The Group's consolidated financial statements have been prepared in accordance with IFRS Accounting Standards which include all individual International Financial Reporting Standards ("IFRSs"), International Accounting Standards ("IASs") and Interpretations ("Ints") promulgated by the International Accounting Standards Board (the "IASB") and the disclosure requirements of the Hong Kong Companies Ordinance. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited (the "GEM Listing Rules"). Material accounting policy information adopted by the Group are disclosed in note 2.3.

The consolidated financial statements have been prepared under the historical cost convention unless mentioned otherwise in the accounting policies below. The consolidated financial statements are presented in \$, which is also the functional currency of the Company except when otherwise indicated.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

### Basis of consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries for the year ended 31 December 2025. A subsidiary is an entity (including a structured entity), directly or indirectly, controlled by the Company. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee (i.e., existing rights that give the Group the current ability to direct the relevant activities of the investee).

When the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- (a) the contractual arrangement with the other vote holders of the investee;
- (b) rights arising from other contractual arrangements; and
- (c) the Group's voting rights and potential voting rights.

The financial statements of the subsidiaries are prepared for the same reporting period as the Company, using consistent accounting policies. The results of subsidiaries are consolidated from the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

Profit or loss and each component of other comprehensive income are attributed to owners of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

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



# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 2.2 ADOPTION OF NEW AND AMENDMENT TO IFRS ACCOUNTING STANDARDS (continued)

### IFRS 18 “Presentation and Disclosure in Financial Statements”

IFRS 18 will replace IAS 1 “Presentation of Financial Statements”, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users. Even though IFRS 18 will not impact the recognition or measurement of items in the financial statements, IFRS 18 introduces significant changes to the presentation of financial statements, with a focus on information about financial performance present in the statement of profit or loss, which will affect how the Group present and disclose consolidated financial performance in the consolidated financial statements.

The new accounting standard introduces the following key new requirements:

- Entities are required to classify all income and expenses into five categories in the statement of profit or loss, namely the operating, investing, financing, discontinued operations and income tax categories. Entities are also required to present a newly-defined operating profit subtotal. Entities’ net profit will not change.
- Management-defined performance measures (“MPMs”) are disclosed in a single note in the financial statements.
- Enhanced guidance is provided on how to group information in the financial statements.

In addition, all entities are required to use the operating profit subtotal as the starting point for the statement of cash flows when presenting operating cash flows under the indirect method.

The Group is currently assessing the impact of IFRS 18, with respect to the structure of the Group’s consolidated statement of profit or loss and other comprehensive income, the consolidated statements of cash flows and the additional disclosures required for MPMs. The Group is also assessing the impact on how information is grouped in the consolidated financial statements. Preliminary assessments indicate the following key impacts:

- The Group will need to reclassify certain income and expense items (e.g., interest income on certain investments and foreign exchange gains/losses) into the new categories, namely investing and financing categories.
- The Group disclosed certain MPMs (e.g., adjusted operating profits and adjusted EBITDA) in its results announcements and the annual report. Under IFRS 18, this will likely require additional disclosure for the MPMs within the notes to the consolidated financial statements.
- The consolidated statement of cash flows will also be impacted, as the operating profit subtotal will be the required starting point for the indirect method.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 2.2 ADOPTION OF NEW AND AMENDMENT TO IFRS ACCOUNTING STANDARDS (continued)

### Amendments to IFRS 9 and IFRS 7 – Amendments to the Classification and Measurement of Financial Instruments

The ISAB issued targeted amendments to IFRS 9 and IFRS 7 to respond to recent questions arising in practice, and to include new requirements not only for financial institutions but also for corporate entities. These amendments:

- clarify the date 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 criterion;
- 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. The application of the amendments is not expected to have significant impact on the consolidated financial position and performance of the Group.

The application of the amendments is not expected to have significant impact on the consolidated financial position and performance of the Group.

## 2.3 MATERIAL ACCOUNTING POLICY INFORMATION

### Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at the end of each reporting period for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss to its estimated recoverable amount. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit (“CGU”) to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the CGU.

Value in use is the present value of the estimated future cash flows of the asset or CGU. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset or CGU whose impairment is being measured.

Impairment losses for CGU are allocated pro rata amongst the other assets of the CGU. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### Property, plant and equipment

Property, plant and equipment are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

When the Group make payments for ownership interests of properties which includes both leasehold land and building elements, the entire consideration is allocated between the leasehold land and the building elements in proportion to the relative fair values at initial recognition. To the extent the allocation of the relevant payments can be made reliably, interest in leasehold land is presented as “right-of-use assets” in the consolidated statement of financial position. When the consideration cannot be allocated reliably between non-lease building element and undivided interest in the underlying leasehold land, the entire properties are classified as property, plant and equipment.

Subsequent costs are included in the asset’s carrying amount or recognised as a separate asset, as appropriate, only when 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. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual value over the estimated useful life on a straight-line basis. The principal annual rates are as follows:

Motor vehicles	5 years to 10 years
Properties	26 years
Leasehold improvements	2 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### Intangible assets

Intangible assets acquired separately are measured on initial recognition at cost. The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are subsequently amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period.

#### *Computer software*

Purchased computer software is stated at cost, less any impairment losses, and is amortised on the straight-line basis over its estimated useful lives of 5 years.

### Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

#### *The Group as a lessee*

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which are primarily laptops and office furniture. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. Lease payments to be made under reasonably certain extension options are also included in the measurement of the lease liability. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### Leases (continued)

*The Group as a lessee (continued)*

To determine the incremental borrowing rate, the Group:

- where possible, uses recent third-party financing received by the individual lessee as a starting point, adjusted to reflect changes in financing conditions since third party financing was received;
- uses a build-up approach that starts with a risk-free interest rate adjusted for credit risk for leases held by Sub 2 Limited, which does not have recent third-party financing; and
- makes adjustments specific to the lease, e.g. term, country, currency and security.

If a readily observable amortising loan rate is available to the individual lessee (through recent financing or market data) which has a similar payment profile to the lease, then the group entities use that rate as a starting point to determine the incremental borrowing rate.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses.

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

When the Group obtains ownership of the underlying leased assets at the end of the lease term, upon exercising purchase options, the cost of the relevant right-of-use assets and the related accumulated depreciation and impairment loss are transferred to property, plant and equipment/the carrying amount of the relevant right-of-use asset is transferred to property, plant and equipment.

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### Investments and other financial assets

#### *Initial recognition and measurement*

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through other comprehensive income, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient of not adjusting the effect of a significant financing component, the Group initially measures a financial asset at its fair value, plus in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15 in accordance with the policies set out for "revenue recognition" below.

In order for a financial asset to be classified and measured at amortised cost or fair value through other comprehensive income, it needs to give rise to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding. Financial assets with cash flows that are not SPPI are classified and measured at fair value through profit or loss, irrespective of the business model.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both. Financial assets classified and measured at amortised cost are held within a business model with the objective to hold financial assets in order to collect contractual cash flows, while financial assets classified and measured at fair value through other comprehensive income are held within a business model with the objective of both holding to collect contractual cash flows and selling. Financial assets which are not held within the aforementioned business models are classified and measured at fair value through profit or loss.

Purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace are recognised on the trade date, that is, the date that the Group commits to purchase or sell the asset.

#### *Subsequent measurement*

The subsequent measurement of financial assets depends on their classification as follows:

#### *Financial assets at amortised cost (debt instruments)*

Financial assets at amortised cost are subsequently measured using the effective interest method and are subject to impairment. Gains and losses are recognised in the consolidated statement of profit or loss when the asset is derecognised, modified or impaired.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### Investments and other financial assets (continued)

#### *Derecognition of financial assets*

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- the rights to receive cash flows from the asset have expired; or
- the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset; or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risk and rewards of ownership of the asset. When it has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

#### **Impairment of financial assets**

The Group recognises a loss allowance for ECL on investments in debt instruments that are measured at amortised cost, trade and other receivables, pledged deposits and bank balances. The amount of ECL is updated at the end of each reporting period to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the end of the reporting period, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the end of the reporting period.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### Impairment of financial assets (continued)

#### *Significant increase in credit risk*

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the end of the reporting period with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor; or
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

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.

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (i) the financial instrument has a low risk of default;
- (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term; and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### Impairment of financial assets (continued)

#### *Significant increase in credit risk (continued)*

The Group considers a financial asset to have low credit risk when the asset has external credit rating of “investment grade” in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of “performing”. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

#### *Definition of default*

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

#### *Credit-impaired financial assets*

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

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### Impairment of financial assets (continued)

#### *Write-off policy*

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over one year past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

#### **Measurement and recognition of ECL**

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the end of the reporting period.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

### **Financial liabilities and equity instruments**

Financial liabilities and equity instruments issued by a group entity are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument under IFRS Accounting Standards. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

#### *Equity instruments*

An equity instrument is any contract that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

#### *Financial liabilities*

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### Financial liabilities and equity instruments (continued)

#### *Financial liabilities at amortised cost*

Financial liabilities including trade payables, other payables and accruals and bank borrowings are subsequently measured at amortised cost, using the effective interest method.

#### *Trade and other payables*

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

#### *Borrowings*

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognised in profit or loss over the period of the borrowings using the effective interest method. Fees paid on the establishment of loan facilities are recognised as transaction costs of the loan to the extent that it is probable that some or all of the facility will be drawn down. In this case, the fee is deferred until the draw-down occurs. To the extent there is no evidence that it is probable that some or all of the facility will be drawn down, the fee is capitalised as a prepayment for liquidity services and amortised over the period of the facility to which it relates.

Borrowings are classified as current liabilities unless, at the end of the reporting period, the Group has a right to defer settlement of the liability for at least 12 months after the end of the reporting period.

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

### Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation. The discount rate used to determine the present value is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. The increase in the provision due to the passage of time is recognised as interest expense.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

### Income tax

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated 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 generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit and at the time of transaction does not give rise to equal taxable and deductible temporary differences.

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 the end of each reporting period 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 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 is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### Income tax (continued)

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to right-of-use assets and lease liabilities separately. The Group recognises a deferred tax asset related to lease liabilities to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised and a deferred tax liability for all taxable temporary differences.

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, or to realise the asset and settle the liability simultaneously.

### Goods and services tax (“GST”)

Revenues, expenses and assets are recognised net of the amount of GST except where the GST incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the consolidated statement of financial position.

### Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable. Such grants are presented under “other income and gains”.

### Revenue recognition

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

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

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### Revenue recognition (continued)

#### (a) Rendering of services

The majority of revenue is derived from the provision of transportation management service, such as trucking and hubbing of customer products.

Trucking income is recognised over time when services are provided because the customer simultaneously receives and consumes the benefits provided by the Group. The revenue is recognised by reference to the progress towards complete satisfaction of the relevant performance obligation. The progress towards complete satisfaction of a performance obligation is measured based on output method, which is to recognise revenue on the basis of direct measurements of the value of the goods or services transferred to the customer to date relative to the remaining goods or services promised under the contract, the best depict the Group's performance in transferring control of goods and services.

Hubbing income is recognised over time according to the respective storage periods on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

#### (b) Interest income

Interest income is recognised on an accrual basis using the effective interest method by applying the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, when appropriate, to the net carrying amount of the financial asset.

### Contract liabilities

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

### Employee benefits

#### (a) Employee leave entitlements

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the end of the reporting period. Employee entitlements to sick leave and maternity leave are not recognised until the time of leave.

#### (b) Pension obligations

The Group contributes to defined contribution retirement schemes which are available to all employees. Contributions to the schemes by the Group and employees are calculated as a percentage of employees' basic salaries. The retirement benefit scheme cost charged to the profit or loss represents contributions payable by the Group to the funds.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 2.3 MATERIAL ACCOUNTING POLICY INFORMATION (continued)

### Share-based payments

The Group issues equity-settled share-based payments to certain employees. Equity-settled share-based payments are measured at the fair value (excluding the effect of non-market based vesting conditions) of the equity instruments at the date of grant. The fair value determined at the grant date of the equity-settled share-based payments is expensed on a straight-line basis over the vesting period, based on the Group's estimate of shares that will eventually vest and adjusted for the effect of non-market based vesting conditions.

### Foreign currency translation

#### *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). The consolidated financial statements are presented in S\$, which is the Company's functional currency.

#### *Transactions and balances in each entity's financial statements*

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the transaction dates. The transaction date is the date on which the company initially recognises such non-monetary assets or liabilities. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

#### *Translation on consolidation*

The results and financial position of all foreign operations (none of which has the currency of hyperinflationary economy) that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and
- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign exchange reserve.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 3. CRITICAL JUDGEMENTS AND KEY ESTIMATES

In applying the Group's accounting policies, which are described in note 2.3, the directors of the Company are required to make judgements (other than those involving estimations) that have a significant impact on the amounts recognised and to make estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### Critical judgements in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgements, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

#### *Revenue from contracts with customers*

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

#### (a) *Identifying performance obligations in a bundled service of trucking services and hubbing services*

The Group provides trucking services that are either provided separately or bundled together with the providing of hubbing services to a customer. The Group determined that both trucking services and hubbing services are each capable of being distinct. Trucking services mainly refer to the transportation of containers using prime movers or the transportation of loose goods using lorries and other ancillary services. Hubbing services refer to container storage services provided through container yards leased by the Group. For trucking business, the Group needs to deliver the goods to the designated point while hubbing business, the Group has to sublet their yards to their customers to allow them to store their containers. In addition, the trucking services and hubbing services are not highly interdependent or highly interrelated, because the Group would be able to provide the trucking services even if the customer declined hubbing services. Consequently, the Group has allocated a portion of the transaction price to the trucking services and the hubbing services based on relative standalone selling prices.

#### (b) *Determining the timing of satisfaction of trucking services and hubbing services*

The Group concluded that revenue from trucking services and hubbing services is recognised over time because the customer simultaneously receives and consumes the benefits provided by the Group. The Group determined that trucking income is recognised over time when customer simultaneously receives and consumes the benefit provided by the Group's performance as the Group performs, using output method, and hubbing income is recognised over the respective periods on a straight-line basis because the customer simultaneously receives and consumes the benefits provided by the Group.

#### *Significant increase in credit risk*

ECL under general approach are measured as an allowance equal to 12-month ECL for stage 1 assets, or lifetime ECL for stage 2 or stage 3 assets. An asset moves to stage 2 when its credit risk has increased significantly since initial recognition. IFRS 9 does not define what constitutes a significant increase in credit risk. In assessing whether the credit risk of an asset has significantly increased the Group takes into account qualitative and quantitative reasonable and supportable forward-looking information.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 3. CRITICAL JUDGEMENTS AND KEY ESTIMATES (continued)

### Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below.

#### *Impairment of non-financial assets*

The Group assesses whether there are any indicators of possible impairment for all non-financial assets (including the right-of-use assets) at the end of the reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable. Impairment exists when the carrying value of an asset or CGU exceeds its recoverable amount, which is the higher of its fair value less costs of disposal or its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow ("DCF") model. The cash flows are derived from the budget and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Changing the assumptions and estimates could materially affect the recoverable amounts, which is the higher of its fair value less costs of disposal or its value in use.

The carrying amounts of property, plant and equipment and right-of-use assets at 31 December 2025 were \$4,050,943 and \$924,132 (2024: \$6,495,796 and \$862,853) respectively. No impairment loss was recognised for property, plant and equipment and right-of-use assets during the years ended 31 December 2025 and 2024.

#### *Allowance for ECL on trade receivables*

The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., gross domestic product) are expected to deteriorate over the next year which can lead to an increased number of defaults in the service sector, the historical default rates are adjusted. At the end of each reporting period, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation among historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and forecast economic conditions. The Group's historical credit loss experience and forecast economic conditions may also not be representative of a customer's actual default in the future. The information about the ECL on the Group's trade receivables is disclosed in note 31.

At 31 December 2025, the carrying amount of trade receivables is \$8,166,248 (net allowance for ECL of \$155,548) (2024: \$7,786,066 (net allowance for ECL of \$195,627)).

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 3. CRITICAL JUDGEMENTS AND KEY ESTIMATES (continued)

### Key sources of estimation uncertainty (continued)

#### *Allowance for ECL on deposits and other receivables*

The Group makes allowance for ECL on deposits and other receivables based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the ECL calculation, based on the Group's past history, existing market conditions as well as forward-looking estimates at the end of the reporting period. The amount of the impairment loss based on ECL model is measured at the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

At 31 December 2025, the carrying amount of deposits and other receivables is \$220,210, net allowance for ECL of \$1,669 (2024: \$560,804, net allowance for ECL of \$4,722).

## 4. SEGMENT INFORMATION

The chief operating decision maker (the "CODM") has been identified as the directors of the Company. The CODM review the Group's internal reporting for the purposes of resources allocation and assessment of segment performance which focused on the category of services. The Group has identified two reportable segments as follows:

The trucking segment — the provision of cargo transportation and other related services. The Group offers cargo transportation services, primarily of containers, from customers' designated pick up points to their designated delivery points within Singapore and Hong Kong.

The hubbing segment — the offering of the Group's container storage facility at its logistics yard to its customers.

Segment results do not include unallocated administrative expenses, unallocated other income and gains and unallocated finance costs.

Segment assets exclude, pledged deposits, cash and bank balances and other unallocated head office and corporate assets as these assets are managed on a group basis.

Segment liabilities exclude bank borrowings and other unallocated head office and corporate liabilities as these liabilities are managed on a group basis.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 4. SEGMENT INFORMATION (continued)

Year ended 31 December 2025

### Segment revenue (note 5)

Sales to external customers

### Segment results

#### Reconciliation

Unallocated other income and gains

Reversal of allowance for ECL on deposits and other receivables

Unallocated finance costs

Corporate and other unallocated expenses

Loss before tax

### Segment assets

#### Reconciliation

Pledged deposits

Bank balances

Corporate and other unallocated assets

Total assets

### Segment liabilities

#### Reconciliation

Bank borrowings

Corporate and other unallocated liabilities

Total liabilities

### Other segment information

Depreciation

Gain on disposal of property, plant and equipment

Reversal of allowance for ECL on trade receivables

Unallocated reversal of allowance for ECL on deposits and other receivables

Finance costs

Unallocated finance costs

Capital expenditure\*

	Trucking \$	Hubbing \$	Total \$
Sales to external customers	17,127,474	472,258	17,599,732
<b>Segment results</b>	<b>(546,330)</b>	<b>101,035</b>	<b>(445,295)</b>
Unallocated other income and gains			47,616
Reversal of allowance for ECL on deposits and other receivables			2,872
Unallocated finance costs			(9,595)
Corporate and other unallocated expenses			(2,607,870)
Loss before tax			(3,012,272)
<b>Segment assets</b>	<b>12,483,140</b>	<b>658,183</b>	<b>13,141,323</b>
Pledged deposits			539,846
Bank balances			702,796
Corporate and other unallocated assets			220,210
Total assets			14,604,175
<b>Segment liabilities</b>	<b>2,993,807</b>	<b>–</b>	<b>2,993,807</b>
Bank borrowings			187,794
Corporate and other unallocated liabilities			866,745
Total liabilities			4,048,346
<b>Other segment information</b>			
Depreciation	1,887,701	–	1,887,701
Gain on disposal of property, plant and equipment	209,822	–	209,822
Reversal of allowance for ECL on trade receivables	(30,106)	–	(30,106)
Unallocated reversal of allowance for ECL on deposits and other receivables			(2,872)
			(32,978)
Finance costs	24,626	2,012	26,638
Unallocated finance costs			9,595
			36,233
Capital expenditure*	165,131	–	165,131

\* Represents additions to right-of-use assets

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 4. SEGMENT INFORMATION (continued)

Year ended 31 December 2024

	Trucking \$	Hubbing \$	Total \$
<b>Segment revenue</b> (note 5)			
Sales to external customers	24,571,081	1,236,635	25,807,716
<b>Segment results</b>	2,014,125	506,550	2,520,675
<i>Reconciliation</i>			
Unallocated other income and gains			44,864
Reversal of allowance for ECL on deposits and other receivables			289
Unallocated finance costs			(12,047)
Corporate and other unallocated expenses			(2,965,407)
Loss before tax			(411,626)
<b>Segment assets</b>	14,196,662	948,053	15,144,715
<i>Reconciliation</i>			
Pledged deposits			535,373
Bank balances			623,969
Corporate and other unallocated assets			560,804
Total assets			16,864,861
<b>Segment liabilities</b>	1,720,902	247,988	1,968,890
<i>Reconciliation</i>			
Bank borrowings			245,123
Corporate and other unallocated liabilities			709,677
Total liabilities			2,923,690
<b>Other segment information</b>			
Depreciation and amortisation	1,915,966	59,211	1,975,177
Unallocated depreciation and amortisation			49,672
			2,024,849
Gain on disposal of property, plant and equipment	28,411	–	28,411
Allowance for ECL on trade receivables	199,885	–	199,885
Unallocated reversal of allowance for ECL on deposits and other receivables			(289)
			199,596
Finance costs	34,598	18,294	52,892
Unallocated finance costs			12,047
			64,939
Capital expenditure*	956,420	–	956,420

\* Represents additions to property, plant and equipment and right-of-use assets

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 4. SEGMENT INFORMATION (continued)

### Revenue from major customers

Revenue from each major customer which individually contributed to 10% or more of the total revenue of the Group is set out below:

	2025 \$	2024 \$
Customer A	6,568,312	11,143,441
Customer B	1,859,492	3,034,508
Customer C	N/A*	3,420,067

The revenue from the above major customers was derived from both the trucking and hubbing segments.

\* The corresponding customers did not contribute over 10% of the total revenue of the Group for the year.

### Geographical information

The following table sets out information about the geographic area of (i) the Group's revenue from external customers; and (ii) the Group's non-current assets. The geographic area of customers is based on the location at which the services were rendered or the control over the goods are transferred to customers. The geographic area of the non-current assets is based on the physical location of the assets.

	Revenue		Non-current assets	
	2025 \$	2024 \$	2025 \$	2024 \$
Hong Kong	6,858,529	4,545,192	1,282,122	1,934,832
Singapore	10,741,203	21,262,524	3,692,953	5,423,817
Consolidated total	17,599,732	25,807,716	4,975,075	7,358,649

## 5. REVENUE AND OTHER INCOME AND GAINS

Revenue represents the value of services rendered, net of GST, during the year.

An analysis of revenue is as follows:

	2025 \$	2024 \$
Revenue from contracts with customers within the scope of IFRS 15	17,599,732	25,807,716

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 5. REVENUE AND OTHER INCOME AND GAINS (continued)

### (i) Disaggregated revenue information

*Revenue from contracts with customers within the scope of IFRS 15*

	2025 \$	2024 \$
<b>Types of goods or services</b>		
Trucking services	17,127,474	24,571,081
Hubbing services	472,258	1,236,635
	<b>17,599,732</b>	<b>25,807,716</b>
<b>Timing of revenue recognition</b>		
Over time	17,599,732	25,807,716

### (ii) Performance obligations

Information about the Group's performance obligations is summarised below:

#### *Trucking revenue*

The performance obligation is satisfied over time when the customer simultaneously receives and consumes the benefits provided by the Group's performance as the Group performs, using output method.

#### *Hubbing revenue*

The performance obligation is satisfied over time according to respective storage periods on a straight-line basis.

The Group has applied the practical expedient in paragraph 121 of IFRS 15 to its trucking and hubbing service contracts such that the above information does not include information about revenue that the Group will be entitled to when it satisfies the remaining performance obligations under the contracts that had an original expected duration of one year or less.

### (iii) Other income and gains

	2025 \$	2024 \$
Interest income	4,865	11,121
Gain on disposal of property, plant and equipment	209,822	28,411
Government grants ( <i>note</i> )	38,061	31,704
Sundry income	4,690	2,039
	<b>257,438</b>	<b>73,275</b>

*Note:* There were no unfulfilled conditions or contingencies relating to the various government grants, which mainly represent incentive schemes received from the Inland Revenue Authority of Singapore to support business operations.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 6. FINANCE COSTS

	2025 \$	2024 \$
Interest on lease liabilities	26,638	52,892
Interest on bank borrowings	9,595	12,047
	<b>36,233</b>	<b>64,939</b>

## 7. LOSS BEFORE TAX

The Group's loss before tax is arrived at after charging/(crediting):

	2025 \$	2024 \$
Employee benefits ( <i>note</i> )		
– Salaries and allowances	5,266,379	5,268,866
– Central Provident Fund (“CPF”) contributions	656,177	679,330
– Directors' emoluments ( <i>note 8</i> )	112,812	578,859
	<b>6,035,368</b>	<b>6,527,055</b>
Depreciation of property, plant and equipment ( <i>note 13</i> )	1,783,849	1,881,972
Amortisation of intangible assets ( <i>note 15</i> )	–	49,672
Depreciation of right-of-use assets ( <i>note 14</i> )	103,852	93,205
Expenses relating to short-term leases	200,737	702,716
Auditor's remuneration		
– Audit service	124,566	130,277
(Reversal of)/allowance for ECL on		
– trade receivables	(30,106)	199,885
– deposits and other receivables	(2,872)	(289)
Exchange (gains)/losses, net	(12,483)	3,360

*Note:* During the year ended 31 December 2025, cost of sales includes \$4,291,398 (2024: \$4,664,958) relating to employee benefits expense, amounts of which are also included in the respective total amounts disclosed separately above.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 8. DIRECTORS' EMOLUMENTS

Certain directors of the Company received remuneration from the subsidiaries of the Group, for their appointments as directors of these subsidiaries. The aggregated remuneration received or receivable by each of the executive directors of the Company is set out below:

	Fees \$	Salaries and allowance \$	CPF contributions \$	Total \$
<b>Year ended 31 December 2025</b>				
Chua Kang Lim (resigned on 28 February 2025)	–	90,000	2,738	92,738
Fung Mee Kuen	20,074	–	–	20,074
	<b>20,074</b>	<b>90,000</b>	<b>2,738</b>	<b>112,812</b>
<b>Year ended 31 December 2024</b>				
Chua Kang Lim (resigned on 28 February 2025)	–	532,540	25,776	558,316
Fung Mee Kuen	20,543	–	–	20,543
	<b>20,543</b>	<b>532,540</b>	<b>25,776</b>	<b>578,859</b>

The fees paid or payable to independent non-executive directors of the Company during the year ended 31 December 2025 were as follows:

	2025 \$	2024 \$
Wong Shuk Yee Camilla	12,044	12,326
Cheung Wai Kin	20,074	20,543
Wong Ching Wan (resigned on 2 April 2024)	–	2,568
Li HongJing (appointed on 1 July 2024)	8,029	4,110
	<b>40,147</b>	<b>39,547</b>

There were no other emoluments paid or payable to the independent non-executive directors during the year ended 31 December 2025 (2024: Nil).

There was no arrangement under which a director of the Company waived or agreed to waive any remuneration during the year (2024: Nil).

During the year, no emoluments were paid by the Group to the directors of the Company as an inducement to join or upon joining the Group or as compensation for loss of office (2024: Nil).

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 9. FIVE HIGHEST PAID EMPLOYEES

The five highest paid employees during the year included nil (2024: one) director, details of whose remuneration are set out in note 8 above. Details of the emoluments for the five (2024: four) highest paid employees who are neither directors nor the chief executive of the Group are as follows:

	2025 \$	2024 \$
Salaries and allowance	577,544	323,482
CPF contributions	38,924	46,321
Total	616,468	369,803

The five (2024: four) highest paid employees as disclosed above whose remuneration fell within the following band are as follows:

	2025	2024
Nil to HK\$1,000,000 (equivalent to approximate \$167,281)	5	4

During the year ended 31 December 2025, no emoluments were paid by the Group to the above highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2024: Nil).

## 10. INCOME TAX

Pursuant to the rules and regulations of the Cayman Islands and the BVI, the Group is not subject to any income tax in the Cayman Islands and the BVI for the years ended 31 December 2025 and 2024.

The Group is subject to income tax on an entity basis on profits arising in or derived from the jurisdictions in which members of the Group are domiciled and operate.

The applicable tax rates for a qualified group company incorporated in Hong Kong is 8.25% on the first HK\$2,000,000 of assessable profit and 16.5% on the remaining. The applicable tax rate for those non-qualified group companies incorporated in Hong Kong is 16.5%.

No provision for Hong Kong Profits Tax has been made in the consolidated financial statements since the Group has sufficient tax losses brought forward to set off against current year's assessable profit for the years ended 31 December 2025 and 2024.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 10. INCOME TAX (continued)

The Singapore statutory income tax rate has been provided at the rate of 17% (2024: 17%) for the year. No provision for Singapore Profits Tax has been made in the consolidated financial statements since the Group did not have any assessable profit (2024: sufficient tax losses brought forward were available to set off against the assessable profit).

A reconciliation of the income tax applicable to loss before tax at the statutory rate for the jurisdiction in which the Company's subsidiaries are domiciled to the income tax expense is as follows:

	2025 \$	2024 \$
Loss before tax	(3,012,272)	(411,626)
Notional tax on loss before tax calculated at applicable tax rates	(469,617)	(68,933)
Tax effect of expenses that are not deductible	50,000	62,554
Tax effect of income that is not taxable	(36,010)	(5,462)
Tax effect of deductible temporary difference not recognised	240,304	215,034
Tax effect of tax losses not recognised	286,795	–
Tax effect of utilisation of tax losses previously not recognised	(71,472)	(203,193)
Income tax	–	–

Details of deferred taxation are set out in note 23.

## 11. DIVIDENDS

The directors of the Company do not recommend the payment of any dividend in respect of the year ended 31 December 2025 (2024: Nil).

## 12. LOSS PER SHARE

	2025 \$	2024 \$
Loss for the year attributable to the owners of the Company	(3,012,272)	(411,626)
Weighted average number of ordinary shares	166,835,200	166,835,200

The calculation of the basic loss per share is based on the loss for the year attributable to owners of the Company and the weighted average number of ordinary shares in issue.

For the purpose of calculation of diluted loss per share, no adjustment has been made to the basic loss per share as the Company's outstanding share options have no dilutive effect for the years ended 31 December 2025 and 2024.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 13. PROPERTY, PLANT AND EQUIPMENT

	Motor vehicles \$	Computers \$	Properties \$	Leasehold improvement \$	Total \$
<b>Cost</b>					
At 1 January 2024	25,272,928	98,696	1,469,985	975,994	27,817,603
Additions	504,066	-	-	-	504,066
Disposals	(1,812,938)	-	-	-	(1,812,938)
Exchange alignment	101,454	-	-	33,951	135,405
At 31 December 2024 and 1 January 2025	<b>24,065,510</b>	<b>98,696</b>	<b>1,469,985</b>	<b>1,009,945</b>	<b>26,644,136</b>
Disposals	<b>(4,083,857)</b>	-	<b>(365,000)</b>	-	<b>(4,448,857)</b>
Exchange alignment	<b>(165,118)</b>	-	-	<b>(55,256)</b>	<b>(220,374)</b>
At 31 December 2025	<b>19,816,535</b>	<b>98,696</b>	<b>1,104,985</b>	<b>954,689</b>	<b>21,974,905</b>
<b>Accumulated depreciation and impairment</b>					
At 1 January 2024	18,444,539	98,696	462,721	975,994	19,981,950
Charge for the year	1,822,761	-	59,211	-	1,881,972
Disposals	(1,775,149)	-	-	-	(1,775,149)
Exchange alignment	25,616	-	-	33,951	59,567
At 31 December 2024 and 1 January 2025	<b>18,517,767</b>	<b>98,696</b>	<b>521,932</b>	<b>1,009,945</b>	<b>20,148,340</b>
Charge for the year	<b>1,727,173</b>	-	<b>56,676</b>	-	<b>1,783,849</b>
Disposals	<b>(3,760,225)</b>	-	<b>(131,806)</b>	-	<b>(3,892,031)</b>
Exchange alignment	<b>(60,940)</b>	-	-	<b>(55,256)</b>	<b>(116,196)</b>
At 31 December 2025	<b>16,423,775</b>	<b>98,696</b>	<b>446,802</b>	<b>954,689</b>	<b>17,923,962</b>
<b>Carrying amount</b>					
At 31 December 2025	<b>3,392,760</b>	-	<b>658,183</b>	-	<b>4,050,943</b>
At 31 December 2024	5,547,743	-	948,053	-	6,495,796

### Assets pledged as securities

The Group's properties were pledged to secure the Group's bank borrowings as at 31 December 2025 and 2024 (note 22(i)).

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 14. LEASES

### The Group as a lessee

The Group has lease contracts for various items of motor vehicles and yard used in its operations. Leases for yard generally have lease terms of 3 years (2024: 3 years), while motor vehicles generally have lease terms of 3 years (2024: 3 years). Other equipment generally has lease terms of 12 months or less and/or is individually of low value. The Group is restricted from assigning and subleasing the leased assets outside the Group.

#### (a) Right-of-use assets

The carrying amounts of the Group's right-of-use assets and the movements during the year are as follows:

	<b>Motor vehicles</b>
	\$
At 1 January 2024	503,704
Additions	452,354
Depreciation charge	(93,205)
	<hr/>
At 31 December 2024 and 1 January 2025	<b>862,853</b>
Additions	<b>165,131</b>
Depreciation charge	<b>(103,852)</b>
	<hr/>
At 31 December 2025	<b>924,132</b>
	<hr/>

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 14. LEASES (continued)

### The Group as a lessee (continued)

#### (b) Lease liabilities

	Minimum lease payments		Present value of minimum lease payments	
	2025 \$	2024 \$	2025 \$	2024 \$
Within one year	323,384	566,500	311,942	541,883
More than one year, but not exceeding two years	59,275	280,544	57,171	272,870
More than two years, but not more than five years	24,967	16,435	24,609	16,309
	<b>407,626</b>	863,479	<b>393,722</b>	831,062
Less: Future finance charges	<b>(13,904)</b>	(32,417)	<b>N/A</b>	N/A
Present value of lease obligations	<b>393,722</b>	831,062		
Less: Amount due for settlement within 12 months (shown under current liabilities)			<b>(311,942)</b>	(541,883)
Amount due for settlement after 12 months (shown under non-current liabilities)			<b>81,780</b>	289,179

The incremental borrowing rates applied to lease liabilities range from 4.29% to 5.13% (2024: from 4.91% to 5.13%).

All lease payables are denominated in S\$.

The maturity analysis of lease liabilities is disclosed in note 31.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 14. LEASES (continued)

### The Group as a lessee (continued)

(c) The amounts recognised in profit or loss in relation to leases are as follows:

	2025	2024
	\$	\$
Interest on lease liabilities (note 6)	26,638	52,892
Depreciation of right-of-use assets	103,852	93,205
Expense relating to short-term leases (included in cost of services)	200,737	702,716

(d) The total cash outflows for leases is disclosed in note 27(c).

## 15. INTANGIBLE ASSETS

	Computer software
	\$
<b>Cost</b>	
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	372,530
<b>Accumulated amortisation</b>	
At 1 January 2024	322,858
Amortisation for the year	49,672
At 31 December 2024 and 1 January 2025 and 31 December 2025	372,530
<b>Carrying amount</b>	
At 31 December 2025	-
At 31 December 2024	-

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 16. TRADE RECEIVABLES

	2025 \$	2024 \$
Trade receivables, gross	<b>8,321,796</b>	7,981,693
Less: Allowance for ECL	<b>(155,548)</b>	(195,627)
Trade receivables, net	<b>8,166,248</b>	7,786,066

Trade receivables are all non-interest-bearing and are generally repayable on terms of 30 to 90 days (2024: 30 to 90 days).

An ageing analysis of the trade receivables as at the end of the reporting period, based on the invoice dates and net of allowance of ECL, is as follows:

	2025 \$	2024 \$
Less than 30 days	<b>2,304,552</b>	3,323,355
31 to 60 days	<b>1,849,090</b>	1,413,289
61 to 90 days	<b>724,045</b>	142,976
More than 90 days	<b>3,288,561</b>	2,906,446
Total	<b>8,166,248</b>	7,786,066

An impairment analysis is performed at the end of each reporting period using a provision matrix to measure the allowance for ECL. The provision rates are based on the days past due for groupings of various customer segments with similar loss patterns. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions. Generally, trade receivables are written off if past due for more than one year and are not subject to enforcement activity. Details of the Group's impairment assessment on trade receivables are set in note 31.

Trade receivables denominated in Hong Kong dollars ("HK\$") amounted to \$6,309,931 (2024: \$4,215,562) as at 31 December 2025.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 17. DEPOSITS AND OTHER RECEIVABLES

	2025 \$	2024 \$
Deposits	221,879	446,426
Other receivables	–	119,100
Deposits and other receivables, gross	221,879	565,526
Less: Allowance for ECL	(1,669)	(4,722)
Deposits and other receivables, net	<b>220,210</b>	560,804

The financial assets included in the above balances relate to receivables for which there was no recent history of default and past due amounts.

For deposits and other receivables, the directors of the Company make periodic individual assessments on the recoverability of deposits and other receivables. The Group has assessed that the allowance for ECL of deposits and other receivables was \$1,669 as at 31 December 2025 under 12m ECL model. Details of the Group's impairment assessment on deposits and other receivables are set out in note 31.

## 18. BANK BALANCES AND PLEDGED DEPOSITS

	2025 \$	2024 \$
Bank balances	702,796	623,969
Pledged deposits	539,846	535,373
Less: Pledged deposits secured for bank borrowings ( <i>note 22</i> )	1,242,642 (539,846)	1,159,342 (535,373)
Bank balances	<b>702,796</b>	623,969

Cash at banks and pledged deposits are denominated in S\$, HK\$ and United States dollars ("US\$"), and earn interest at floating rates based on daily bank deposit rates. The bank balances and pledged deposits are deposited with creditworthy banks with no recent history of default.

As at 31 December 2025, cash and bank balances and pledged deposits denominated in HK\$ and US\$ amounted to \$58,153 and \$700,760 (2024: \$151,004 and \$nil) respectively.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 19. TRADE PAYABLES

Trade payables are non-interest-bearing and are normally settled on terms of 30 to 90 days (2024: 30 days).

An ageing analysis of the trade payables as at the end of the reporting period, based on the invoice dates, is as follows:

	2025 \$	2024 \$
Less than 30 days	618,685	628,205
31 to 60 days	451,783	225,109
61 to 90 days	235,783	47,825
More than 90 days	978,497	–
	<b>2,284,748</b>	<b>901,139</b>

## 20. CONTRACT LIABILITIES

	2025 \$	2024 \$
Short-term deposits received from customers		
Trucking services	58,563	71,347

Contract liabilities primarily relate to the Group's obligation to transfer services to customers for which the Group has received short-term deposits from customers for services rendered.

Movements in contract liabilities are as follows:

	2025 \$	2024 \$
At 1 January	71,347	77,824
Decrease in contract liabilities as a result of recognising revenue during the year and included in the contract liabilities at the beginning of the year	(71,347)	(77,824)
Increase in contract liabilities as a result of short-term deposits received from customers	58,563	71,347
At 31 December	<b>58,563</b>	<b>71,347</b>

The amount of deposit received in advance is expected to be recognised as revenue within one year (2024: one year).

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 21. OTHER PAYABLES AND ACCRUALS

	2025 \$	2024 \$
Accrued liabilities	912,594	667,208
GST payable	166,485	169,204
Other payables	44,440	38,607
	<b>1,123,519</b>	<b>875,019</b>

Other payables and accruals denominated in HK\$ amounted to \$606,968 (2024: \$122,655) as at 31 December 2025.

## 22. BANK BORROWINGS

	2025 \$	2024 \$
Secured bank loans:		
On demand or within one year	59,885	57,324
More than one year, but not exceeding two years	62,562	59,885
More than two years, but not more than five years	65,347	127,914
	<b>187,794</b>	<b>245,123</b>
Less: Amount due for settlement within 12 months (shown under current liabilities)	<b>(59,885)</b>	<b>(57,324)</b>
Amount due for settlement after 12 months (shown under non-current liabilities)	<b>127,909</b>	<b>187,799</b>

For the year ended 31 December 2025, the effective interest rates of the Group's bank loans at 4.38% (2024: 4.38%) per annum.

The Group's secured bank loans are secured by:

- (i) the Group's properties situated in Singapore with an aggregate carrying amount of \$658,183 (2024: \$948,053) (note 13) as at 31 December 2025;
- (ii) pledged deposits with carrying amount of \$539,846 (2024: \$535,373) (note 18) as at 31 December 2025; and
- (iii) joint and several personal guarantees provided by the directors of the Company's subsidiary.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 23. DEFERRED TAXATION

At the end of the reporting period, the Group had unused tax losses of approximately \$1,674,517 (2024: \$2,185,213) arising in Hong Kong and \$4,342,066 (2024: \$2,655,036) arising in Singapore, which are available for offset against future taxable profits of the respective entities. No deferred tax asset has been recognised in respect of such tax losses due to the unpredictability of future profit streams. The unused tax losses may be carried forward indefinitely, subject to compliance with the relevant tax regulations in the respective jurisdictions.

## 24. SHARE CAPITAL

	Number of ordinary shares	Nominal value of ordinary shares  HK\$	Share capital  (equivalent to S\$)
Ordinary share of HK\$0.2 each			
<b>Authorised</b>			
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<b>250,000,000</b>	<b>50,000,000</b>	
<b>Issued and fully paid</b>			
At 1 January 2024, 31 December 2024, 1 January 2025 and 31 December 2025	<b>166,835,200</b>	<b>33,367,040</b>	<b>5,725,993</b>

## 25. RESERVES

The amounts of the Group's reserves and the movements therein for the current and prior years are presented in the consolidated statement of changes in equity of these consolidated financial statements.

### Nature and purpose of reserves

#### (a) Share premium

Under the Companies Law 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 the 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.

#### (b) Option reserve

Option reserve represents the fair value of the actual or estimated number of unexercised share options granted to eligible person of the Group recognised in accordance with the accounting policy adopted for equity-settled share-based payments in note 2.3.

#### (c) Foreign exchange reserve

The foreign exchange reserve comprises all foreign exchange differences arising from the translation of the financial statement of foreign operation. The reserve is dealt with in accordance with the accounting policies set out in note 2.3.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 26. SHARE-BASED PAYMENTS

### Equity-settled share option scheme

Share options were granted to eligible participants under a share option scheme approved and adopted by the shareholders of the Company on 25 September 2017 and amended on 30 June 2025 (the "Share Option Scheme") for the purpose of providing incentives and rewards to eligible participants who have contributed or will contribute to the growth and development of the Group.

Particulars of the Share Option Scheme are set out in pages 53 to 55 of this annual report.

The movement in share options during the year ended 31 December 2025 and 2024 are as follows:

Name of grantee	Date of grant of the options	At 1 January 2025	Lapsed/ cancelled during the year	At 31 December 2025	Vesting period	Exercise period	Adjusted exercise price per share option HK\$ (note (i))
Employees	20 Jan 2022	1,221,156	(1,221,156)	–	N/A	20 Jan 2022 to 19 Jan 2025	2.026
Name of grantee	Date of grant of the options	At 1 January 2024	Lapsed/ cancelled during the year	At 31 December 2024	Vesting period	Exercise period	Adjusted exercise price per share option HK\$ (note (i))
Employees	21 May 2021	2,669,194	(2,669,194)	–	N/A	21 May 2021 to 20 May 2024	5.467
	20 Jan 2022	1,221,156	–	1,221,156	N/A	20 Jan 2022 to 19 Jan 2025	2.026
Total		3,890,350	(2,669,194)	1,221,156			

Notes:

- (i) During the year ended 31 December 2023, the Company implemented the share consolidation and rights issue which necessitated adjustments to the exercise price and number of outstanding share options.

As a result of both the share consolidation and rights issue, the number of shares that may be issued upon exercise of the outstanding share options granted under the Share Option Scheme was adjusted in the following manner:

For options granted on 21 May 2021, the number of shares was adjusted from 51,200,000 to 2,560,000 shares and the exercise price was adjusted from HK\$0.2850 to HK\$5.70 per share following the share consolidation; the exercise price was further adjusted from HK\$5.70 to HK\$5.467 per share subsequent to the rights issue.

For options granted on 20 January 2022, the number of shares was adjusted from 23,424,000 to 1,171,200 shares and the exercise price was adjusted from HK\$0.1056 to HK\$2.112 per share following the share consolidation; the exercise price was further adjusted from HK\$2.112 to HK\$2.026 per share subsequent to the rights issue.

For details, please refer to the prospectus of the Company dated 17 January 2023, the circular of the Company dated 9 December 2022, and the announcements of the Company dated 21 October 2022, 1 December 2022, 13 February 2023 and 22 February 2023.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 26. SHARE-BASED PAYMENTS (continued)

### Equity-settled share option scheme (continued)

At 31 December 2025, the total number of shares available for issue under the Share Option Scheme was 16,683,520 (2024: 4,170,880) shares, representing 10% (2024: 2.5%) of the shares of the Company in issue as at the date of adoption of the Share Option Scheme. As at 31 December 2025, no options remained outstanding under the Share Option Scheme, as all outstanding options of 1,221,156 shares were lapsed during the year ended 31 December 2025. Accordingly, the total number of options available for grant under the scheme mandate of the Share Option Scheme at the end of the financial year ended 31 December 2025 was 16,683,520 (2024: 4,170,880) shares. Movements in the number of share options outstanding and their related weighted average exercise price are as follows:

	2025		2024	
	Number of options	Weighted average exercise price HK\$	Number of options	Adjusted weighted average exercise price HK\$
Outstanding at the beginning of the year	1,221,156	2.0260	3,890,350	4.3869
Lapsed during the year	(1,221,156)	2.0260	(2,669,194)	5.4670
Outstanding at the end of the year	–	N/A	1,221,156	2.0260
Exercisable at the end of the year	–	N/A	1,221,156	2.0260

At 31 December 2025, no options were outstanding under the Share Option Scheme. At 31 December 2024, options to subscribe for a total of 1,221,156 option shares were outstanding under the Share Option Scheme, which represented approximately 0.73% of the issued ordinary shares of the Company.

No options were outstanding at the end of the year ended 31 December 2025. At 31 December 2024, the above options had a weighted average remaining contractual life of 0.1 year and the exercise price was HK\$2.0260.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 27. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

### (a) Major non-cash transactions

During the year ended 31 December 2025, the Group entered into certain lease arrangements in respect of motor vehicles with total capital value at the inception of the leases of \$165,131 (2024: \$452,354) and the same amounts of lease liabilities, of which, they were non-cash additions.

### (b) Changes in liabilities arising from financing activities

	<b>Bank borrowings</b>	<b>Lease liabilities</b>	<b>Total</b>
	\$	\$	\$
At 1 January 2024	300,000	1,267,613	1,567,613
Changes from financing cash flows	(66,924)	(941,797)	(1,008,721)
New leases (note 27(a))	–	452,354	452,354
Interest expense	12,047	52,892	64,939
	<b>245,123</b>	<b>831,062</b>	<b>1,076,185</b>
At 31 December 2024 and 1 January 2025	<b>(66,924)</b>	<b>(629,109)</b>	<b>(696,033)</b>
Changes from financing cash flows	–	<b>165,131</b>	<b>165,131</b>
New leases (note 27(a))	<b>9,595</b>	<b>26,638</b>	<b>36,233</b>
Interest expense			
At 31 December 2025	<b>187,794</b>	<b>393,722</b>	<b>581,516</b>

### (c) Total cash outflows for leases

The total cash outflows for leases included in the consolidated statement of cash flows is as follows:

	<b>2025</b>	2024
	\$	\$
Within operating activities	<b>200,737</b>	702,716
Within financing activities	<b>629,109</b>	941,797
	<b>829,846</b>	1,644,513

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 28. SETTLEMENT GUARANTEE

As at 31 December 2025, settlement guarantee of \$520,000 (2024: \$670,000) was given by the financial institutions and insurance companies on behalf of the Group to certain suppliers. If the Group fails to settle its deposits to the supplier, such supplier may demand the financial institutions and insurance companies to pay to it the sum or sum stipulated in such demand. The Group will become liable to compensate the financial institutions and insurance companies accordingly. The settlement guarantee will be released only if (i) the Group settles all its deposit payment outstanding to the supplier; or (ii) submits a request to cancel the settlement guarantee to the financial institutions and insurance companies. The settlement guarantee was granted by the financial institutions and insurance companies under the facility with the Company and the directors of the Company's subsidiary as the guarantor.

As at 31 December 2025 and 2024, no provision of guarantee was recognised as the amounts of the guarantee are insignificant and management of the Group does not consider it is probable that a claim will be made against the Company under the above guarantee.

## 29. RELATED PARTY TRANSACTIONS

### (a) Compensation of key management personnel

	2025 \$	2024 \$
Remuneration paid to key management personnel (including executive directors' emoluments (note 8))		
Salaries and allowances	687,618	876,565
CPF contributions	41,662	72,097
	<b>729,280</b>	<b>948,662</b>

### (b) Directors' material interests in transactions, arrangements and contracts

Save for above, no other significant transaction, arrangement and contract of significance in relation to the Group's business to which the Company was a party and in which a director of the Company and a director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year of or at any time during the year.

### (c) Personal guarantee

As at 31 December 2025 and 2024, certain of the Group's banking borrowings were jointly and severally guaranteed by certain directors of the Company's subsidiary.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 30. FINANCIAL INSTRUMENTS

### (a) Financial instruments by category

The carrying amounts of each of the categories of financial instruments as at the end of the reporting period are as follows:

#### *Financial assets*

	2025 \$	2024 \$
At amortised cost		
Pledged deposits	539,846	535,373
Bank balances	702,796	623,969
Trade receivables	8,166,248	7,786,066
Deposits and other receivables	220,210	560,804
Total	9,629,100	9,506,212

#### *Financial liabilities*

	2025 \$	2024 \$
At amortised cost		
Trade payables	2,284,748	901,139
Other payables and accruals	957,034	705,815
Bank borrowings	187,794	245,123
Lease liabilities	393,722	831,062
Total	3,823,298	2,683,139

### (b) Fair value of financial instruments

As at 31 December 2025 and 2024, the carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group is exposed to financial risks arising from its operations and the use of financial instruments.

The main risks arising from the Group's financial instruments are foreign currency risk, interest rate risk, credit risk and liquidity risk. The directors of the Company review and agree policies for managing each of these risks and they are summarised below.

### Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in the functional currencies of the Group's entities (S\$ and HK\$). The Group's operating subsidiaries conduct their business transactions principally in their respective functional currencies. The Group currently does not have a foreign currency hedging policy. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

Sensitivity analysis on foreign currency risk has not been presented as the reasonably possible changes in foreign exchange rates will not have significant impact on the Group's consolidated financial statements.

### Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from bank balances, pledged deposits, bank borrowings and lease liabilities.

The Group's cash flow interest rate risk primarily relates to bank deposits, pledged deposits and variable-rate bank borrowings. It is the Group's policy to keep its borrowing at floating rate of interest so as to minimise the fair value interest rate risk.

Sensitivity analysis on cash flow interest rate risk has not been presented as the reasonably possible changes in market interest rate will not have significant impact on the Group's consolidated financial statements.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### Credit risk

The Group trades only with recognised and creditworthy third parties. It is the Group's policy that all customers who wish to trade on credit terms are subject to credit verification procedures. In addition, receivable balances are monitored on an ongoing basis and the Group's exposure to bad debts is not significant.

Individual credit evaluations are performed on all customers requiring credit over a certain amount. These evaluations focus on the customer's past history of making payments when due and current ability to pay and take into account information specific to the customer as well as pertaining to the economic environment in which the customer operates. Trade receivables are due within 30 to 90 days (2024: 30 to 90 days) from the date of billing. Normally, the Group does not obtain collateral from customers.

For financial assets whose impairment losses are measured using expected credit loss model under general approach, the Group assesses whether their credit risk has increased significantly since their initial recognition, and applies a three-stage impairment model to calculate their impairment allowance and recognise their expected credit losses, as follows:

Stage 1: If the credit risk has not increased significantly since its initial recognition, the financial asset is included in stage 1.

Stage 2: If the credit risk has increased significantly since its initial recognition but not yet deemed to be credit-impaired, the financial instrument is included in stage 2.

Stage 3: If the financial instrument is credit-impaired, the financial instrument is included in stage 3.

### **Maximum exposure and year-end staging**

The tables below show the credit quality and the maximum exposure to credit risk based on the Group's credit policy, which is mainly based on past due information unless other information is available without undue cost or effort, and year-end staging classification.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

Credit risk (continued)

Maximum exposure and year-end staging (continued)

As at 31 December 2025

	12-month	Lifetime ECL			Total
	ECL			Simplified	
	Stage 1	Stage 2	Stage 3	approach	
	\$	\$	\$	\$	\$
<b>31 December 2025</b>					
Trade receivables*	–	–	–	8,321,796	8,321,796
Financial assets included in deposits and other receivables					
– Normal**	221,879	–	–	–	221,879
Pledged deposits	539,846	–	–	–	539,846
Bank balances	702,796	–	–	–	702,796
<b>Total</b>	<b>1,464,521</b>	<b>–</b>	<b>–</b>	<b>8,321,796</b>	<b>9,786,317</b>

As at 31 December 2024

	12-month	Lifetime ECL			Total
	ECL			Simplified	
	Stage 1	Stage 2	Stage 3	approach	
	\$	\$	\$	\$	\$
<b>31 December 2024</b>					
Trade receivables*	–	–	–	7,981,693	7,981,693
Financial assets included in deposits and other receivables					
– Normal**	565,526	–	–	–	565,526
Pledged deposits	535,373	–	–	–	535,373
Bank balances	623,969	–	–	–	623,969
<b>Total</b>	<b>1,724,868</b>	<b>–</b>	<b>–</b>	<b>7,981,693</b>	<b>9,706,561</b>

\* For trade receivables which the Group applies the simplified approach for impairment, the information based on the provision matrix is disclosed below.

\*\* The credit quality of the financial assets included in deposits and other receivables is considered to be “normal” when they are not past due and there is no information indicating that the financial assets had a significant increase in credit risk since initial recognition. Otherwise, the credit quality of the financial assets is considered to be “doubtful”.



# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### Credit risk (continued)

#### Trade receivables (continued)

The movements in the loss allowance for impairment of trade receivables are as follows:

	2025 \$	2024 \$
At 1 January	195,627	32,750
(Reversal of)/impairment loss recognised for the year	(30,106)	199,885
Write-off	–	(41,476)
Exchange alignment	(9,973)	4,468
At 31 December	<b>155,548</b>	195,627

#### Deposits and other receivables

The following table provides information about the Group's exposure to credit risk and ECL for deposits and other receivables:

	2025		
	Expected loss rate %	Gross carrying amount \$	Loss allowance \$
Current (not past due)	0.75	221,879	1,669

	2024		
	Expected loss rate %	Gross carrying amount \$	Loss allowance \$
Current (not past due)	0.83	565,526	4,722

For deposits and other receivables, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on deposits and other receivables has not increased significantly since initial recognition, the Group measures the loss allowance for deposits and other receivables at an amount equal to 12-month ECL.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### Credit risk (continued)

*Deposits and other receivables (continued)*

The movements in the loss allowance for impairment of deposits and other receivables are as follows:

	2025	2024
	\$	\$
At 1 January	4,722	4,865
Reversal of impairment loss for the year	(2,872)	(289)
Exchange alignment	(181)	146
At 31 December	1,669	4,722

### Credit risk concentration profile

The Group manages concentration of credit risk by monitoring the individual profile of its trade receivables on an ongoing basis.

As at 31 December 2025, approximately 27% (2024: 31%) and 78% (2024: 73%) of the Group's trade receivables were due from the Group's largest customer and the top three customers respectively. In order to minimise the credit risk, the management of the Group has delegated a team responsible for determination of credit limit and credit approvals.

### Bank balances and pledged deposits

The Group mainly transacts with banks with high credit ratings. The credit risk for bank balances and pledged deposits as at 31 December 2025 and 2024 is considered as not material as such amounts are placed in reputable banks with high credit ratings assigned by international credit-rating agencies.

The Group assessed 12-month ECL on these balances by reference to probability of default and recovery rate by credit rating grades published by international credit-rating agencies and concluded that the ECL are insignificant as at 31 December 2025 and 2024 and thus no impairment loss was recognised.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to a shortage of funds.

The Group's exposure to liquidity risk arises in the general funding of the Group's operating and financing activities. The Group's cash and bank balances and operating cash flows are actively managed to ensure adequate working capital requirements and that repayment and funding needs are met.

As disclosed in Note 22, the banking facilities are subject to the fulfillments of covenants. Some of those covenants relate to the Group's financial covenants which are tested periodically, as are commonly found in lending arrangements with financial institutions. If the Group were to breach these covenants, the bank borrowings would become payable on demand. The Group did not identify any difficulties in complying with the covenants for bank borrowings. Information about the covenants for those bank loans classified as non-current, subject to the Group complying with covenants after the end of the reporting period are (i) maintaining a fixed deposit placement of S\$500,000; and (ii) maintaining a positive net worth. The timing to comply with these financial covenants is at all times throughout the loan term.

Up to the date of these consolidated financial statements, there are no indications that the Group would have difficulties complying with the above covenants when they will be next tested.

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

	31 December 2025				
	On demand or 1 year \$	1 to 2 years \$	2 to 5 years \$	Total \$	Carry amount \$
Trade payables	2,284,748	–	–	2,284,748	2,284,748
Other payables and accruals	957,034	–	–	957,034	957,034
Lease liabilities	323,384	59,275	24,967	407,626	393,722
Bank borrowings	66,919	66,919	66,918	200,756	187,794
	<b>3,632,085</b>	<b>126,194</b>	<b>91,885</b>	<b>3,850,164</b>	<b>3,823,298</b>

	31 December 2024				
	On demand or 1 year \$	1 to 2 years \$	2 to 5 years \$	Total \$	Carry amount \$
Trade payables	901,139	–	–	901,139	901,139
Other payables and accruals	705,815	–	–	705,815	705,815
Lease liabilities	566,500	280,544	16,435	863,479	831,062
Bank borrowings	66,919	66,919	133,837	267,675	245,123
	<b>2,240,373</b>	<b>347,463</b>	<b>150,272</b>	<b>2,738,108</b>	<b>2,683,139</b>

The amount of \$520,000 (2024: \$670,000), which was classified as on demand or within 1 year, related to the settlement guarantees (note 28) are the maximum amount the Group could be required to settle under the arrangement for the full guaranteed amount if that amount is claimed by the counter-party to the guarantee. Based on expectations from the directors of the Company, the Group considers no amount will be payable under the arrangement. However, this estimate is subject to change depending on the probability of the counter-party claiming under the guarantee which is a function of the likelihood.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 31. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

### Capital management

The primary objective of the Group's capital management is to safeguard its ability to continue as a going concern in order to support its business and maximise shareholders' value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares, the issue of new debts, redemption of existing debts or selling assets to reduce debts. No changes were made in the objectives, policies or processes for managing capital during the years ended 31 December 2025 and 2024.

The externally imposed capital requirements for the Group is to maintain its listing on the Stock Exchange it has to have a public float of at least 25% (2024: 25%) of the shares.

The Group receives a report from the share registrars showing the non-public float and it demonstrates continuing compliance with the 25% limit throughout the both years.

The gearing ratio, which is total bank borrowings and lease liabilities divided by the total equity, as at the end of the reporting period is as follows:

	2025 \$	2024 \$
Bank borrowings	187,794	245,123
Lease liabilities	393,722	831,062
	581,516	1,076,185
Total equity	10,555,829	13,941,171
Gearing ratio	5.5%	7.7%

Breaches in meeting the financial covenants would permit the bank to immediately call borrowings. There have been no breaches in the financial covenants of any interest-bearing borrowings for the years ended 31 December 2025 and 2024.

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY

Information about the statement of financial position of the Company as at the end of the reporting period is as follows:

	<i>Note</i>	<b>2025</b> \$	2024 \$
<b>Non-current asset</b>			
Investments in subsidiaries		–	–
<b>Current assets</b>			
Amounts due from subsidiaries		<b>5,876,875</b>	6,574,583
Bank balances		<b>1,776</b>	3,341
<b>Total current assets</b>		<b>5,878,651</b>	6,577,924
<b>Current liability</b>			
Other payables and accruals		<b>293,222</b>	244,941
<b>Net current assets</b>		<b>5,585,429</b>	6,332,983
<b>Net assets</b>		<b>5,585,429</b>	6,332,983
<b>Equity</b>			
Share capital	24	<b>5,725,993</b>	5,725,993
Reserves		<b>(140,564)</b>	606,990
<b>Total equity</b>		<b>5,585,429</b>	6,332,983

# Notes to The Consolidated Financial Statements

For the year ended 31 December 2025

## 32. STATEMENT OF FINANCIAL POSITION OF THE COMPANY (continued)

Note: Summary of the Company's reserves is as follows:

Company	Share premium \$	Option reserve \$	Accumulated losses \$	Total \$
At 1 January 2024	25,412,788	1,373,145	(26,174,910)	611,023
Loss and total comprehensive loss for the year	-	-	(4,033)	(4,033)
Transactions with owners in their capacity as owners: Lapse of share options (note 26)	-	(1,174,452)	1,174,452	-
At 31 December 2024 and 1 January 2025	25,412,788	198,693	(25,004,491)	606,990
Loss and total comprehensive loss for the year	-	-	(747,554)	(747,554)
Transactions with owners in their capacity as owners: Lapse of share options (note 26)	-	(198,693)	198,693	-
At 31 December 2025	25,412,788	-	(25,553,352)	(140,564)

## 33. COMMITMENTS

Capital commitments contracted for at the end of the reporting period but not yet incurred are as follows:

	2025 \$	2024 \$
Purchase of property, plant and equipment	-	70,934

## 34. APPROVAL OF THE CONSOLIDATED FINANCIAL STATEMENTS

These consolidated financial statements were approved and authorised for issue by the board of directors on 31 March 2026.

## Five Year Financial Summary

A summary of the results and of the assets and liabilities of the Group for the last five financial years, as extracted from the published audited financial statements, is set out below:

	Year ended 31 December				2025 S\$
	2021 S\$	2022 S\$	2023 S\$	2024 S\$	
<b>RESULTS</b>					
<b>Revenue</b>	26,219,156	26,244,251	23,463,313	25,807,716	<b>17,599,732</b>
<b>Loss before tax</b>	(4,003,270)	(9,047,901)	(5,105,708)	(411,626)	<b>(3,012,272)</b>
Income tax credit/(expense)	398,335	383,440	(8,649)	–	–
Loss for the year	(3,604,935)	(8,664,461)	(5,114,357)	(411,626)	<b>(3,012,272)</b>
	31 December 2021 S\$	31 December 2022 S\$	31 December 2023 S\$	31 December 2024 S\$	<b>31 December 2025 S\$</b>
<b>ASSETS AND LIABILITIES</b>					
TOTAL ASSETS	25,758,706	18,276,921	17,587,705	16,864,861	<b>14,604,175</b>
TOTAL LIABILITIES	(4,849,743)	(4,549,695)	(3,464,547)	(2,923,690)	<b>(4,048,346)</b>
	20,908,963	13,727,226	14,123,158	13,941,171	<b>10,555,829</b>