3F ZIPPER

Fuxing China Group Limited

2025

ANNUAL REPORT







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CORPORATE PROFILE



Our products are sold mainly to China local manufacturers of apparel and footwear products, camping equipment, bags, manufacturers of upholstery furnishings, as well as other zipper manufacturers which further process or assemble our zipper products in order to customize these according to their customers' needs. Some of the zipper products which we sell are manufactured under our "3F" brand name. In addition, we sell to trading companies which export our zipper products to overseas markets, including Australia, European countries, such as Russia, Turkey, Spain, Italy, Poland, Belgium, Greece, Slovenia and Lithuania, and Asian countries, such as South Korea, Thailand, Vietnam and Indonesia.

Fuxing China Group Limited is the 4th largest zipper*

With a diversified customer base of over 1,600 customers in the PRC, the Group's end products are used by renowned brands such as Peak, ERKE, Septwolves, 361°, Li-Ning, Samsonite, Beneunder and Northpole China, etc. in a wide variety of end-products such as apparels, shoes, bags and camping equipment.



* According to the Euromonitor Report (2023 edition)

CORPORATE PROFILE

Since our establishment in 1993, Fuxing China has built up a credible track record and market reputation, having garnered over 20 awards in the past 10 years. Our proprietary "3F" brand has been named the "Symbolic Brand of China"(中國標誌性品牌)by First Chinese Well-Known Brand Conference in 2006 and "PRC Top 10 Famous Zipper Brands"(中國拉鏈十大知名品牌)by the Hardware Association of the PRC in 2005.

With strong emphasis on quality assurance and research and development, the Group has obtained various international certifications in recognition of its quality standards and innovation capabilities.

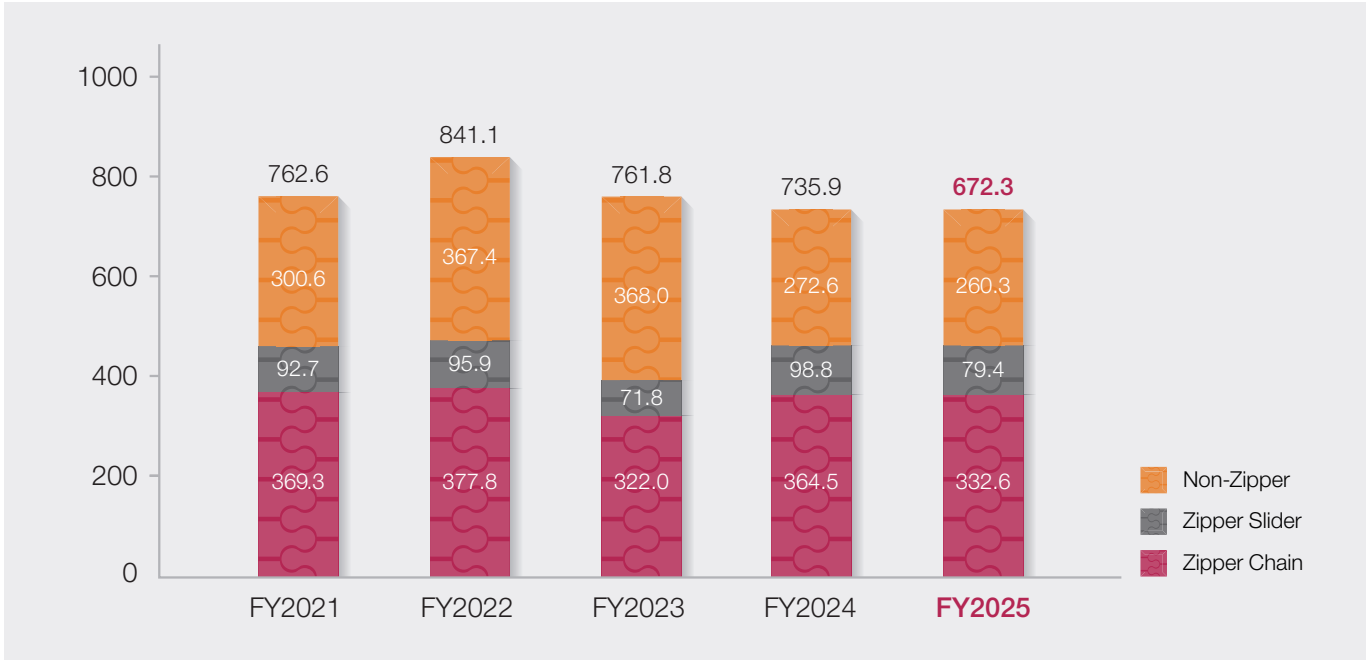
In recognition of our quality assurance efforts, our subsidiary, Fookhing Zipper, was awarded the GB/T 19001-2016/ISO 9001:2015 Quality Management System Certificate, valid through September 2025, by the WSF (北京世標認證中心有限公司), a third-party certification body headquartered in China. Fookhing Zipper was also awarded the GB/T 45001-2020/ISO 45001:2018 Occupational Health and Safety Management System Certificate and GB/T 24001-2016/ISO 14001:2015 Environmental Management System Certificate by the WSF, both valid through September 2025. Fookhing Zipper also holds the GRS Certificate (GRS 4.0), valid through May 2025, evidencing that our products passed the Global Recycled Standard 4.0, issued by Intertek, a multinational assurance, inspection, product testing and certification company headquartered in London, England. Fookhing Zipper is authorized to use the label "STANDARD 100 by OEKO-TEX®", valid through September 2025, on our zipper products, which is one of the world's best-known labels for textiles tested for harmful substances, issued by International Association for Research and Testing in the Field of Textile and Leather Ecology, headquartered in Zurich, Switzerland.

The Group currently has registered 93 valid patents with China National Intellectual Property Administration in the PRC. The Group was awarded the "New and High Technology Enterprise" by Fujian Provincial Government.

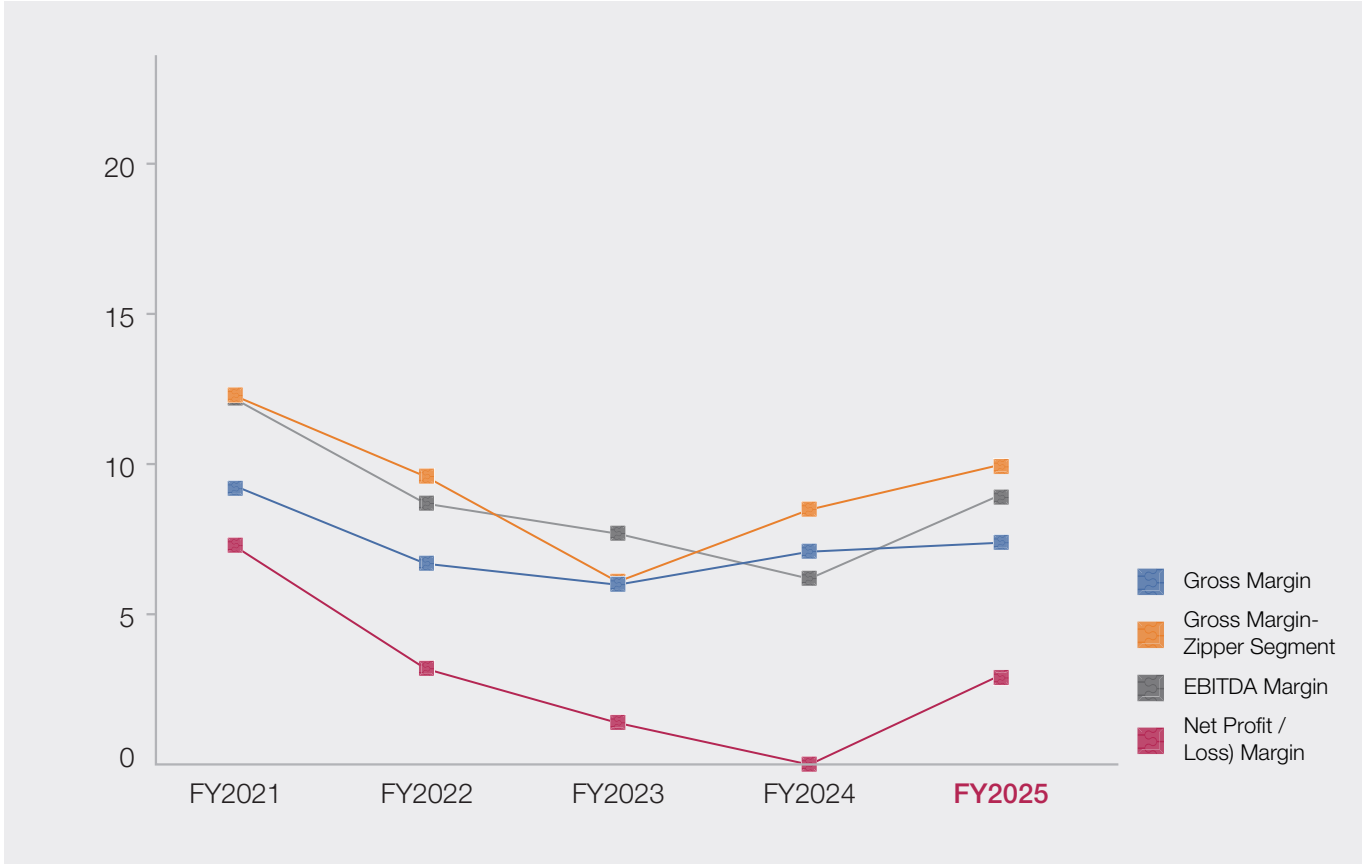


FINANCIAL HIGHLIGHTS

Revenue Breakdown
RMB' million

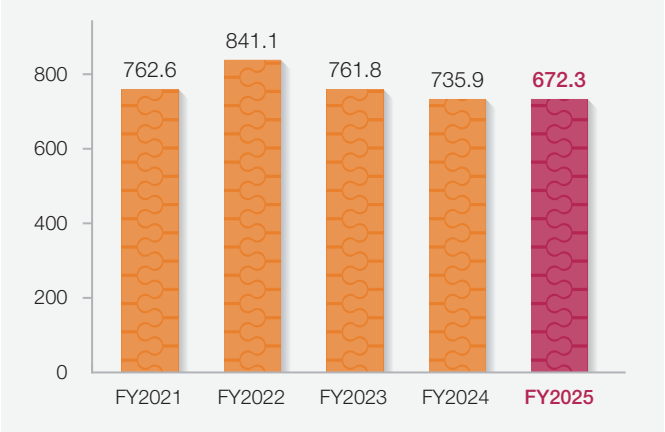


Margin Trends
%

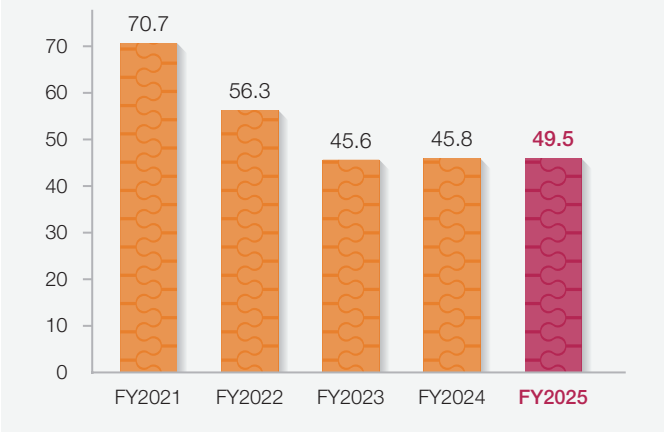


FINANCIAL HIGHLIGHTS

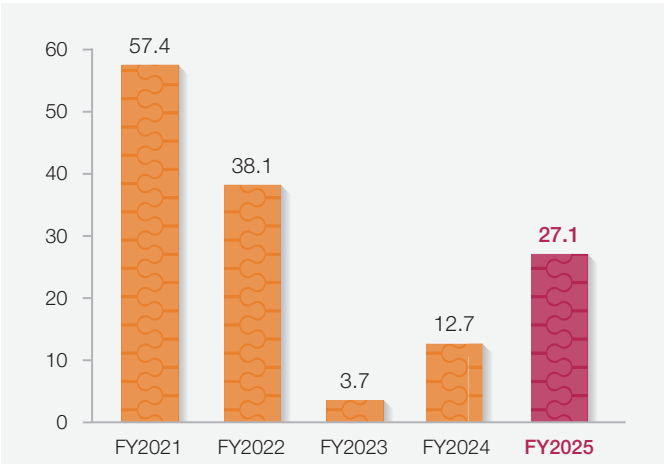
Revenue
RMB' million



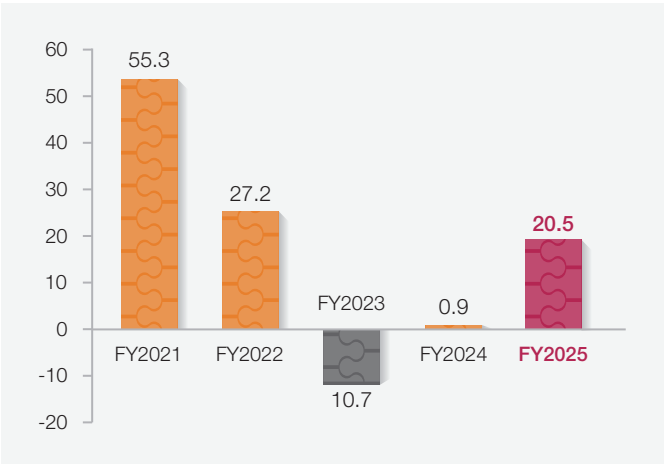
Gross Profit
RMB' million



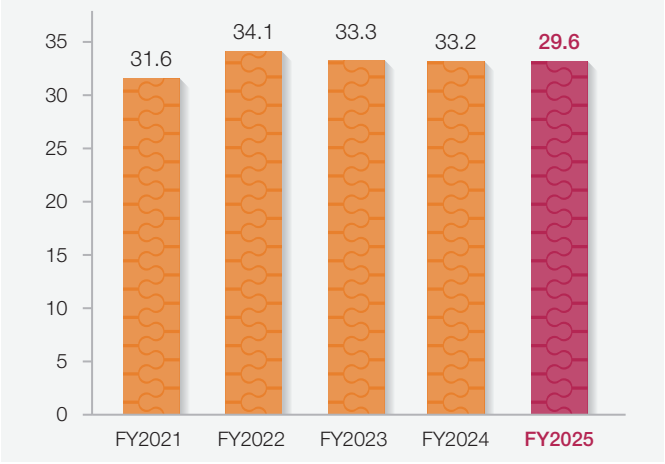
Profit from Operations
RMB' million



Net Profit / (Loss)
RMB' million



NAV Per Share
RMB



Earnings / (Loss) Per Share
RMB



CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Hong Qing Liang
Executive Chairman

Mr. Hong Peng You
Executive Director and Director of Finance and Administration

Mr. Low See Lien
Lead Independent Director

Mr. Koh Boon Chiao
Independent Director

Ms. Tsang Ngo Yin
Independent Director

Audit Committee

Mr. Low See Lien (Chairman)
Mr. Koh Boon Chiao
Ms. Tsang Ngo Yin

Remuneration Committee

Mr. Koh Boon Chiao (Chairman)
Mr. Low See Lien
Ms. Tsang Ngo Yin

Nominating Committee

Ms. Tsang Ngo Yin (Chairman)
Mr. Koh Boon Chiao
Mr. Low See Lien

Company Secretary

Chua Kern

Registered Office

Clarendon House
2 Church Street
Hamilton HM11, Bermuda

Auditors

RT LLP
70 Shenton Way
#07-15 Eon Shenton
Singapore 079118

Engagement Partner
Ravinthran Arumugam
(since financial year ended 31 December 2025)

Singapore Share Transfer Agent

Boardroom Corporate & Advisory Services Pte Ltd
1 Harbourfront Avenue #14-07
Keppel Bay Tower
Singapore 098632

Principal Bankers

China Construction Bank
Industrial and Commercial Bank of China Limited
Bank of China (Hong Kong)
Xiamen International Bank
China CITIC Bank
Fujian Jinjiang Rural Commercial Bank

Investors relations

8PR Asia Pte Ltd
Email: alex.tan@8prasia.com
Website: https://www.3fzipper-ir.com/

GROUP STRUCTURE

3F ZIPPER
Fuxing China Group Limited
(Incorporated in Bermuda)

- **Jade Star Group Holdings Limited**
  (Incorporated in BVI)
  100%
  - **Jinjiang Fookhing Zipper Co., Ltd.**
    (Incorporated in the PRC)
    100%
    - **Fulong Zipper and Weaving Co., Ltd.**
      (Incorporated in the PRC)
      100%
      - **Jinjiang Fuxing Dress Co., Ltd.**
        (Incorporated in the PRC)
        100%
        - **Jinjiang Fuxin Electroplating Co., Ltd.**
          (Incorporated in the PRC)
          100%
          - **Fookhing Group Trading Co., Ltd.**
            (Incorporated in Hong Kong)
            100%
- **Fuxing China Group Limited**
  (Incorporated in the Hong Kong)
  100%
  - **Xiamen Fuxing Industrial Co., Ltd.**
    (Incorporated in the PRC)
    100%
    - **Xiamen Xinfuxing Property Management Co., Ltd.**
      (Incorporated in the PRC)
      80%



CHAIRMAN'S STATEMENT



Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present Fuxing China Group Limited's ("**Fuxing China**") annual report for the financial year ended 31 December 2025 ("**FY2025**").

Despite a challenging operating environment marked by shifting global trade dynamics, the Group delivered a turnaround in profitability, underpinned by streamlining of non-profitable operations, improved operational efficiency, disciplined financial management, and the continued execution of our strategic transformation initiatives.

The zipper industry represents a resilient and essential segment within the global apparel and accessories supply chain. As a critical component used across garments, luggage, and footwear, demand for zippers remains stable and consistent, with increasing use of zippers in functional and technical applications – such as lifestyle products, outdoor gears, and protective equipments, among others.

In recent years, we have been transitioning towards a strategic shift to direct-to-brand sales, which allows us to engage more closely with end customers, improved demand visibility with higher margins, and better align our product offerings with market trends.

At the same time, we continue to leverage our in-house R&D capabilities to drive product differentiation and quality improvement, further strengthening our competitive positioning with innovative and sustainable zippers.

As the 4th largest zipper manufacturer globally, Fuxing China remains cognisant of the challenges ahead and, through the ongoing adoption of automation and digitalisation, we aim to enhance production efficiency, elevate product quality, and strengthen our financial performance.

Strong Net Profit Delivered in FY2025

In FY2025, the Group recorded a net profit of RMB20.5 million, a significant improvement from RMB0.9 million in FY2024. Gross profit increased by 8.1% to RMB49.5 million, with gross profit margin improving to 7.4% from 6.2% in FY2024. This reflects the tangible benefits of our ongoing efforts to streamline non-core operations, enhance productivity, and strengthen margins across our business segments.

Total revenue dipped by 9% year-on-year to RMB672.3 million in FY2025 mainly due to lower revenue contribution from our core Zipper segment. Nonetheless, the Group demonstrated resilience by improving profitability through enhanced operational efficiency, and the growing contribution from our processing segment.

CHAIRMAN'S STATEMENT

The improved performance of our Processing segment was a key driver of our overall margin expansion, highlighting the effectiveness of our strategy to invest in automation and digitalisation. These initiatives have enabled us to enhance production consistency, reduce waste and costs, and improve our competitiveness in a dynamic market environment.

Resilient operating cash flow with net asset value per share of RMB29.60 (estimated S$5.40 per share)

We are also pleased to report that the Group continued to generate positive operating cash flow, with RMB76.2 million recorded in FY2025. Our cash and cash balances increased to RMB191.9 million as at 31 December 2025, providing us with a strong liquidity position to support future growth initiatives. At the same time, we significantly reduced our bank borrowings, further strengthening our balance sheet and enhancing financial flexibility.

Total equity increased to RMB598.0 million, with net asset value per share increasing to RMB29.60 (estimated S$5.40 per share) as at 31 December 2025. This reflects the underlying strength of our financial position and our commitment to building long-term value for shareholders.

Dividends

In view of the Group's improved profitability and stronger financial position, the Board has proposed a final dividend of RMB0.15 per ordinary share for FY2025, subject to shareholders' approval at the forthcoming Annual General Meeting. This marks an important milestone as it reinforces our commitment to delivering sustainable returns to shareholders.

We firmly believe that delivering consistent returns is integral to long-term value creation, hence we announced a formal dividend policy in March 2026 to distribute at least 15% of the Group's profit attributable to shareholders.

In addition, the scrip dividend scheme is proposed for adoption in the forthcoming AGM, which will allow shareholders the choice of receiving such dividend payment in cash or new Company's shares, thus providing shareholders with greater flexibility in meeting their investment objectives while at the same time conserving the Group's cash.

As we continue to strengthen our earnings base and enhance cash flow generation, we aim to strike a prudent balance between rewarding shareholders and reinvesting in the business to support future growth initiatives.

Appreciation

The progress achieved in FY2025 is the result of a calibrated and disciplined strategy to improve our financial performance on a sustainable basis.

Our investments in automation and digitalisation have yielded positive results in operational efficiency, reduced costs, and enhanced product quality, and we will continue to expand these initiatives across our manufacturing processes.

At the same time, we will maintain a prudent approach to capital management. Through disciplined cost control and optimisation of our capital structure, we aim to preserve financial flexibility, reduce financing costs, and support sustainable growth.

CHAIRMAN'S STATEMENT

As we move forward, we will continue to build on the momentum achieved in FY2025.

In closing, I would like to express my sincere appreciation to our Board of Directors, management team, and employees for their dedication and commitment throughout the year.

I would also like to thank our shareholders, customers, and business partners for their continued trust and support.

We look forward to strengthening our collaboration and working together towards value creation for all stakeholders and a shared and prosperous future together.

Mr. Hong Qing Liang
Executive Chairman

April 2026

FINANCIAL AND OPERATIONS REVIEW

The Group achieved a resilient set of results as it navigated a challenging business landscape in 2025. The Group posted profit after tax of RMB20.5 million, which was a significant improvement over the profit of RMB0.9 million recorded last year. The Group also bolstered its cash and financial position through strategic divestment which enabled the Group to maintain a healthy liquidity position of more cash than borrowings. This strengthens the Company's financial flexibility to declare a final dividend of RMB0.15 per ordinary share for the year, while also enabling potential share buybacks, subject to shareholders' approval of the proposed share buyback mandate at the forthcoming AGM.

Revenue

The Group has three key business segments of Zipper, Trading and Processing. For the financial year ended 31 December 2025 ("**FY2025**"), the Group's revenue decreased by RMB63.5 million or 9% to RMB672.3 million, which was mainly due to lower revenue contribution from the Zipper segment (by RMB51.3 million) mainly due to dampening of export demand for zippers arising from the heightened tariffs announced by the United States on foreign imports.

In the Trading segment, revenue remained relatively stable at RMB209.7 million in FY2025. Revenue from the Processing segment (which included inter-segment services to the Zipper segment of RMB50.7 million) increased to RMB101.3 million in FY2025, driven by increased demand for its services following improvements in product quality that was achieved through greater automation. After elimination of inter-segment sales, revenue from the sales to external customers for the Processing segment saw a RMB8.9 million decrease.

Gross Profit and Gross Profit Margin

The Group's gross profit in FY2025 increased by 8.1% to RMB49.5 million from RMB45.5 million in FY2024, mainly driven by the increase in gross profit from the Processing segment. Overall gross profit margin increased by 1.1 percentage points to 7.4% that was mainly attributable to the increase in the gross profit margin from the Processing segment arising from the lower production costs and reduced wastage with more automation initiatives.

Other Income

Other income increased by RMB13.0 million from RMB38.9 million in FY2024 to RMB52.0 million in FY2025 mainly driven by gain on disposal of subsidiary of RMB20.2 million and waiver of amount due to a director of RMB10.5 million.

The gain on disposal of subsidiary arose from the legal completion on disposal of the entire equity interest in its indirect wholly owned subsidiary-Jinjiang Jianxin Weaving Co., Ltd ("**Jianxin**") engaged in the Processing segment in August 2025. This strategic divestment was undertaken to unlock the value of the Group's investment in Jianxin for total consideration of approximately RMB 45.9 million consisting of sales consideration of RMB8.8 million for the equity transfer and the settlement of the outstanding amount due from Jianxin to the Group of RMB37.1 million.

The waiver of amount due to a director, the Company's Executive Chairman, Mr Hong Qing Liang, represented the costs and expenses associated with the proposed listing of the Company's shares on Nasdaq Stock Market ("**Nasdaq**"). Mr Hong Qing Liang has previously signed the deed of undertaking on which it was agreed he will bear all the costs and expenses in relation to the Company's proposed listing on Nasdaq should the proposed listing failed to materialize.

Expenses

Marketing and distribution expenses increased by RMB1.1 million to RMB13.1 million, mainly due to increased promotional and business development activities.

General and administrative expenses decreased by RMB2.5 million to RMB58.0 million. This was mainly due to the decrease in expenses as Jianxin, the subsidiary engaged in Processing segment was disposed off during FY2025 that resulted in lower expenses but partially offset by the increase in personnel expenses.

Other expenses increased by RMB3.7 million to RM3.8 million mainly due to fair value loss of RMB3.1 million recorded on investment properties. The fair value loss arose from the decrease in fair value of investment properties as at 31 December 2025 which was appraised based on the valuation performed as at 31 December 2025 by an independent valuer.

Finance costs, net (after net off of finance income), decreased by RMB3.7 million to RMB5.1 million mainly due to the decrease in the loans and borrowings in FY2025.

As a result of the above mentioned factors, the Group recorded a profit after tax of RMB20.5 million for FY2025.

Financial Position

As at 31 December 2025, non-current assets amounted to RMB285.4 million comprising property, plant and equipment, investment properties, land use rights and intangible assets.

The Group's property, plant and equipment amounted to RMB228.6 million, a decrease of 15% (or RMB41.4 million) compared to RMB270.0 million as at 31 December 2024. The decrease was mainly due to the depreciation charge and the decrease in property, plant and equipment arising from the disposal of subsidiary-Jianxin during the year.

As at 31 December 2025, current assets amounted to RMB544.4 million, a decrease of 2.6% (or RMB14.6 million) compared to RMB559.0 million as at 31 December 2024. This was largely due to the decrease in trade and other receivables arising from lower sales in the Zipper and Trading segment in the second half of 2025.

Cash and bank balances increased by RMB22.3 million to RMB191.9 million mainly driven by RMB45.6 million proceeds received from disposal of subsidiary-Jianxin, net of cash disposed. The increase was partially offset with higher net repayment of loans and borrowings in FY2025 as compared to FY2024 in efforts to reduce the Group's gearing with the surplus cash received from the strategic divestment of Jianxin.

As at 31 December 2025, total current liabilities amounted to RMB217.6 million, a decrease of 29% (or RMB86.8 million) compared to RMB304.4 million as at 31 December 2024, which was mainly attributable to the decrease in loans and borrowings.

Loans and borrowings reduced by RMB91.0 million to RMB113.6 million as at 31 December 2025 compared to RMB204.6 million as at 31 December 2024. This was mainly due to the reduction of RMB35.5 million in bills payables and reduction of RMB55.5 million in short-term bank loans.

Non-current liabilities comprised deferred tax liabilities of RMB14.1 million. The reduction in the deferred tax liabilities was mainly due to the disposal of subsidiary-Jianxin during the year.

Total equity attributable to owners of the Company increased by RMB26.1 million to RMB597.3 million, mainly attributable to the profit after tax and issuance of shares with total net proceeds of RMB6.3 million during the year.

FINANCIAL AND OPERATIONS REVIEW

Cash Flows

The Group generated higher net operating cash inflow of RMB76.2 million in FY2025 as compared to RMB68.3 million in FY2024 mainly due to increased receipts from trade receivables.

Net cash flows generated from investing activities in FY2025 amounted to RMB30.2 million while net cash used in investing activities in FY2024 amounted to RMB4.3 million. This was mainly due to the RMB45.6 million proceeds from the disposal of subsidiary-Jianxin, net of cash disposed in FY2025 which was partially offset by the purchase of factory equipment, plant and machineries of RMB16.1 million.

Net cash flows used in financing activities in FY2025 amounted to RMB63.1 million compared to RMB11.3 million in FY2024. This was mainly due to the lower proceeds from new loans and borrowings and higher repayment of loans and borrowings in FY2025 as compared to FY2024.

As a result, the Group's cash and cash equivalents increased to RMB176.2 million (excluding fixed deposits pledged of RMB15.7 million) as at 31 December 2025 compared to RMB132.9 million (excluding fixed deposits pledged of RMB36.7 million) as at 31 December 2024. After factoring in loans and borrowings of RMB113.6 million, the Group was in net cash position of RMB62.6 million as at 31 December 2025.

BOARD OF DIRECTORS

Mr. Hong Qing Liang
Executive Chairman

Mr. Hong Qing Liang is the Group's Executive Chairman. He was appointed to the Board on 19 December 2006 and was last re-elected on 30 April 2025. Mr Hong is also our co-founder and has played an instrumental role in managing the business, operations and strategic directions of our Group since our establishment in 1993. His responsibilities include formulating and executing business strategies and policies. He possesses substantial experience and knowledge of the zipper industry, having been involved with the zipper business for over 20 years. Prior to this, he was running his own zipper trading business. In 2000, Mr. Hong was named the Honorable Chairman of Zipper Industry Association of Fujian Province. Subsequently in 2003, he was also appointed the Vice Chairman of the Foreign Investment Enterprise Association of LongHu Town, Jinjiang City, Vice Chairman of Chamber of Commerce of Long Hu Town, Jinjiang City and Chairman of the Zipper Hardware Industry Association of Long Hu Town, Jinjiang City. Mr. Hong studied at the Fujian Jinjiang Yinglin Middle School from September 1972 to June 1975 and attended the CEO Seminar program at Peking University in May 2003.

Present directorships in other listed companies

Nil

Past directorships in other listed companies held over the preceding three years

Nil

Mr. Hong Peng You
Executive Director and Director of Finance and Administration

Mr. Hong Peng You has been our Executive Director since December 2006 and our Director of Finance and Administration since September 2022 and was last re-elected on 29 April 2024. He is responsible for all administration matters of the Group and also oversees the finance, budget and internal control matters of the Group. He started his career in 1990 in the finance department as an accountant of Fujian Fu Lian Manufacturing Co., Ltd until 1993. From January 1994 to December 2003, he took on the position of the Section Chief in Fookhing Zipper's finance department. He later assumed the position of Financial Manager in 2004 and was subsequently appointed as Deputy General Manager in 2005 and took charge of all finance and administration matters. He graduated from Quanzhou Liming University with an education certificate in accounting in July 1990. He also obtained an education certificate in accounting from Wuhan Technological University in January 2008, as well as a degree certificate in business administration in January 2008. He was awarded China Famous Accountant by World Specialty International Center in 2001 and Senior Finance Manager by China Enterprises Association in 2005. He is a registered accountant with Jinjiang City Finance Bureau and a senior tax planner. He is a certified Senior Accountant by International Profession Certification Association, as well as a Certified Chief Accountant by China Association of Chief Accountants. He is admitted as Associate Member of Association of International Accountants in 2022, and A Fellow Member of Association of International Accountants in 2023.

Present directorships in other listed companies

Nil

Past directorships in other listed companies held over the preceding three years

Nil

Mr. Low See Lien
Lead Independent Director

Mr. Low See Lien was appointed as Lead Independent Director to the Board on 1 January 2024 and was last re-elected on 29 April 2024. He has more than 20 years of professional experience in audit and assurance related projects, which includes clients in oil and gas, technology, media, manufacturing, and entertainment. He has also been involved in Initial Public Offerings ("**IPOs**") as well as public debt offerings. During his time with a previous employer, he was seconded to the United States and from this, he has gained extensive knowledge of US reporting requirements, including the Sarbanes-Oxley Act. He is currently a partner at Baker Tilly TFW LLP, which is a top ten accounting firm in Singapore. He is also the audit committee chairperson at Miyoshi Limited, a position he has held since 27 December 2021. Miyoshi Limited, which started its operations in 1987, is a leading manufacturer in Asia with a global customer network of more than 18 countries across Asia Pacific, Europe and North America. He graduated from Nanyang Technological University with a Bachelor in Accountancy degree and he is a fellow Chartered Accountant from the Institute of Singapore Chartered Accountants ("**ISCA**"). He sits on ACRA's Complaint and Disciplinary Panel and he is also a Member of Singapore Institute of Directors.

Present directorships in other listed companies / other Principal Commitments

- Miyoshi Limited (SGX:M03)
- Bromat Holdings Limited (SGX: 917)
- Audit Partner at Baker Tilly TFW LLP
- Honorary Treasurer of the Singapore National Paralympic Council

Past directorships in other listed companies held over the preceding three years

Nil

BOARD OF DIRECTORS

Mr. Koh Boon Chiao
Independent Director

Mr. Koh Boon Chiao was appointed as Independent Director to the Board on 15 May 2024, and last re-elected on 30 April 2025. Since August 2024, he has been a Director at RCP Law LLC. Prior to that he was a special counsel at Mishcon de Reya LLP. He has over 19 years of experience in the legal industry. He started his career with Shook Lin & Bok LLP as an associate from May 2006 to October 2010. He was an associate and then a partner of Dentons Rodyk & Davidson LLP from October 2010 until he left the firm in July 2016. He joined Parkway Group Healthcare Pte. Ltd. as an assistant vice president of the legal department from July 2016 to February 2018, where he was responsible for reviewing and advising on legal matters of the company. Between March 2018 and 31 December 2023, he served in a leadership role in the legal department of various companies, including Yangzijiang Financial Holding Ltd., EVYD Research Pte. Ltd., Digitrade Fintech Pte. Ltd., MindChamps PreSchool Singapore Pte. Ltd., ICHX Tech Pte. Ltd., and TenX Pte. Ltd. He obtained a Bachelor of Laws degree from the National University of Singapore in June 2005.

Present directorships in other listed companies/other Principal Commitments

- RCP Law LLC
- AM Group Holdings Limited (HKEX: 1849)
- Phaos Technology Holdings (Cayman) Limited (NYSE: POAS)

Past directorship in other listed companies held over the preceding three years

- Snack Empire Holdings Limited (HKEX: 1843)
- Camsing Healthcare Limited (SGX:BAC)

Ms. Tsang Ngo Yin
Independent Director

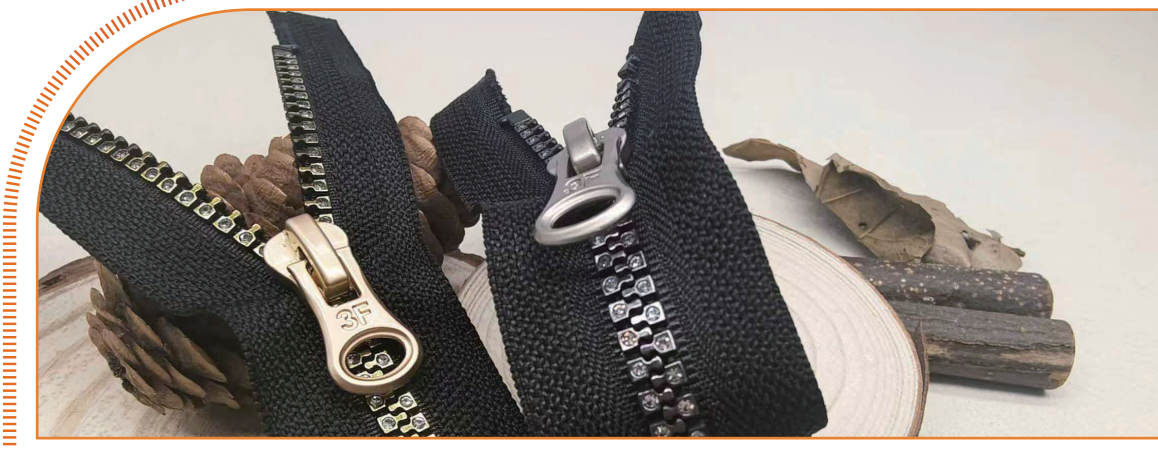
Ms. Tsang Ngo Yin was appointed as Independent Director to the Board on 15 May 2024 and last re-elected on 30 April 2025. Since June 2023, she has also been the company secretary with HG Semiconductor Limited (HKEX: 6908), a public company listed on the Hong Kong Stock Exchange engaging in the design, development, manufacturing, subcontracting and sales of semiconductor products, including light-emitting diode lights, new generation of semiconductor gallium nitride chips and GaN device related application products in China. She has over 20 years of experience in auditing, accounting, corporate governance monitoring and financial management. She holds a bachelor's degree in Business Administration from Simon Fraser University in Canada in 1999, a bachelor's degree in Law from Tsinghua University in the PRC in 2008, and a master's degree in Law from the University of Wolverhampton in the United Kingdom in 2014. She is a member of the American Institute of Certified Public Accountants and also a member of the Hong Kong Institute of Certified Public Accountants.

Present directorships in other listed companies/other Principal Commitments

- Company Secretary at HG Semiconductor Limited (HKEX: 6908)
- Fu Shek Financial Holdings Limited (HKEX: 2263)
- Sunway International Holdings Limited (HKEX:0058)
- International Genius Company (HKEX:0033)

Past directorship in other listed companies held over the preceding three years

- China Liberal Education Holdings Limited (NASDAQ: CLEU)



KEY MANAGEMENT

Mr. Hong Shao Lin
Chief Executive Officer

Mr. Hong Shao Lin has been appointed the CEO since January 2023. From August 2011 to December 2013, he started working at our Group as the procurement manager at our subsidiary, Fookhing Zipper. From January 2014 to December 2022, he served as the general manager of Fookhing Zipper. Mr. Hong is the vice chairman of Fujian Intelligent Manufacturing Promotion Association, a member of Fujian Jinjiang Municipal Association, a standing member of the 15th Executive Committee of Quanzhou Federation of Industry and Commerce (General Chamber of Commerce) as well as the Vice President of the 7th Council of Shenzhen Shanghai Chamber of Commerce and Association of Enterprises with Foreign Investment. From March 2017 to July 2019, he studied business management at Xi'an University of Electronic Science and Technology and received a diploma. He studied at Cheung Kong Graduate School of Business from September 2018 to October 2020 and received a program certificate. He also studied under the CKGSB Advanced Management Program at the Leonard N. Stern School of Business of New York University and received a program certificate.

Mr. Lei Zhen Min
Assistant General Manager

Mr. Lei Zhen Min is our Assistant General Manager. He joined our Group in 2014 and was promoted to Assistant General Manager from the post of Human Resource Manager previously held. As the Assistant General Manager, he assisted the Group's CEO in overseeing the daily business operations of the Group. He graduated from Fujian engineering college and Fujian Agriculture and Forestry University and Renmin University of China. He has worked in several large companies and enterprise groups in different industries, i.e in Fujian Electronic Information Group and Shandong Laiwu Zhonglian Shangding Real Estate Development Co., Ltd. as the office department head. He has also worked in Zhejiang Puledi Culture Communication Co., Ltd., as the human resources department head and also the executive president of Business schools.

Mr. Hong Shui Ku
Chief of Operations

Mr. Hong Shui Ku is the Group's Chief of Operations. He was the Group's Executive Director from 11 May 2011 till 18 March 2019 whereby he relinquished his position as Executive Director to focus on his existing management role in operations. He has a wealth of practical experience in the zipper business, having been in the zipper trade since 1980. He joined the Group in 1993 and is responsible for assisting the Board in overseeing the overall operations and Management in the Group. Prior to joining the Group, Mr. Hong was engaged in zipper trading operations from 1980 till 1992. Mr. Hong graduated from Ying Lin High School, Jinjiang City, Fujian Province, the PRC in 1979.

Mr. Ye Mu Gui
Production Manager

Mr. Ye Mu Gui is our Production Manager. He joined our Group in February 1995. He has 30 years of experience in the zipper industry. He is currently responsible for overseeing the technical and production process.

Mr. Zhang Shang Lian
Sales and Marketing Manager

Mr. Zhang Shang Lian is our Sales and Marketing Manager. He joined our Group in October 2009. He is currently responsible for our Group's sales and marketing operations, as well as after sales services. Prior to this, Mr. Zhang Shang Lian served as a Sales Manager in HuaCheng Commercial and Trading Co., Ltd.

ABOUT THE REPORT

Reporting Boundary

As a guide, this report encompasses the operations and subsidiaries over which Fuxing China Group Limited ("**Fuxing China**" or, collectively with its subsidiaries, the "**Group**") holds management control, unless otherwise indicated. The report aims to provide an overview of the Group's approach, practices, commitment, and performance in the material Environmental, Social and Governance ("**ESG**") topics. It covers the sustainability performance of our significant operations in the People's of Republic of China ("**PRC**") for the fiscal year spanning from 1 January 2025 to 31 December 2025. ("**FY2025**").

Reporting Period and Standard

The reporting period is the same as that of the financial year of the Group (1 January 2025 to 31 December 2025) and will be published on an annual basis in accordance with Singapore Exchange Limited ("**SGX**") requirements.

Reporting Standards and Framework

This Sustainability Report is prepared in accordance with the Global Reporting Initiative ("**GRI**") Standards, which provides an internationally recognised framework for transparent and standardised reporting.

This report is also prepared in compliance with Rules 711A and 711B of the Mainboard Rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Mainboard Rules**"). It is guided by the SGX-ST Sustainability Reporting Guide under Practice Note 7.6 of the Mainboard Rules and has further taken reference from the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board ("**ISSB**").

Restatement of Information

This report includes restatements of FY2024 (1 January 2024 to 31 December 2024) figures for GRI 302 (Energy) and GRI 306 (Waste) due to an improvement in our data collection methodologies. Further details on each restatement can be found in the relevant sections of this report.

Independent Assurance

The ESG performance data presented in this report have been primarily sourced from the Group's internal information systems and original records to ensure their accuracy. The Group did not seek external assurance for this sustainability report but instead relied on internal audit's verification to ensure the accuracy of the data.

Feedback

We are fully dedicated to our stakeholders and value their feedback on all aspects of our sustainability policies, processes, and performance. Please direct any feedback to oilinfxcg@gmail.com, as it is critical to achieving our objectives of building a sustainable and prosperous business. As part of our commitment to promoting environmental conservation, this report will not be distributed in hard copy.

BOARD STATEMENT



Fuxing China Group Limited ("**Fuxing China**" or, collectively with its subsidiaries, the "**Group**") is pleased to present its eighth sustainability report since FY2018. This report has been prepared in accordance with the GRI Standards and aligns with the SGX-ST guidelines on sustainability reporting.

The Group remains steadfast in its commitment to integrating material environmental, social, and governance (ESG) considerations into its core business strategy. This report provides a transparent and accurate account of our sustainability practices and performance as we strive to be a responsible corporate citizen.

The Board of Directors ("**Board**") and senior management ("**Management**") are dedicated to upholding an effective Sustainability Management framework, underpinned by robust internal controls, risk management practices, clear accountability, and structured reporting processes. The Board actively evaluates ESG risks and opportunities, incorporating them into the Group's overall business strategy, objectives, and performance metrics.

The Sustainability Reporting ("**SR**") Committee supports Management in identifying ESG topics relevant to the Group's operations. These topics are assessed for materiality based on their impact, stakeholder influence, and alignment with the Group's strategic goals. The Board reviews, endorses, and approves these material ESG topics to ensure comprehensive and meaningful sustainability disclosures.

The Board and Management remain committed to strong leadership and high standards of sustainability governance, driving long-term value for all stakeholders. The Group will continue to enhance its ESG management and reporting, fostering continuous improvement and sustainable growth.

ABOUT THE GROUP

Corporate Profile

Fuxing China was founded in 1993 and has established a credible track record and market reputation, having received over 20 awards in the past 30 years. Its proprietary '3F' brand was recognized as the 'Symbolic Brand of China' by the First Chinese Well Known Brand Conference in 2006 and as one of the 'PRC Top Famous Zipper Brands' by the Hardware Association of the PRC in 2005.

For over 30 years, Fuxing China has specialised in the supply of various sizes of zipper long chains and finished zippers, including nylon, plastic, invisible, and metal zippers, as well as zipper sliders. The Group currently boasts over 1,000 modern facilities, and provides sophisticated moulds and finishing services such as the development and manufacture of zipper machinery, plating, dyeing, and more. The Group's gross annual output value exceeds one billion CNY.

The Group has been the recipient of numerous accolades, including 'Province-level Township Private Enterprises', 'Top 300 Corporate Image in Fujian', 'Top 100 Private Enterprises in Quanzhou', 'Top 200 Private Enterprises in Fujian', 'Credit Grade AAA Enterprise', and 'Advanced Enterprise of Create Brand', among others. The Group's proprietary brand, '3F', has been recognized as a 'China Famous Brand', 'China's Iconic Brand', 'Top 10 Zipper Brands in China', 'Fujian Famous Brand', 'Quanzhou Famous Brand', and 'Top 100 Brands in Fujian'.

All of our products hold Intertek Eco-Certification, and our manufacturing of zipper products adheres to the industry standards of the PRC. The Group places a strong emphasis on product and technical research and development ('**R&D**') to ensure continuous innovation in product quality and improved efficiency.



The Group has established a research partnership with the Software Institute of Xiamen University, aimed at enhancing production efficiencies and automation in the manufacturing of zipper products. The Group's R&D facility was verified as a 'Fujian Provincial Level Enterprise Technology Centre' In December 2006, further highlighting the Group's strength in R&D.

The Group was also recognized as a 'New and High Technology Enterprise' by the Fujian Provincial Government towards the end of 2009. Currently, the Group holds collectively 93 patents which include 12 design patents, 71 utility patents, and 10 invention patents.

Group Structure

Please refer to the Annual Report FY2025 for Fuxing China's Group Structure.

Principal Activities and Operating Location

Please refer to the Annual Report FY2025 – Notes to the Financial Statements – Investment in Subsidiaries.

ABOUT THE GROUP

Our vision

The Group aims to continuously seek business opportunities in line with our strategic growth and to deliver value to our customers and stakeholders as we continue to explore and expand our business operations.

Within the industry, we have also upheld a reputation for quality and high standards in our operations, as well as excellence in our operations management. With a diversified customer base of over 1,600 customers in the PRC, Fuxing China end products are used by renowned brands such as PEAK, ERKE, Spetwolves, 361o, Li-Ning, Samonite, Benteunder and Northpole China, etc, in a wide variety of end-products such as apparels, shoes, bags and camping equipments.

Awards and certification

- Certification for ISO 9001:2015 Quality Management Systems
- Certification for ISO 14001:2015 Environmental Management Systems
- Certification for ISO 45001:2018 Occupational Health and Safety Management Systems
- Certification for Global Recycled Standard ("GRS") Version V.4
- Granted authorisation according to Standard 100 by OEKO-TEXR – Free from Harmful substances to protect your health – SH001 187526.1

Policies, practices and performance

The policies, practices and performance for each material matter shall be discussed in their individual sections below. The Group understands the need to enhance on the performance of ESG-related matters and relevant policies and practices when it is necessary.



Compliance with laws and regulations

Fuxing China is committed to full compliance with all relevant laws and regulations in Singapore and China. To uphold this commitment, the Group established policies and procedures to ensure adherence. As a publicly listed corporation, we comply with the Listing Rules of the Singapore Exchange Securities Trading (SGX-ST) and the Securities and Futures Act, both in substance and in principle. In FY2025, there were no non-compliance with any laws and regulations are reported.

Targets

The Group's sustainability blueprint maps out its strategic sustainability goals and targets and is integrated into its business strategy and operations. It tracks and reports its performance periodically, in addition to the continual update of its materiality assessments.

To address the fast-changing landscape and supply chain issues, the execution of the next phase in the Group's sustainability blueprint update will involve more closely the stakeholders in its value chain. The Group strives to achieve meaningful impact on the environment and society by adopting a holistic approach to address ESG issues.

SCOPE OF THE SUSTAINABILITY REPORT

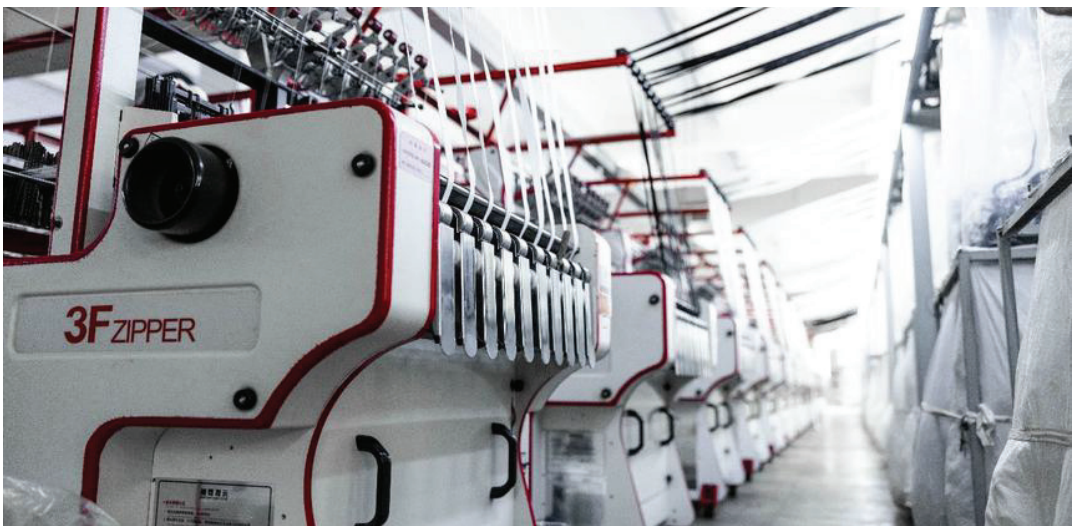
Governance

Sustainability is integrated into our business Qing Liang and embedded across various roles and functions. The SR Committee, chaired by Mr. Hong Qing Liang, our Executive Chairman, is composed of specific working groups with senior management and board level representatives from various businesses. The SR committee is responsible for executing and reporting on material ESG aspects and formulating, implementing, and reviewing the Group's sustainable policies and practices, sustainability development programs, and initiatives. The Board reviews and oversees the management and monitoring of material ESG factors, ensuring that sustainability matters are considered as part of the Group's business strategy and aligned with its overall strategic development.

Strategic approach

Fuxing China firmly believes that although our businesses are driven by earnings, our actions must also have a positive impact on the environment, employees, and all other stakeholders in our value chain.

Since FY2021, the Group reviewed and defined our approach to sustainability management with the help of independent external consultants. We reviewed our existing non-financial topics and concluded that the following topics are material to the sustainability of our financial performance and business operations.



SCOPE OF THE SUSTAINABILITY REPORT

Economic	Environmental	Social	Governance [2]
Economic Performance [1]	Environmental Compliance	Employment	Board Governance
Procurement Practices		Training & Development	Anti-Corruption
		Occupational Health & Safety	

Our Materiality Assessment Process

Supported by a systematic & interactive process to identify, categorize & prioritise material ESG Topics

Identify	Categorize	Prioritize
Define a list of potential material ESG Topics	Refine the list of topics by clustering them into categories	Engage SR Committee for feedback and validation of each topic based on importance to internal and external stakeholders

1. Please refer to the Financial Statements section of the Annual Report FY2025.
2. Please refer to the Corporate Governance section of the Annual Report FY2025.

STAKEHOLDER ENGAGEMENT

The Group recognises that understanding the demands and concerns of stakeholders is crucial for sustainable growth, and regular engagement with stakeholders helps us to better determine material areas of focus. The Group operates and maintains diverse communication channels and platforms to listen to stakeholders' requirements and opinions. During the year, the SR Committee, with the support of an independent external consultant, reviewed and determined that our key stakeholder groups include employees, customers, shareholders and investors, and business partners.

Key Stakeholder	How We Engage	Main Concerns & Expectation	How We Respond
Employees • We recognise that our employees are fundamental to the Group's productivity and continuity. • We aim to nurture them well to increase their engagement and contribution to the Group.	• Regular Meetings • Open feedback platform • Annual performance appraisals • Teambuilding activities	• Department updates • Training & career development opportunities • Health & Safety • Job security	By adopting sound HR policies and practices that promote fair treatment and safe working conditions, rewards and recognition.
Customers • We strive to maximise our customer satisfaction, to increase our sales and revenue. • We ensure that we understand our customers' needs and expectations and we aim to build long lasting relationships with our customers to win their support and confidence.	• Product sales channel • Customer service feedback • Regular direct engagement and active partnership.	• Product and service quality • Group's reputation in the market • Competition	By establishing quality control and assurance policies to ensure our products meet high standards and to promptly address customer complaints.
Shareholders & Investors • We aim to maintain profitability and maximise shareholders' return, as well as uphold a high standard of corporate governance and transparency.	• Company website, phone and email channels • AGM / Analyst / Investors meetings • SGX announcement and media release	• Group strategic development • Current financial performance • Future business outlook	By maintaining transparency and proactive engagement, the Group engages investor relations firm to support the timely dissemination of material information.
Business Partners • We work closely with our suppliers, contractors and other partners to ensure that all operations are conducted in alignment with our sustainability commitments and industry best practices.	• Regular meetings and visits • Phone and email channels	• Integrity and effectiveness of tender process • Environmental, safety and health practices • Product and technology updates • Performance reviews	By establishing policies and guidelines to ensure a fair and transparent selection and procurement process, supported by ethical business practices.

STAKEHOLDER ENGAGEMENT

List of Memberships of Association

Aspiring to widen our exposure to industry standards and collaborate within and beyond the industry to improve on current sustainable practices. The Group participate as members of organizations that include:

- China Hardware Association Zipper Branch (中國五金協會)
- Fujian Provincial Zipper Industry Association (中國拉鍊協會)

MATERIALITY ASSESSMENT

Materiality in sustainability reporting, as defined by both IFRS S1 and GRI Standards, refers to topics and indicators that reflect an organization's significant economic, environmental, and social impacts and would significantly influence the assessments and decisions of stakeholders. Guided by an external independent consultant and taking into account the topics of concern and expectations of identified key stakeholders, the SR Committee and Management assessed and prioritised the following material topics for the Group's focus.

Material ESG Topics	Key Highlight	
	FY2025	FY2024
Economic		
Economic performance	Please refer to the Financial Statement section in the Annual Report FY2025.	
Procurement Practice	100% of materials purchased were from local suppliers.	100% of materials purchased were from local suppliers.
Environmental		
Environmental Compliance	• Zero incidents of non-compliance were recorded. • No significant fines or non-monetary sanctions imposed for breach of environmental laws and regulations.	• Zero incidents of non-compliance were recorded. • No significant fines or non-monetary sanctions imposed for breach of environmental laws and regulations.
Social		
Fair Employment	• Continue to promote diversity and equal opportunity in the workplace. • Comply with local labour regulations across our operations.	• Continue to promote diversity and equal opportunity in the workplace. • Comply with local labour regulations across our operations.

MATERIALITY ASSESSMENT

Material ESG Topics	Key Highlight	
	FY2025	FY2024
Social		
Training and Education	• Maintain an average of 6.3 hours of training per employee annually. • Ensure learning and development roadmap account for future skills required to improve the efficiency of the business.	• Maintain an average of 2.9 hours of training per employee annually. • Ensure learning and development roadmap account for future skills required to improve the efficiency of the business.
Occupational Health and Safety	• Zero fatalities or serious incidents were reported. • Workplace safety trainings, fire drills, and safety briefings were conducted. • Workplace is well-equipped with clear safety signage.	• Zero fatalities or serious incidents were reported. • Workplace safety trainings, fire drills, and safety briefings were conducted. • Workplace is well-equipped with clear safety signage.
Governance		
Board Governance	Compliance with Corporate Governance standards and Best practice.	Compliance with Corporate Governance standards and Best practice.
Anti-corruption	Zero tolerance towards bribery and corruption, including facilitation payment.	Zero tolerance towards bribery and corruption, including facilitation payment.

The material ESG topics were also reviewed by the Board and determined to be relevant. Moving forward, the SR Committee, supporting the Board in its oversight, will continue to review material ESG topics against the changing business environment, stakeholder opinions, and emerging global and local trends annually.

ENVIRONMENTAL

Core Elements	Current approach
Governance	Sustainability is integrated into our business and embedded across various roles and functions. The SR Committee, chaired by Mr. Hong Qing Liang, our Executive Chairman, is composed of specific working groups with senior management and board level representatives from various businesses. The SR committee is responsible for executing and reporting on material ESG aspects and formulating, implementing, and reviewing the Group's sustainable policies and practices, sustainability development programs, and initiatives. The Board reviews and oversees the management and monitoring of material ESG factors, ensuring that sustainability matters are considered as part of the Group's business strategy and aligned with its overall strategic development. In FY2025, all board directors have attended the training on sustainability matters conducted by external consultant as prescribed by the SGX-ST.
Strategy	Fuxing China firmly believes that although our businesses are driven by earnings, our actions must also have a positive impact on the environment, employees, and all other stakeholders in our value chain. Since FY2021, the Group reviewed and defined our approach to sustainability management with the help of independent external consultants. We reviewed our existing non-financial topics and concluded that the following topics are material to the sustainability of our financial performance and business operations.
Risk Management	Support by systematic and interactive process to identify, categorize and priortise material ESG topics.
Metrics and Targets	We track, measure and report on our environmental performance, including energy, GHG emissions, water and waste management in our sustainability report. Monitoring and reporting those performance help us in identifying areas with material climate-related risks and enabling us to formulate solution to improve relevant areas. This year, we have set out quantitative target to reduce our greenhouse gas emissions. For more information, please refer to Pg. 14.

ENVIRONMENTAL

Climate Change Risks and Opportunities

Risk Categories	Risk Type	Risk Description	Time Horizon	Mitigation Strategy
Transition risk	Policy and legal Introduction of carbon emission pricing	Operation cost increase.	Short - medium term	To reduce the carbon emissions associated with our products, we have installed solar panels to minimize reliance on purchased electricity.
	Technology Substitution of existing products with lower emission options	Increase in demand for low carbon emission products leads to reduced demand for current products.	Long term	To develop new products using a higher proportion of recycled raw materials.
Physical risk	Rising global temperatures and increased frequency of heatwaves	Elevated health and safety risks for workers at our manufacturing facilities.	Medium Term	Production schedules are adjusted to minimize exposure to high temperatures and heatwaves, alongside upgrades to cooling facilities and enhancements to staff medical compensation.
	Extreme weather events, including floods, droughts, cyclones, and other climate-related occurrences.	Operation disruption, transportation challenges and damage to existing facilities.	Long term	To review existing facilities to assess whether repairs or enhancements are needed.

ENVIRONMENTAL

Scenario analysis

As a manufacturer in PRC, we understand that climate change may have significant impacts on our operations. To better understand the potential impacts of climate change on the Group's businesses, we conducted climate scenario analysis as below:

Climate Scenarios: Methodology		
Timelines	**Scenarios applied**	**Risk Categories**
2030, 2050	• RCP 8.5 (Business As Usual) • RCP 2.6 (2 degrees Celsius scenario) • IEA-450	Transition and Physical
Scope of Analysis		
Climate variables	**Modeled risk**	**Considerations for enhancing climate resilience**
Carbon pricing	With the enactment of carbon pricing regulations, we will be required to pay for our greenhouse gas ("GHG") emissions.	Progress towards zero emissions.
Rising temperature	Rising demand for heating and cooling due to an increase in temperature-sensitive days.	Progress in adopting renewable energy and enhancements to production facilities.
Rising sea level	Viability and resilience of facility locations.	Facilities citing, construction specification.
Extreme weather	More frequent extreme weather events, such as storms and floods which may adversely affect the Group's operations.	Enhancing disaster preparedness and strengthening recovery capabilities.

ENVIRONMENTAL

Greenhouse Gas ("GHG") Emission

We strive to minimize the environmental impact of our business operations and mitigate climate change risks. Given that our manufacturing facilities consume a significant amount of energy, managing greenhouse gas emissions is crucial in addressing these climate-related challenges. To support this effort, we have invested in renewable energy by installing solar panels at our manufacturing facilities.

Scope 1 – Fuel Consumption

Natural gas is the primary fuel used in our production facilities including Fulong Zipper and Weaving Co., Ltd. ("**Fulong**") and Jinjiang Fuxin Electroplating Co., Ltd. ("**Fuxin**").

Scope 2 – Energy Consumption

It reflects GHG emissions produced from the generation of acquired electricity. Fuxing China consumes a substantial amount of energy for the operation of machineries in its manufacturing facilities. As part of our commitment to reducing carbon emissions, we have installed rooftop solar photovoltaic ("**PV**") systems at our Fujian manufacturing operations in Jinjiang Fookhing Zipper Co., Ltd ("**Zipper**") and Jinjiang Fuxing Dress Co., Ltd ("**Dress**").

By December 2025, the solar PV systems at Zipper and Dress collectively generated 4,060,368 kWh of renewable energy. The Group anticipates a continued decrease in the use of non-renewable energy sources in the years ahead.

Scope 3 – Indirect Emissions

We conducted a risk assessment covering 15 categories of Scope 3 emissions and identified Category 9 – Downstream Transportation and Distribution as having the most significant impact on the Group in FY2025. Going forward, we aim to enhance our assessment by identifying additional relevant categories to enable more comprehensive disclosure of Scope 3 emissions data in future Sustainability Reports.

GHG Emission	Unit	2025	2024 (Restated)	Unit	2025 Intensity	2024 Intensity (restated)
Scope 1	tCO_2e	324	476	tCO_2e/number of employees	0.28	0.41
Scope 2	tCO_2e	44,388	48,963	tCO_2e/number of employees	38	42.50
Scope 3	tCO_2e	685,740	867,989	tCO_2e/number of employees	595	753.46
Total	tCO_2e	730,452	917,428	tCO_2e/number of employees	633.43	796.38

To demonstrate our commitment to reducing environmental impact, this year we have set a target to reduce our total greenhouse gas emissions by 5% in FY2026 compared to FY2025.

ENVIRONMENTAL

Year	Energy Consumption	Unit	Intensity	Unit
2025	122,616	MWh	106.44	MWh/number of employees
2024 (Restated)	136,604	MWh	118.58	MWh/number of employees

Target: Reduce total energy consumption by 3% from FY2025 in FY2026.

Water consumption

The Group has made a commitment to practice responsible water-sourcing and usage, acknowledging the significance of reducing its water consumption and taking proactive actions to accomplish this objective. We remain attentive to our water consumption and endeavors to diminish our water consumption footprint by continuously implementing water-saving measures. These measures include identifying and repairing leaks to reduce water waste, encourage our employees to adopt water-efficient practices, as well as educating all employees on the importance of water conservation. Additionally, our manufacturing facilities are equipped with in-house water treatment plants to remove contaminants from wastewater before it is safely discharged into the environment.

Water is supplied by local municipalities, sourced from local freshwater supplies. The Group does not draw water from any other sources. The Group's water consumption is presented as follows:

Year	Total Water Consumption	Unit	Water Consumption Intensity	Unit
2025	981	ML	0.85	ML/number of employees
2024	1,200	ML	1.04	ML/number of employees

Target: Reduce total water consumption by 5% in next three years.

Waste Generation

The Group is committed to reducing and recycling waste wherever possible to minimize landfill contributions and the environmental impact of our operations. All non-hazardous waste is properly labeled, stored, and disposed of in compliance with local council regulations and through licensed contractors.

We actively encourage employees to adopt responsible waste management practices, supported by regular awareness programs conducted by our in-house environmental committee. The Group continuously strives to implement best practices in waste management as part of our broader effort to reduce our environmental footprint.

ENVIRONMENTAL

Waste Generation

Type of Waste	Unit	2025	2024 (Restated)	Type of Waste	Unit	2025	2024 (Restated)
Hazardous	t	476	800	Recycled	t	687	780
Non-hazardous	t	571,450	723,324	Non-recycled	t	42	50
Total	t	571,926	724,124	Total	t	729	830

Non-hazardous waste

As part of the manufacturing process, the Group generally produces fabric waste, paper waste and plastic waste. All non-recycled waste generated will be disposed off through the local municipal councils on a monthly basis.

The Group is committed to increasing the recycling percentage of its non-hazardous waste and is exploring alternatives such as “repurpose” instead of “recycle”. Moving forward, the Group may seek the collaboration of potential agencies that are able to “repurpose” non-hazardous wastes.

Hazardous waste

Hazardous waste production is limited to our dyeing and electroplating manufacturing facilities. The factory produced scheduled waste, SW 204, which is sludge that containing one or more several metals including chromium, copper, nickel, zinc, lead, cadmium, aluminum, tun, vanadium and beryllium.

In terms of managing, storing, and disposing of waste, we ensure that the Group has complied with the PRC Environmental Quality (Scheduled Waste) Regulations 2006. All non-recycled waste generated will be disposed of through local environmental friendly suppliers by every one to two months.

The sludge produced is a by-product of wastewater as a result of our manufacturing activities. For the disposal of scheduled waste, companies in PRC may only engage contractors being approved by the Department of Environment to ensure that all scheduled waste is being disposed of in an appropriate manner. All hazardous waste produced onsite will be held in on-site wastewater storage tanks prior to further treatment and/or disposal by our contractors. These wastes can be processed in a licensed facility to recover metals such as chromium, copper, nickel, zinc, lead, cadmium, aluminum, tun, vanadium and beryllium for reuse as raw materials in other industries.

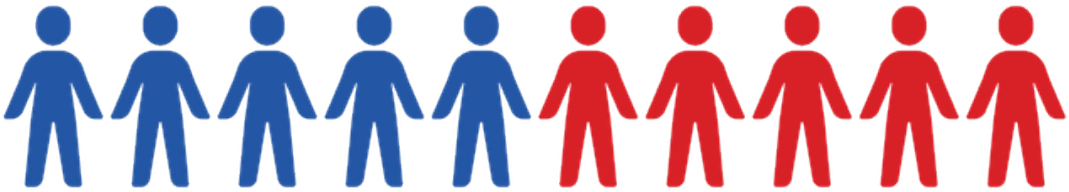
Target: Reduce total waste generation by 3% in next five years.

SOCIAL

Our employees are among our most valuable assets. The Group is committed to fair employment practices, upholding human rights principles, and continuously investing in the development and training of our people.

As of 31 December 2025, the Group employed a total of 1,152 full-time staff. Despite the relatively high turnover rate — common within the manufacturing sector due to the nature of frontline roles — we have maintained a strong and stable workforce. Employment levels in high-skilled positions have remained consistent, with no changes to key management personnel during FY2025.

Total Number of Employees



FY2025	FY2024
1,152	1,152

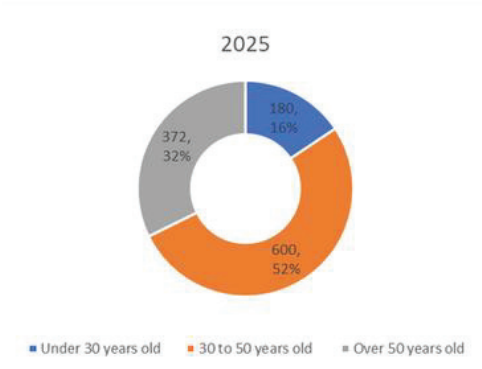


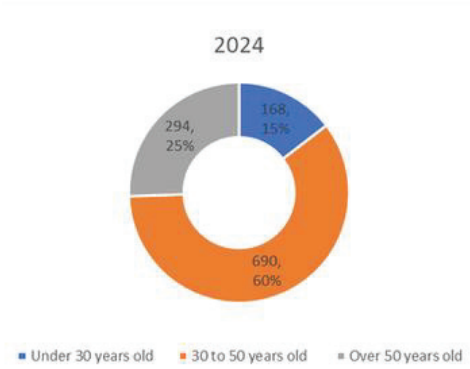


MALE		FEMALE	
FY2025	FY2024	FY2025	FY2024
635	630	517	522
55%	55%	45%	45%

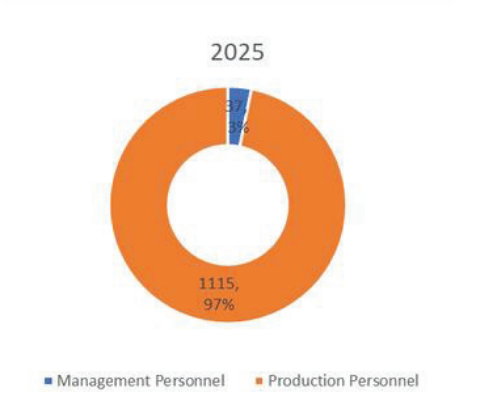
SOCIAL

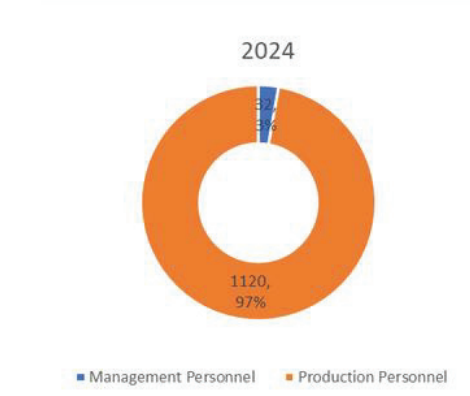
Age-based diversity



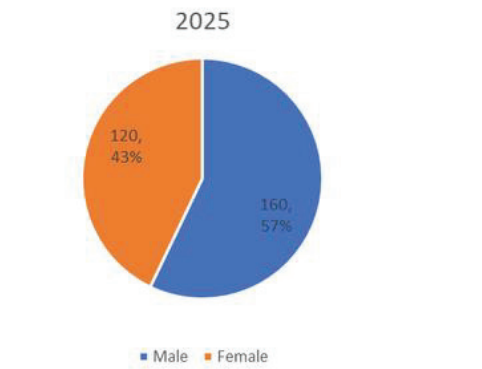


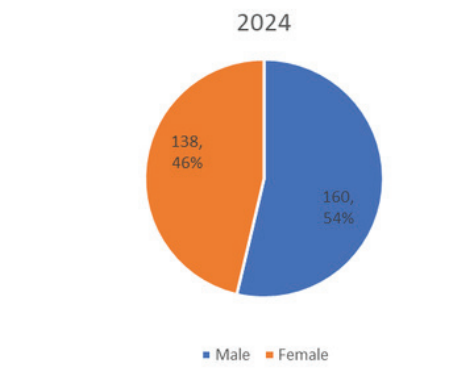
Role-based diversity





New hire distribution by gender





SOCIAL

Employment turnover by gender



We are committed to cultivating an inclusive and performance-driven workplace that attracts, retains, and nurtures talent. As an equal opportunity employer, the Group has established a fair system to ensure that all employees receive equal opportunities without preferential treatment. There is no bias or discrimination based on religion, age, ethnicity, physical disability, or gender. Employees are expected to comply with all relevant policies and guidelines.

To promote creativity, innovation, and a positive organisational culture, the Group actively maintains diversity within middle management. In FY2025, no incidents of discrimination were reported by employees.

The Group upholds an open-door policy, encouraging employees to voice concerns or report grievances directly to their superiors, department heads, the human resources team, the chief executive officer, or independent directors. This reinforces our commitment to fostering a healthy, safe, and secure work environment. Across all business segments, no workplace grievance cases were reported in FY2025.

Employee Remuneration and Benefit

The Group values the contributions of all employees and is committed to fair compensation. We strive to offer competitive remuneration packages that attract, retain, and motivate talent. When determining these packages, the Group takes into account regulatory requirements, industry benchmarks, and prevailing salary and employment conditions. Alongside competitive pay, we also provide a comprehensive range of employee benefits.

SOCIAL

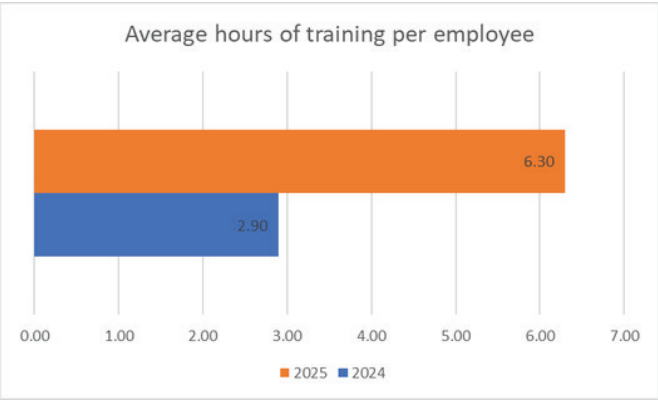
Employee Remuneration and Benefit

Employment Benefits	Descriptions
Life insurance	If our employees become critically ill or permanently disabled, their loved ones will receive a sum of money to provide them with financial protection and coverage against risks.
Medical insurance	Employees are reimbursed for visits to the General Practitioners and dentist, which are covered under the medical insurance.
Disability insurance	All our employees are covered under personal accident insurance and work-related injury. For instance, the organization will reimburse any rehabilitation costs or monthly pay-outs for each case of disability.
Maternity leave	Eligible female employees are entitled to maternity leave.
Retirement provision	For employees qualified for pension approaching the retirement.

Development and training

The Group recognizes the importance of keeping employees informed and continually developing their skills in an ever-evolving work environment.

In addition to on-the-job and ad-hoc training, we provide a broad range of learning and development opportunities designed to enhance employees' skills and expertise. These include leadership and management training programs, mentoring initiatives, and language courses, among others. The Group also supports and encourages further education and professional development, understanding that individual growth contributes to both personal success and the long-term success of the organisation.

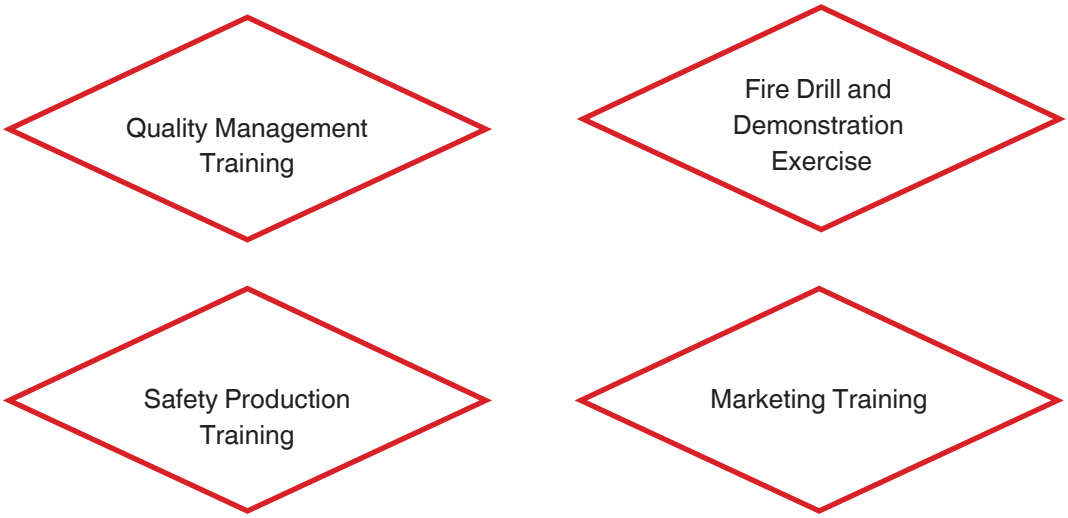


SOCIAL

Programmes for Upgrading Employee Skills and Transition Assistance

The Group is committed to allocating a budget and planning skill development initiatives to equip employees for achieving its strategic goals. We believe that a more skilled workforce strengthens Fuxing China human capital and enhances employee satisfaction, ultimately improving overall performance.

To upgrade and enhance employees' technical and workplace skills across various operational modes, the following training sessions are conducted:



Performance and Career Development Review

Employee performance and career development reviews are an integral part of the Group's annual performance appraisal process. This process fosters open communication between supervisors and employees, enabling effective performance evaluation and constructive feedback.

Following the appraisal, key outcomes such as promotions, salary adjustments, and annual variable bonuses are determined based on the assessment results. Employees are evaluated and rewarded fairly, with consideration given to their experience, qualifications, and performance. In FY2025, 70% of our employees received regular performance and career development reviews.

The Group remains committed to supporting continuous growth by providing relevant training and educational opportunities through structured development programs, fostering a positive and empowering work environment where every employee can reach their full potential.

SOCIAL

Occupational Health and Safety

Safety is a fundamental aspect of our business and a top priority for our Board and Management. We are committed to fostering a safe, conducive, and healthy work environment as part of our dedication to employee development.

Given the labor-intensive nature of our operations, workplace safety is of utmost importance to us. We acknowledge our responsibility to safeguard the well-being of our employees and continuously strive to maintain a secure and conducive workplace. To achieve this, we ensure strict compliance with all relevant safety and environmental regulations, aiming to reduce the risk and impact of potential hazards. The Group has also established a comprehensive set of protocols and precautions to fully protect workers across all areas of their work.

For FY2025, the Group did not record any cases of fatalities or high-consequence injuries. However, there were two recordable injuries involving the arms or legs of two female employees. These cases were proceeded to workers' compensation claims.

Occupational Health and Safety Management Framework

To enhance workplace safety supervision and effectively communicate workplace safety and health (WSH) messages, we have formed the Safety Committee. As a Group, this committee is led by the General Manager and includes three Production Supervisors along with 17 Heads of Departments (HODs).

The Safety Committee is responsible for overseeing the the Group's operations, ensuring that safety standards are consistently maintained and aligned with industry best practices. Its key responsibilities include reviewing, implementing, and reinforcing safety regulations to comprehensively address all aspects of workplace safety. Additionally, the committee monitors safety performance, infrastructure, and incidents while also organizing and coordinating safety-related activities.

Our Group is committed to learning from past mistakes to prevent similar incidents in the future. Any near-miss incidents or accidents are promptly reported to the Safety Committee, which then conducts timely incident analyses and briefings for employees. These briefings aim to enhance employees' safety awareness and reinforce established safety measures, precautions, and protocols to prevent recurrence.

For FY2025, the Group did not report any violations of relevant labor laws in the PRC.

GOVERNANCE

Board Composition

The Board strives to maintain a balanced and diverse composition to enhance its effectiveness, aligning with its Board diversity policy. This policy supports the principle that the Board should possess a mix of skills, knowledge, experience, and other diversity factors that contribute to the Group's strategic and business objectives, as well as its sustainable growth. It aims to foster the inclusion of varied perspectives, ideas, and insights, ensuring the Group benefits from a wide range of talent sources.

When determining the optimal composition and size of the Board and its committees, the policy guides the Nomination Committee ("**NC**") to evaluate multiple factors, including skills, expertise, professional background, education, gender, age, and tenure. The specific competencies considered include accounting and finance, business and management experience, industry expertise, strategic planning, customer-based marketing, and manufacturing knowledge.

Potential candidates are identified through various means, including external search firms, which are instructed to prioritise diversity, with a particular focus on gender representation. As a result, female candidates must be included in the selection process.

After evaluating the candidates, the NC conducts interviews with shortlisted individuals and subsequently makes recommendations to the Board, including committee appointments based on the candidate's skill sets and the Board's needs. Taking into account the NC's recommendations, the Board assesses whether the candidates align with its diversity policy and possess the required competencies for effective governance.

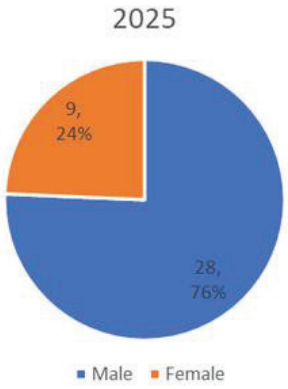
In FY2025, Fuxing China's Board comprises five directors. The Board works closely with the NC to identify and evaluate potential candidates who meet the diversity criteria when appointing new directors or during Board renewal. Any updates or progress made in implementing the Board Diversity Policy will be disclosed in the Company's Corporate Governance Report, as appropriate. In terms of qualifications and competencies, the Board consists of seasoned professionals with expertise in business management and strategic planning.

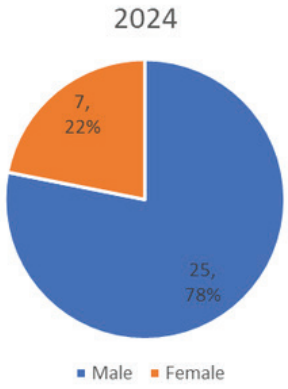
The Board believes that its members' different backgrounds, experience, age, gender, tenure of service, and skill sets provide a diversity of perspectives which contribute to the quality of its decision-making. The ultimate decision will be based on merit and contribution that the candidate will bring to the Board. With the support of the NC, the Company will ensure compliance with new listing requirements and oversee the effective implementation of the diversity policy.

GOVERNANCE

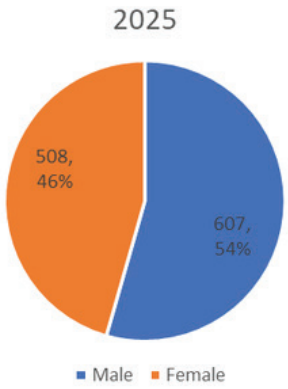
Management Diversity

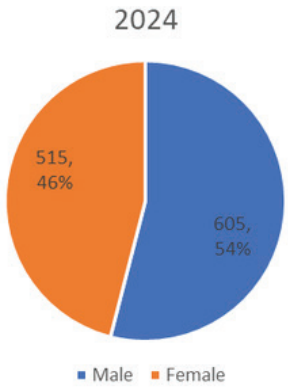
Governance Bodies by Gender





Non-Governance Bodies by Gender





GOVERNANCE

Certification - ESG related

We strive our best efforts to achieve ESG related standards, the following certifications are our contribution:



Certification for Global Recycled Standard (GRS) Version V.4



Granted authorisation according to Standard 100 by OEKO-TEXR

Anti-corruption and Whistle Blower Program

The Group is committed to maintaining high ethical and professional standards. All Directors, officers, and employees are required to comply with relevant legislation, as well as adhere to the Group's policies, procedures, and corporate governance requirements where applicable. They must refrain from engaging in any improper activities, including fraud. A notice regarding the whistleblower program will be prominently displayed on notice boards across all locations.

The Whistleblower Program is designed to address reports of suspected misconduct related to the Group's accounting, financial matters, and internal controls. Whistleblowers are assured confidentiality regarding their identity. Reported cases will be thoroughly reviewed, documented, and assessed to determine the validity of the allegations. If the claims are substantiated, appropriate corrective actions will be recommended and implemented.

In FY2025, no instances of corruption or significant employee misconduct were reported. Additionally, communication and training initiatives were conducted across the Group, involving a total of 89 personnel, ensuring that the importance of these requirements was effectively conveyed. The staff category details are outlined below.

Classification	No of personnel
Board of Directors	5
Management	5
Middle management	46
Non-management staff	33

GOVERNANCE

Ethical Behaviour and Code of Conduct

The Group's Code of Conduct ("**Code**") is the document that delivers our commitments to all our stakeholders into a set of formal written requirements. It puts all employees under specific obligations, adding more stringent obligations for certain individuals.

It reminds us that the Group is committed to acting with integrity in all its activities. In other words, we care how results are obtained, not just that they are obtained. This is right in itself and is also a vital company asset that helps our business prosper. This Code applies across the Group. All employees of the Group, irrespective of their positions and functions, are expected to fully adhere to the principles contained in the Code.

The Group will fully support those who pass up unethical opportunities or in good faith report potential or actual breaches of the Code. Employees are encouraged to provide their views to help gauge the Group ethical culture and management's ethics and controls commitment.

GOVERNANCE

Supplier assessment

The Group firmly believes that its suppliers and subcontractors are key business partners that can create a positive economic impact, thereby enhancing stakeholder returns. To this end, the Group maintains a stringent vendor selection process that takes into account vendors' past track records and adherence to occupational health and safety standards.

We have also developed procurement policies and guidelines, such as:

- Guidelines and procedures in selecting and evaluating vendors; and
- Code of conduct when dealing with vendors.

To ensure that only qualified suppliers are selected during supplier onboarding, new suppliers are assessed under stringent criteria, which include track records, financial strength, commitments towards high quality, health and safety standards, and sustainability. Sustainability is one of the key factors that we consider when selecting a supplier, and we evaluate potential candidates based on their sustainability performance and practices. The Group collaborates with partners and suppliers to redesign our product offerings to reduce the negative environmental impacts related to production and consumption.

All of our suppliers are required to submit relevant environmental certifications to demonstrate that they are licensed or certified and operating in accordance with the law and regulations. Additionally, we conduct random periodic inspections to ensure that our suppliers are complying with relevant laws and regulations. The Group carries out the necessary due diligence in the procurement process to ensure that quality is not compromised and our suppliers do not have any adverse impact on the environment. We will continue to remain fully committed to responsible procurement while generating positive economic and social benefits for the local community in which we operate.

In FY2025, the Group engaged 200 PRC suppliers to purchase a range of raw materials from them, with polyester, zinc alloy, and dyes being our main raw materials.

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

Fuxing China Group Limited has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards 2021 as follows:

Category	Disclosure	Description	Page Reference and Remarks
GENERAL DISCLOSURES			
GRI 2: General Disclosures 2021	Organisational Profile		
	2-1	Organisational details	18-19
	2-2	Entities included in the organisation's sustainability reporting	16
	2-3	Reporting period, frequency and contact point	16
	2-4	Restatements of information	16
	2-5	External assurance	16
	Activities & Workers		
	2-6	Activities, value chain and other business relationships	18, 22, 23, 42
	2-7	Employees	32
	Governance		
	2-9	Governance structure and composition	38
	2-10	Nomination and selection of the highest governance body	38
	2-11	Chair of the highest governance body	38
	2-12	Role of the highest governance body in overseeing the management of impacts	20, 38
	2-13	Delegation of responsibility for managing impacts	38
	2-14	Role of the highest governance body in sustainability reporting	20, 38
	2-15	Conflicts of interest	Corporate Governance section in the Annual Report FY2025
	2-16	Communication of critical concerns	
	2-17	Collective knowledge of the highest governance body	
	2-18	Evaluation of the performance of the highest governance body	
	2-19	Remuneration policies	
	2-20	Process to determine remuneration	
	2-21	Annual total compensation ratio	

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

Fuxing China Group Limited has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards 2021 as follows:

Category	Disclosure	Description	Page Reference and Remarks
GENERAL DISCLOSURES			
GRI 2: General Disclosures 2021	Strategy, policies and practices		
	2-22	Statement on sustainable development strategy	20
	2-23	Policy commitments	26-42
	2-24	Embedding policy commitments	16
	2-25	Processes to remediate negative impacts	26-42
	2-26	Mechanisms for seeking advice and raising concerns	40
	2-27	Compliance with laws and regulations	19
	2-28	Membership associations	23
	Stakeholder engagement		
	2-29	Approach to stakeholder engagement	22
	2-30	Collective bargaining agreements	None
MATERIAL TOPICS			
GRI 3: Material Topics 2021	Reporting Practice		
	3-1	Process to determine material topics	21
	3-2	List of material topics	24-25
	3-3	Management of Material topics	24-25
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	24, 42
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	40
	205-2	Communication and training about anti-corruption policies and procedures	40
	205-3	Confirmed incidents of corruption and actions taken	40
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	30
	302-3	Energy intensity	30
	302-4	Reduction of energy consumption	30

GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

Fuxing China Group Limited has reported the information cited in this GRI content index for the period 1 January 2025 to 31 December 2025 with reference to the GRI Standards 2021 as follows:

Category	Disclosure	Description	Page Reference and Remarks
GENERAL DISCLOSURES MATERIAL TOPICS			
GRI 303: Water and Effluents 2018	303-5	Water consumption	30
GRI 305: Emission 2016	305-1	Direct (Scope 1) GHG Emissions	29
	305-2	Energy indirect (Scope 2) GHG Emissions	29
	305-3	Other indirect (Scope 3) GHG Emissions	29
	305-4	GHG emissions intensity	29
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	31
	306-3	Waste generated	31
	306-4	Waste diverted from disposal	31
	306-5	Waste directed to disposal	31
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	33-34
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	34-35
	401-3	Parental leave	34-35
GRI 403: Occupational Health and Safety 2018	403-1	Occupational Health and Safety Management System	37
	403-9	Work-related injuries	37
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	35
	404-2	Programs for upgrading employee skills and transition assistance programmes	35-36
	404-3	Percentage of employees receiving regular performance and career development reviews	36
GRI 405: Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	38-39
GRI 406: Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	34

CORPORATE GOVERNANCE REPORT

INTRODUCTION

The Board of Directors (the "**Board**") of Fuxing China Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is committed to maintaining a high standard of corporate governance within the Group and places importance on its corporate governance and systems so as to enhance shareholders' value, corporate performance, accountability and protection of stakeholders' interests.

This report describes the corporate governance practices of the Group for the financial year ended 31 December 2025 ("**FY2025**") with specific reference to the principles and provisions of the Code of Corporate Governance 2018 (the "**Code**") and the accompanying practice guidance and accompanying Practice Guidance issued in August 2018, which forms part of the continuing obligations of the Listing Rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").

The Board is pleased to report that for FY2025, the Group has complied in all material aspects with the Code and Listing Rules. Where there are deviations from the Code, explanations as to how the Group's practices were consistent with the intent of the principle in question are provided in this report. The Company did not adopt any alternative corporate governance policies in FY2025.

The Board will continue to review the corporate governance practices on an on-going basis for relevance and effectiveness with reference to the environment in which the Group operates.

(A) BOARD MATTERS

THE BOARD'S CONDUCT OF AFFAIRS

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

Directors' Fiduciary Duties and Conflicts of Interest (Provision 1.1)

The Board assumes responsibility for the stewardship of the Group and is collectively responsible for the overall performance of the Group, with the fundamental principle to act in good faith and the best interests of the Company. The Board sets the Group's values and standards and ensures that all Board members act objectively in discharging their duties and responsibilities at all times and in the interests of the Company for the long-term performance and success of the Group. The Board believes that when taking decisions, all Directors act objectively in discharging their duties and responsibilities at all times as fiduciaries and in the interests of the Company. If there is any conflict of interest, Directors will voluntarily recuse themselves from all discussions and decisions involving the issues of conflict, unless the Board is of the opinion that his participation is necessary.

Directors' Orientation, Induction, Training and Development (Provision 1.2)

Directors are encouraged to receive regular training and participate in conferences, seminars or any training programmes in connection with their duties to keep abreast of a dynamic business environment.

In FY2025, the Board was briefed on updates on Listing Rules of the SGX-ST, changes to accounting standards and regulatory developments. The Board is also kept informed of the new updates regarding the amendments and requirements of the SGX-ST and other statutory and regulatory requirements from time to time. Relevant news releases issued by the SGX-ST are also circulated to the Board for information. In addition, the Directors attended various training programmes organised by professional institutions and firms, including the Institute of Singapore Chartered Accountants, the Institute of Valuers and Appraisers, Singapore and Baker Tilly TFW during FY2025.

Newly appointed Directors are briefed on the Group's business activities, strategic directions and regulatory environments in which the Group operates. They will also have the opportunity to visit the Group's operational facilities and to meet with Management so as to gain a better understanding of the Group's business operations. Newly appointed Directors who do not have prior experience or are not familiar with the duties and obligations required of a Director of a Company listed on SGX-ST will be required to undergo mandatory training pursuant to Rule 210(5)(a) of the Listing Rules of the SGX-ST and Practice Note 2.3 of the Listing Rules on the roles and responsibilities of a listed Company Director. Newly appointed Non-Executive Directors are provided with a letter of appointment setting out their duties, obligations and terms of appointment while Executive Directors are provided with a service agreement setting out their terms of office and terms and conditions of their respective appointments.

Ms. Tsang Ngo Yin, who was appointed during the financial year ended 31 December 2024 ("FY2024") and has no prior experience as a Director of public-listed companies in Singapore, has completed the mandatory training for first-time directors prescribed by the SGX-ST under Practice Note 2.3 of the Listing Rules in FY2025.

Board Reserved Matters (Provision 1.3)

The Board regularly reviews the Group's strategic business plans, and assesses key risks, operation and financial performance of the Group to enable the Group to meet its strategic objectives and also has the overall responsibility for establishing and maintaining a framework of good corporate governance in the Group, including the risk management systems and internal controls to safeguard shareholders' interests and the Group's assets. The Board also considers sustainability issues as part of its strategic formulation.

The Board has adopted internal control guidelines which provide that where appropriate, authority has been delegated to Management to facilitate operational efficiency. Within these guidelines, the Board approves transactions that exceed certain pre-determined thresholds.

In addition, approval of the Board is required for any matters, inter alia, mergers and acquisition, investments and divestments, acquisitions and disposals of assets, major corporate policies on key areas of operations, acceptances of bank facilities, annual budget, release of the Group's half-year and full-year results announcements, interested person transactions of a material nature and matters which are likely to have a material impact on the Group's operating units and/or financial position as well as matters other than in the ordinary course of business.

Delegation of Authority to Board Committees (Provision 1.4)

The Board is supported by the Audit Committee ("**AC**"), Remuneration Committee ("**RC**") and Nominating Committee ("**NC**"), (collectively, "**Board Committees**"). Each Board Committee is chaired by an Independent Director and a majority of the members are Independent Directors. Functions of these Board Committees including their compositions, authorities and duties are clearly written in its Terms of Reference ("**TOR**"), which have been approved by the Board. The Board accepts that while these Board Committees have the delegated power to make decisions, execute actions or make recommendations in their specific areas, the ultimate responsibility is vested in the Board. The TOR of each Board Committee is reviewed periodically and any change to the TOR will require the approval of the Board.

Board and Board Committees Meetings and Attendance (Provision 1.5)

The Board conducts scheduled meetings at least four times a year. These meetings are scheduled in advance to facilitate the Directors' planning in view of their on-going commitments. The Board will also meet as and when warranted between the scheduled meetings. The Company's Bye-Laws provide for meetings to be held via telephone, electronic or other communication facilities as permit all persons participating in the meetings to communicate with each other simultaneously and instantaneously.

The number of Board and Board Committees meetings as well as general meetings held during FY2025, and the attendance of Directors during these meetings, are as follows:

Meetings	Board	AC	NC	RC	Annual General Meeting	Special General Meeting
Total No. of Meetings held	**5**	**5**	**1**	**1**	**1**	**1**
Directors	**No. of Meetings attended**					
Hong Qing Liang	4	4(1)	1(1)	1(1)	-	1
Hong Peng You	5	5(1)	1(1)	1(1)	-	1
Low See Lien	5	5	1	1	1	1
Koh Boon Chiao	5	4	1	1	1	1
Tsang Ngo Yin	5	5	1	1	1	-

Notes:
(1) By invitation.

The Company Secretary and/or his representative(s) will administer, attend and prepare minutes of the Board and Board Committees meetings, assist each of the Board's and Board Committees' Chairman in ensuring that the Board's and Board Committees' procedures are followed and reviewed so that the Board and Board Committees function effectively, and ensure that the Constitution of the Company and relevant rules and regulations, including those of the SGX-ST (including the Listing Rules), are complied with.

When a Director has multiple board representations, the NC will consider whether or not the Director is able to and has adequately carried out his/her duties as a Director of the Company, taking into consideration the Director's number of listed Company board representations and other principal commitments. In support of their candidature for directorship or re-election, Directors are to provide the NC with details of their other commitments and an indication of the time involved. The Board and the NC have established a guideline on the maximum number of listed Company directorships that each Director is allowed to hold, and this guideline can be found under Provision 4.5 of this report.

Access to Information (Provision 1.6)

All agendas for the Board and Board Committees meetings are reviewed by the Chairman of the Board and the respective Board Committees. Detailed Board papers and/or other information are forwarded to the Directors before each meeting with sufficient time for their review and consideration. The Board papers include sufficient information from Management on financial, business and corporate issues to enable Directors to be properly briefed on issues to be considered at Board and Board Committees meeting. Management is invited to attend the meetings to present information and/or render clarification when required. Directors may request for explanations, briefings by or discussions with Management on any aspect of the Group's operations or business. When circumstances require, Board members exchange views outside the formal environment of Board meetings.

Access to Management and Company Secretaries (Provision 1.7)

The Board has separate and independent access to Management, the Company Secretary, External Auditors and external advisers as and when required to seek advices and obtain additional information to facilitate their decision making, at the expense of the Company.

The appointment and the removal of the Company Secretary is a decision of the Board as a whole.

The Company Secretary will administer, attend and prepare minutes of the Board and the Board Committees meetings, assist each of the Board and the Board Committees Chairman in ensuring that the Board's and the Board Committees' procedures are followed and reviewed so that the Board and the Board Committees function effectively, and ensures that the Company's Constitution and relevant rules and regulations, including those of the Companies Act 1967 of Singapore ("**Companies Act**") and the SGX-ST, are complied with. The Company Secretary ensures the quality, quantity and timeliness of the flow of information within the Board and the Board Committees, and between Management and Independent Directors, and advises the Board on all corporate governance matters, facilitates orientation, and assists with professional development as and when required.

BOARD COMPOSITION AND GUIDANCE

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

Independent Directors and Non-Executive Directors comprise a majority on the Board (Provisions 2.1 to 2.3)

As at the date of this report, the Board comprises five (5) Directors, three (3) of whom are Independent Directors and two (2) are Executive Directors. The Independent Directors make up a majority of the Board.

The current composition of the Board is as follows:

Board	AC	NC	RC
Executive Directors			
Hong Qing Liang – Executive Chairman	–	–	–
Hong Peng You	–	–	–
Independent Directors			
Low See Lien – Lead Independent Director	Chairman	Member	Member
Koh Boon Chiao	Member	Member	Chairman
Tsang Ngo Yin	Member	Chairman	Member

As a Group, the Directors bring with them a broad range of expertise and experience in areas such as accounting and finance, business and management experience, industry knowledge, strategic planning experience, industry's customer-based marketing and manufacturing combined provides core competencies necessary to lead and govern the Group effectively. Each Director has been appointed based on the strength of his/her calibre, experience, industry knowledge and expertise, grasp of corporate strategy and potential to contribute to the Group and its business. The diversity of the Directors' experience allows for the useful exchange of ideas and views during discussions.

Having assessed the size and composition of the Board and Board Committees, the NC, with the concurrence of the Board, is of the view that the current size and composition of the Board is adequate, taking into account the scope of the Group's operations.

None of the Directors has an alternate Director. All Directors are expected to be able to commit time to the affairs of the Company, the NC will generally not support the appointment of an alternate Director.

The Board assesses the independence of Independent Directors in accordance with the requirements of the Code to ensure appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Group.

Under the Code, an Independent Director is one who is independent in conduct, character and judgment, and has no relationship with the Company, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interests of the Company.

Board Composition and Diversity (Provision 2.4)

The Board endeavours to achieve the balance and diversity necessary to maximise its effectiveness as part of its Board Diversity Policy which endorses the principle that its Board should have the balance of skills, knowledge, experience and other aspects of diversity that support the Company in the pursuit of its strategic and business objectives, and its sustainable development. The policy seeks to promote the inclusion of different perspectives, ideas and insights and ensure that the Company can benefit from all available sources of talent.

In determining the optimum composition and size of the Board and each Board committee, the Board's Diversity Policy provides for the NC to consider a combination of factors such as skills, knowledge, professional experience, educational background, gender, age, and length of service. The skills, knowledge and experience to be considered include accounting and finance, business and management experience, industry knowledge, strategic planning experience, industry's customer-based marketing and manufacturing combined.

Suitable candidates will then be identified, including through external search firms and the Director's network. External search firms that are engaged, are instructed that diversity is a key criterion in the search and in particular, gender diversity. Female candidates are therefore required to be included for consideration.

Following its assessment of the candidates, the NC will then interview the short-listed candidates. The NC will thereafter make its recommendations to the Board including appointments to the appropriate Board committees after matching the candidates' skills-set to the needs of each Board committee. The Board, taking into account the views of the NC, will consider if the Directors meet the criteria under its Board Diversity Policy and possess the necessary competencies to govern the Company effectively.

The Board achieved its gender diversity target in FY2024 with the appointment of a female Independent Director, Ms. Tsang Ngo Yin in 2024, reflecting the Company's commitment to gender diversity. The Board will continue to work closely with the NC to identify and evaluate potential candidates who meet the diversity criteria when appointing new director(s) or Board renewal.

The Board also recognizes that gender diversity is only one aspect of Board diversity. In terms of qualifications and competencies, members of the Board include seasoned professionals in finance, business and management and strategic planning. The Board believes that its members' different backgrounds, experience, age, gender, tenure of service, and skill sets provide a diversity of perspectives which contribute to the quality of its decision-making. The ultimate decision will be based on merit and contribution that the candidate will bring to the Board. The profiles of the Directors are on pages 13 to 14 of the Annual Report.

The Company remains committed to implementing its Board Diversity Policy and any further progress made towards the implementation of such policy will be disclosed in future Corporate Governance Reports, as appropriate.

Meeting of Independent Directors without Management (Provision 2.5)

The Independent Directors, led by Mr. Low See Lien, the Lead Independent Director, meet without the presence of Management as and when the circumstances warrant. In FY2025, the Independent Directors met regularly (without the presence of Management) both formally and informally, to discuss the remuneration packages and incentives for the Executive Directors and Key Managerial Personnel ("**KMP**"), feedback from the External Auditors and other matters. The Lead Independent Director will provide feedback and recommendations arising from these meetings to the Board and Chairman as appropriate.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

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

Chairman and Chief Executive Officer ("CEO") (Provision 3.1)

The Chairman and the CEO are separate persons. The role of Chairman is held by Mr. Hong Qing Liang while the role of CEO is held by Mr. Hong Qing Liang's son, Mr. Hong Shao Lin.

All major proposals and decisions made by the Executive Chairman and CEO are discussed and reviewed by the AC. Their performance and appointment are reviewed periodically by the NC and the remuneration packages are reviewed periodically by the RC. As the AC, NC and RC consist of all Independent Directors, the Board believes that there are sufficient strong and independent elements and adequate safeguards in place against a possible concentration of power and authority that a familial relationship exists between the Executive Chairman and the CEO.

Roles of Chairman and CEO (Provision 3.2)

As the Executive Chairman of the Board, Mr. Hong Qing Liang bears responsibility for the effective workings of the Board. He ensures that Board meetings are held when necessary and sets the Board meeting agenda. The Executive Chairman reviews all Board papers before they are presented to the Board and ensures that procedures are in place to provide Directors with timely and comprehensive analyses necessary for exercising informed judgement and decisions. Management staff who have prepared the papers, or who can provide additional insight in the matters to be discussed, are sometimes invited to attend and present the papers at the Board meeting. The Executive Chairman also ensures that the members of the Board work together with the Management team, and have the capability and authority to engage Management in constructive debate on various matters, including strategic issues and business planning processes. The day-to-day management functions are performed by senior Management, headed by the CEO.

As the CEO, Mr. Hong Shao Lin is responsible for the day-to-day management affairs and business operations of the Group. He also ensures that all corporate policies are properly complied with.

Appointment of Lead Independent Director (Provision 3.3)

As recommended by the Code, the Board has appointed Mr. Low See Lien as the Lead Independent Director of the Company, to provide leadership in circumstances where the Chairman is conflicted. Mr. Low See Lien is available to shareholders where they have concerns or issues that are not appropriately dealt with by the Chairman or the CEO. Shareholders may contact the Lead Independent Director, Mr. Low See Lien at seelienlow@gmail.com when they have concerns which contact through the normal channels of the Executive Directors has failed to resolve or for which such contact is inappropriate.

BOARD MEMBERSHIP

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

Composition of the Nominating Committee (Provision 4.2)

As at the date of this report, the NC comprises three (3) Directors, all of whom (including the NC Chairman) are Independent Directors. The Lead Independent Director is also a member of the NC. The members of the NC are as follows:

Ms. Tsang Ngo Yin – Chairman of the NC, Independent Director
Mr. Koh Boon Chiao – Member, Independent Director
Mr. Low See Lien – Member, Lead Independent Director

Role and Responsibilities of the Nominating Committee (Provision 4.1)

The principal duties and responsibilities of the NC as provided in its TOR are as follows:

(a) reviewing the structure, size and composition (including the skills, gender, age, qualifications, experience and diversity) of the Board and Board Committees;

(b) identifying and nominating candidates to fill Board vacancies as they occur;

(c) recommending membership of the Board Committees to the Board;

(d) determining annually the independence of the Directors, bearing in mind the circumstances set forth in the Code, Listing Rules of the SGX-ST and any other salient factors;

(e) evaluating Board's performance as a whole, Board Committees and individual Directors;

(f) making recommendations to the Board on all Board appointments, re-appointments and re-elections to the Board (including alternate director, if any), depending on the Director's performance, commitment and his/her ability to continue contributing to the Board;

(g) reviewing and evaluating whether a Director is able to and has been adequately carrying out his duties as a Director, particularly, when he has multiple board representations;

(h) overseeing induction, orientation, training and professional development programmes for the Board and its Directors;

(i) reviewing and ensuring there is clear division of responsibilities between the Chairman and CEO;

(j) reviewing succession plans for the directors, in particular the appointment and/or replacement of the Chairman, the CEO and KMP; and

(k) undertaking such other functions and duties as may be delegated by the Board.

For FY2025, the NC has reviewed the Board's composition, determined the independence of Directors, conducted Board, Board Committees' and Individual Directors' performance evaluation, reviewed Directors' commitments when they have multiple board representations.

Process for selection, appointment and re-appointment of Directors (Provision 4.3)

The NC has adopted a process for the selection and appointment of new Directors. In selecting potential new Directors, the NC will seek to identify the competencies required to enable the Board to fulfil its responsibilities. External professional help or tagging on the Directors' network may be used to source for potential candidates. The curriculum vitae and other particulars or documents of the nominee or candidate will be given to NC for consideration. The NC will evaluate the suitability of the nominee or candidate based on his/her qualifications, business and related experience, commitment, ability to contribute to the Board process and such qualities and attributes that may be required by the Board. The NC will also meet with the potential candidate before making the nomination to the Board for appointment as Director.

Bye-Law 86 of the Company's Bye-Laws provides that each Director shall retire at least once every three (3) years. In addition, Bye-Law 85(6) of the Company's Bye-Laws provides that any person so appointed by the Board retire at the next Annual General Meeting ("**AGM**") of the Company and shall then be eligible for re-election.

Accordingly, Mr. Hong Peng You and Mr. Low See Lien shall be retiring pursuant to Bye-Law 86 of the Company's Bye-Laws at the forthcoming AGM ("**Retiring Directors**"). The Retiring Directors have consented for re-appointment following their retirement at the forthcoming AGM.

The NC has reviewed and is satisfied that the Retiring Directors are properly qualified for re-appointment by virtue of their skills, experience and contributions.

Accordingly, the NC has recommended to the Board that Mr. Hong Peng You and Mr. Low See Lien be nominated for re-election pursuant to Bye-Law 86 of the Company's Bye-Laws at the forthcoming AGM. The Board has accepted the NC's recommendation.

The Retiring Directors have abstained from deliberation on the matter regarding their re-election and retirement as a Director of the Company.

The key information regarding the Directors is set out in the "Board of Directors" and "Information on Directors Nominated for Re-election Appendix 7.4.1 of the Listing Rules of the SGX–ST" sections on pages 68 to 75 in this Annual Report.

Determining Directors' Independence (Provision 4.4)

The independence of each Director is reviewed annually by the NC with the recommendations set out in the Code and the Listing Rules of the SGX-ST. For FY2025, the NC reviewed the independence of Mr. Low See Lien, Mr. Koh Boon Chiao and Ms. Tsang Ngo Yin.

Having conducted rigorous review, the Board, with the concurrence of the NC, considered Mr. Low See Lien, Mr. Koh Boon Chiao and Ms. Tsang Ngo Yin to be independent after having determined that they have no relationship with the Company, its related corporations, its 5% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the director's independent business judgment with a view to the best interest of the Company. Mr. Low See Lien, Mr. Koh Boon Chiao and Ms. Tsang Ngo Yin have throughout their appointment, demonstrated strong independence in character and judgment in the discharge of their duties and responsibilities as directors of the Company. They have continued to express their individual viewpoints, debated issues and objectively challenged Management on business decisions with a view to the best interests of the Group.

Each of the Independent Directors abstained from discussion and voting in respect of his/her independence.

Directors' other directorships and principal commitments (Provision 4.5)

Pursuant to its TOR, the NC is required to determine if a Director has been adequately carrying out his/her duties as a Director of the Company, particularly if he/her has multiple Board representations. In view of this, the NC having considered the confirmations received from Mr. Low See Lien, Mr. Koh Boon Chiao and Ms. Tsang Ngo Yin concluded that such multiple Board representations do not hinder each Director from carrying out his/her duties as a Director of the Company.

In consultation with the NC, the Board has prescribed that each Independent Director should not hold more than five (5) directorships in other public listed companies. The NC had reviewed and was satisfied that no Independent Director had exceeded the maximum limit of listed Company board representations in FY2025 and that each Director had given sufficient time and attention to the affairs of the Group and has been able to diligently discharged his/her duties as a Director of the Company.

BOARD PERFORMANCE

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

Assessing the effectiveness of the Board, Board Committees and Individual Directors (Provisions 5.1 and 5.2)

The Board has, through the NC, adopted a process to evaluate the effectiveness of the Board as a whole, each Board Committee separately and the individual Directors. The evaluations are carried out by means of completing the relevant questionnaire forms by each Director on an annual basis and the results will be collated by the Company Secretary to be presented to the NC. The findings from the evaluations were analysed and discussed with a view to implementing certain recommendations to further enhance the effectiveness of the Board and Board Committees.

The Board and Board Committees' evaluation covers amongst others, the size and composition of the Board and Board Committees, the accessibility of the Board to information, Board and Board Committees processes and accountability in relation to discharging its principal responsibilities and standards of conduct of the Board members.

Individual Directors' assessment was also conducted in FY2025 whereby each Director was evaluated on his/her contributions to the Board, initiative, knowledge of senior management's job scope and Group's business, leadership and the support that he/she lends to Management in steering the Group.

The results of the Board, Board Committees evaluations, and individual Director assessment are compiled by the Company Secretary and reported to the NC. In discussing the results of the performance evaluations for FY2025, the Board and Board Committee members were able to identify areas for improving their effectiveness, and no significant issues were identified in the results of the evaluations.

Following the review in FY2025, the Board is of the view that the Board and its Board Committees operate effectively and that each Director contributes to the overall effectiveness of the Board and its Board Committees.

There was no external consultant involved in the Board evaluation process in FY2025.

The NC will continue to review the formal assessment processes for evaluating Board performance, its Board Committees, as well as the contribution of individual Directors to the effectiveness of the Board. Each member of the NC shall abstain from any deliberation and voting on any resolutions in respect of his/her re-nomination and assessment as a Director.

(B) REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 6: The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Composition of the Remuneration Committee (Provision 6.2)

The RC comprises the following three (3) Independent Directors:

Mr. Koh Boon Chiao – Chairman of the RC, Independent Director
Mr. Low See Lien – Member, Lead Independent Director
Ms. Tsang Ngo Yin – Member, Independent Director

Role and responsibilities of the Remuneration Committee (Provision 6.1)

The principal duties and responsibilities of the RC as provided in its TOR are as follows:

(a) reviewing and recommending to the Board a general framework of remuneration for the Board and KMP and to recommend to the Board the specific remuneration packages and terms of employment for:

- each Director and KMP of the Group;
- employees related to Directors, CEO or controlling shareholders of the Group;
- reviewing Directors' fees, which are subject to shareholders' approval at the AGM; and
- the service contracts of the CEO and Executive Directors. In the event of termination of Executive Directors and KMP's service contracts, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

(b) reviewing all aspects of remuneration, including terminating terms, to ensure they are fair;

(c) recommending to the Board long-term incentive schemes which may be set up from time to time; and

(d) undertaking such other functions and duties as may be delegated by the Board.

Remuneration Framework (Provision 6.3)

There is a formal and transparent process for developing executive remuneration and for determining the remuneration packages of individual Directors. No Director is involved in determining his/her own remuneration.

The RC reviews all matters concerning the remuneration of the Non-Executive Directors to ensure that remuneration commensurate with their contributions, responsibilities and market benchmarks.

None of the Independent Directors has service contracts or consultancy arrangements with the Company. They are paid Directors' fees based on a structured fee framework reflecting the responsibilities and time commitment of each Director.

The annual quantum of Directors' fees to be paid is also reviewed by the RC and the Board before submission to shareholders for approval at the Company's AGM.

The RC also reviews the remuneration packages of the Executive Directors and the CEO and submits its recommendations to the Board for endorsement. The RC will look at the total remuneration provided which comprises annual fixed salary and variable salary component. The variable salary component is in the form of a variable bonus that is linked to the performance of the Group and the individual's performance.

The RC also reviews the Company's obligations under the service agreements of the Executive Directors and the CEO that would arise in the event of termination of these service agreements to ensure that such service agreements contain fair and reasonable termination clauses.

RC access to expert professional advice (Provision 6.4)

The RC has access to expert professional advice if there is a need to consult externally taking in consideration of the industry's practices and norms in determining compensation. No external consultant was engaged in FY2025.

LEVEL AND MIX OF REMUNERATION

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

Remuneration of Executive Directors and KMP (Provisions 7.1 and 7.3)

The remuneration packages are set adequately but not excessively remunerated compared to other comparable companies in the industry in view of present market conditions such that it is appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and KMP to successfully manage the Company for the long-term. The remuneration policy adopted takes into account the individual's responsibilities, skills, expertise as well as the Group's performance.

The Executive Directors' and KMP (which includes the CEO) respective service agreements detailed his remuneration packages as well as an automatic one-year renewal clause (unless otherwise terminated by either party giving not less than three (3) months' notice to the other). The performance bonus of the Executive Directors and KMP are linked to the Group's performance which will be reviewed by the RC before submission to the Board for approval. As the Executive Directors and KMP are rewarded based on their achievement of certain key performance indicators and the actual results of the Group, and not on any other assigned incentives, there are no provisions in their service agreements. The RC will when appropriate, review the need to adopt provisions allowing the Company to reclaim incentive components of remuneration from Executive Directors and KMP in exceptional circumstances of misstatement of financial results or of misconduct resulting in financial loss to the Group.

The RC will carry out an annual review of the remuneration packages of the Executive Directors and KMP to ensure that a significant and appropriate proportion of their remuneration is structured so as to link rewards to corporate and individual performance, giving due regard to the financial health and business needs of the Group, and align with the interest of the shareholders and other stakeholders and promote long-term success of the Group.

The RC after having reviewed, is satisfied with the remuneration packages of the Executive Directors and KMP and recommended the same for Board approval. The Board had approved the RC's recommendation accordingly.

Remuneration of Independent Directors/Non-Executive Directors (Provision 7.2)

The RC is mindful that remuneration for the Independent Directors should not be excessive, as it may otherwise compromise or reasonably be perceived to compromise, the independence of the Independent Directors. After taking into account factors such as effort and time spent and their roles and responsibilities, the RC, with the concurrence of the Board, is of the view that the current remuneration of the Independent Directors is appropriate to their level of contributions, and would not compromise their independence.

Directors' Fees

The RC has recommended to the Board the payment of Directors' fees amounting to S$118,928 for the financial year ending 31 December 2026 (2025: S$118,928), payable half-yearly in arrears.

The recommendation will be tabled at the forthcoming AGM for shareholders' approval. Each of the Directors has abstained from voting in respect of their own remuneration. The RC members have also abstained from deliberation and voting in respect of their own remuneration.

The Company does not have any share option or long-term incentive scheme in place.

DISCLOSURE ON REMUNERATION

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

Disclosure of the remuneration of Directors and KMP (Provisions 8.1 and 8.3)

The breakdown of each individual Director's remuneration for FY2025 is as follows:

Name of Directors	Salary	Bonus	Director's fees	Other benefits	Total	Total remuneration (S$'000)
Hong Qing Liang	89%	–	11%	–	100%	49
Hong Peng You	92%	–	8%	–	100%	68
Low See Lien	–	–	100%	–	100%	48
Koh Boon Chiao	–	–	100%	–	100%	39
Tsang Ngo Yin	–	–	100%	–	100%	21

Details of remuneration paid to top five (5) KMP of the Group (who are not Directors) for FY2025 are set out below:

Name of KMP	Salary	Bonus	Other benefits	Total	Total remuneration (S$'000)
Hong Shao Lin – Chief Executive Officer	100%	–	–	100%	173
Hong Shui Ku – Chief of Operations	100%	–	–	100%	18
Ye Mu Gui – Production Manager	100%	–	–	100%	42
Zhang Shang Lian – Sales and Marketing Manager	100%	–	–	100%	70
Lei Zhen Min – Assistant General Manager	100%	–	–	100%	66

The aggregate remuneration paid to the top five (5) KMP (who are not Directors) for FY2025 amounted to S$368,817.

There are no termination, retirement and post-employment benefits that may be granted to the CEO, the Directors and the top five (5) KMP (who are not Directors).

Taking into account the disclosure of the exact remuneration of the Directors and KMP and the aggregate remuneration paid to KMP, the Board has determined that there is sufficient transparency and information on the remuneration policies, level and mix of remuneration, the procedure for setting remuneration and the relationships between remuneration, performance and value creation consistent with the intent of Principle 8 of the Code.

Disclosure of the remuneration of employees who are substantial shareholders of the Company, immediate family members of a Director, the CEO or a substantial shareholder of the Company (Provision 8.2)

Employees who are immediate family members of a Director, the CEO or controlling shareholders during the year under review are as follows:

(i) Mr. Hong Shao Lin, son of Mr. Hong Qing Liang (Executive Chairman of the Company), who is employed as CEO of the Company;

(ii) Ms. Hong Yan Ru, daughter of Mr. Hong Qing Liang (Executive Chairman of the Company), who is employed as an Investment Manager of the Group; and

(iii) Madam Zeng Li Ming, spouse of Mr. Hong Peng You (an Executive Director and Director of Finance and Administration of the Company), who is employed as an Accounts and Administrator of the Group.

Save for Mr. Hong Shao Lin, whose remuneration amounted to approximately S$173,000 (disclosed above), none of the above-mentioned employees' remuneration exceeded S$100,000 for FY2025.

(C) ACCOUNTABILITY AND AUDIT

RISK MANAGEMENT AND INTERNAL CONTROLS

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

Design, implementation and monitoring of risk management and internal control systems and formation of a Board Risk Committee to address significant risks (Provision 9.1)

The Board has overall responsibility for the risk management and internal controls of the Group. The Board determines the nature and extent of the significant risks which the Company is willing to take in achieving its strategic objectives and value creation to ensure that Management maintains a sound system of risk management and internal controls to safeguard the Group's assets and shareholders' interests.

The Board, assisted by the AC, evaluate the adequacy and effectiveness of the Group's internal controls and risk management system. The Group does not have a separate Risk Management Committee. In line with recommendations of the Code on internal controls and risk management, the Board has designated Mr. Hong Shui Ku, the Chief of Operations of the Group to oversee the risk management of the Group.

The Group's Internal and External Auditors have, during the course of their respective audits, conducted an annual review of the adequacy and effectiveness of the Group's internal controls (including financial, operational, compliance and information technology controls) and risk management policies and systems established by Management. Any non-compliance or weaknesses in internal controls recommended for improvements are reported to the AC. The AC will also review the effectiveness of the actions taken by Management on the recommendations made by the Internal and External Auditors and ensures that there are follow-up actions on the implementation. The adequacy and effectiveness of the internal financial control systems and procedures at present are monitored by Management.

The Board recognises that no internal controls system will preclude all errors and irregularities as a system is designed to manage rather than eliminate the risk of failure to achieve business objects, and can provide only reasonable and not absolute assurance against material misstatement or loss.

For FY2025, the Group's Internal Auditors were also engaged to review the Group's business and operational activities and identify areas of significant business risks as well as take appropriate measures to control and mitigate these risks. On an annual basis, the Internal Auditors' report and the risk management report are presented to the AC on significant matters arising from the said review and counter measures to mitigate the identified risks potential risks. There were no material deficiencies arising from the review.

Written assurance on adequacy and effectiveness of internal controls (Provision 9.2)

The Board has received written assurance from:

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

(b) the CEO and the Director of Finance and Administration who are responsible, regarding the adequacy and effectiveness of the Company's risk management and internal control systems.

Based on the reviews conducted by the Internal Auditors and External Auditors, written assurance of Management, the Board, with the concurrence of the AC, is of the opinion that the internal controls and risk management systems addressing financial, operational, compliance and information technology controls are adequate and effective.

AUDIT COMMITTEE

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

Composition of the Audit Committee (Provision 10.2)

The AC comprises the following three (3) Independent Directors:

Mr. Low See Lien – Chairman of the AC, Lead Independent Director
Mr. Koh Boon Chiao – Member, Independent Director
Ms. Tsang Ngo Yin – Member, Independent Director

Expertise of AC members

The Board is of the view that the AC members have the relevant expertise to discharge the functions of an AC. A majority of the AC members bring with them recent and relevant accounting or related financial management expertise or experience, which are appropriately qualified to discharge its duties objectively. Reasonable resources have been made available to the AC to enable them to discharge their duties. The AC members also take measures to keep abreast of the changes to accounting standards and issues which have a direct impact on financial statements through attendance at trainings and updates by professionals and the Company's External Auditors.

Former partner or Director of the Company's existing auditing firm (Provision 10.3)

In compliance with the Code, none of the AC members was a former partner of the Company's existing External Auditors within the previous two years or has any financial interest in the firm.

Duties of AC and activities of the AC (Provision 10.1)

The AC met five (5) times in FY2025, and as and when deem appropriate, to carry out its principal functions as provided in its TOR:

(a) reviews the half year and full year financial statements of the Group before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with statutory and regulatory requirements;

(b) reviews with the External Auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulation, which has or is likely to have a material impact on the Group's operating results or financial position, and Management's responses thereto;

(c) reviews and approves the internal and external audit plans and results of their audits and recommendations as well as Management's responses thereto;

(d) reviews the assistance given by Management to the Internal and External Auditors to facilitate their audits and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of Management at least once a year and where necessary);

(e) reviews and approves the appointment or re-appointment of Internal and External Auditors and matters relating to resignation or dismissal of the auditors;

(f) reviews interested person transactions;

(g) reviews annually the scope and results of the audit and its cost effectiveness as well as the independence and objectivity of the External Auditors annually;

(h) reviews the effectiveness and adequacy of internal controls, including financial, operational, compliance and information technology controls and risk management system;

(i) ensures that arrangements are in place for staff of the Group and any other persons may, in confidence, raise concerns about possible improprieties in financial reporting or, other matters;

(j) reviews potential conflicts of interests, if any;

(k) undertakes such other functions and duties as may be required by the statute or the Listing Rules of the SGX-ST;

(l) meets with the External Auditors and Internal Auditors without the presence of Management to discuss the results of their findings and communicated with the Internal Auditors to discuss their evaluation of the Group's internal controls and risk management systems, set out in their respective reports;

(m) ascertains that both the Internal and External Auditors have had the full co-operation of Management in carrying out their audits of the Group;

(n) keeps abreast of accounting standards and issues that could potentially impact financial reporting through updates and advice from the External Auditors;

(o) ensures that Company had complied with Rule 712 of the Listing Rules of the SGX-ST in relation to the appointment of a suitable auditing firm to meet its audit obligations. RT LLP, the appointed External Auditors of the Group, is registered with Accounting and Corporate Regulatory Authority ("**ACRA**") and is a member of RT ASEAN.

Together with the Audit Engagement Partner and his team assigned to the particular audit, the AC was satisfied that the resources and experience of RT LLP, the Audit Engagement Partner and his team assigned to the audit were adequate to meet their obligations, given the size, nature and operations of the Group;

(p) ensures that the Company had complied with Rule 715 of the Listing Rules of the SGX-ST in relation to the appointment of the same auditing firm based in Singapore to audit its accounts, its significant foreign-incorporated subsidiaries;

(q) reviews interested person transactions;

(r) reviews the implementing process of the Company's sustainability report; and

(s) reviews the whistle-blowing policy.

The AC has the requisite powers to conduct or authorise investigation into any of the above-mentioned matters. The AC has full access to and co-operation by Management and also has full discretion to invite any Director or Management to attend its meetings as well as reasonable resources to enable it to discharge its duties and functions properly.

Independence of External Auditors

Audit services rendered by the External Auditors amounted to S$304,000 for the FY2025 audit. In FY2025, the External Auditors was engaged to assist in drafting the Sustainability Report for S$16,000. Apart from the aforementioned, no other non-audit services were rendered by the External Auditors.

The AC has reviewed the non-audit services provided by the External Auditors and is satisfied with the independence of the External Auditors. The External Auditors have also affirmed their independence in this respect.

Key Audit Matters

In the review of the Group's FY2025 financial statements, the AC has discussed with Management and the External Auditors on significant issues and assumptions that impact the financial statements. The significant financial reporting matters have also been identified and included in the Independent Auditors' Report to the shareholders of the Company under "Key Audit Matters".

The AC had reviewed the Key Audit Matters and concurred with the audit procedures adopted by the External Auditors as well as Management's assessment, and is satisfied that the Key Audit Matters have been appropriately dealt with and recommendation was made by the AC to the Board to approve the financial statements.

Whistleblowing Policy

The AC has also put in place a whistleblowing policy on financial improprieties or other matters whereby staff of the Group and any other persons may raise in confidence and ensure that arrangements are in place of independent investigations of such matters and follow up actions. Complaints or suspicion of impropriety can be made in the form of emails or telephone to the AC Chairman.

The AC Chairman who receives the report will assess the allegations to determine whether it warrants an investigation. Investigators will be designated by the AC Chairman. All reported whistleblowing incidents or concerns will be independently investigated and remedial actions will be taken to address the whistleblowing incidents. Identity of the whistleblower will be kept highly confidential. No disciplinary or personal action will be taken against the whistleblower for the allegations made in good faith and in absence of malice. There were no whistleblowing incidents received in FY2025.

Internal Audit (Provision 10.4)

The Group has outsourced its internal audit function to an external audit firm, Xiamen De Cheng Accounting Co. Ltd (the "**Internal Auditor**"), in the People's Republic of China. The AC approves the hiring, removal, evaluation and compensation of the accounting/auditing firm to which the internal audit function is outsourced. The Internal Auditor reports directly to the AC Chairman on internal audit matters and to the CEO on administrative and operational matters. The role of the Internal Auditor is to assist the AC to ensure that the Group maintains a sound system of internal controls by regular monitoring key controls and procedures and ensuring their effectiveness, undertaking investigations as directed by the AC, and conducting regular in-depth audits of high-risk areas.

The annual internal audit plan is prepared in consultation with, but independent of Management, and submitted to the AC for approval. The AC ensures that the internal audit function has appropriate standing within the Company. The Internal Auditor reports directly to the AC and the findings and recommendations made have been adequately followed through and implemented by Management in the financial year. The AC participates in and approves the hiring, removal, evaluation and compensation of the internal audit function. The Internal Auditor is given unfettered access to all company documents, records, properties and personnel, including access to the AC. The adequacy and effectiveness of the outsourced internal audit function is reviewed by the AC at least annually. In doing so, the AC takes into consideration the service level, attentiveness, professionalism and calibre of the assigned personnel who carried out the internal audit activities during the financial year. The AC is satisfied that the internal audit function is independent, adequately resourced and effective.

Meeting with External Auditor and Internal Auditor (Provision 10.5)

For FY2025, the AC met with the External and Internal Auditors without the presence of Management to discuss any issues they may have (including suspected fraud or irregularity, or suspected infringement of any applicable law, rules or regulations) which has, or is likely to have, a material impact on the Group's operating results or financial position and Management's response thereof.

Both the External and Internal Auditors confirmed that they had access to and received full co-operation and assistance from Management and no restrictions were placed on the scope of their audit.

(D) SHAREHOLDER RIGHTS AND ENGAGEMENT

SHAREHOLDER RIGHTS AND CONDUCT OF GENERAL MEETINGS

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

Participation of shareholders at general meetings (Provision 11.1)

In line with its continuing disclosure obligations, the Group is committed to maintaining regular and pro-active communication with shareholders.

The Company is aware of its obligations to shareholders in providing information regarding any changes in the Group's business which would likely to materially affect the price or value of the Company's shares.

The Group monitors the dissemination of material information to ensure that it is made publicly available on a timely and non-selective basis. Results and annual report are announced within the mandatory period via SGXNet. The Company does not practice selective disclosure.

The Company's principal forum of dialogue with shareholders takes place at its general meetings. Shareholders are invited to attend shareholders' meetings to put forth any questions they may have on the motions to be debated and decided upon. The notice of AGM or Special General Meeting ("**SGM**") (as the case may be) is despatched to shareholders, together with explanatory notes, at least fourteen (14) or twenty-one (21) days before the meeting (as the case may be). Each item under Special Business included in the notice of the meeting is accompanied, where appropriate, by an explanation for the proposed resolutions. At the shareholders' meetings, shareholders are given the opportunity to voice their views and seek clarification on issues relating to the business as outlined in the meeting agenda.

Separate resolutions at general meetings on each substantially separate issue (Provision 11.2)

At shareholders' meetings, each distinct issue is proposed as a separate resolution. The Company adheres to the requirements of the Listing Rules of the SGX-ST, all resolutions at the Company's shareholders' meetings are put to vote by poll. The detailed results showing the number of votes cast for and against each resolution are announced via SGXNet after the meetings.

Attendance at general meetings (Provision 11.3)

All Directors, including the Chairman of the Board and the respective Chairmen of AC, NC and RC, as well as External Auditors will endeavor to be present at the shareholders' meetings to address shareholders' queries on issues relevant to the Company and resolutions proposed at such meetings. The Directors' attendances at general meetings of shareholders held in FY2025 are disclosed on page 48 of the Annual Report.

Following the legislative amendments and taking into account SGX guidance, the forthcoming AGM to be held in respect of FY2025 will be convened and held in a wholly-physical format. Shareholders will not be able to participate by way of electronic means at the forthcoming AGM. Further information regarding the arrangements for the forthcoming AGM are set out in the Notice of AGM on pages 151 to 158 of this Annual Report. In order to facilitate shareholders' votes and to allow shareholders to make an informed decision on the resolutions to be tabled at the relevant general meeting, the Company addressed all substantial and relevant questions received from shareholders in advance of the relevant general meeting (by the deadline announced by the Company for submission of questions in advance), by publishing its responses to such questions on SGXNet before the deadline for the submission of proxy forms, in line with regulatory guidance.

Absentia voting (Provision 11.4)

If any shareholder is unable to attend, he/she is allowed to appoint up to two (2) proxies to vote on his/her behalf at the meeting through proxy forms. The duly completed proxy form is required to be deposited at the Company's Singapore Share Transfer Agent's office or sent by email to the Company at least seventy-two (72) hours before the shareholders' meeting. The Company is not implementing absentia voting methods such as voting via mail, email or fax until security, integrity and other pertinent issues are satisfactorily resolved. An exception is made for the forthcoming AGM to be held in respect of FY2025, at which shareholders shall be allowed to submit their proxy forms via electronic means.

Minutes of general meetings (Provision 11.5)

Minutes of general meetings prepared by the Company Secretary records substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management. In addition, the minutes of general meetings are also published on SGXNet within one (1) month after the general meetings. Minutes of the upcoming AGM will accordingly be published within one (1) month after the AGM on SGXNet.

Dividend Policy (Provision 11.6)

The Company has announced the adoption of a formal dividend policy on 31 March 2026, which sets out the parameters for the declaration and payment of dividends and take into account, amongst others:–

(a) the Group's financial performance and financial indicators;

(b) the Group's cash and borrowings;

(c) the Group's projected levels of capital expenditure for its factory operations and other investment plans such as acquisitions, expansion plans;

(d) the Group's working capital requirements and general financing conditions;

(e) restrictions on payments of dividends imposed on the Group by its financial arrangements with its lenders (if any);

(f) the general economic and business conditions in countries in which the Group operates which are China and Hong Kong; and

(g) any other factors and considerations the Board may deem relevant.

The Board endeavors to maintain a balance between meeting shareholders' expectations and prudent capital Management with a sustainable dividend policy. The Board will continually review the dividend policy and reserves the right in the sole and absolute discretion to update, amend, modify and/or cancel the dividend policy at any time.

The Board has recommended a final tax-exempt (one-tier) dividend of RMB0.15 per ordinary share for FY2025, which is subject to shareholders' approval at the forthcoming AGM.

The Company is also proposing the adoption of the Fuxing China Scrip Dividend Scheme (the "**Scrip Dividend Scheme**") at the forthcoming AGM, enabling shareholders who opt for it to align their growth with the Company. The Scrip Dividend Scheme, if approved, offers shareholders the choice to receive dividends either in cash or in the form of fully-paid ordinary shares in the Company. Opting for the Scrip Dividend Scheme incurs no transaction costs for Shareholders. Shareholders are advised to refer to Company's announcement dated 13 April 2026, which sets out the rationale and purpose for the Fuxing China Scrip Dividend Scheme, and the appendix to the said announcement containing the Fuxing China Scrip Dividend Scheme Statement (the "**Statement**"), which sets out the terms and conditions of the Fuxing China Scrip Dividend Scheme. The said announcement and the Statement are available at the Company's website at https://www.3fzipper-ir.com/ and are also available on the SGXNET at https://www.sgx.com/securities/company-announcements. An internet browser and PDF reader are required to view these documents on SGXNET or the Company's website.

ENGAGEMENT WITH SHAREHOLDERS

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

Communication with shareholders (Provision 12.1)

The Company believes that a high standard of disclosure is key to good corporate governance. The Company endeavours to provide shareholders with fair, relevant, comprehensive and timely information regarding financial results and other material information relating to the Group.

During FY2025, information was communicated to the shareholders on a timely and non-selective basis through:

(a) SGXNet announcements;

(b) half year and full year financial statements containing a summary of the financial information and affairs of the Group via SGXNet;

(c) annual reports; and

(d) notices and explanatory notes for shareholders' meetings.

Investor Relations (Provisions 12.2 and 12.3)

The Board embraces openness and transparency in the conduct of Company's affairs, whilst safeguarding its commercial interests. The Company has in place an Investor Relations Policy which the Company formally adopted in February 2025, which sets out the process and mechanism to engage its shareholders, including the channel of communication for questions to be posed by shareholders and through which the Company may respond accordingly.

In endeavour to further strengthen its outreach and engagement efforts with shareholders, the Company has engaged an external investor relations firm to support its communication and engagement with shareholders, analyst and other stakeholders to provide balanced, clear and pertinent information on a regular basis, as well as to attend to their queries or concerns and to keep the investors public apprised of the Group's corporate developments and financial performance. The Company has also launched a dedicated online investor relations website: https://www.3fzipper-ir.com/ to enhance and encourage communication with shareholders. Shareholders can provide their enquiries and feedback to the Company via email feedback to the dedicated investor relations team at alex.tan@8prasia.com.

(E) MANAGING STAKEHOLDERS RELATIONSHIPS

ENGAGEMENT WITH STAKEHOLDERS

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

Material stakeholder groups (Provision 13.1)

The Board recognises the interests of other parties such as shareholders, customers, employees, business partners, governments and regulators, suppliers and communities are essential as part of value creation for the Group to ensure business is sustainable. The Group has in place a process to identify the major stakeholders, their needs and effective communication channels to engage these stakeholders to strike a balance between its business and interests of its stakeholders. Effective stakeholder engagement would enhance better understanding on their needs and incorporate these into the Group's corporate strategy.

Management of stakeholder relationships (Provision 13.2)

The Group engages with the key stakeholders through various means. Details of the approach to stakeholder engagement have been provided in the Company's Sustainability Report.

Corporate website to communicate and engage with stakeholders (Provision 13.3)

The Company has launched a dedicated online investor relations website: https://www.3fzipper-ir.com/ to enhance access to its corporate information. The website also features email alerts and enquiry form functionality, enabling stakeholders to conveniently reach out to the Company and/or provide feedback.

(F) DEALINGS IN SECURITIES

The Group has put in place internal compliance code of conduct to provide guidance to its officers regarding dealings in the Company's securities and implications of insider trading in compliance with Rule 1207(19) of the Listing Rules of the SGX-ST. The Company, Directors and Officers are prohibited from dealing in securities of the Company two (2) weeks before the release of the quarterly results (whether on a voluntary basis or if so required to do so under the relevant Listing Rules of the SGX-ST); otherwise, it will be at least one (1) month before the release of the Company's half-year and full-year results, and at all times if the Directors and Officers are in possession of unpublished material price-sensitive information and on short term considerations.

(G) INTERESTED PERSON TRANSACTIONS ("IPT")

The Group has established procedures to ensure that IPTs are reported in a timely manner to the AC and such transactions are conducted on an arm's length basis and are not prejudicial to the interests of the shareholders. For the financial year reported on, there were no interested person transactions which exceeded the threshold limits set out under Chapter 9 of the Listing Rules of the SGX-ST and no announcement or shareholders' approval was therefore required.

(H) MATERIAL CONTRACTS

Save for the Service Agreements entered into with the Executive Directors and CEO, there was no material contract entered into by the Company or any of its subsidiaries involving the interest of the CEO, any Director or controlling shareholder of the Company for FY2025.

(I) USE OF PROCEEDS

On 12 November 2025, the Company undertook a placement exercise and allotted and issued 3,000,000 fully paid-up new ordinary shares at a placement price of S$0.415 each per ordinary share, amounting to an aggregate consideration of RMB6,263,000 after net off with direct expenses. As at the date of this report, the Company had not utilised the proceeds arising from the placement.

INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7.4.1 OF THE LISTING RULES OF THE SGX–ST

Pursuant to Rule 720(6) of the Listing Rules, the information as set out in Appendix 7.4.1 of the Listing Rules on the Directors who are retiring in accordance with the Company's Constitution and seeking re-appointment as Directors at the forthcoming AGM is set out below:

Name of Director	Mr. Hong Peng You
Date of Appointment	19 December 2006
Date of last re-appointment (if applicable)	29 April 2024
Age	57
Country of principal residence	China
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The re-election of Mr. Hong Peng You as a Director of the Company was recommended by the NC and the Board of Directors has accepted the recommendation, after taking into consideration Mr. Hong Peng You's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive and if so, the area of responsibility	Executive. Responsible for all finance and administration matters of the Group.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc)	Executive Director and Director of Finance and Administration
Professional qualifications	• Education certificate in Accounting from Quanzhou Liming University in 1990 • Education certificate in Accounting from Wuhan Technological University in 2005 • Degree certificate in business administration from Wuhan Technological University in 2008 Registered accountant with Jinjiang City Finance Bureau.
Working experiences and occupation(s) during the past 10 years	Executive Director in the listed issuer.
Shareholding interest in the listed issuer and its subsidiaries	Indirect interest: 372,000 ordinary shares in the Company, representing 1.84% of the issued share capital of the Company, which is held through UOB Kay Hian Private Limited.
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil

Conflict of interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* Including Directorships# *** "Principal Commitments" has the same meaning as defined in the Code.** **# These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)**	
Past (for the last 5 years)	Nil
Present	Nil
Information Required **Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.**	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No

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

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

Name of Director	Mr. Low See Lien
Date of Appointment	1 January 2024
Date of last re-appointment (if applicable)	29 April 2024
Age	50
Country of principal residence	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	The re-election of Mr. Low See Lien as a Director of the Company was recommended by the NC and the Board of Directors has accepted the recommendation, after taking into consideration Mr. Low See Lien's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive and if so, the area of responsibility	Non-Executive.
Job Title (e.g. Lead ID, AC Chairman, AC Member etc)	Lead Independent Director, the Chairman of the AC, a member of the NC and the RC
Professional qualifications	• Bachelor of Accountancy, Nanyang Technological University • Public Accountant • Practicing Member of the Institute of Singapore Chartered Accountants • Member of the Singapore Institute of Directors • Member of ACRA's Complaints and Disciplinary Committee
Working experiences and occupation(s) during the past 10 years	• May 2021 to current – Audit Partner, Baker Tilly TFW LLP • June 2012 to May 2021 – Director, CLA Global TS Public Accounting Corporation (f.k.a. Nexia TS Public Accounting Corporation)
Shareholding interest in the listed issuer and its subsidiaries	Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil
Conflict of interest (including any competing business)	No
Undertaking (in the format set out in Appendix 7.7) under Rule 720(1) has been submitted to the listed issuer	Yes
Other Principal Commitments* Including Directorships# *** "Principal Commitments" has the same meaning as defined in the Code.** **# These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(9)**	

Past (for the last 5 years)	• June 2012 to May 2021 – Director, CLA Global TS Public Accounting Corporation (f.k.a. Nexia TS Public Accounting Corporation)
Present	• October 2024 to current – Independent Director, Bromat Holdings Limited • December 2021 to Current – Independent Director and Audit Committee Chairman, Miyoshi Limited • September 2021 to Current – Treasurer, Singapore National Paralympic Council • May 2021 to Current – Audit Partner, Baker Tilly TFW LLP
Information Required **Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.**	
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No
(c) Whether there is any unsatisfied judgment against him?	No

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

(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– **(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or** **(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or** **(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or** **(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?** **in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?**	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No

DIRECTORS' STATEMENT

The directors are pleased to submit this annual report to the members of Fuxing China Group Limited (the "Company") together with the audited financial statements of the Company and its subsidiaries (the "Group") for the financial year ended 31 December 2025 and the statement of financial position as at 31 December 2025 and statement of changes in equity of the Company for the financial year ended 31 December 2025.

1. Opinion of the directors

In the opinion of the directors,

(i) the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended on that date; and

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

2. Directors

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

Hong Qing Liang	Executive Chairman
Hong Peng You	Executive Director
Low See Lien	Lead Independent and Non-Executive Director
Koh Boon Chiao	Independent and Non-Executive Director
Tsang Ngo Yin	Independent and Non-Executive Director

3. Arrangements to enable directors to acquire shares or debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects were, or one of whose objects was, to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate, except as disclosed in paragraphs 4 and 5 of this statement.

4. Directors' interests in shares or debentures

The directors of the Company holding office at the end of the financial year had no interests in shares or debentures of the Company or other related corporations except as follows:

Name of director and respective companies in which interests are held	Direct interest		Deemed interest	
	At the beginning of the year	At the end of the year	At the beginning of the year	At the end of the year
Fuxing China Group Limited (No. of ordinary shares)				
Hong Qing Liang	10,068,640	10,068,640	–	–
Hong Peng You	–	–	372,000	372,000

The directors' interests as at 21 January 2026 in the shares or debentures of the Company have not changed from those disclosed as at 31 December 2025.

5. Share options

There were no share options granted by the Company or its subsidiaries during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

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

6. Audit Committee

The Audit Committee of the Company comprises three non-executive directors and at the date of this statement, they are:

Low See Lien	(Chairman)
Koh Boon Chiao	(Member)
Tsang Ngo Yin	(Member)

The Audit Committee has convened four meetings during the financial year with key management and the internal and external auditors of the Company.

The Audit Committee performed the below functions specified in the SGX-ST Listing Manual and the Code of Corporate Governance:

(i) reviewed the audit plan and results of the external audit, the independence and objectivity of the external auditors, including the review of the extent of non-audit services provided by the external auditors to the Group;

(ii) reviewed the audit plans of the internal auditors of the Group and their evaluation of the adequacy of the Group's system of internal accounting controls;

(iii) reviewed the Group's quarterly and annual financial statements and the external auditor's report on the annual financial statements of the Group and of the Company before their submission to the board of directors;

(iv) reviewed the half-yearly and annual announcements on the results of the Group and financial position of the Group and of the Company;

(v) reviewed and assessed the adequacy of the Group's risk management processes;

(vi) reviewed and checked the Group's compliance with legal requirements and regulations, including the related compliance policies and programmes and reports received from regulators, if any;

(vii) reviewed interested person transactions in accordance with SGX-ST Listing Rules;

(viii) reviewed the nomination of external auditors and approval of their compensation; and

(ix) submitted report of actions and minutes of the Audit Committee to the board of directors with any recommendations as the Audit Committee deems appropriate.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

7. Other information required by the SGX-ST

Material information

There is no material contract to which the Company or any of its subsidiaries, is a party which involve directors' interests subsisted or have been entered into during the financial year ended 31 December 2025.

Interested person transactions

There was no interested person transaction as defined in Chapter 9 of the SGX-ST Listing Manual conducted during the financial year.

8. Independent auditor

The auditor, RT LLP, have indicated its willingness to accept re-appointment.

On behalf of the board of directors

Hong Qing Liang Director	**Hong Peng You** Director

Singapore, 10 April 2026

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FUXING CHINA GROUP LIMITED
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Opinion

We have audited the financial statements of **Fuxing China Group Limited** (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2025, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements are properly drawn up in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to present fairly, in all material aspects, the consolidated financial position of the Group and the financial position of the Company as at 31 December 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the changes in equity of the Company for the financial year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* ("ACRA Code"), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FUXING CHINA GROUP LIMITED
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current financial year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matters	How the matter was addressed in the audit
Allowance for receivables As stated in Note 17 and 18, the carrying amount of trade and other receivables and prepayments as at 31 December 2025 is RMB278,296,000. With reference to SFRS(I) 9 *Financial Instruments* ("SFRS(I) 9"), the Group adopts a simplified approach for the recognition of the loss allowance for trade and bill receivables, which are carried at amortised cost, at an amount equal to lifetime expected credit losses ("ECL"). For other receivables which are carried at amortised cost, the Group recognises the loss allowance at an amount equal to 12-month expected credit losses where there is no significant increase in credit risk since initial recognition. In the event that the credit risk is assessed to have increased significantly since initial recognition, the Group recognises the loss allowance of such other receivables at an amount equal to lifetime ECL. The assessment of the credit risk and the measurement of ECL require the use of significant judgement and estimates and is assessed on a case-by-case basis.	We consider the audit of allowance for receivables to be a key audit matter due to the significant management judgement involved. Our audit focused on evaluating the key assumptions, judgements and estimations used by management in conducting the impairment review of the trade and other receivables. Our audit procedures included but were not limited to the following: • Obtained and evaluated the Group's credit risk management policy; • Tested reliability and accuracy of receivables aging; • Obtained direct confirmations on material debtor balances as at the reporting date; • Reviewed management's assessment of the potential impairment of these receivables based on historical repayment patterns; and • Verified the significant outstanding receivables as at the reporting date and any subsequent collections.

Key Audit Matters (Cont'd)

Key Audit Matters	How the matter was addressed in the audit
Impairment assessment of property, plant and equipment and land use rights As stated in Note 12 and Note 14, the Group has property, plant and equipment and land use rights with carrying amounts of RMB228,590,000 and RMB15,863,000 respectively. SFRS(I) 1-36 *Impairment of Assets* requires that when there is any indication of impairment, the reporting entity shall estimate the recoverable amount of that asset. As at 31 December 2025, management has assessed that indication for impairment existed for items of the Group's property, plant and equipment and land use rights with carrying amount of RMB165,832,000 and RMB7,915,000, respectively. The Group engaged an independent professionally qualified valuer to evaluate the value-in-use of such items of property, plant and equipment and land use rights as at 31 December 2025. As a result, no impairment has been provided as the value-in-use of the assets are higher than their carrying amounts.	We consider the audit of the impairment assessment of property, plant and equipment and land use rights to be a key audit matter due to the significant management judgement and estimation involved. Our audit focused on evaluating the key assumptions, judgements and estimations used by management's expert in conducting the valuation of the property, plant and equipment and land use rights. Our audit procedures included but were not limited to the following: • Assessed the competencies and objectivity of the management's expert. • Assessed the appropriateness of the valuation techniques and basis for the significant assumptions and estimates used, including key valuation adjustments made by the management's expert in response to the changes in market and economic conditions. • Evaluated the adequacy of the related disclosures in the financial statements relating to the property, plant and equipment and land use rights.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FUXING CHINA GROUP LIMITED
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Key Audit Matters (Cont'd)

Key Audit Matters	How the matter was addressed in the audit
Valuation of investment properties As stated in Note 13, the Group has investment properties with carrying amount of RMB39,000,000. The investment properties are stated at fair value based on valuation reports prepared by an independent external valuer. The valuation process involves significant judgement in determining the appropriate valuation methodologies to be used, and in estimating the underlying assumptions to be applied. During the financial year, the Group has recognised a fair value loss of the investment properties of RMB3,060,000 in profit or loss.	We consider the audit of the valuation of investment properties to be a key audit matter due to the significant management's expert judgement involved. The valuations are highly sensitive to key assumptions applied and a small change in the assumptions can have a significant impact to the valuation. Consequently, this is considered to be a key audit matter. Our audit focused on evaluating the key assumptions, judgements and estimations used by management's expert in conducting the valuation of the investment properties. Our audit procedures included but were not limited to the following: • Assessed the competencies and objectivity of the management's expert. • Assessed the appropriateness of the valuation techniques and basis for the significant assumptions and estimates used, including key valuation adjustments made by the management's expert in response to the changes in market and economic conditions. • Evaluated the adequacy of the related disclosures in the financial statements relating to the investment properties.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the 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 Management and Directors for the Financial Statements

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

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

The directors are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs 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 financial statements.

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

- Identify and assess the risks of material misstatement of the 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 management.

- Conclude on the appropriateness of management's 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 and the Company's ability to continue as going concerns. 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 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 or the Company to cease to continue as going concerns.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF FUXING CHINA GROUP LIMITED
FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2025

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- 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 group 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 directors 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 directors 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.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current financial year and are therefore the key audit matters. We describe these matters 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.

The engagement partner on the audit resulting in this independent auditor's report is Mr. Ravinthran Arumugam.

RT LLP
Public Accountants and
Chartered Accountants

Singapore, 10 April 2026

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
Revenue	4	672,347	735,871
Cost of sales		(622,841)	(690,089)
Gross profit		49,506	45,782
Other items of income			
Other income	5	51,964	38,932
Other items of expenses			
Marketing and distribution expenses		(13,110)	(11,961)
Administrative expenses		(58,044)	(60,526)
Other expenses		(3,770)	(55)
Financial costs, net	6	(5,127)	(8,825)
Profit before tax	7	21,419	3,347
Income tax expense	10	(934)	(2,470)
Profit for the year		20,485	877
Other comprehensive loss:			
Item that may be reclassified subsequently to profit or loss			
Exchange differences on translating foreign operations		(442)	(2,796)
Total comprehensive income/(loss) for the year		20,043	(1,919)
Profit attributable to:			
Owners of the Company		20,250	698
Non-controlling interests		235	179
		20,485	877
Total comprehensive income/(loss) attributable to:			
Owners of the Company		19,808	(2,098)
Non-controlling interests		235	179
		20,043	(1,919)
Earnings per share attributable to owners of the Company (RMB per share)			
Basic and diluted	11	1.15	0.04

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

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

	Note	Group 2025 RMB'000	Group 2024 RMB'000	Company 2025 RMB'000	Company 2024 RMB'000
Assets					
Non-current assets					
Property, plant and equipment	12	228,590	269,998	–	–
Investment properties	13	39,000	42,060	–	–
Land use rights	14	15,863	22,406	–	–
Intangible assets		1,903	2,504	–	–
Investment in subsidiaries	15	–	–	344,853	344,853
		285,356	336,968	344,853	344,853
Current assets					
Inventories	16	74,176	66,437	–	–
Trade and other receivables	17	228,833	265,511	243,656	244,345
Prepayments	18	49,463	57,430	–	–
Cash and short-term deposits	19	191,916	169,634	84	115
		544,388	559,012	243,740	244,460
Total assets		829,744	895,980	588,593	589,313
Equity and liabilities					
Equity attributable to owners of the Company					
Share capital	20	2,202	1,874	2,202	1,874
Treasury shares	20	(6,408)	(6,408)	(6,408)	(6,408)
Reserve fund	21	67,593	67,552	–	–
Capital reserve	21	39,573	39,573	39,573	39,573
Contributed surplus	21	604,881	598,946	604,881	598,946
Restructuring reserve	21	(117,878)	(117,878)	–	–
Foreign currency translation reserve	21	(13,197)	(12,755)	–	–
Retained earnings/(Accumulated losses)		20,485	276	(54,230)	(52,553)
Total equity attributable to owners of the Company		597,251	571,180	586,018	581,432
Non-controlling interests		735	509	–	–
Total equity		597,986	571,689	586,018	581,432
Current liabilities					
Trade and other payables	22	100,166	96,013	2,575	7,881
Loans and borrowings	23	113,623	204,575	–	–
Income tax payable		3,842	3,833	–	–
		217,631	304,421	2,575	7,881
Non-current liabilities					
Deferred tax liabilities	24	14,127	19,870	–	–
Total liabilities		231,758	324,291	2,575	7,881
Total equity and liabilities		829,744	895,980	588,593	589,313

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

2025	Share capital RMB'000	Treasury shares RMB'000	Reserve fund RMB'000	Capital reserve RMB'000	Contributed surplus RMB'000	Restructuring reserve RMB'000	Foreign currency translation reserve RMB'000	Retained earnings RMB'000	Attributable to owners of the Company RMB'000	Non-controlling interests RMB'000	Total RMB'000
Group											
Balance at 1 January 2025	1,874	(6,408)	67,552	39,573	598,946	(117,878)	(12,755)	276	571,180	509	571,689
Profit for the year	–	–	–	–	–	–	–	20,250	20,250	235	20,485
Other comprehensive loss											
Exchange differences on translating foreign operations	–	–	–	–	–	–	(442)	–	(442)	–	(442)
Total comprehensive income for the year	–	–	–	–	–	–	(442)	20,250	19,808	235	20,043
Contribution by and distributions to owners											
Appropriation to reserve fund	–	–	41	–	–	–	–	(41)	–	–	–
Issuance of shares	328	–	–	–	5,935	–	–	–	6,263	–	6,263
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(9)	(9)
Balance at 31 December 2025	2,202	(6,408)	67,593	39,573	604,881	(117,878)	(13,197)	20,485	597,251	735	597,986

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

2024	Share capital RMB'000	Treasury shares RMB'000	Reserve fund RMB'000	Capital reserve RMB'000	Contributed surplus RMB'000	Restructuring reserve RMB'000	Foreign currency translation reserve RMB'000	Retained earnings/ (Accumulated losses) RMB'000	Attributable to owners of the Company RMB'000	Non-controlling interests RMB'000	Total RMB'000
Group											
Balance at 1 January 2024	772,574	(6,408)	67,130	39,573	–	(117,878)	(9,959)	(171,754)	573,278	444	573,722
Profit for the year	–	–	–	–	–	–	–	698	698	179	877
Other comprehensive loss											
Exchange differences on translating foreign operations	–	–	–	–	–	–	(2,796)	–	(2,796)	–	(2,796)
Total comprehensive loss for the year	–	–	–	–	–	–	(2,796)	698	(2,098)	179	(1,919)
Contribution by and distributions to owners											
Appropriation to reserve fund	–	–	422	–	–	–	–	(422)	–	–	–
Capital reorganisation	(770,700)	–	–	–	598,946	–	–	171,754	–	–	–
Dividends paid to non-controlling interests	–	–	–	–	–	–	–	–	–	(114)	(114)
Balance at 31 December 2024	1,874	(6,408)	67,552	39,573	598,946	(117,878)	(12,755)	276	571,180	509	571,689

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

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

	Share capital RMB'000	Treasury shares RMB'000	Capital reserve RMB'000	Contributed surplus RMB'000	Accumulated losses RMB'000	Total equity RMB'000
Company						
Balance at 1 January 2024	772,574	(6,408)	39,573	–	(218,337)	587,402
Loss for the year, representing total comprehensive loss for the year	–	–	–	–	(5,970)	(5,970)
Capital reorganisation	(770,700)	–	–	598,946	171,754	–
Balance at 31 December 2024 and 1 January 2025	1,874	(6,408)	39,573	598,946	(52,553)	581,432
Loss for the year, representing total comprehensive loss for the year	–	–	–	–	(1,677)	(1,677)
Issuance of shares	328	–	–	5,935	–	6,263
Balance at 31 December 2025	2,202	(6,408)	39,573	604,881	(54,230)	586,018

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
Cash flows from operating activities			
Profit before tax		21,419	3,347
Adjustments for:			
Depreciation of property, plant and equipment	12	39,122	39,982
Change in fair value of investment properties	13	3,060	–
Amortisation of land use rights	14	784	906
Amortisation of intangible assets	7	601	500
Loss/(Gain) on disposal of property, plant and equipment	7	710	(7,123)
Net provision for/(reversal of) loss allowance for trade receivables	7	1,847	(10,633)
Net provision for/(reversal of) loss allowance for prepayments	18	736	(2,692)
Gain on disposal of subsidiary	15	(20,206)	–
Waiver of amount due to a director	5	(10,539)	–
Net reversal of provision for inventories	5	(4,222)	–
Forfeiture of advances from customers	5	(5,104)	(3,013)
Finance costs, net	6	5,127	8,825
Foreign currency differences		(442)	(2,796)
Total adjustments		11,474	23,956
Operating cash flows before changes in working capital		32,893	27,303
Changes in working capital:			
Inventories		(3,904)	13,880
Trade and other receivables		23,534	(12,883)
Prepayments		7,231	34,639
Trade and other payables		16,733	7,636
Total changes in working capital		43,594	43,272
Cash flows generated from operations		76,487	70,575
Income taxes paid		(312)	(2,238)
Net cash generated from operating activities		76,175	68,337
Cash flows from investing activities			
Purchase of property, plant and equipment	12	(16,072)	(12,160)
Purchase of land use right	14	(1,076)	–
Purchase of intangible assets		–	(3,004)
Proceeds from disposal of property, plant and equipment		1,268	10,265
Proceeds from disposal of subsidiary, net of cash disposed	15	45,567	–
Interest received		515	573
Net cash generated from/(used in) investing activities		30,202	(4,326)

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

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
Cash flows from financing activities			
Dividends paid to non-controlling interests of a subsidiary		(9)	(114)
Issuance of shares		6,263	–
Advances from directors		6,245	7,188
Proceeds from loans and borrowings		50,504	125,004
Repayments of loans and borrowings		(141,456)	(130,840)
Interest paid		(5,642)	(9,398)
Decrease/(Increase) in pledged deposits		21,000	(3,186)
Net cash used in financing activities		(63,095)	(11,346)
Net increase in cash and cash equivalents		43,282	52,665
Cash and cash equivalents at beginning of financial year		132,948	80,283
Cash and cash equivalents at end of financial year	19	176,230	132,948

Reconciliation of liabilities/(assets) arising from financing activities

		Non-cash movement			
2025	1 January 2025 RMB'000	Interest expense RMB'000	Waiver of amount due to a director RMB'000	Financing cash inflows/ (outflows) RMB'000	31 December 2025 RMB'000
Liabilities					
Loans and borrowings (Note 23)	204,575	5,642	–	(96,594)	113,623
Amount due to a director (non-trade) (Note 22)	8,780	–	(10,539)	6,245	4,486
Assets					
Pledged deposits (Note 19)	(36,686)	–	–	21,000	(15,686)

		Non-cash movement		
2024	1 January 2024 RMB'000	Interest expense RMB'000	Financing cash inflows/ (outflows) RMB'000	31 December 2024 RMB'000
Liabilities				
Loans and borrowings (Note 23)	210,411	9,398	(15,234)	204,575
Amount due to a director (non-trade) (Note 22)	1,592	–	7,188	8,780
Assets				
Pledged deposits (Note 19)	(33,500)	–	(3,186)	(36,686)

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

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

1. General

Fuxing China Group Limited (the "Company") was incorporated and domiciled as an exempt company with limited liability in Bermuda and is listed on the mainboard of Singapore Exchange Securities Trading Limited ("SGX-ST").

The principal activity of the Company is that of investment holding.

The principal activities of the subsidiaries are disclosed in Note 15 to the financial statements.

The registered office of the Company is located at Clarendon House, 2 Church Street, Hamilton HM11, Bermuda and the principal place of business of the Group is located at Hangbian Industry Area, Longhu Town, Jinjiang City, Fujian Province, the People's Republic of China (the "PRC").

The financial statements of the Group as at and for the year ended 31 December 2025 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group entities").

The financial statements were authorised for issue by the board of directors on 10 April 2026.

2. Material accounting policy information

2.1 Basis of preparation

The financial statements have been drawn up in accordance with the provisions of the Singapore Financial Reporting Standards (International) ("SFRS(I)s") and are prepared on the historical cost basis, except as otherwise disclosed in the accounting policies below.

The financial statements are presented in Renminbi ("RMB"), which is the Company's functional currency. All financial information presented in RMB has been rounded to the nearest thousand ("RMB'000"), unless otherwise stated.

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 January 2025. The application of these amendments to standards and interpretations does not have a material effect on the financial statements.

The Group has not adopted the following amendments to standards and interpretations that have been issued but not yet effective:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to:		
SFRS(I) 9, SFRS(I) 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
SFRS(I) 9, SFRS(I) 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Various	Annual Improvements to SFRS(I)s – Volume 11	1 January 2026

2. Material accounting policy information (Cont'd)

2.1 Basis of preparation (Cont'd)

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to:		
SFRS(I) 18	Presentation and Disclosure in Financial Statements	1 January 2027
SFRS(I) 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
SFRS(I) 1-21	Translation to a Hyperinflationary Presentation Currency	1 January 2027

Management expects that the adoption of these new and amended standards will have no material impact on the financial statements in the year of initial application, except for SFRS(I) 18 *Presentation and Disclosure in Financial Statements*, which is effective for financial periods beginning 1 January 2027, for which management expects to have impact on the way the financial statements are presented and additional disclosures would be required.

2.2 Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meet the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of activities and assets includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The Group measures goodwill at the date of acquisition as:

- the consideration transferred (generally measured at fair value); plus
- the recognised amount of any non-controlling interest ("NCI") in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the pre-existing equity interest in the acquiree,

over the net recognised amount (generally measured at fair value) of the identifiable assets acquired and liabilities assumed. Any goodwill that arises is tested annually for impairment.

When the excess is negative, a bargain purchase gain is recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

2. Material accounting policy information (Cont'd)

2.2 Basis of consolidation (Cont'd)

Business combinations (Cont'd)

Any contingent consideration payable is recognised at fair value at the acquisition date and included in the consideration transferred. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

NCI that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree in the event of liquidation are measured at fair value or at the NCI's proportionate share of the recognised amounts of the acquiree's identifiable net assets at the date of acquisition. The measurement basis taken is elected for each business combination. All other NCI are measured at acquisition-date fair value, unless another measurement basis is required by SFRS(I)s.

Cost related to the acquisition, other than those associated with the issue of debt or equity investments, that the Group incurs in connection with a business combination are expensed as incurred.

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

The accounting policies of subsidiaries have been changed when necessary to align them with the policies adopted by the Group. Losses applicable to the NCI in a subsidiary are allocated to the NCI even if doing so causes the NCI to have a deficit balance.

Loss of control

When the Group loses control over a subsidiary, it derecognises the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognised in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Subsidiaries in the separate financial statements

Investment in subsidiaries is stated in the Company's statement of financial position at cost less accumulated impairment losses.

2. Material accounting policy information (Cont'd)

2.3 Revenue recognition

The Group is principally in the business of production and trading of zipper products and provision of related processing services. Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation ("PO") by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those POs.

The transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue may be recognised at a point in time or over time following the timing of satisfaction of the PO. If a PO is satisfied over time, revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that PO.

Sale of goods

The Group provides customisation and manufacturing of zipper products to deliver the desired designs to customers. Generally, the contracts would be completed within a year from commencement date. Customers can select the materials and quality of their products to fit their requirements. The customisation and manufacturing of zipper products is one PO as the promises are not distinct within the context of the contract. Revenue is recognised at a point in time when the control of the goods is transferred to the customer (i.e. when the goods are delivered in accordance with the applicable incoterms or terms and conditions and significant risks and rewards of ownership of the goods is transferred to the customer). A corresponding receivable is recognised for the consideration that is unconditional when only the passage of time is required before the payment is due.

Processing

Processing represents colour dyeing of fabric tapes for zippers, electroplating services for zipper sliders and manufacturing and sales of dyed yarn. Revenue from processing is recognised at a point in time when the end customer receives the service (i.e. when the service is performed in accordance with the applicable terms and conditions). A corresponding receivable is recognised for the consideration that is unconditional when only the passage of time is required before the payment is due.

Rental income

Rental income from investment property is recognised upon acceptance of tenancy and is accounted for on a straight-line basis over the lease terms.

2. Material accounting policy information (Cont'd)

2.4 Finance income and finance costs

Interest income or expense is recognised using the effective interest method.

The 'effective interest rate' is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument to:

- the gross carrying amount of the financial asset; or
- the amortised cost of the financial liability.

In calculating interest income and expense, the effective interest rate is applied to the gross carrying amount of the asset (when the asset is not credit-impaired) or to the amortised cost of the liability. However, for financial assets that have become credit-impaired subsequent to initial recognition, interest income is calculated by applying the effective interest rate to the amortised cost of the financial asset. If the asset is no longer credit-impaired, then the calculation of interest income reverts to the gross basis.

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

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

2.5 Retirement benefit costs

The Group participates in the national pension schemes as defined by the laws of PRC. Subsidiaries incorporated in the PRC are required to provide staff pension benefits to their employees under existing PRC legislation. These subsidiaries are required to contribute a certain percentage of their payroll costs to the pension scheme to fund the benefits. The pension funds are managed by government agencies, which are responsible for paying pensions to the retired employees. Contributions under the pension scheme are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

2.6 Income tax

Tax expense comprises current and deferred tax. Current tax and deferred tax are recognised in profit or loss except to the extent that it relates to items recognised directly in equity or in OCI.

The Group has determined that interest and penalties related to income taxes, including uncertain tax treatments, do not meet the definition of income taxes, and therefore accounted for them under SFRS(I) 1-37 Provisions, Contingent Liabilities and Contingent Assets.

2. Material accounting policy information (Cont'd)

2.6 Income tax (Cont'd)

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investment in subsidiaries to the extent that the Group is able to control the timing of the reversal of the temporary difference and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

The Group recognises deferred tax liabilities on withholding tax of the forecast dividend payout of the earnings of its PRC subsidiaries.

The measurement of deferred taxes reflects the tax consequences that would follow the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on tax rates and tax laws that have been enacted or substantively enacted by the reporting date, and reflects uncertainty related to income taxes, if any.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on the reversal of relevant taxable temporary differences. If the amount of taxable temporary differences is insufficient to recognise a deferred tax asset in full, then future taxable profits, adjusted for reversals of existing temporary differences, are considered, based on the business plans for the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

2. Material accounting policy information (Cont'd)

2.7 Foreign currency transactions and translation

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at exchange rates at the dates of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated to the functional currency at the exchange rate at that date. The foreign currency gain or loss on monetary items is the difference between amortised cost in the functional currency at the beginning of the year, adjusted for effective interest and payments during the year, and the amortised cost in foreign currency translated at the exchange rate at the end of the year.

Foreign currency differences arising on translation are generally recognised in profit or loss.

2.8 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured at cost, which includes capitalised borrowing costs, less accumulated depreciation and accumulated impairment losses.

Cost includes expenditure that is directly attributable to the acquisition of the asset. The cost of self-constructed assets includes:

- the cost of materials and direct labour;
- any other costs directly attributable to bringing the assets to a working condition for their intended use;
- when the Group has an obligation to remove the asset or restore the site, an estimate of the costs of dismantling and removing the items and restoring the site on which they are located; and
- capitalised borrowing costs.

Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

If significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

Subsequent costs

The cost of replacing a component of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the component will flow to the Group, and its cost can be measured reliably. The carrying amount of the replaced component is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

2. Material accounting policy information (Cont'd)

2.8 Property, plant and equipment (Cont'd)

Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed and if a component has a useful life that is different from the remainder of that asset, that component is depreciated separately.

Depreciation is recognised as an expense in profit or loss on a straight-line basis over the estimated useful lives of each component of an item of property, plant and equipment, unless it is included in the carrying amount of another asset.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready for use, or in respect of internally constructed assets, from the date that the asset is completed and ready for use.

The estimated useful lives for the current and comparative years are as follows:

• Plant and machinery	5 to 10 years
• Buildings	20 years
• Motor vehicles	5 to 10 years
• Office equipment	5 years

No depreciation has been provided for construction-in-progress.

For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated property, plant and equipment, if any, are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed at the end of each reporting period and adjusted if appropriate.

2.9 Land use rights

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

2.10 Investment property

Investment property is property held either to earn rental income or for capital appreciation or for both, but not for sale in the ordinary course of business, use in the production or supply of goods or services or for administrative purposes. Investment property is measured at cost on initial recognition and subsequently at fair value with any change therein recognised in profit or loss.

2. Material accounting policy information (Cont'd)

2.10 Investment property (Cont'd)

Cost includes expenditure that is directly attributable to the acquisition of the investment property. The cost of self-constructed investment property includes the cost of materials and direct labour, any other costs directly attributable to bringing the investment property to a working condition for their intended use and capitalised borrowing costs.

Any gain or loss on disposal of an investment property (calculated as the difference between the net proceeds from disposal and the carrying amount of the item) is recognised in profit or loss. When an investment property that was previously classified as property, plant and equipment is sold, any related amount included in the revaluation reserve is transferred to retained earnings.

When the use of a property changes such that it is reclassified as property, plant and equipment, its fair value at the date of reclassification becomes its cost for subsequent accounting. Property that is being constructed for future use as investment property is accounted for at fair value.

2.11 Impairment of non-financial assets

The carrying amounts of the Group's non-financial assets, other than inventories and deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset or its related cash generating units ("CGU") exceeds its estimated recoverable amount.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs of disposal. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The Group's corporate assets do not generate separate cash inflows and are utilised by more than one CGU. Corporate assets are allocated to CGUs on a reasonable and consistent basis and tested for impairment as part of the testing of the CGU to which the corporate asset is allocated.

Impairment losses are recognised in profit or loss. Impairment losses recognised in respect of CGUs are allocated to reduce the carrying amounts of the assets in the CGU (group of CGUs) on a pro rata basis.

Impairment losses recognised in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognised.

2. Material accounting policy information (Cont'd)

2.12 Financial instruments

Recognition and initial measurement

Non-derivative financial assets and financial liabilities

Trade receivables and debt investments are initially recognised when they are originated. All other financial assets are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus or minus, for an item not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to its acquisition of or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

Classification and subsequent measurement

Non-derivative financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost; fair value through other comprehensive income ("FVOCI") – debt investment; FVOCI – equity investment; or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

As at the reporting date and during the reporting period, the Group only held financial assets measured at amortised cost.

Financial assets at amortised cost

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:

- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

2. Material accounting policy information (Cont'd)

2.12 Financial instruments (Cont'd)

Classification and subsequent measurement (Cont'd)

Financial assets: Business model assessment

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:

- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held-for-trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

2. Material accounting policy information (Cont'd)

2.12 Financial instruments (Cont'd)

Classification and subsequent measurement (Cont'd)

Non-derivative financial assets: Assessment whether contractual cash flows are solely payments of principal and interest (Cont'd)

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:

- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

A prepayment feature is consistent with the solely payments of principal and interest criterion if the prepayment amount substantially represents unpaid amounts of principal and interest on the principal amount outstanding, which may include reasonable additional compensation for early termination of the contract. Additionally, for a financial asset acquired at a significant discount or premium to its contractual par amount, a feature that permits or requires prepayment at an amount that substantially represents the contractual par amount plus accrued (but unpaid) contractual interest (which may also include reasonable additional compensation for early termination) is treated as consistent with this criterion if the fair value of the prepayment feature is insignificant at initial recognition.

Non-derivative financial assets: Subsequent measurement and gains and losses

Financial assets at amortised cost

These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

Non-derivative financial liabilities: Classification, subsequent measurement and gains and losses

Financial liabilities are classified as measured at amortised cost and are initially measured at fair value less directly attributable transaction costs. They are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss.

2. Material accounting policy information (Cont'd)

2.12 Financial instruments (Cont'd)

Classification and subsequent measurement (Cont'd)

Intra-group financial guarantees in the separate financial statements

Financial guarantees are financial instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with SFRS(I) 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15.

Expected credit losses ("ECLs") are a probability-weighted estimate of credit losses. ECLs are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

Derecognition

Financial assets

The Group derecognises a financial asset when:

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

Transferred assets are not derecognised when the Group enters into transactions whereby it transfers assets recognised in its statement of financial position, but retains either all or substantially all of the risks and rewards of the transferred assets.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

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

2. Material accounting policy information (Cont'd)

2.12 Financial instruments (Cont'd)

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Impairment of financial assets

The Group recognises loss allowances for ECLs on financial assets measured at amortised costs.

Loss allowances of the Group are measured on either of the following bases:

- 12-month ECLs: these are ECLs that result from default events that are possible within the 12 months after the reporting date (or for a shorter period if the expected life of the instrument is less than 12 months); or

- Lifetime ECLs: these are ECLs that result from all possible default events over the expected life of a financial instrument or contract asset.

Simplified approach

The Group applies the simplified approach to provide for ECLs for all trade receivables. The simplified approach requires the loss allowance to be measured at an amount equal to lifetime ECLs.

General approach

The Group applies the general approach to provide for ECLs on all other financial instruments. Under the general approach, the loss allowance is measured at an amount equal to 12-month ECLs at initial recognition.

At each reporting date, the Group assesses whether the credit risk of a financial instrument has increased significantly since initial recognition. When credit risk has increased significantly since initial recognition, loss allowance is measured at an amount equal to lifetime ECLs.

When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and includes forward-looking information.

If credit risk has not increased significantly since initial recognition or if the credit quality of the financial instruments improves such that there is no longer a significant increase in credit risk since initial recognition, loss allowance is measured at an amount equal to 12-month ECLs.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 30 days past due.

2. Material accounting policy information (Cont'd)

2.12 Financial instruments (Cont'd)

Impairment of financial assets (Cont'd)

General approach (Cont'd)

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

- the debtor is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 180 days past due.

Measurement of ECLs

ECLs are probability-weighted estimates of credit losses. Credit losses are measured at the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive). ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the debtor;
- a breach of contract such as a default or being more than 180 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECLs in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of these assets.

Write-off

The gross carrying amount of a financial asset is written off (either partially or in full) to the extent that there is no realistic prospect of recovery. This is generally the case when the Group determines that the debtor does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write-off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

2. Material accounting policy information (Cont'd)

2.13 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale issue or cancellation of treasury shares.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the accumulated profits of the Company if the shares are purchased out of earnings of the Company, or proportionately against the share capital and accumulated profits accounts if the shares are purchased both out of capital and accumulated profits of the Company.

When treasury shares are subsequently sold or reissued pursuant to the employee share option scheme, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

2.14 Inventories

Inventories are measured at the lower of cost and net realisable value. The cost of inventories is based on the weighted-average basis method, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of production overheads based on normal operating capacity.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated costs necessary to make the sale.

2.15 Cash and cash equivalents

Cash and cash equivalents comprise cash balances and short-term deposits with maturities of three months or less from the date of acquisition that are subject to an insignificant risk of changes in their fair value, and are used by the Group in the management of its short-term commitments. Fixed deposits pledged to bank for securing bank facilities are excluded from cash and cash equivalents.

2.16 Segment reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Chief Executive Officer ("CEO") (the chief operating decision maker) to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the Group's CEO include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets (primarily the Company's headquarters), head office expenses, and tax assets and liabilities.

2. Material accounting policy information (Cont'd)

2.17 Leases

As a lessor

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

2.18 Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, for the effect of all dilutive potential ordinary shares.

2.19 Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

2. Material accounting policy information (Cont'd)

2.19 Related parties (Cont'd)

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);

(iii) Both entities are joint ventures of the same third party;

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company is itself such a plan, the sponsoring employers are also related to the Company;

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

3. Critical accounting judgements and key sources of estimation uncertainty

The Group made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources in the application of the Group's accounting policies. Estimates and judgements are continually evaluated and are based on historical experience and other factors that are considered to be reasonable under the circumstances. Actual results may differ from the estimates.

3.1 Critical judgements made in applying the Group's accounting policies

Determination of functional currency

The Group measures foreign currency transactions in the respective functional currency of the Company and its subsidiaries. In determining the functional currency of the respective entity in the Group, judgement is required to determine the currency that mainly influences sales prices of goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currency of the entities in the Group is determined based on the local management's assessment of the economic environment in which the entities operate and the respective entity's process of determining sales prices.

3. Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

3.2 Key sources of estimation uncertainty

The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

Impairment of property, plant and equipment and land use rights

The Group reviews at each reporting date to determine whether there is any indication of impairment for its property, plant and equipment and land use rights. If any such indication exists, then the asset's recoverable amount is estimated. As at 31 December 2025, management has assessed that indication for impairment existed for items of the Group's property, plant and equipment and land use rights with carrying amount of RMB165,832,000 and RMB7,915,000, respectively. No impairment has been provided as the value-in-use of the assets are higher than their carrying amounts. The carrying amounts of the Group's property, plant and equipment and land use rights as at 31 December 2025 are disclosed in Note 12 and Note 14 to the financial statements, respectively.

Estimated fair value of investment properties

Investment properties are stated at fair value, determined by independent valuer which based on the Direct Market Comparison Method that comparing the subject property with similar properties that were either transacted recently or listed for sale within the same location or other comparable localities. Gain or loss arising from change in the fair value of investment property is recognised in the profit or loss in the year in which it arises. The fair value of the investment properties as at 31 December 2025 is disclosed in Note 13 to the financial statements.

Measurement of ECL of trade receivables and bill receivables

The Group uses an allowance matrix to measure ECL for trade receivables and bill receivables. The ECL rates are based on the Group's historical loss experience of the receivables, for the last 1 year prior to the reporting date for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors, specific to the receivables and the economic environment which could affect the ability of the debtors to settle the trade receivables and bill receivables. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the countries and the growth rates of the major industries in which its customers operate. The Group adjusts the allowance matrix at each reporting date. Such estimation of the ECL rates may not be representative of the actual default in the future. The expected loss allowance on the Group's trade receivables and bill receivables as at 31 December 2025 are disclosed in Note 17 to the financial statements.

Impairment of inventories

Inventories are valued at the lower of cost and net realisable value. Management reviews the Group's inventory levels in order to identify slow-moving and obsolete merchandise and identifies items of inventory which have a market price, being the merchandise's selling price quoted from the market of similar items, that is lower than its carrying amount. Management then estimates the amount of inventory loss as an allowance on inventories. Changes in demand levels, technological developments and pricing competition could affect the stability and values of the inventories which could then consequentially impact the Group's results, cash flows and financial position. The carrying amount of the Group's inventories as at 31 December 2025 is disclosed in Note 16 to the financial statements.

3. Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

3.2 Key sources of estimation uncertainty (Cont'd)

Impairment of prepayments

The Group's prepayments mainly pertain to the advances to supplier for future purchase. The loss allowances for prepayments are 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 impairment calculation, based on the Group's past history, existing market conditions as well as forward looking estimates at the end of each reporting period. The carrying amount of the Group's prepayments as at 31 December 2025 is disclosed in Note 18 to the financial statements.

Impairment of investment in subsidiaries

At the end of each financial year, an assessment is made on whether there are indicators that the Company's investment is impaired. If any such indication exists, then the investment's recoverable amount is estimated. The Company's carrying amount of investment in subsidiaries as at 31 December 2025 is disclosed in Note 15 to the financial statements.

Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. The residual value reflects management's estimated amount that the Group would currently obtain from the disposal of the asset, after deducting the estimated costs of disposal, as if the asset may already of the age and in the condition expected at the end of its useful life. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amount of the Group's property, plant and equipment at 31 December 2025 are disclosed in Note 12 to the financial statements.

Provision for income taxes

The Group has exposure to income taxes in several jurisdictions of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made.

4. Revenue

The disaggregation of revenue from contracts with customers is as follows:

in RMB'000	Reportable segments								Inter-segment revenue		Group	
	Zipper		Sale of goods Trading		Total		Processing				Total	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Geographical markets[(a)]												
PRC	412,077	463,367	–	–	412,077	463,367	101,288	94,650	(50,743)	(35,217)	462,622	522,800
Hong Kong	–	–	209,725	213,071	209,725	213,071	–	–	–	–	209,725	213,071
	412,077	463,367	209,725	213,071	621,802	676,438	101,288	94,650	(50,743)	(35,217)	672,347	735,871
Timing of revenue recognition												
Goods transferred at a point in time	412,077	463,367	209,725	213,071	621,802	676,438	101,288	94,650	(50,743)	(35,217)	672,347	735,871

(a) *The disaggregation is based on the location of customers from which revenue was generated.*

The Group has applied the practical expedient permitted under SFRS(I) 15 for those performance obligations which are part of contracts that have an original expected duration of one year or less.

Nature of goods or services	For details on the nature of goods or services of the Group, refer to Note 2.3.
When revenue is recognised	For details on the revenue recognition policy of the Group, refer to Note 2.3.
Significant payment terms	Invoices for sales of Zipper, Trading and Processing are issued to the customers when the products are delivered or when the services are performed. Payment for these products and services are due within 90 to 180 days. No element of financing is deemed present as the credit terms are consistent with market practice. Hence no interest is charged to customers.

4. Revenue (Cont'd)

Contract liabilities

	Group	
	2025 RMB'000	2024 RMB'000
Contract liabilities – Advances from customers (Note 22)	(35,516)	(32,484)

Significant changes in the contract liabilities during the year are as follows:

	2025 RMB'000	2024 RMB'000
Revenue recognised that was included in the contract liabilities balance at the beginning of the year	25,404	19,603
Forfeiture of advances from customers	5,010	3,013

5. Other income

	Group	
	2025 RMB'000	2024 RMB'000
Gain on disposal of subsidiary	20,206	–
Waiver of amount due to a director	10,539	–
Rental income	10,184	11,177
Forfeiture of advances from customers	5,104	3,013
Reversal of provision for inventories	4,222	–
Government grants	1,026	352
Foreign exchange gain, net	235	3,173
Reversal of loss allowance for trade receivables	–	10,633
Gain on disposal of property, plant and equipment	–	7,123
Reversal of loss allowance for prepayments	–	2,692
Others	448	769
	51,964	38,932

Rental income mainly relates to operating leases provided for the investment properties held by the subsidiary, Xiamen Fuxing Industrial Company Limited ("Xiamen Fuxing"). Refer to Note 13 for details of the investment properties.

6. Financial costs, net

	Group	
	2025 RMB'000	2024 RMB'000
Interest income from:		
– Bank deposits	515	573
Interest expense on:		
– Bank loans	(5,642)	(9,398)
	(5,127)	(8,825)

7. Profit before tax

The following charges/(credited) were included in determination of profit before tax:

	Note	Group	
		2025 RMB'000	2024 RMB'000
Personnel expenses	9	96,198	73,216
Depreciation charge for property, plant and equipment	12	39,122	39,982
Change in fair value of investment properties	13	3,060	–
Amortisation charge for land use rights	14	784	906
Amortisation charge for intangible assets		601	500
Net provision for/(reversal of) loss allowance for trade receivables	17	1,847	(10,633)
Net provision for/(reversal of) loss allowance for prepayments	18	736	(2,692)
Loss/(Gain) on disposal of property, plant and equipment		710	(7,123)
Audit fees charged by auditors of the Company		1,666	1,708
Non-audit fees charged by auditors of the Company		88	107

8. Significant related party transactions

In addition to the information disclosed elsewhere in the financial statements, the Group had the following transactions with related parties:

Compensation of directors and key management personnel

	Group		Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Total compensation to key management personnel – salaries, bonuses and fees (included in personnel expenses in Note 9)	3,255	3,460	1,641	1,456
Comprises amounts paid to:				
– Directors	1,235	1,190	891	706
– Other key management personnel	2,020	2,270	750	750
	3,255	3,460	1,641	1,456

No defined contribution plans were paid to key management personnel.

9. Personnel expenses

	Group	
	2025 RMB'000	2024 RMB'000
Salaries and bonuses	96,260	79,479
Net reversal of social security contribution	(62)	(6,263)
	96,198	73,216

10. Income tax expense

	Group	
	2025 RMB'000	2024 RMB'000
Current income tax:		
– Current financial year	1,699	2,470
Deferred income tax (Note 24)		
– Reversal of temporary differences	(765)	–
Total income tax expense	934	2,470

The reconciliation between tax expense and the profit before tax multiplied by the applicable corporate tax rate for the financial years ended 31 December 2025 and 2024 is as follows:

	Group	
	2025 RMB'000	2024 RMB'000
Profit before tax	21,419	3,347
Tax at the domestic tax rates applicable to profits in the countries where the Group operates	5,152	1,400
Adjustments:		
– Non-deductible expenses	919	8,931
– Income not subject to taxation	(2,647)	(8,198)
– Reversal of temporary differences	(765)	–
– Utilisation of tax losses previously not recognised	(1,257)	–
– Deferred tax assets not recognised	–	514
– Others	(468)	(177)
Income tax expense	934	2,470

10. Income tax expense (Cont'd)

Unutilised tax losses

At the end of the reporting period, the Group has tax losses of approximately RMB85,580,000 (2024: RMB90,609,000) that are available for offset against future taxable profits of the companies in which the losses arose. Deferred tax assets have not been recognised in respect of such losses due to uncertainty of its recoverability. The use of these tax losses is subject to the agreement of the tax authorities and compliance with the relevant provisions of the tax legislation in the PRC.

11. Earnings per share

The following tables reflect the earnings and share data used in the computation of basic and diluted earnings per share for the years ended 31 December:

	Group	
	2025 RMB'000	2024 RMB'000
Profit for the year attributable to owners of the Company	20,250	698

	No. of shares '000	No. of shares '000
Weighted average number of ordinary shares for diluted earnings per share computation	17,616	17,205

	Group	
	2025	2024
Basic and diluted earnings per share (RMB per share)	1.15	0.04

Basic earnings per share is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year of 17,616,397 ordinary shares (2024: 17,205,438).

12. Property, plant and equipment

	Plant and machinery RMB'000	Buildings RMB'000	Motor vehicles RMB'000	Office equipment RMB'000	Construction-in-progress RMB'000	Total RMB'000
Group						
Cost						
At 1 January 2024	277,159	341,590	8,552	4,452	–	631,753
Additions	7,674	1,054	556	753	2,123	12,160
Disposal	(6,019)	–	(607)	(2,478)	–	(9,104)
Write off	–	–	(529)	–	–	(529)
At 31 December 2024	278,814	342,644	7,972	2,727	2,123	634,280
Additions	12,775	787	1,473	167	870	16,072
Disposal of subsidiary	(37)	(51,640)	–	(43)	–	(51,720)
Disposal	(60)	–	(2,351)	(137)	–	(2,548)
Reclassification	–	2,786	–	–	(2,786)	–
At 31 December 2025	291,492	294,577	7,094	2,714	207	596,084
Accumulated depreciation						
At 1 January 2024	103,593	215,013	6,532	1,577	–	326,715
Depreciation charge for the year	25,645	13,682	398	257	–	39,982
Disposal	(5,335)	–	(400)	(227)	–	(5,962)
Write off	–	–	(529)	–	–	(529)
At 31 December 2024	123,903	228,695	6,001	1,607	–	360,206
Depreciation charge for the year	26,508	11,963	423	228	–	39,122
Disposal of subsidiary	(37)	(35,260)	–	(43)	–	(35,340)
Disposal	(2)	–	(559)	(9)	–	(570)
At 31 December 2025	150,372	205,398	5,865	1,783	–	363,418
Accumulated impairment loss						
At 1 January 2024, 31 December 2024 and 31 December 2025	–	4,076	–	–	–	4,076
Net carrying amount						
At 31 December 2025	141,120	85,103	1,229	931	207	228,590
At 31 December 2024	154,911	109,873	1,971	1,120	2,123	269,998

As of 31 December 2025, certain buildings of the Group with net carrying amount of RMB74,381,000 (2024: RMB99,777,000) were pledged as security for the bills payable and short-term bank loans (Note 23).

12. Property, plant and equipment (Cont'd)

Impairment assessment of property, plant and equipment

The Group reviews at each reporting date to determine whether there is any indication of impairment for its property, plant and equipment. If any such indication exists, then the asset's recoverable amount is estimated.

As at 31 December 2025, management has assessed that indication for impairment existed for items of the Group's property, plant and equipment with carrying amount of RMB165,832,000. The Group engaged an independent professionally qualified valuer (the "Valuer") to evaluate the value-in-use of such items of property, plant and equipment as at 31 December 2025. No impairment has been provided as the value-in-use of the assets are higher than their carrying amounts.

As at 31 December 2024, no such indication was noted.

13. Investment properties

	Group	
	2025 RMB'000	2024 RMB'000
At fair value:		
At 1 January	42,060	42,060
Fair value change	(3,060)	–
At 31 December	39,000	42,060
Recognised in profit or loss		
Fair value change – net of deferred tax charge	(2,295)	–
Rental income (net of direct expenses)	6,954	6,572
	4,659	6,572

Valuation of investment properties

Investment properties are stated at fair value based on management's intention to resale the property, which has been determined based on valuation performed as at the reporting dates. The valuation of investment properties was performed by the Valuer on the reporting dates. The Valuer has a recognised and relevant professional qualification and with relevant recent experience in the location and category of the properties being valued. The valuation is based on the direct market comparison approach that makes reference to the market values of comparable properties in the same area.

Key unobservable input used is the transacted prices per square metre of comparable properties in close proximity based on recent market transactions. These recent transacted prices are subsequently adjusted to consider the size of the Group's properties, the age of the building, the remaining tenure of the properties and/or the plot ratio of the land relative to those of the comparable properties sold to derive the fair value of the Group's properties. An increase in transacted prices per square metre would increase the valuation.

13. Investment properties (Cont'd)

Valuation of investment properties (Cont'd)

Details of the investment properties held by the Group as at 31 December 2025 and 2024 are as follows:

Location	Gross Area	Existing Use	Tenure	Expiry of Lease Term
Siming District, Xiamen City, Fujian Province, the People's Republic of China	6,378 sq m	Office	Leasehold	27 April 2061

14. Land use rights

	Group	
	2025 RMB'000	2024 RMB'000
Cost		
At 1 January	35,300	35,300
Additions	1,076	–
Disposal of subsidiary	(11,339)	–
At 31 December	25,037	35,300
Accumulated amortisation		
At 1 January	12,894	11,988
Amortisation charge for the financial year	784	906
Disposal of subsidiary	(4,504)	–
At 31 December	9,174	12,894
Net carrying amount		
At 31 December	15,863	22,406
Amount to be amortised		
– Not later than one year	530	905
– Later than one year but not later than five years	2,650	4,525
– Later than five years	12,683	16,976
	15,863	22,406

The Group has land use rights over six plots (2024: six plots) of state-owned land in the PRC where the Group's manufacturing and storage facilities reside. The land use rights have remaining tenure of 21 years to 49 years (2024: 22 years to 33 years).

14. Land use rights (Cont'd)

Impairment assessment of land use rights

The Group reviews at each reporting date to determine whether there is any indication of impairment for its land use rights. If any such indication exists, then the asset's recoverable amount is estimated.

As at 31 December 2025, management has assessed that indication for impairment existed for items of the Group's land use rights with carrying amount of RMB7,915,000. The Group engaged the Valuer to evaluate the value-in-use of such items of land use rights as at 31 December 2025. No impairment has been provided as the value-in-use of the assets are higher than their carrying amounts.

As at 31 December 2024, no such indication was noted.

As of 31 December 2025, the land use rights of the Group with net carrying amount of RMB14,798,000 (2024: RMB22,406,000) were pledged as security for the bills payable and short-term bank loans (Note 23).

15. Investment in subsidiaries

	Company	
	2025 RMB'000	2024 RMB'000
Unquoted shares, at cost	344,853	344,853

15. Investment in subsidiaries (Cont'd)

Name	Country of incorporation and principal place of business	Principal activities	Effective equity held by the Company 2025 %	2024 %
Held directly by the Company				
Jade Star Group Holdings Limited ("Jade Star") [1]	British Virgin Islands	Investment holding	100	100
Fuxing China Group Limited (HK) ("FCG") [1]	Hong Kong	Investment holding, to facilitate the application of the State-owned Land Use Right Certificate in respect of the Land Parcel	100	100
Held through Jade Star				
Jinjiang Fookhing Zipper Co., Ltd ("Fookhing Zipper") [1]	People's Republic of China	Production and sale of finished zippers and zipper chains	100	100
Jinjiang Fuxing Dress Co., Ltd ("Fuxing Dress") [1]	People's Republic of China	Production and sale of zipper sliders	100	100
Fookhing Group Trading Co., Ltd ("Fuxing HK") [1]	Hong Kong	Trading of raw materials for textile sector	100	100
Fulong Zipper and Weaving Co., Ltd ("Fulong") [1]	People's Republic of China	Colour dyeing of fabric tapes for zippers	100	100
Jinjiang Fuxin Electroplating Co., Ltd ("Fuxin") [1]	People's Republic of China	Provision of electroplating services for zipper sliders	100	100
Jinjiang Jianxin Weaving Co., Ltd ("Jianxin") [1] (Note)	People's Republic of China	Manufacturing and sales of dyed yarn	–	100
Held through FCG				
Xiamen Fuxing Industrial Company Limited ("Xiamen Fuxing") [1]	People's Republic of China	Real estate development	100	100
Held through Xiamen Fuxing				
Xiamen Xinfuxing Property Management Co., Ltd ("Xiamen Property") [1][2]	People's Republic of China	To handle property management and realtor services for the Group's Xiamen headquarters	80	80

[1] Audited by RT LLP for the purpose of expressing an opinion on the consolidated financial statements.

[2] Summarised financial information was not disclosed as the non-controlling interests of the Group is not significant.

15. Investment in subsidiaries (Cont'd)

Note: Disposal of subsidiary (Jianxin)

On 11 December 2024, the Group entered into a share transfer agreement with a third party for the transfer of the entire shares of Jianxin held by the Group, at a consideration of RMB8,800,000 and the settlement of all amounts due from Jianxin to the Group. The transfer was completed on 14 August 2025 with a total consideration of RMB45,882,000 (including the settlement of the outstanding amount due from Jianxin of RMB37,082,000).

Effect of disposal of the subsidiary to the Group is as follows:

	Group 2025 RMB'000
Assets and liabilities disposed:	
Property, plant and equipment	16,380
Land use rights	6,835
Inventories	387
Trade and other receivables	11,297
Cash and cash equivalents	315
Trade and other payables	(3,182)
Income tax payable	(1,378)
Deferred tax liabilities	(4,978)
Net assets disposed	25,676
Consideration	(45,882)
Gain on disposal of subsidiary	(20,206)
Cashflows:	
Consideration received, satisfied in cash	45,882
Cash and cash equivalents disposed of	(315)
Net cash inflow	45,567

16. Inventories

	Group	
	2025 RMB'000	2024 RMB'000
Raw materials	26,168	33,579
Work-in-progress	11,509	11,025
Finished goods	36,499	21,833
	74,176	66,437

The movement in allowance for inventories during the financial year was as follows:

	2025 RMB'000	2024 RMB'000
At 1 January	5,013	5,013
Reversal for the year	(4,222)	–
At 31 December	791	5,013

The Group has recognised cost of inventories sold amounted to RMB622,841,000 (2024: RMB690,089,000) as an expense in cost of sales.

17. Trade and other receivables

	Group		Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Trade receivables	253,017	286,997	–	–
Less: loss allowance (Note 27)	(38,908)	(41,670)	–	–
	214,109	245,327	–	–
Bills receivables	1,371	536	–	–
Other receivables	14,258	20,553	5	2
Amounts due from subsidiaries (non-trade)	–	–	555,616	556,308
Less: loss allowance (Note 27)	(905)	(905)	(311,965)	(311,965)
Total trade and other receivables	228,833	265,511	243,656	244,345

Trade receivables

Trade receivables are non-interest bearing and are normally settled on 90 to 180 days (2024: 90 to 180 days) term. They are recognised at their original invoice amounts which represent their fair values on initial recognition. The trade receivables are denominated in the functional currencies of the respective entities as at the reporting dates.

17. Trade and other receivables (Cont'd)

Bills receivables

Bills receivables are interest-free and have maturity periods of approximately 180 days (2024: 180 days) and are denominated in the functional currencies of the respective entities.

Other receivables

Other receivables mainly comprise of VAT receivables arising from input tax credits of RMB11,302,000 (2024: RMB10,960,000).

Amounts due from subsidiaries

Amounts due from subsidiaries are unsecured, non-interest bearing, repayable on demand and are to be settled in cash. Amounts due from subsidiaries are denominated in the functional currency of the Company except for an amount of RMB34,411,000 (2024: RMB22,210,000) which are denominated in Hong Kong Dollar ("HKD").

The details of the impairment of trade and other receivables and credit exposures are disclosed in Note 28.

18. Prepayments

	Group	
	2025 RMB'000	**2024 RMB'000**
Current:		
Advances to suppliers	46,540	51,201
Prepayments for property, plant and equipment	6,675	8,276
Prepaid operating expenses	6,798	7,767
	60,013	67,244
Less: loss allowance (Note 27)	(10,550)	(9,814)
Total prepayments	49,463	57,430

The prepayments are non-interest bearing, refundable on demand and denominated in the functional currencies of the respective entities as at 31 December 2025 and 2024.

Movement in loss allowance for prepayments:	**2025 RMB'000**	**2024 RMB'000**
At 1 January	9,814	12,506
Provision/(Reversal) for the year	736	(2,692)
At 31 December	10,550	9,814

19. Cash and short-term deposits

	Group		Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Cash at banks and on hand	176,230	132,948	84	115
Short-term deposits	15,686	36,686	–	–
Cash and short-term deposits	191,916	169,634	84	115

Cash at banks earns interest at floating rates based on daily bank deposit rates. Short-term deposits are made for varying periods of between one day to three months depending on the immediate cash requirements of the Group and earn interests at the respective rates. Short-term deposits amounting to RMB15,686,000 (2024: RMB36,686,000) are pledged to banks for the Group's bills payable and short-term bank loans (Note 23).

Cash and short-term deposits denominated in foreign currencies at the reporting dates are as follows:

	Group		Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
United States Dollar	2,360	2,236	–	–
Singapore Dollar	42	–	42	–
Hong Kong Dollar	309	258	42	114

For the purpose of the consolidated statement of cash flows, cash and cash equivalents comprise the following at the end of the reporting period:

	Group	
	2025 RMB'000	2024 RMB'000
Cash and short-term deposits	191,916	169,634
Less: pledge deposits	(15,686)	(36,686)
Cash and cash equivalents	176,230	132,948

20. Share capital and treasury shares

(a) Share capital

	Group and Company			
	2025		2024	
	No. of shares '000	Value RMB'000	No. of shares '000	Value RMB'000
At 1 January	17,205	1,874	17,205	772,574
Issuance of shares	3,000	328	–	–
Capital reorganisation	–	–	–	(770,700)
At 31 December	20,205	2,202	17,205	1,874

The holders of ordinary shares (except treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The par value of each ordinary share is SGD0.02 following the Capital Reorganisation effected on 24 December 2024 (Note 21(e)).

Capital Reorganisation had no change in the number of issued and paid-up ordinary shares held by, or the percentage level of shareholding of, each Shareholder or Depositor. The ordinary shares with a par value of SGD0.02 each will rank pari passu in all respects with each other.

On 12 November 2025, the Company has allotted and issued 3,000,000 fully paid-up new ordinary shares in the capital (the "Placement Shares") at a placement price of SGD0.415 per Placement Share, amounting to an aggregate consideration RMB6,263,000 after net off with direct expenses.

(b) Treasury shares

	Group and Company			
	2025		2024	
	No. of shares '000	Value RMB'000	No. of shares '000	Value RMB'000
At 1 January and 31 December	277	6,408	277	6,408

Treasury shares relate to ordinary shares of the Company that are held by the Company.

21. Other reserves

(a) Reserve fund

In accordance with the Foreign Enterprise Law applicable to the subsidiaries in the PRC, the subsidiary is required to make appropriation to a Statutory Reserve Fund ("SRF"). At least 10% of the statutory after-tax profits as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the reserve fund reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

(b) Capital reserve

On 10 September 2007, the Company acquired the entire issued share capital of Jade Star Group at an aggregate consideration based on the net assets value of Jade Star Group and its subsidiaries of SGD67,777,712 (RMB344,854,544), which was deemed as fair value of the investment in Jade Star Group and its subsidiaries. In consideration of the foregoing, the Company issued an aggregate of 599,800,000 ordinary shares at a price of SGD0.10 each, totalling SGD59,980,000 (RMB305,281,545). The excess value of SGD7,797,712 (RMB39,572,999) was credited to the capital reserve of the Company.

(c) Restructuring reserve

This represents the difference between the nominal value of shares issued by the Company in exchange for the nominal value of shares and capital reserve of subsidiaries acquired which is accounted for under "merger accounting".

(d) Foreign currency translation reserve

The foreign currency translation reserve represents exchange differences arising from the translation of the financial statements of the entities whose functional currencies are different from that of the Group's presentation currency.

(e) Contributed surplus

This represents the credit arising from the Capital Reduction, Share Premium Reduction and Share Premium. The Capital Reorganisation was effected on 24 December 2024, reducing the par value of each share from SGD5.00 to SGD0.02. This resulted in a Capital Reduction of RMB299,836,000 (equivalent to approximately SGD55,442,000), and a Share Premium Reduction of RMB470,864,000 (equivalent to approximately SGD87,066,000). The total aggregate sum of RMB770,700,000 was credited to the contributed surplus account, of which RMB171,754,000 was utilised to offset accumulated losses from previous years.

On 12 November 2025, the Company issued 3,000,000 Placement Shares at a placement price of SGD0.415 per Placement Share with a par value of SGD0.02 each. The aggregate contributed surplus arising from this placement, after netting of direct expenses, amounted to RMB5,935,000.

22. Trade and other payables

	Group		Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Trade payables	26,828	15,506	–	–
Advances from customers (trade)	35,516	32,484	–	–
Accrued salary and bonuses	21,262	19,619	276	52
Other accruals	12,074	19,624	1,412	1,336
Amount due to a director (non-trade)	4,486	8,780	887	6,493
Total trade and other payables	100,166	96,013	2,575	7,881

Trade payables

Trade payables are unsecured, non-interest bearing and are normally settled within 30 days.

Amount due to a director

Amount due to a director is non-trade related, unsecured, non-interest bearing and repayable on demand.

Other accruals

Other accruals mainly comprise of VAT payables arising from output tax of RMB4,522,000 (2024: RMB4,418,000).

All trade and other payables are denominated in the functional currencies of the respective entities as at the reporting dates.

23. Loans and borrowings

	Group	
	2025 RMB'000	2024 RMB'000
Bills payable to banks		
Bill 1	37,680	40,180
Bill 2	–	20,000
Bill 3	31,939	44,891
	69,619	105,071
Short-term bank loans:		
Loan 1	34,004	89,504
Loan 2	10,000	10,000
	44,004	99,504
Total loans and borrowings	113,623	204,575

1 These bill payable to bank (Bill 1) and short-term bank loan (Loan 1) are secured by bank deposits of Fookhing Zipper and certain land use rights and buildings owned by Fookhing Zipper, located at Yangxia Industrial Area, Shishi City, Fujian Province, the PRC and personal guarantee from related parties – Mr. Hong Qing Liang (Executive Chairman) and Ms. Shi Mei Mei (spouse of the Executive Chairman), and corporate guarantee from a subsidiary – Fuxing Dress and independent third party – Jinjiang Yuanda Garment Weaving Co., Ltd.

As at 31 December 2024, these bill payable to bank (Bill 1) and short-term bank loan (Loan 1) were secured by bank deposits of Fookhing Zipper and certain land use rights and buildings owned by Jianxin, located at Donghaian Development Zone, Shenhu Town, Jinjiang City, Fujian Province, the PRC and personal guarantee from related parties – Mr. Hong Qing Liang (Executive Chairman) and Ms. Shi Mei Mei (spouse of the Executive Chairman), and corporate guarantee from a subsidiary – Fuxing Dress and independent third party – Jinjiang Yuanda Garment Weaving Co., Ltd.

2 As at 31 December 2024, this bill payable to bank (Bill 2) was secured by bank deposits of Fuxing Dress and certain land use rights and buildings owned by Fulong, located at Donghaian Comprehensive Development Zone, Shenhu Town, Jinjiang City, Fujian Province, the PRC and personal guarantee from related parties – Mr. Hong Qing Liang (Executive Chairman) and Ms. Shi Mei Mei (spouse of the Executive Chairman). The bill has been fully repaid during the year ended 31 December 2025.

23. Loans and borrowings (Cont'd)

3 This bill payable to bank (Bill 3) is secured by a charge over a property located at Seapower Tower Concordia Plaza, No.1 Science Museum Road, Kowloon owned by Goldplan Corporation Limited, corporate guarantee from the Company, and personal guarantee from a related party – Mr. Hong Qing Liang (Executive Chairman).

Goldplan Corporation Limited is wholly owned by Mr. Hong Qing Liang (Executive Chairman).

4 This short-term bank loan (Loan 2) is secured by certain land use rights and buildings owned by Fookhing Zipper, located at Hangbian Industrial Area, Longhu Town, Jinjiang City, Fujian Province, the PRC. and personal guarantee from related parties – Mr. Hong Qing Liang (Executive Chairman) and Ms. Shi Mei Mei (spouse of the Executive Chairman), and corporate guarantee from a subsidiary – Fuxing Dress.

All loans and borrowings are denominated in the functional currencies of the respective entities as at the reporting dates. The short-term loans bear interest ranging from 4.30% to 5.27% (2024: 4.35% to 6.09%) and are repayable within 12 months.

24. Deferred tax liabilities

Deferred tax as at 31 December relates to the following:

Group	Accelerated tax depreciation RMB'000	Fair value adjustment on investment property RMB'000	Withholding tax on undistributed profits [1] RMB'000	Total RMB'000
Deferred tax liabilities				
At 1 January 2024, 31 December 2024 and 1 January 2025	9,035	865	9,970	19,870
Disposal of subsidiary	(4,978)	–	–	(4,978)
Charged to profit or loss (Note 10)	–	(765)	–	(765)
At 31 December 2025	4,057	100	9,970	14,127

1 On 22 February 2008, the State Administration of Taxation of China issued a circular [2008] No.001, which states that distribution of dividends after 1 January 2008 from pre-2008 profits will be exempt from withholding tax on distribution to foreign investors. As a result, there should be no deferred tax liabilities arising from undistributed profits of the Company's PRC subsidiaries accumulated up till 31 December 2007. Provision for deferred tax liabilities, however, would be required to the extent per SFRS(I) 1-12 on profits accumulated from 1 January 2008 onwards.

25. Segment information

For management purposes, the Group is organised into business units based on their products and services, and has four reportable operating segments as follows:

(i) Zippers

This operating segment is further sub-divided into 2 sub-segments as follows:

(a) Zipper Chains

The zipper chain consists of 2 strips of fabric tapes, with parallel rows of specially shaped nylon, metal or plastic teeth, as the case may be, either weaved on or punched onto adjacent edges of a fabric tape, thereby interlocking with each other to provide a firm grip and resulting in a zipper chain.

(b) Zipper Sliders

The zipper slider consists of a zinc zipper head and zipper pull tab which is subsequently affixed on the zipper chain, such that it moves along the rows of teeth, allowing the teeth to be fastened or separated, depending on the direction of the movement.

(ii) Processing

Processing represents colour dyeing of fabric tapes for zippers, electroplating services for zipper sliders and manufacturing and sales of dyed yarn.

(iii) Trading

The trading segment represents trading of raw materials, including rubber thread, nylon fabric and nylon yarn.

(iv) Corporate

The corporate segment is involved in Group-level corporate services and treasury functions.

25. Segment information (Cont'd)

Except as indicated above, no operating segments has been aggregated to form the above reportable operating segments.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss which in certain respects, as explained in the table below, is measured differently from operating profit or loss in the consolidated financial statements.

Segment assets and liabilities are not disclosed as such separate financial information is not available but is evaluated regularly by the chief operating decision-maker in deciding how to allocate resources to the operating segments.

Transfer prices between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Geographical information

Revenue and non-current assets information based on geographical location of customers and assets respectively are as follows:

	Revenue		Non-current assets	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
People's Republic of China	462,622	522,800	285,353	336,961
Hong Kong	209,725	213,071	3	7
	672,347	735,871	285,356	336,968

Non-current assets information presented above consist of property, plant and equipment, investment properties, land use rights and intangible assets as presented in the consolidated statement of financial position.

25. Segment information (Cont'd)

Geographical information (Cont'd)

The following table presents revenue, results and other information regarding the Group's operating segments for the years ended 31 December 2025 and 2024.

Group	Zipper RMB'000	Trading RMB'000	Processing RMB'000	Corporate RMB'000	Elimination RMB'000	Total RMB'000
31 December 2025						
Revenue:						
Sales to external customers	412,077	209,725	50,545	–	–	672,347
Inter-segment sales	–	–	50,743	–	(50,743)	–
Total revenue	412,077	209,725	101,288	–	(50,743)	672,347
Results:						
Segment gross profit	36,908	5,371	7,227	–	–	49,506
Segment results	1,648	4,480	(1,903)	22,321	–	26,546
Financial costs, net	(3,104)	(2,091)	(12)	80		(5,127)
Profit before tax						21,419
Income tax expense						(934)
Profit for the year						20,485
Other segment information						
Depreciation and amortisation	(28,518)	(3)	(11,609)	(377)	–	(40,507)
Gain on disposal of subsidiary	–	–	–	20,206	–	20,206
Forfeiture of advances from customers	4,736	–	368	–	–	5,104
Change in fair value of investment properties	–	–	–	(3,060)	–	(3,060)
Loss on disposal of properties, plant and equipment	(710)	–	–	–	–	(710)
Net provision for loss allowance for trade receivables	(1,479)	–	(368)	–	–	(1,847)
Net provision for loss allowance for prepayments	(773)	–	37	–	–	(736)
Net reversal of provision for inventories	4,222	–	–	–	–	4,222
Waiver of amount due to a director	–	–	–	10,539	–	10,539
Total assets	619,037	63,395	91,520	55,792	–	829,744
Total liabilities	(155,766)	(32,196)	(33,667)	(10,129)	–	(231,758)
Capital expenditure	7,065	–	10,083	–	–	17,148

25. Segment information (Cont'd)

Geographical information (Cont'd)

Group	Zipper RMB'000	Trading RMB'000	Processing RMB'000	Corporate RMB'000	Elimination RMB'000	Total RMB'000
31 December 2024						
Revenue:						
Sales to external customers	463,367	213,071	59,433	–	–	735,871
Inter-segment sales	–	–	35,217	–	(35,217)	–
Total revenue	463,367	213,071	94,650	–	(35,217)	735,871
Results:						
Segment gross profit	39,362	5,926	494	–	–	45,782
Segment results	21,729	5,001	(12,236)	(2,322)	–	12,172
Financial costs, net	(5,702)	(3,158)	4	31	–	(8,825)
Profit before tax						3,347
Income tax expense						(2,470)
Profit for the year						877
Other segment information						
Depreciation and amortisation	(28,238)	(3)	(12,771)	(376)	–	(41,388)
Gain on disposal of property, plant and equipment	1,214	–	5,909	–	–	7,123
Forfeiture of advances from customers	2,230	–	783	–	–	3,013
Net reversal of allowance for trade receivables	7,320	–	3,313	–	–	10,633
Net reversal of allowance for prepayments	323	–	2,369	–	–	2,692
Total assets	637,209	71,638	129,250	57,883	–	895,980
Total liabilities	(230,205)	(45,039)	(37,710)	(11,337)	–	(324,291)
Capital expenditure	7,135	–	5,025	–	–	12,160

26. Commitments

Guarantees

At 31 December 2025 and 2024, the Company has provided the following corporate guarantees at the end of the reporting period for bills payable taken up by Fuxing HK:

– Bills payable to bank of RMB31,939,000 (2024: RMB44,891,000) (Note 23).

The financial effects relating to financial guarantee contracts issued by the Company are insignificant to the financial statements of the Company and therefore are not recognised.

27. Financial instruments and financial risks

Financial instruments by category

The carrying amount of the different categories of financial instruments is as follows:

	Note	Group 2025 RMB'000	Group 2024 RMB'000
Financial assets at amortised cost			
Trade and other receivables [(a)]	17	217,531	254,551
Cash and short-term deposits	19	191,916	169,634
		409,447	424,185
Financial liabilities at amortised cost			
Trade and other payables [(b)]	22	60,128	59,111
Loans and borrowings	23	113,623	204,575
		173,751	263,686

(a) Excluding VAT receivables.

(b) Excluding VAT payables and advances from customers.

27. Financial instruments and financial risks (Cont'd)

Financial instruments by category (Cont'd)

	Note	Company 2025 RMB'000	Company 2024 RMB'000
Financial assets at amortised cost			
Trade and other receivables	17	243,656	244,345
Cash and cash equivalents	19	84	115
		243,740	244,460
Financial liabilities at amortised cost			
Trade and other payables	22	2,575	7,881
		2,575	7,881

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. The Board of Directors reviews and agrees policies and procedures for the management of these risks which are executed by the Executive Director. The Audit Committee provides independent oversight to the effectiveness of the risk management process. It is and has been throughout the current and previous financial years, the Group's policy that no derivatives shall be undertaken except for the use as hedging instruments where appropriate and cost-efficient. The Group does not apply hedge accounting.

The following sections provide details regarding the Group's exposure to the abovementioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

27. Financial instruments and financial risks (Cont'd)

Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and short-term deposits), the Group and the Company minimise credit risk by dealing exclusively with high credit rating counterparties.

The Group's objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. 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 closely on an ongoing basis.

To assess and manage its credit risk, the Group categorises the aforementioned financial assets according to their risk of default. The Group defines default to have taken place when internal or/and external information indicates that the financial asset is unlikely to be received, which could include a breach of debt covenant, and/or where contractual payments are 180 days past due.

The Group has not rebutted the presumption included in SFRS(I) 9 that there has been a significant increase in credit risk since initial recognition when financial assets are more than 30 days past due.

In their assessment, the management considers, amongst other factors, the latest relevant credit ratings from reputable external rating agencies where available and deemed appropriate, historical credit experiences, latest available financial information and latest applicable credit reputation of the debtor.

The Group's internal credit risk grading categories are as follows:

Category	Description	Basis of recognising ECL
1	Low credit risk (Note1)	12-months ECL
2	Non-significant increase in credit risk since initial recognition and financial asset is ≤ 30 days past due	12-months ECL
3	Significant increase in credit risk since initial recognition (Note 2) or financial asset is > 30 days past due	Lifetime ECL
4	Evidence indicates that financial assets are credit-impaired (Note 3)	Difference between financial asset's gross carrying amount and present value of estimated future cash flows discounted at the financial asset's original effective interest rate
5	Evidence indicates that the management has no reasonable expectations of recovering the write-off amount (Note 4)	Written off

27. Financial instruments and financial risks (Cont'd)

Credit risk (Cont'd)

Note 1. Low credit risk

The financial asset is determined to have low credit risk if the financial assets have a low risk of default, the counterparty has a strong capacity to meet its contractual cash flow obligations in the near term and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the counterparty to fulfil its contractual cash flow obligations. Generally, this is the case when the Group assesses and determines that the debtor has been, is in and is highly likely to be, in the foreseeable future and during the (contractual) term of the financial asset, in a financial position that will allow the debtor to settle the financial asset as and when it falls due.

Note 2. Significant increase in credit risk

In assessing whether the credit risk of the financial asset has increased significantly since initial recognition, the Group compares the risk of default occurring on the financial asset as of reporting date with the risk of default occurring on the financial asset as of date of initial recognition, and considered reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. In assessing the significance of the change in the risk of default, the Group considers both past due and forward looking quantitative and qualitative information. Forward looking information includes the assessment of the latest performance and financial position of the debtor, adjusted for the Group's future outlook of the industry in which the debtor operates based on independently obtained information and the most recent news or market talks about the debtor, as applicable. In its assessment, the Group will generally, for example, assess whether the deterioration of the financial performance and/or financial position, adverse change in the economic environment (country and industry in which the debtor operates), deterioration of credit risk of the debtor, etc. is in line with its expectation as of the date of initial recognition of the financial asset.

Note 3. Credit impaired

In determining whether financial assets are credit-impaired, the Group assesses whether one or more events that have a detrimental impact on the estimated future cashflows of the financial asset have occurred. Evidence that a financial asset is credit impaired includes the following observable data:

- Significant financial difficulty of the debtor;
- Breach of contract; such as a default or being more than 180 days from invoice date;
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for the financial asset because of financial difficulties.

Note 4. Write off

Generally, the Group writes off, partially or fully, the financial asset when it assesses that there is no realistic prospect of recovery of the amount as evidenced by, for example, the debtor's lack of assets or income sources that could generate sufficient cashflows to repay the amounts subjected to the write-off.

The Group performs ongoing credit evaluation of its counterparties' financial condition and generally does not require collateral.

The Group and Company do not have any significant credit exposure to any single counterparty or any groups of counterparties having similar characteristics other than the geographical location of their operations.

27. Financial instruments and financial risks (Cont'd)

Credit risk (Cont'd)

Credit risk concentration profile

The Group is principally engaged in the production and sale of zipper sliders, zipper chains, provision of colour dyeing of fabric tapes for zippers, electroplating services for zipper sliders and manufacturing and sales of dyed yarn. The Group is also engaged in the trading of raw materials in Hong Kong. The products are sold to a diversified customer base which is in numerous industry sectors. The Group determines concentrations of credit risk by monitoring the country of its trade receivables on an ongoing basis. The credit risk concentration profile of the Group's trade receivables at the end of the reporting period is as follows:

	Group			
	2025		2024	
By country:	**RMB'000**	**% of total**	**RMB'000**	**% of total**
People's Republic of China	153,485	72	176,217	72
Hong Kong	60,624	28	69,110	28
	214,109	100	245,327	100

At the end of the reporting year, approximately 68% (2024: 69%) of the Group's trade receivables were due from 6 (2024: 5) major customers who are all trading companies located in the PRC and Hong Kong.

Trade receivables and bill receivables (Note 17)

The Group uses the practical expedient under SFRS(I) 9 in the form of allowance matrix to measure the ECL for trade receivables and bill receivables, where the loss allowance is equal to lifetime ECL.

The ECL for trade receivables and bill receivables are estimated using an allowance matrix by reference to the historical credit loss experience of the customers for the last 1 years prior to the respective reporting dates for various customer groups that are assessed by geographical locations, product types and internal ratings, adjusted for forward looking factors specific to the debtors and the economic environment which could affect the ability of the debtors to settle the financial assets. In considering the impact of the economic environment on the ECL rates, the Group assesses, for example, the gross domestic production growth rates of the countries and the growth rates of the major industries which its customers operate in.

Trade receivables and bill receivables are written off when there is evidence to indicate that the customer is in severe financial difficulty such as being under liquidation or bankruptcy and there are no reasonable expectations for recovering the outstanding balances.

27. Financial instruments and financial risks (Cont'd)

Credit risk (Cont'd)

Trade receivables and bill receivables (Note 17) (Cont'd)

The loss allowance for trade receivables and bill receivables are determined as follows:

	Trade receivables and bill receivables				
Group	Current	Past due more than 1 to 90 days	Past due more than 91 to 180 days	Past due more than 180 days	Total
31 December 2025					
Expected credit loss rates	0%	0%	0%	65%	
Trade receivables (gross)	51,182	89,503	52,753	59,579	253,017
Bill receivables (gross)	1,371	–	–	–	1,371
Loss allowance (including credit impaired)	–	–	–	(38,908)	(38,908)
31 December 2024					
Expected credit loss rates	0%	0%	0%	86%	
Trade receivables (gross)	86,639	101,404	50,252	48,702	286,997
Bill receivables (gross)	536	–	–	–	536
Loss allowance (including credit impaired)	–	–	–	(41,670)	(41,670)

Other receivables (Note 17) and advances to suppliers (Note 18)

The Group assessed on those suppliers' credit reputation and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets, except for those with objective evidence which indicated that financial assets were credit impaired. Accordingly, the Group measured the impairment loss allowance pursuant to the abovementioned credit risk grading categories and determined that loss allowances. The details of the impairment of other receivables and advances to suppliers are disclosed in Note 17 and 18.

Amounts due from subsidiaries (Note 17)

In its assessment of the credit risk of its subsidiaries, the Company considered amongst other factors, the financial position of the subsidiaries as of 31 December 2025. The Company assessed the impairment loss allowance of these amounts on a 12-month ECL basis consequent to their assessment and conclusion that these receivables are of low credit risk other than the credit impaired amount of RMB311,965,000 (2024: RMB311,965,000).

27. Financial instruments and financial risks (Cont'd)

Credit risk (Cont'd)

Amounts due from subsidiaries (Note 17) (Cont'd)

The movement in the loss allowance during the financial year and the Group's exposure to credit risk in respect of the trade receivables, bill receivables, other receivables and prepayments are as follows:

	Group						Company		
	Trade receivables			Bill receivables	Other receivables and prepayments[a]		Other receivables and amounts due from subsidiaries		
Internal credit risk grading	Note (i) RMB'000	Category 4 RMB'000	Total RMB'000	Note (i) RMB'000	Category 2 RMB'000	Total RMB'000	Category 1 RMB'000	Category 4 RMB'000	Total RMB'000
Loss allowance									
Balance at 1 January 2024	–	52,303	52,303	–	13,411	13,411	–	311,965	311,965
Net remeasurement of loss allowance	–	(10,633)	(10,633)	–	(2,692)	(2,692)	–	–	–
Balance at 31 December 2024	–	41,670	41,670	–	10,719	10,719	–	311,965	311,965
Disposal of subsidiary	–	(4,609)	(4,609)	–	–	–	–	–	–
Net remeasurement of loss allowance	–	1,847	1,847	–	736	736	–	–	–
Balance at 31 December 2025	–	38,908	38,908	–	11,455	11,455	–	311,965	311,965
Gross carrying amount									
At 31 December 2024	245,327	41,670	286,997	536	76,837	76,837	244,345	311,965	556,310
At 31 December 2025	214,109	38,908	253,017	1,371	62,969	62,969	243,657	311,965	555,622
Net carrying amount									
At 31 December 2024	245,327	–	245,327	536	66,118	66,118	244,345	–	244,345
At 31 December 2025	214,109	–	214,109	1,371	51,514	51,514	243,657	–	243,657

Note (i) For trade receivables, the Group uses the practical expedient under SFRS(I) 9 in the form of an allowance matrix to measure the ECL, where then loss allowance is equal to lifetime ECL.

[a] Excluding VAT receivables.

27. Financial instruments and financial risks (Cont'd)

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility using stand-by credit facilities.

The Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and mitigate the effects of fluctuations in cash flows. The Group's liquidity risk management policy is to maintain sufficient liquid financial assets and funding flexibility using bank loans and bills when necessary. At the end of the reporting period, 100% (2024: 100%) of the Group's borrowings will mature in less than one year based on the carrying amount reflected in the financial statements.

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is sufficiently available and debt maturing within 12 months can be rolled over with existing lenders.

Analysis of financial instruments by remaining contractual maturities

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

	One year or less	
	2025	2024
	RMB'000	RMB'000
Group		
Financial assets:		
Trade and other receivables [(a)]	217,531	254,551
Cash and short-term deposits	191,916	169,634
Total undiscounted financial assets	409,447	424,185
Financial liabilities:		
Trade and other payables [(b)]	60,128	59,111
Loans and borrowings	113,623	204,575
Total undiscounted financial liabilities	173,751	263,686
Total net undiscounted financial assets	235,696	160,499

(a) Excluding VAT receivables

(b) Excluding VAT payables and advances from customers

27. Financial instruments and financial risks (Cont'd)

Liquidity risk (Cont'd)

Analysis of financial instruments by remaining contractual maturities (Cont'd)

	One year or less	
	2025 RMB'000	2024 RMB'000
Company		
Financial assets:		
Trade and other receivables	243,657	244,345
Cash and short-term deposits	84	115
Total undiscounted financial assets	243,741	244,460
Financial liabilities:		
Trade and other payables	2,575	7,881
Total undiscounted financial liabilities	2,575	7,881
Total net undiscounted financial assets	241,166	236,579

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 their short-term bank loans.

The Group's policy is to obtain the most favourable interest rates available.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if RMB interest rates had been 100 (2024: 100) basis points lower/higher and all other variables were held constant, the Group's profit before income tax would have been RMB783,000 (2024: RMB349,000) higher/lower, arising mainly as a result of lower/higher interest expenses/income on floating rate cash and short-term deposits, bills payables to banks and floating rate bank loans. The assumed movement in basis points for interest rate sensitivity analysis is based on the currently observable market environment, showing a significantly lower volatility as in prior financial years.

27. Financial instruments and financial risks (Cont'd)

Foreign currency risk

The Group collects most of its revenue and incurs most of its expenditures in RMB. Cash and bank balances of the Group are mainly denominated in RMB. The Group currently does not have a foreign currency hedging policy as management considers the foreign exchange risk exposure of the Group to be limited. However, the Group monitors currency risk exposure by periodically reviewing foreign currency exchange rates and will consider hedging significant foreign currency exposure should the need arise.

The Group's operations are primarily conducted in the PRC in RMB. Currently, the PRC government imposes control over foreign currencies, RMB, the official currency in the PRC, is not freely convertible. Enterprises operating in the PRC can enter into exchange transactions through the People's Bank of China or other authorised financial institutions.

Payments for imported materials or services, which are outside the PRC, are subject to the availability of foreign currency which depends on the foreign currency denominated earnings of the enterprises. Exchanges of RMB for foreign currency must be arranged through the People's Bank of China or other authorised financial institutions and is granted to enterprises in the PRC for valid reasons such as purchase of imported materials and remittance of earnings. While conversion of RMB into other currencies can generally be effected at the People's Bank of China or other authorised financial institutions, there is no guarantee that it can be effected at all times.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's and of the Company's profit before tax to a reasonably possible change in the HKD and USD exchange rates against RMB, with all other variables held constant.

	Group		Company	
	2025	2024	2025	2024
	Increase/(Decrease) in profit before tax		Increase/(Decrease) in profit before tax	
	RMB'000	RMB'000	RMB'000	RMB'000
HKD – strengthened 5% (2024: 5%)	(15)	(13)	(2)	(1,118)
– weakened 5% (2024: 5%)	15	13	2	1,118
USD – strengthened 5% (2024: 5%)	(118)	(112)	–	–
– weakened 5% (2024: 5%)	118	112	–	–

28. Fair value of assets and liabilities

The fair values of applicable assets and liabilities are determined as follows:

(a) Level 1 – the fair values of assets and liabilities with standard terms and conditions and which trade in active liquid markets that the Group can access at the measurement date are determined with reference to quoted market prices (unadjusted).

(b) Level 2 – in the absence of quoted market prices, the fair values of the assets and liabilities (excluding derivative instruments) are determined using the other observable, either directly or indirectly, inputs such as quoted prices for similar assets/liabilities in active markets, quoted prices for identical or similar assets/liabilities in non-active markets.

(c) Level 3 – in the absence of quoted market prices included within Level 1 and observable inputs included within Level 2, the fair values of the remaining assets and liabilities are determined in accordance with generally accepted pricing models.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

Recurring Fair Value Measurement	**Level 1 RMB'000**	**Level 2 RMB'000**	**Level 3 RMB'000**
Group			
2025			
Non-financial assets:			
Investment properties	–	–	39,000
2024			
Non-financial assets:			
Investment properties	–	–	42,060

Movements in Level 3 assets and liabilities subject to recurring fair value measurements

The following table presents the reconciliation for all assets and liabilities measured at fair value based on significant unobservable inputs (Level 3):

	Investment properties	
	2025 RMB'000	**2024 RMB'000**
At 1 January	42,060	42,060
Fair value change recognised in profit or loss	(3,060)	–
At 31 December	39,000	42,060

28. Fair value of assets and liabilities (Cont'd)

Valuation policies and procedures

The Group's Finance Director ("FD") oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures and reports to the Group's Audit Committee.

It is the Group's policy to engage external valuation experts to perform all significant financial reporting valuations using valuation models and significant unobservable inputs. The FD is responsible for selecting and engaging valuation experts that possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies, and SFRS(I) 13 *Fair Value Measurement guidance*. He also reviews the appropriateness of the valuation methodologies and assumptions adopted and evaluates the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

At least on an annual basis, the FD evaluates all significant changes in fair value measurements for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources, if necessary and appropriate.

The analysis and results of the external valuations and then reported to the Audit Committee on a quarterly basis who then performs a high-level independent review of the valuation process and results and recommends if any revisions need to be made before presenting the results to the Board of Directors for approval. During the financial year, there is no change in the valuation technique of the various classes of financial instruments.

29. Capital management

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios 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. No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 2024.

As disclosed in Note 21(a), PRC subsidiaries are required by the relevant law and regulations of the PRC to contribute to and maintain a non-distributable statutory reserve fund whose utilisation is subject to approval by the relevant PRC authorities. This externally imposed capital requirement has been complied with by the above-mentioned subsidiaries for the financial years ended 31 December 2025 and 2024.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, trade and other payables and loans and borrowings, less cash and unpledged fixed deposits. Capital includes equity attributable to the owners of the Company less restricted statutory reserve fund.

29. Capital management (Cont'd)

	Group	
	2025 RMB'000	2024 RMB'000
Trade and other payables	100,166	96,013
Loans and borrowings	113,623	204,575
Less: Cash and unpledged deposits	(176,230)	(132,948)
Net debt	37,559	167,640
Equity attributable to owners of the Company	597,251	571,180
Less: Reserve fund	(67,593)	(67,552)
Total capital	529,658	503,628
Capital and net debt	567,217	671,268
Gearing ratio	0.07	0.25

30. Dividends

A final dividend in respect of the financial year ended 31 December 2025 of RMB0.15 (equivalent to approximately SGD0.027) (2024: Nil) per ordinary share amounting to a total of RMB3,031,000 (equivalent to approximately SGD554,000) (2024: Nil) will be recommended at the forthcoming Annual General Meeting and is subject to the approval by the shareholders. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2026.

STATISTICS OF SHAREHOLDINGS

As at 18 March 2026

Authorised share capital	:	S$200,000,000
Issued and fully-paid up capital	:	S$404,109 (equivalent to approximately RMB2,202,000)
No. of shares issued (excluding Treasury shares)	:	20,205,438
Class of shares	:	Ordinary share of par value S$0.02 each
Voting rights	:	One vote per share

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	111	10.28	4,862	0.03
100 – 1,000	624	57.78	286,813	1.42
1,001 – 10,000	270	25.00	782,738	3.87
10,001 – 1,000,000	73	6.76	7,593,545	37.58
1,000,001 AND ABOVE	2	0.18	11,537,480	57.10
TOTAL	**1,080**	**100.00**	**20,205,438**	**100.00**

TREASURY SHARES AND SUBSIDIARY HOLDINGS

Number of treasury shares held	:	277,720
Percentage of treasury shares held against total number of issued shares (excluding treasury shares)	:	1.37%
Number of subsidiary holdings	:	NIL

STATISTICS OF SHAREHOLDINGS

As at 18 March 2026

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	HONG QINGLIANG	10,068,640	49.83
2	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	1,468,840	7.27
3	KHOE HONG OAN	852,000	4.22
4	TOE TEOW HENG	833,000	4.12
5	LIM & TAN SECURITIES PTE LTD	671,900	3.33
6	UOB KAY HIAN PRIVATE LIMITED	652,320	3.23
7	GOH CHER NGANN	550,000	2.72
8	DBS NOMINEES (PRIVATE) LIMITED	452,740	2.24
9	MAYBANK SECURITIES PTE. LTD.	414,288	2.05
10	PHILLIP SECURITIES PTE LTD	300,308	1.49
11	TAN KIM SENG	180,000	0.89
12	CITIBANK NOMINEES SINGAPORE PTE LTD	154,540	0.76
13	OCBC SECURITIES PRIVATE LIMITED	152,160	0.75
14	MOOMOO FINANCIAL SINGAPORE PTE. LTD.	136,120	0.67
15	WONG PANG FEI	115,384	0.57
16	RAFFLES NOMINEES (PTE.) LIMITED	113,250	0.56
17	GILLIAN NG LEE ENG	100,640	0.50
18	SEOW SENG WEI	100,000	0.49
19	TAN JUN KAH DERRICK(CHEN DUNJIA)	100,000	0.49
20	TANG HEE SUNG	100,000	0.49
	TOTAL	**17,516,130**	**86.67**

SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders as at 18 March 2026)

	Direct Interest	%	Deemed Interest	%
Hong Qing Liang	10,068,640	49.83	–	–

PERCENTAGE OF SHAREHOLDINGS IN PUBLIC HANDS

Approximately 48.33 % of the Company's shares are held in the hands of public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of Singapore Exchange Securities Trading Limited.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**" or the "**Meeting**") of the Company will be convened and held at Level 3, Function Room 3-1, 60 Cecil Street, ISCA House, Singapore 049709 on Wednesday, 29 April 2026 at 11.00 a.m. for the purposes of transacting the following business:–

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2025 ("**FY2025**"), together with the Independent Auditor's Report thereon. **(Resolution 1)**

2. To declare and approve the payment of a final tax-exempt (one-tier) dividend of RMB0.15 per ordinary share in respect of FY2025. **(Resolution 2)**

3. To re-elect the following Directors of the Company (the "**Directors**") who are retiring pursuant to Bye-law 86 of the Company's Bye-laws and who, being eligible, offer themselves for re-election as Directors:–

   (a) Mr. Hong Peng You **(Resolution 3)**
   [See Explanatory Note (i)]

   (b) Mr. Low See Lien **(Resolution 4)**
   [See Explanatory Note (ii)]

4. To approve the payment of Directors' fees of S$118,928 for the financial year ending 31 December 2026, to be paid half yearly in arrears (FY2025: S$118,928). **(Resolution 5)**

5. To re-appoint Messrs RT LLP as the Independent Auditors of the Company to hold office until the next AGM and to authorise the Directors of the Company to fix their remuneration. **(Resolution 6)**

6. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

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

7. Authority to allot and issue shares in the capital of the Company **(Resolution 7)**

"That pursuant to Rule 806 of the Listing Manual (the "**Listing Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), authority be and is hereby given to the Directors to:–

(a) (i) pursuant to Bye-law 12(1) of the Company's Bye-laws, allot and issue shares in the capital of the Company (the "**Shares**") whether by way of rights, bonus or otherwise; and/or

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

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

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

provided that:–

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) shall not exceed fifty per cent. (50%) of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a *pro-rata* basis to existing shareholders of the Company (the "**Shareholders**") (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution), shall not exceed twenty per cent. (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) (as calculated in accordance with sub-paragraph (2) below);

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

(i) new Shares arising from the conversion or exercise of the Instruments or any convertible securities which are outstanding or subsisting at the time this Resolution is passed;

(ii) (where applicable) new Shares arising from the exercise of share options or vesting of share awards, provided that such share options or share awards (as the case may be) were granted in compliance with Part VIII of Chapter 8 of the Listing Rules; and

(iii) any subsequent bonus issue, consolidation or subdivision of shares;

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

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions the Listing Rules (including supplemental measures hereto) for the time being in force (unless such compliance has been waived by the SGX-ST), and the Bye-laws of the Company; and

(4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until (i) the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier, or (ii) in the case of Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such Shares in accordance with the terms of the Instruments."

[See Explanatory Note (iii)]

8. Adoption of the Share Buyback Mandate **(Resolution 8)**

"That:

(a) pursuant to Bye-law 3(2) of the Company's Bye-laws, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire Shares not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) on-market purchase(s) ("**Market Purchase**"), transacted on the SGX-ST through the ready market, through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or

(ii) off-market purchase(s) ("**Off-Market Purchase**") effected pursuant to an equal access scheme, as may be determined or formulated by the Directors as they consider fit, and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act 1981 of Bermuda, and Listing Rules as may for the time be applicable,

be and is hereby authorised and approved generally and unconditionally (the "**Share Buyback Mandate**");

(b) the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution and expiring on the earlier of:

(i) the date on which the next AGM is held or required to be held;

(ii) the date on which Share Buyback have been carried out to the full extent mandated; or

(iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by Shareholders in a general meeting;

(c) In this resolution:

"**Maximum Limit**" means the number of issued shares representing 10% of the issued share capital of the Company as at the date of the passing of this Resolution;

"**Maximum Price**" means the purchase or acquisition price (excluding brokerage, commission, stamp duties, applicable goods and services tax, clearance fees and other related expenses) to be paid for the Shares will be determined by the Directors. However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

(i) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter) of the Shares; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price (as defined hereinafter) of the Shares, where:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five (5) Market Days on the SGX-ST, on which transactions in the Shares were recorded, preceding the day of the Market Purchase or, as the case may be, the date of the making of the offer pursuant to the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) Market Day period and the day on which the purchases are made;

(d) the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution."

[See Explanatory Note (iv)]

9. Adoption of the Fuxing Scrip Dividend Scheme (Resolution 9)

"That:

(a) the scrip dividend scheme to be known as the "Fuxing Scrip Dividend Scheme" ("**Scrip Dividend Scheme**"), under which the Directors of the Company may, whenever the Directors of the Company or the Company in general meeting have resolved that a dividend (including an interim, final, special or other dividend) be paid or declared on the ordinary shares of par value S$0.02 each in the capital of the Company ("**Ordinary Shares**"), determine that shareholders of the Company entitled to such dividend may elect to receive an allotment of Ordinary Shares in the Company credited as fully paid in lieu of cash in respect of the dividend, be and is hereby approved;

(b) the Directors of the Company be and are hereby authorised:

(i) to establish and administer the Scrip Dividend Scheme;

(ii) to modify and/or alter the Scrip Dividend Scheme from time to time and to do all such acts and things and to enter into all such transactions and arrangements as may be necessary or expedient in order to give full effect to the Scrip Dividend Scheme; and

(iii) to complete and do all acts and things (including executing such documents as may be required in connection with the Scrip Dividend Scheme) as they or any of them may consider desirable, necessary or expedient to give full effect to this Ordinary Resolution and the Scrip Dividend Scheme."

[See Explanatory Note (v)]

10. Authority to allot and issue shares in the capital of the Company under the Fuxing Scrip Dividend Scheme (Resolution 10)

"That, subject to and contingent upon the passing of Ordinary Resolution 9, pursuant to Rule 806 of the Listing Manual and Bye-law 12(1) of the Company's Bye-laws:

(i) the Directors of the Company be and are hereby authorised to allot and issue such number of new Shares from time to time as may be required to be allotted and issued by the Company pursuant to the Fuxing Scrip Dividend Scheme; and

(ii) the Directors be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or any Director may consider desirable, necessary or expedient to give full effect to this Ordinary Resolution and the Fuxing Scrip Dividend Scheme."

[See Explanatory Note (vi)]

BY ORDER OF THE BOARD

Chua Kern
Company Secretary

Singapore,
14 April 2026

Explanatory Notes:

(i) Mr. Hong Peng You ("**Mr. Hong PY**") will, upon re-election as a Director, remain as the Executive Director and Director of Finance and Administration of the Company. Detailed information on Mr. Hong PY can be found under the sections entitled "Board of Directors", "Corporate Governance Report" in the Company's Annual Report FY2025.

(ii) Mr. Low See Lien ("**Mr. Low**") will, upon re-election as a Director, remain as the Lead Independent Director, the Chairman of the Audit Committee, a member of the Nominating Committee and the Remuneration Committee. There are no relationships (including family relationship) between Mr. Low and the other Directors, the Company, its related corporations, its officers or its substantial shareholders, which may affect his independence. The Board considers Mr. Low to be independent for the purpose of Rule 704(8) of the Listing Rules. Detailed information on Mr. Low can be found under the sections entitled "Board of Directors", "Corporate Governance Report" in the Company's Annual Report FY2025.

(iii) **Ordinary Resolution 7** proposed in item 7 above, if passed, will empower the Directors from the date of this AGM until the date of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to allot and issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any), of which up to twenty per cent. (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) may be issued other than on a *pro-rata* basis to existing Shareholders.

For the purpose of determining the aggregate number of Shares that may be issued, the percentage of issued Shares will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings, if any) at the time this Resolution is passed after adjusting for new Shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards which are outstanding or subsisting at the time when this Resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

(iv) **Ordinary Resolution 8** proposed in item 8 above, if passed, will empower the Directors from the date of this AGM until the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier, to buyback ordinary shares of the Company by way of Market Purchase or Off-Market Purchase of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the Maximum Price as defined in the Section 2.3.4 of the Addendum. The rationale for, the authority and limitation on, the sources of funds to be used for the purchase or acquisition including the amount of financing and the financial effects of the purchase or acquisition of ordinary shares by the Company pursuant to the Share Buyback Mandate on the audited consolidated financial statement of the Group for the financial year ended 31 December 2025 are set out in greater detail in the Addendum dated 14 April 2026 in the Annual Report 2025.

(v) **Ordinary Resolution 9** proposed in item 9 above, if passed, will empower the Directors to (i) establish and administer the Fuxing Scrip Dividend Scheme; and (ii) to modify and/or alter the Scrip Dividend Scheme from time to time, amongst others. Members are advised to refer to Company's announcement dated 13 April 2026, which sets out the rationale and purpose for the Fuxing Scrip Dividend Scheme, and the appendix to the said announcement containing the Fuxing Scrip Dividend Scheme Statement (the "**Statement**"), which sets out the terms and conditions of the Fuxing Scrip Dividend Scheme. The said announcement and the Statement are available at the Company's website at https://www.3fzipper-ir.com/ and are also available on the SGXNET at https://www.sgx.com/securities/company-announcements. An internet browser and PDF reader are required to view these documents on SGXNET or the Company's website.

(vi) **Ordinary Resolution 10** proposed in item 10 above, if passed, will empower the Directors of the Company to allot and issue new Shares pursuant to the Fuxing Scrip Dividend Scheme to shareholders who, in respect of a qualifying dividend, have elected to receive shares in lieu of the cash amount of that qualifying dividend. The authority conferred by Ordinary Resolution 10 will, unless previously revoked or varied by the Company in general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is the earlier.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

1. Members will be able to vote at the AGM in person, or by appointing proxy(ies) to vote on their behalf. A member can appoint the Chairman of the AGM as his/her/its proxy but this is not mandatory. A proxy need not be a member of the Company.

2. If a Depositor (who is not an individual) whose name appears in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore) wishes to attend and vote at the AGM, then he/she/it should complete the Depositor Proxy Form and deposit the duly completed Depositor Proxy Form at the office of the **Company's Singapore Share Transfer Agent at Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, Keppel Bay Tower #14-07, Singapore 098632 by 11.00 a.m. on Sunday, 26 April 2026** (being not less than seventy-two (72) hours before the time appointed for holding the AGM).

3. If the Depositor is a corporation, the instrument appointing a proxy must be executed under its seal or the hand of its duly authorised officer or attorney.

4. The AGM will be held in a wholly physical format at Level 3, Function Room 3-1, 60 Cecil Street, ISCA House, Singapore 049709 on Wednesday, 29 April 2026 at 11.00 a.m.. There will be no option for members to participate virtually.

   Members may participate in the AGM by:–

   (i) attending the AGM in person;
   (ii) submitting questions to the Chairman of the AGM in advance of, or at, the AGM; and/or
   (iii) voting at the AGM (i) themselves; or (ii) through duly appointed proxy(ies).

   Printed copies of the Notice of AGM and the accompanying Proxy Form will be sent by post to members and published on the SGXNet at https://www.sgx.com/securities/company-announcements.

   The Annual Report for FY2025 ("**Annual Report FY2025**") will be published on the SGXNet at the URL https://www.sgx.com/securities/company-announcements. Printed copies of the Annual Report FY2025 will not be sent to members unless requested for by a member submitting a request by email to oilinfxcg@gmail.com by 22 April 2026. The following information must be provided:–

   (i) the member's full name;
   (ii) the member's address; and
   (iii) the manner in which the shares are held.

   A printed copy of the Annual Report FY2025 will then be sent to the address specified by the member.

   Details of the steps for registration, submission of questions and voting at the AGM by members are set out below:

A. Attend in person at the AGM

Members and (where applicable) duly appointed proxies can attend the AGM in person. They will first need to register personally at the registration counter(s) outside the AGM venue on the day of the event, and should bring along their NRIC/passport to enable the Company to verify their identity for entry to, and (where applicable) be provided with a handheld device for electronic voting at, the physical meeting.

Registration will commence at 10.00 a.m.. Members are advised not to attend the AGM if they are feeling unwell.

B. Submit questions in advance of, or at, the AGM

Members, including Supplementary Retirement Scheme Investors ("SRS Investors"), can submit substantial and relevant questions related to the resolutions to be tabled at the AGM in advance of, or at, the AGM.

Submitting questions in advance of the AGM. Members including, SRS Investors, may submit substantial and relevant questions related to the resolutions to be tabled at the AGM to the Chairman of the AGM, in advance of the AGM, in the following manner:

- **Via email.** Members may submit their questions via email to oilinfxcg@gmail.com.

When submitting questions via email, members should provide the Company with the following details to enable the Company to verify their status as members:–

(i) the member's full name (as per CDP records);
(ii) the last four alphanumeric characters of the member's NRIC/FIN/Passport No./Company Registration Number;
(iii) the member's address; and
(iv) the manner in which the member holds his/her/its shares in the Company (e.g., CDP).

Deadline for submitting questions in advance of the AGM. All questions submitted in advance of the AGM via email must be received by the Company by 11.00 a.m. on 21 April 2026.

Asking questions at the AGM. Members and (where applicable) duly appointed proxies may also ask the Chairman of the AGM substantial and relevant questions related to the resolutions to be tabled for approval at the AGM, at the AGM itself.

Addressing questions. The Company will address all substantial and relevant questions received from members by the submission deadline by publishing its responses to such questions by **11.00 a.m. on Friday, 24 April 2026** on the SGX website prior to the AGM.

The Company will address any subsequent clarifications sought, or substantial and relevant follow-up questions (which are related to the resolutions to be tabled for approval at the AGM) received after the 21 April 2026 submission deadline which have not already been addressed prior to the AGM, as well as those substantial and relevant questions received at the AGM, at the AGM itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

Minutes of AGM. The Company will publish the minutes of the AGM on the SGX website, and the minutes will include the responses to substantial and relevant questions and clarifications from members (if any) which are addressed during the AGM within one (1) month after the date of the AGM.

C. Vote in person, or appoint proxy(ies) to vote, at the AGM

Members can vote at the AGM themselves or through duly appointed proxy(ies). Please refer to paragraph A. above regarding registration in person at the AGM venue.

Members who wish to appoint a proxy(ies) must submit an instrument appointing a proxy(ies).

Submission of instruments appointing a proxy(ies). The instrument appointing a proxy(ies) must be submitted to the Company.

(i) if submitted by email, to oilinfxcg@gmail.com; or

(ii) if submitted by post, be deposited at the Company's Singapore Share Transfer Agent, Boardroom Corporate & Advisory Services Pte. Ltd. at 1 Harbourfront Avenue, #14-07 Keppel Bay Tower, Singapore 098632,

in either case, by **11.00 a.m. on Sunday, 26 April 2026** (being not less than seventy-two (72) hours before the time appointed for holding the AGM) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

A member who wishes to submit an instrument appointing a proxy(ies) can either use the printed copy of the Proxy Form which is sent to him/her/it by post, and complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and submitting it by email to the email address provided above.

If a member wishes to appoint the Chairman of the AGM as proxy, such member (whether individual or corporate) must give specific instructions as to voting for, voting against, or abstentions from voting on, each resolution in the instrument appointing the Chairman of the AGM as proxy. If there is no specific instruction as to voting or abstentions from voting in respect of a resolution in the form of proxy, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.

Where a member appoints proxy(ies), he/she/it may give specific instructions as to voting, or abstentions from voting, in respect of the resolutions in the Proxy Form, failing which the proxy(ies) will vote or abstain from voting at his/her/its discretion, as he/she/it may on any other matter arising at the AGM.

Deemed revocation of proxy appointment if member attends the AGM in person. Completion and submission of the instrument appointing a proxy(ies) by a member will not prevent him/her from attending, speaking and voting at the AGM if he/she so wishes. The appointment of a proxy(ies) for the AGM shall be deemed to be revoked if the member attends the AGM in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the relevant instrument appointing a proxy(ies), to the AGM.

Please refer to the detailed instructions set out in the Proxy Form.

Personal Data Privacy

"Personal data" in this Notice of AGM has the same meaning as "personal data" in the Personal Data Protection Act 2012 of Singapore, which includes his/her name, address and NRIC/Passport number.

By attending the AGM and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company:–

(i) consents to the collection, use and disclosure of the member's personal data by the Company (or its respective agents or service providers) for the purpose of the processing and administration by the Company (or its respective agents or service providers) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes, questions submitted and the answers thereto for disclosure and publication before, at or after (as the case may be) the AGM and/or on SGXNet and the Company's corporate website (including publication of names of the shareholders/ proxies/representatives asking questions) and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its respective agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**");

(ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its respective agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its respective agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes;

(iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty; and

(iv) agrees and consents to such photographic, sound and/or video recordings of the AGM as may be made by the Company (or its respective agents or service providers) for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of the member (such as his/her/its name, his/her/its presence at the AGM and any questions he/she/it may raise or motions he/she/it may propose and/or second) may be recorded by the Company (or its respective agents or service providers) for such purpose.

ADDENDUM

THIS ADDENDUM IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION.

DATED 14 APRIL 2026

This Addendum is circulated to Shareholders (hereinafter defined) of Fuxing China Group Limited ("**Company**") together with the Company's annual report for the financial year ended 31 December 2025 ("**Annual Report**"). Its purpose is to provide Shareholders with the relevant information relating to, and to seek Shareholders' approval for the proposed adoption of the Share Buyback Mandate (hereinafter defined) to be tabled at the Annual General Meeting of the Company to be held on **29 April 2026** at **11:00 a.m.** physically at 60 Cecil Street, ISCA House, Level 3, Function Room 3-1, Singapore 049709.

The Singapore Exchange Securities Trading Limited ("**SGX-ST**") assumes no responsibility for the correctness of any of the statements made, reports contained or opinions expressed in this Addendum.

If you are in any doubt as to the contents herein or as to any action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or any other professional adviser immediately.

Fuxing China Group Limited

(Incorporated in Bermuda)
(Company Registration No. 38973)

ADDENDUM TO ANNUAL REPORT

IN RELATION TO THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

ADDENDUM

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DEFINITIONS

For the purpose of this Addendum, the following definitions have, where appropriate, been used:

"Act" or "Companies Act"	:	The Companies Act 1967 of Singapore, as amended or modified from time to time.
"Addendum"	:	This Addendum to Shareholders dated 14 April 2026.
"AGM"	:	The annual general meeting of the Company to be convened on 29 April 2026.
"Annual Report"	:	The annual report of the Company for FY2025.
"Approval Date"	:	Has the meaning ascribed to it in Section 2.3.1 *(Maximum number of Shares)* of this Addendum.
"Associate"	:	(a) in relation to any Director, CEO, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more.
"Average Closing Price"	:	Has the meaning ascribed to it in Section 2.3.4 *(Maximum Purchase Price)* of this Addendum.
"Bermuda Companies Act"	:	The Companies Act 1981 of Bermuda, as amended or modified from time to time.
"Board" or "Board of Directors"	:	The Board of Directors of the Company.
"Bye-laws"	:	The bye-laws of the Company as amended, supplemented or modified from time to time.
"CDP"	:	The Central Depository (Pte) Limited.
"CEO"	:	Chief Executive Officer.

ADDENDUM

"Company"	:	Fuxing China Group Limited
"Controlling Shareholder"	:	A person who: (a) holds directly or indirectly 15% or more of the total number of issued Shares excluding treasury shares and subsidiary holdings in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over the Company.
"Directors"	:	The directors of the Company for the time being.
"EPS"	:	Earnings per Share.
"Executive Director"	:	A director who is a full-time employee of the Company and who performs an executive function.
"FY"	:	Financial year of the Company ending or ended 31 December as the case may be.
"Group"	:	The Company and its subsidiaries.
"Latest Practicable Date"	:	The latest practicable date prior to the printing of this Addendum, being 2 April 2026.
"Listing Manual"	:	The listing manual of the SGX-ST, as amended, supplemented or modified from time to time.
"Listing Rules"	:	The listing rules under the Listing Manual.
"Market Day"	:	A day on which the SGX-ST is open for trading of securities.
"Market Purchase"	:	Has the meaning ascribed to it in Section 2.3.3 *(Manner of purchase of Shares)* of this Addendum.
"Maximum Price"	:	Has the meaning ascribed to it in Section 2.3.4 *(Maximum Purchase Price)* of this Addendum.
"Notice of AGM"	:	The notice of AGM enclosed with the Annual Report.
"NTA"	:	Net tangible assets.
"Off-Market Purchase"	:	Has the meaning ascribed to it in Section 2.3.3 *(Manner of purchase of Shares)* of this Addendum.
"Proxy Form"	:	The proxy form in respect of the AGM enclosed with the Annual Report.

"Relevant Period"	:	The period commencing from the date on which the forthcoming AGM is held and the resolution relating to the Share Buyback Mandate is passed and expiring on the date the next AGM is held or is required to be held, whichever is the earlier.
"RMB"	:	Renminbi, the lawful currency of the People's Republic of China.
"SFA"	:	The Securities and Futures Act 2001 of Singapore, as amended, supplemented or modified from time to time.
"SGX-ST"	:	Singapore Exchange Securities Trading Limited.
"Share Buyback"	:	The buyback of Shares by the Company pursuant to the terms of the Share Buyback Mandate.
"Share Buyback Mandate"	:	The mandate to enable the Company to purchase or otherwise acquire its Shares, the terms of which are set out in Section 2.3 *(Terms of the Share Buyback Mandate)* of this Addendum.
"Shareholders"	:	Registered holders of Shares, except that where the registered holder is CDP, the term "Shareholders" shall, in relation to the Shares held by CDP and where the context admits, mean the Depositors who have Shares entered against their names in the Depository Register.
"Share(s)"	:	Ordinary shares of par value S$0.02 each in the capital of the Company.
"Substantial Shareholder"	:	A Shareholder who has an interest directly or indirectly in not less than 5% of the total voting shares in the Company.
"Take-over Code"	:	The Singapore Code on Take-overs and Mergers, as the same may be amended or modified from time to time.
"treasury share"	:	A share of a company that was, or is treated as having been, acquired and held by the company and has been held continuously by the company since it was so acquired and has not been cancelled.
"S$", "$" and "cents"	:	Singapore dollars and cents, respectively.
"%" or "per cent"	:	Per centum or percentage.

ADDENDUM

The terms "**Depositor**" and "**Depository Register**" shall have the meanings ascribed to them respectively in Section 81SF of the SFA. The term "**subsidiary**" shall have the meaning ascribed to it in Section 5 of the Companies Act.

The term "**subsidiary holdings**" shall have the same meaning ascribed to it in the Listing Manual, as may be amended or modified from time to time.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall include corporations.

Any reference in this Addendum to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any word defined under the Bermuda Companies Act, Companies Act, SFA or the Listing Manual or any statutory modification thereof and not otherwise defined in this Addendum shall have the same meaning assigned to it under the Bermuda Companies Act, Companies Act, SFA or the Listing Manual or such statutory modification thereof, as the case may be.

Any reference to a time of day in this Addendum is made by reference to Singapore time unless otherwise stated.

Any discrepancies in tables included herein between the amounts listed and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables may not be an arithmetic aggregation of the figures that precede them.

Unless otherwise stated, the exchange rate between RMB and S$ as at the Latest Practicable Date was RMB5.3561 to S$1.00 (Source: Bloomberg). This exchange rate should not be construed as a representation that the RMB amounts could have been, or could be, converted into S$ at the rate stated, or at all, and vice versa.

Any reference to "**you**", "**your**" and "**yours**" in this Addendum is, as the context so determines, to Shareholders.

The headings in this Addendum are inserted for convenience only and shall not affect the construction of this Addendum.

Chancery Law Corporation has been appointed as the legal adviser to the Company in relation to the drafting of this Addendum.

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Fuxing China Group Limited

(Incorporated in Bermuda)
(Company Registration No. 38973)

Directors:

Hong Qing Liang	*Executive Chairman*
Hong Peng You	*Executive Director*
Low See Lien	*Lead Independent Director*
Koh Boon Chiao	*Independent Director*
Tsang Ngo Yin	*Independent Director*

Registered Office:

Clarendon House
2 Church Street
Hamilton HM 11
Bermuda

14 April 2026

To: The Shareholders of Fuxing China Group Limited

Dear Shareholder,

THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

1. INTRODUCTION

1.1 AGM

The Board is convening an AGM to be held on 29 April 2026 to seek the approval of Shareholders for, *amongst others*, the proposed adoption of the Share Buyback Mandate.

1.2 Purpose of Addendum

The purpose of this Addendum is to provide Shareholders with the relevant information pertaining to the matters set out in Section 1.1 (*AGM*) of this Addendum, and to seek Shareholders' approval for the resolution in respect thereof to be tabled at the AGM, as set out in the Notice of AGM.

This Addendum has been prepared solely for the purpose set out herein and may not be relied upon by any persons (other than Shareholders) or for any other purpose.

ADDENDUM

2. THE PROPOSED ADOPTION OF THE SHARE BUYBACK MANDATE

2.1 Background

As a Bermuda-incorporated company which is listed on the Mainboard of the SGX-ST, any purchases or acquisitions of Shares by the Company will have to be made in accordance with and subject to the provisions of the Listing Manual, the Take-over Code, the Bermuda Companies Act, the Bye-laws and such other laws and regulations as may from time to time be applicable.

Under the Bermuda Companies Act, a company incorporated in Bermuda may, if authorised to do so by its memorandum of association or bye-laws, purchase its own shares, whether to be held as treasury shares or for cancellation, provided that no such purchase may be effected if, on the date on which the purchase is to be effected, there are reasonable grounds for believing that the company is, or after the purchase would be, unable to pay its liabilities as they become due. Bye-law 3(2) of the Bye-laws provides that the Company may purchase its own Shares.

Under Rule 881 of the Listing Manual, a company which wishes to purchase or acquire its own shares should obtain the prior specific approval of its shareholders in a general meeting. Accordingly, the Company is seeking Shareholders' approval for the proposed adoption of the Share Buyback Mandate at the AGM on 29 April 2026. If the proposed adoption of the Share Buyback Mandate is approved, the Share Buyback Mandate will take effect from the date of the forthcoming AGM and continue in force until the date of the next AGM or such date as the next AGM is required to be held, unless prior thereto, the Share Buyback is carried out to the full extent mandated or the Share Buyback Mandate is revoked or varied by the Company in a general meeting. The Share Buyback Mandate will be put to Shareholders for renewal at each subsequent AGM or SGM of the Company as the case may be.

The Company's share capital presently comprises only one (1) class of shares, namely, the Shares. As at the Latest Practicable Date, the Company has (i) a total issued and paid-up share capital of 20,205,438 Shares, of which 277,720 Shares are held as treasury shares, and (ii) a market capitalisation of approximately S$13.9 million (based on the closing price of S$0.69 on 31 March 2026, being the date on which the Shares were last traded prior to the Latest Practicable Date).

2.2 Rationale for the proposed adoption of the Share Buyback Mandate

The Share Buyback Mandate will give the Company the flexibility to undertake purchases of its issued Shares at any time, subject to market conditions, during the period in which the Share Buyback Mandate is in force.

The Share Buyback Mandate will accord the Company greater flexibility in managing its capital to achieve a more efficient capital structure, and would also allow the Company to enhance its return to Shareholders on an ongoing basis. Shares purchased or acquired by the Company pursuant to the Share Buyback Mandate can be held as treasury shares.

Furthermore, short-term speculation may at times cause the market price of the Company's Shares to be depressed below the intrinsic value of the Company and the Group. The Share Buyback Mandate will provide the Directors with the means to restore investors' confidence and to protect existing Shareholders' investments in the Company in a depressed share-price situation through judicious purchases of Shares to bolster Shareholders' confidence. Shares purchased or acquired by the Company will also enhance the net asset value per Share if the Share purchases and acquisitions are made at a price below the net asset value per Share.

The Directors will act judiciously and will only purchase or acquire Shares pursuant to the Share Buyback Mandate as and when the circumstances permit and only if the Directors are of the view that such purchases are in the best interests of the Company and the Shareholders.

The Directors do not propose to carry out Share Buybacks to an extent that would, or in circumstances that might, result in a material adverse effect on the liquidity and/or the orderly trading of the Shares and/or the financial position of the Group, taking into account the working capital requirements of the Company or the gearing levels, which in the opinion of the Directors, are from time to time appropriate for the Company.

2.3 Terms of the Share Buyback Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the Share Buyback Mandate are summarised below:

2.3.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company.

The total number of Shares that may be purchased or acquired by the Company pursuant to the Share Buyback Mandate is limited to that number of Shares representing not more than 10% of the issued ordinary share capital of the Company as at the date of the AGM at which the proposed adoption of the Share Buyback Mandate is approved ("**Approval Date**") (unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period, in which event the issued ordinary share capital of the Company shall be taken to be the amount of the issued ordinary share capital of the Company as altered excluding any treasury shares and subsidiary holdings that may be held by the Company from time to time).

For illustrative purposes only, on the basis of 20,205,438 issued and paid-up Shares (excluding treasury shares and subsidiary holdings) as at the Latest Practicable Date, and assuming (a) no further Shares are issued on or prior to the AGM; and (b) no further Shares are purchased or acquired by the Company on or prior to the AGM, exercise in full of the Share Buyback Mandate would result in the purchase or acquisition of 2,020,543 Shares.

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2.3.2 Duration of authority

Purchases or acquisitions of Shares may be made, at any time and from time to time, on and from the Approval Date, up to the earliest of:

(a) the date on which the next AGM of the Company is held or required to be held;

(b) the date on which the Share Buyback is carried out to the full extent mandated; or

(c) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Shareholders in a general meeting.

2.3.3 Manner of purchase of Shares

Purchases or acquisitions of Shares may be made by way of:

(a) on-market purchases ("**Market Purchase**"), transacted on the SGX-ST through the SGX-ST's trading system or, as the case may be, any other securities exchange on which the Shares may for the time being be listed and quoted, through one (1) or more duly licensed stockbrokers appointed by the Company for the purpose; and/or

(b) off-market purchases ("**Off-Market Purchase**") (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Bermuda Companies Act, the Companies Act, the Listing Manual and the Bye-laws.

Under the Listing Manual, an equal access scheme, as defined in Section 76C of the Companies Act, must satisfy all of the following conditions:

(a) offers for the purchase or acquisition of issued Shares shall be made to every person who holds issued Shares to purchase or acquire the same percentage of their issued Shares;

(b) all of those persons shall be given a reasonable opportunity to accept the offers made; and

(c) the terms of all the offers are the same, except that there shall be disregarded:

(i) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;

(ii) (if applicable) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and

(iii) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

The Listing Manual also provides that, in making an Off-Market Purchase, the Company must issue an offer document to all Shareholders which must contain at least the following information:

(A) the terms and conditions of the offer;

(B) the period and procedures for acceptances;

(C) the reasons for the proposed Share Buyback;

(D) the consequences, if any, of the Share Buyback by the Company that will arise under the Take-over Code or other applicable take-over rules;

(E) whether the Share Buyback, if made, would have any effect on the listing of the Shares on the SGX-ST;

(F) details of any Share Buyback made by the Company in the previous 12 months (whether Market Purchase or Off-Market Purchase), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases, where relevant, and the total consideration paid for the purchases; and

(G) whether the Shares purchased by the Company will be cancelled or kept as treasury shares.

2.3.4 Maximum Purchase Price

The purchase price (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) to be paid for the Shares will be determined by the Directors. However, the purchase price to be paid for a Share as determined by the Directors must not exceed:

(a) in the case of a Market Purchase, 105% of the Average Closing Price (as defined hereinafter); and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Average Closing Price (as defined hereinafter),

("**Maximum Price**") in either case, excluding related expenses of the purchase.

For the above purpose, "**Average Closing Price**" means the average of the closing market prices of a Share over the last five (5) Market Days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five-day period.

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2.4 Status of purchased Shares under the Share Buyback Mandate

Under the Bermuda Companies Act, where a company, as authorised by its memorandum of association or bye-laws, purchases its own shares, the shares so purchased may either be cancelled (in which event, the company's issued, but not its authorised, share capital will be diminished by the nominal value of those shares accordingly) or be held as treasury shares (if authorised to do so by its memorandum of association or bye-laws). The Bermuda Companies Act also provides that if a company holds shares as treasury shares, the company shall be entered in the register of members as the member holding the shares but the company is not permitted to exercise any rights in respect of those shares (including any right to attend and vote at meetings) and no dividend or other distribution (whether in cash or otherwise) shall be paid or made to the company in respect of such shares. However, the allotment of shares as fully paid bonus shares in respect of shares held by the company as treasury shares is allowed, provided that the full par value of such shares is paid up from legally available funds upon any such allotment.

Where the Company acquires its Shares to be held as treasury shares, the Company may:

(a) hold all or any of the Shares;

(b) sell, dispose of, or transfer all or any of the Shares for cash or other consideration, subject to compliance with the Listing Manual; or

(c) cancel all or any of the Shares.

Depending on the needs of the Company, the Directors will decide whether the Shares purchased pursuant to the Share Buyback Mandate will be cancelled or kept as treasury shares, or partly cancelled and partly kept as treasury shares.

Pursuant to Rules 704(28) of the Listing Manual, the Company will immediately announce any sale, transfer, cancellation and/or use of treasury shares, stating the following:

(i) date of the sale, transfer, cancellation and/or use;

(ii) purpose of such sale, transfer, cancellation and/or use;

(iii) number of treasury shares sold, transferred, cancelled and/or used;

(iv) the number of treasury shares before and after such sale, transfer, cancellation and/or use;

(v) percentage of the number of treasury shares against the total number of shares outstanding in a class that is listed before and after such sale, transfer, cancellation and/or use; and

(vi) value of the treasury shares if they are used for a sale or transfer, or cancellation.

2.5 Sources of funds for Share Buyback

Under the Bermuda Companies Act, a purchase or acquisition by the Company of its Shares may only be funded:

(a) out of the capital paid up on the Shares to be purchased or acquired;

(b) out of the funds of the Company which would otherwise be available for dividend or distribution; or

(c) out of the proceeds of a fresh issue of Shares made for the purposes of the purchase or the acquisition,

and the premium payable, if any, on the purchase or the acquisition (i.e. the amount paid in excess of the nominal or par value of the Shares to be purchased or acquired) must be provided for out of the funds of the Company which would otherwise be available for dividend or distribution, or out of the Company's share premium account, before the Shares are purchased or acquired.

No purchase or acquisition by the Company of its own Shares may be effected if, on the date on which the purchase or acquisition is to be effected, there are reasonable grounds for believing that the Company is, or after the purchase or acquisition would be, unable to pay its liabilities as they become due.

The Company intends to use internal resources to finance the buy-backs of its Shares. The Board will only make purchases or acquisitions of Shares pursuant to the Share Buyback Mandate in circumstances which they believe will not adversely affect the financial condition of the Company or the Group.

2.6 Financial effects of the Share Buyback Mandate

The financial effects on the Group arising from purchases or acquisitions of Shares which may be made pursuant to the Share Buyback Mandate will depend on, amongst others, the aggregate number of Shares purchased or acquired, how the Shares are purchased or acquired, the price paid for such Shares, the amount (if any) borrowed by the Company to fund the purchases and whether the Shares purchased or acquired are held as treasury shares or cancelled. The financial effects on the Group, based on the audited financial statements of the Group for the financial year ended 31 December 2025 are based on the following principal assumptions:

(a) the purchase or acquisition of Shares pursuant to the Share Buyback Mandate had taken place on 1 January 2025 for the purpose of computing the financial effects on the EPS of the Group;

(b) the purchase or acquisition of Shares pursuant to the Share Buyback Mandate had taken place on 1 January 2025 for the purpose of computing the financial effects on the Shareholders' equity, NTA per Share and gearing of the Group; and

(c) transaction costs incurred for the purchase or acquisition of Shares pursuant to the Share Buyback Mandate are assumed to be insignificant and have been ignored for the purpose of computing the financial effects.

2.6.1 Information as at the Latest Practicable Date

As at the Latest Practicable Date, the issued and paid-up capital of the Company is S$404,109 comprising 20,205,438 Shares (excluding treasury shares and subsidiary holdings).

2.6.2 Financial effects

For illustration purposes only, and on the basis of the assumptions set out below, the financial effects of the:

(i) acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of capital and held as treasury shares; and

(ii) acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of capital and cancelled,

on the audited financial statements of the Group for the financial year ended 31 December 2025 are set out in the sections below.

The financial effects of the acquisition of Shares by the Company pursuant to the Share Buyback Mandate by way of purchases made out of the funds of the Company which would otherwise be available for dividend or distribution are similar to that of purchases made out of capital. Therefore, only the financial effects of the acquisition of the Shares pursuant to the Share Buyback Mandate by way of purchases made out of capital are set out in this Addendum.

Scenario A: Market Purchase

For illustrative purposes only, in a Market Purchase, assuming that:

(i) the Maximum Price is S$0.7466, which is 5% above the average of the closing market prices of a Share over the five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date; and

(ii) the Company has 20,205,438 issued Shares as at the date of the AGM (being the number of issued Shares at the Latest Practicable Date, assuming no change in the number of issued Shares on or prior to the date of the AGM and excluding treasury shares and subsidiary holdings), such that not more than 2,020,543 Shares may be purchased or acquired by the Company pursuant to the Share Buyback Mandate,

the maximum amount of funds required for the purchase of up to 2,020,543 Shares under and during the duration of the Share Buyback Mandate, is approximately S$1.5 million (or approximately RMB8.1 million).

On these assumptions, the financial impact of the Share Buyback by the Company undertaken in accordance with the Share Buyback Mandate on the Group's audited financial statements for the financial year ended 31 December 2025 is as follows:

	Group		
As at 31 December 2025 (RMB'000)	**Before the Share Buyback**	**Purchased Shares Cancelled**	**Purchased Shares held as treasury shares**
Shareholders' Equity[1]	597,251	589,170	589,170
NTA[2]	579,485	571,404	571,404
Treasury Shares	(6,408)	(6,408)	(14,489)
Current Assets	544,388	536,307	536,307
Current Liabilities	217,631	217,631	217,631
Working Capital	326,757	318,676	318,676
Loans and Borrowings	113,623	113,623	113,623
Cash and Cash Equivalents[3]	191,916	183,835	183,835
Earnings attributable to Shareholders	20,485	20,485	20,485
Number of Shares[4] ('000)	20,205	18,184	20,205
Financial Ratios			
NTA per Share (RMB)	28.68	31.42	28.28
Basic EPS (RMB)[5]	1.16	1.31	1.16
Current Ratio (times)[6]	2.50	2.46	2.46
Gearing Ratio (times)[7]	0.19	0.19	0.19

Notes:

(1) Total equity attributable to owners of the Company.

(2) NTA equals total equity less non-controlling interests less intangible assets, if any.

(3) Assuming that the Share Buyback is fully funded by internal resources.

(4) Number of Shares excludes treasury shares, subsidiary holdings and Shares that are cancelled and assumes no change in the number of issued Shares on or prior to the date of the AGM.

(5) Basic EPS is computed based on FY2025 net earnings attributable to owners of the Company divided by the number of weighted average number of Shares of 17,616,397.

(6) Current Ratio equals current assets divided by current liabilities.

(7) Gearing Ratio equals loans and borrowings divided by Shareholders' equity.

Scenario B: Off-Market Purchase

For illustrative purposes only, in an Off-Market Purchase, assuming that:

(i) the Maximum Price is S$0.8532, which is 20% above the average of the closing market prices of a Share over the five (5) Market Days on which transactions in the Shares were recorded immediately preceding the Latest Practicable Date; and

(ii) the Company has 20,205,438 issued Shares as at the date of the AGM (being the number of issued Shares at the Latest Practicable Date, assuming no change in the number of issued Shares prior to the date of the AGM and excluding treasury shares and subsidiary holdings, such that not more than 2,020,543 Shares may be purchased or acquired by the Company pursuant to the Share Buyback Mandate,

the maximum amount of funds required for the purchase of up to 2,020,543 Shares under and during the duration of the Share Buyback Mandate, is approximately S$1.7 million (or approximately RMB9.2 million).

On these assumptions, the financial impact of the Share Buyback by the Company undertaken in accordance with the Share Buyback Mandate on the Group's audited financial statements for the financial year ended 31 December 2025 is as follows:

		Group	
As at 31 December 2025 (RMB'000)	**Before the Share Buyback**	**Purchased Shares Cancelled**	**Purchased Shares held as treasury shares**
Shareholders' Equity[1]	597,251	588,015	588,015
NTA[2]	579,485	570,249	570,249
Treasury Shares	(6,408)	(6,408)	(15,644)
Current Assets	544,388	535,152	535,152
Current Liabilities	217,631	217,631	217,631
Working Capital	326,757	317,521	317,521
Loans and Borrowings	113,623	113,623	113,623
Cash and Cash Equivalents[3]	191,916	182,680	182,680
Earnings attributable to Shareholders	20,485	20,485	20,485
Number of Shares[4] ('000)	20,205	18,184	20,205
Financial Ratios			
NTA per Share (RMB)	28.68	31.36	28.22
Basic EPS (RMB)[5]	1.16	1.31	1.16
Current Ratio (times)[6]	2.50	2.46	2.46
Gearing Ratio (times)[7]	0.19	0.19	0.19

Notes:

(1) Total equity attributable to owners of the Company.

(2) NTA equals total equity less non-controlling interests less intangible assets, if any.

(3) Assuming that the Share Buyback is fully funded by internal resources.

(4) Number of Shares excludes treasury shares, subsidiary holdings and Shares that are cancelled and assumes no change in the number of issued Shares on or prior to the date of the AGM.

(5) Basic EPS is computed based on FY2025 net earnings attributable to owners of the Company divided by the weighted average number of Shares of 17,616,397.

(6) Current Ratio equals current assets divided by current liabilities.

(7) Gearing Ratio equals loans and borrowings divided by Shareholders' equity.

Shareholders should note that the financial effects set out above are for illustrative purposes only. In particular, it is important to note that the above analysis is based on historical audited financial statements for the financial year ended 31 December 2025 and is not necessarily representative of future financial performance.

Although the Share Buyback Mandate would authorise the Company to purchase or acquire up to 10% of the issued Shares (excluding treasury shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire 10% of the issued Shares (excluding treasury shares and subsidiary holdings). In addition, the Company may cancel all or part of the Shares repurchased or hold all or part of the Shares repurchased as treasury shares.

2.7 Reporting Requirements

2.7.1 SGX-ST

The Listing Manual specifies that a listed company shall report all purchases or acquisitions of its shares to the SGX-ST not later than 9.00 a.m.:

(i) in the case of a Market Purchase, on the Market Day following the day of purchase or acquisition of any of its shares; and

(ii) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptances of the offer.

Such announcement currently requires the inclusion of details of, amongst others, the total number of shares purchased, the purchase price per share or the highest and lowest prices paid for such shares, as applicable. Such announcement will be made in the form prescribed by the Listing Manual. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company, in a timely fashion, the necessary information which will enable the Company to make the notifications to the SGX-ST.

Under the Listing Manual, immediate announcement must be made of any sale, transfer, cancellation and/or use of treasury shares (in each case, the "**usage**"). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of treasury shares comprised in the usage, the number of treasury shares before and after the usage, and the percentage of the number of treasury shares comprised in the usage against the total number of issued Shares (of the same class as the treasury shares) which are listed on the SGX-ST before and after the usage.

ADDENDUM

2.8 Take-over Obligations

Appendix 2 of the Take-over Code contains the Share Buyback Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below:

2.8.1 Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of its Shares, a Shareholder's proportionate interest in the voting capital of the Company increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. If such increase results in a change of effective control, or, as a result of such increase, a Shareholder or group of Shareholders acting in concert obtains or consolidates effective control of the Company, such Shareholder or group of Shareholders acting in concert could become obliged to make a mandatory take-over offer for the Company under Rule 14 of the Take-over Code.

2.8.2 Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), cooperate, through the acquisition by any of them of shares in a company, to obtain or consolidate effective control of that company.

Unless the contrary is established, the following persons will, amongst others, be presumed to be acting in concert:

(a) the following companies:

(i) a company;

(ii) the parent company of (i);

(iii) the subsidiaries of (i);

(iv) the fellow subsidiaries of (i);

(v) the associated companies of any of (i), (ii), (iii) or (iv);

(vi) companies whose associated companies include any of (i), (ii), (iii), (iv) or (v); and

(vii) any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

A company is an associated company of another company if the second company owns or controls at least 20% but not more than 50% of the voting rights of the first-mentioned company;

(b) a company with any of its directors (together with their close relatives, related trusts as well as companies controlled by any of the directors, their close relatives and related trusts);

(c) a company with any of its pension funds and employee share schemes;

(d) a person with any investment company, unit trust or other fund whose investment such person manages on a discretionary basis, but only in respect of the investment account which such person manages;

(e) a financial or other professional adviser, including a stockbroker, with its client in respect of the shareholdings of (i) the adviser and persons controlling, controlled by or under the same control as the adviser, and (ii) all the funds which the adviser manages on a discretionary basis, where the shareholding of the adviser and any of those funds in the client total 10% or more of the client's equity share capital;

(f) directors of a company (together with their close relatives, related trusts and companies controlled by any of such directors, their close relatives and related trusts) which is subject to an offer or where the directors have reason to believe a bona fide offer for their company may be imminent;

(g) partners; and

(h) an individual, his close relatives, his related trusts, any person who is accustomed to act according to the instructions of that individual, companies controlled by any of the above, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the above for the purchase of voting rights.

The circumstances under which Shareholders of the Company (including Directors of the Company) and persons acting in concert with them respectively will incur an obligation to make a take-over offer under Rule 14 after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

2.8.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

(a) In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors of the Company and persons acting in concert with them will incur an obligation to make a take-over offer for the Company under Rule 14 if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or if the voting rights of such Directors and their concert parties fall between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than 1% (one per cent.) in any period of six (6) months.

(b) Under Appendix 2 of the Take-over Code, a Shareholder not acting in concert with the Directors of the Company will not be required to make a take-over offer under Rule 14 of the Take-over Code if, as a result of the Company purchasing or acquiring its Shares, the voting rights of such Shareholder in the Company would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than 1% (one per cent.) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the proposed adoption of the Share Buyback Mandate.

2.8.4 Application of the Take-over Code

(a) As at the Latest Practicable Date, Mr. Hong Qing Liang, the Executive Chairman of the Company, holds 10,068,460 Shares, constituting 49.83% of the voting rights in the Company.

(b) Assuming that:

(i) the Company undertakes Share Buyback under the Share Buyback Mandate up to the maximum of 10% of the issued share capital of the Company (excluding treasury shares and subsidiary holdings) as permitted by the Share Buyback Mandate;

(ii) there is no change in Mr. Hong Qing Liang's shareholdings in the Company between the Latest Practicable Date and the date of the AGM;

(iii) no new Shares are issued following the Shareholders' approval of the proposed adoption of the Share Buyback Mandate at the AGM; and

(iv) Mr. Hong Qing Liang does not sell or otherwise dispose of their shareholdings in the Company,

the voting rights of Mr. Hong Qing Liang as at the date of the AGM and after Share Buyback of 10% of the issued share capital of the Company (excluding treasury shares and subsidiary holdings) pursuant to the Share Buyback Mandate, are as follows:

	Number of Shares			Voting rights in the Company (%)	
Parties	**Direct Interest**	**Deemed Interest**	**Total Interest**	**Before Share Buyback**	**After Share Buyback**
Hong Qing Liang	10,068,460	–	10,068,460	49.83	55.37

Accordingly, purchases or acquisition of Shares by the Company within the Relevant Period of the maximum of 10% of the issued share capital of the Company as permitted by the Share Buyback Mandate will result in an increase in the aggregate voting rights of Mr. Hong Qing Liang from 49.83% to 55.37%, thereby resulting in Mr. Hong Qing Liang incurring an obligation to make a general offer under Rule 14 of the Take-over Code.

2.8.5 Dispensation from Rule 14 of the Take-over Code

Pursuant to Appendix 2 of the Take-over Code, Mr. Hong Qing Liang will be exempted from the requirement to make a general offer under Rule 14 of the Take-over Code as a result of any Share Buyback carried out by the Company pursuant to the Share Buyback Mandate, subject to the following conditions:

(a) this Addendum contains advice to the effect that by voting for the Share Buyback Mandate, Shareholders are waiving their right to a general offer at the required price from Mr. Hong Qing Liang and/or persons acting in concert with him, who as a result of the Company buying back its Shares, would increase their voting rights by more than 1% in any period of six (6) months; and the names of Mr. Hong Qing Liang and any persons acting in concert with him, their voting rights at the time of the resolution relating to the Share Buyback Mandate (which is the date of the AGM) and after the purchase or acquisition of Shares by the Company under the Share Buyback Mandate are disclosed in this Addendum;

(b) the resolution to authorise a share buyback is approved by a majority of those Shareholders present and voting at the meeting on a poll who could not become obliged to make an offer as a result of the Share Buyback;

(c) Mr. Hong Qing Liang and/or persons acting in concert with him abstain from voting for and/or recommending Shareholders to vote in favour of the resolution to authorise the Share Buyback Mandate;

(d) within seven (7) days after the passing of the resolution to authorise a buyback, each of the directors submits to the Securities Industry Council of Singapore (the "**SIC**") a duly signed form as prescribed by the SIC; and

(e) Mr. Hong Qing Liang and/or persons acting in concert with him have not acquired and will not acquire any Shares between the date on which they know that the announcement of the adoption of the Share Buyback Mandate is imminent and the earlier of:–

(i) the date on which the authority of the Share Buyback Mandate expires; and

(ii) the date on which the Company announces it has bought back such number of Shares as authorised by the Share Buyback Mandate or it has decided to cease buying back its Shares, as the case may be,

if such acquisitions, taken together with those purchased or acquired by the Company under the Share Buyback Mandate, would cause their aggregate voting rights to increase by more than 1% in the preceding six (6) months.

As such, if the aggregate voting rights held by Mr. Hong Qing Liang and/or persons acting in concert with him increases by more than 1% in any period of six (6) months solely as a result of the purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate, and none of them has acquired any Shares during the Relevant Period, then Mr. Hong Qing Liang and/or persons acting in concert with him would be eligible for the exemption from the requirement to make a general offer under Rule 14 of the Take-over Code, or where already exempted, would continue to enjoy the exemption.

Shareholders are advised that by voting in favour of the ordinary resolution relating to the adoption of the Share Buyback Mandate, they will be waiving their rights to a take-over offer at the required price from Mr. Hong Qing Liang and/or persons acting in concert with him who, as a result of the purchase or acquisition of Shares by the Company pursuant to the Share Buyback Mandate, would increase their aggregate interest in the Shares by more than 1% in any period of six (6) months.

Save as disclosed in this Addendum, the Directors are not aware of any facts or factors which suggest or imply that any particular person(s) and/or Shareholder(s) are, or may be regarded as, parties acting in concert such that their respective interests in voting shares in the capital of the Company should or ought to be consolidated, and consequences under the Take-over Code would ensue as a result of a purchase of Shares by the Company pursuant to the Share Buyback Mandate. Further details of the interests of the Directors and Substantial Shareholders of the Company in Shares as at the Latest Practicable Date are set out in Section 3 of this Addendum.

The statements in this Section 2.8 (Take-over Obligations) do not purport to be a comprehensive or exhaustive description of all implications that may arise under the Take-over Code. Shareholders who are in doubt as to their obligations, if any, to make a mandatory take-over offer under the Take-over Code as a result of any purchase or acquisition of Shares by the Company should consult the SIC and/or their professional advisers at the earliest opportunity.

2.9 Listing Rules

While the Listing Manual does not expressly prohibit any purchase of shares by a listed company during any particular time or times, because the listed company would be regarded as an "insider" in relation to any proposed purchase or acquisition of its Shares, the Company will not undertake any purchase or acquisition of Shares pursuant to the Share Buyback Mandate at any time after a price-sensitive development has occurred or has been the subject of a decision until the price-sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any Shares through Market Purchases and/or Off-Market Purchases during the following periods and at all times in compliance with Rule 1207(19) of the Listing Manual:

(a) one (1) month immediately preceding the announcement of the Company's half year and full year financial statements (if the Company does not announce its quarterly financial statements); and

(b) two (2) weeks immediately preceding the announcement of the Company's results for each of the first three (3) quarters of its financial year and one (1) month before the announcement of the Company's full year financial statements (if the Company announces its quarterly financial statements, whether required by the SGX-ST or otherwise).

The Company is required under Rule 723 of the Listing Manual to ensure that at least 10% of its issued shares excluding treasury shares must be held by public shareholders. The "public", as defined under the Listing Manual, are persons other than the directors, CEO, substantial shareholders or Controlling Shareholders of the company and its subsidiaries, as well as the associates of such persons.

Based on the Register of Directors' shareholdings and the Register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, approximately 9,764,768 Shares, representing 48.33% of the total number of issued Shares, are in the hands of the public.

As at the Latest Practicable Date and assuming the Company undertakes purchases or acquisitions of its Shares up to the full 10% limit pursuant to the Share Buyback Mandate, the number of Shares in the hands of the public would be reduced to 7,744,254 Shares, representing 42.59% of the reduced total number of issued Shares of the Company.

Accordingly, the Company is of the view that there is a sufficient number of the Shares in issue held by public Shareholders which would permit the Company to undertake purchases or acquisitions of its Shares up to the full 10% limit pursuant to the Share Buyback Mandate without affecting the listing status of the Shares on the SGX-ST.

2.10 Interested Persons

The Company is prohibited from knowingly buying Shares on the SGX-ST from an interested person, that is, a Director, the CEO of the Company or Controlling Shareholder of the Company or any of their associates, and an interested person is prohibited from knowingly selling his/her Shares to the Company.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

3.1 Directors' and Substantial Shareholders' Interests

As at the Latest Practicable Date, the interests of Directors and substantial shareholders of the Company in the Shares, based on the Company's Register of Directors' Shareholdings and Register of Substantial Shareholders respectively are as follows:

Name of Director/ Substantial Shareholder	Direct Interests No. of Shares	% (1)	Deemed Interests No. of Shares	% (1)	Total Interests No. of Shares	% (1)
Directors						
Hong Qing Liang	10,068,460	49.83	–	–	10,068,460	49.83
Hong Peng You (2)	–	–	372,000	1.84	372,000	1.84
Low See Lien	–	–	–	–	–	–
Koh Boon Chiao	–	–	–	–	–	–
Tsang Ngo Yin	–	–	–	–	–	–
Substantial Shareholders						
Hong Qing Liang	10,068,460	49.83	–	–	10,068,460	49.83

Note:

(1) The issued and paid-up share capital of the Company comprises 20,205,438 Shares (excluding shares held by the Company as treasury shares and subsidiary holdings) as at the Latest Practicable Date.

(2) Shares are held by bank nominees.

Save as disclosed above, none of the Directors and Substantial Shareholders or their respective Associates has any interest, direct or indirect, in the proposed adoption of the Share Buyback Mandate.

3.2 Shares purchased by the Company in the 12 months preceding the Latest Practicable Date

The Company has not made any purchases or acquisitions of its issued Shares in the 12 months immediately preceding the Latest Practicable Date.

3.3 Limits on shareholdings

The Company does not have any limits on the shareholding of any Shareholder.

3.4 Shareholders' approval

For the reasons set out above, the Company is proposing to seek the approval of Shareholders for the adoption of the Share Buyback Mandate, which will be proposed as an Ordinary Resolution ("**Ordinary Resolution**") at the AGM.

4. DIRECTORS' RECOMMENDATIONS

Proposed adoption of the Share Buyback Mandate

Save for Mr. Hong Qing Liang who is required to abstain from making any recommendation in respect of the proposed adoption of the Share Buyback Mandate, the Directors, having fully considered, amongst others, the rationale, benefit and the information relating to the proposed adoption of the Share Buyback Mandate (including the terms and the rationale thereof as set out in this Addendum) are of the opinion that the proposed adoption of the Share Buyback Mandate is in the best interests of the Company. Accordingly, they recommend that the Shareholders vote in favour of the Ordinary Resolution.

5. ABSTENTION FROM VOTING

Mr. Hong Qing Liang and/or persons acting in concert with him shall abstain from voting on the resolution in relation to the proposed adoption of the Share Buyback Mandate at the AGM. Mr. Hong Qing Liang and/or persons acting in concert with him will not accept appointment as proxies for shareholders to vote on the resolution relating to the proposed adoption of the Share Buyback Mandate, unless specific instructions have been given in the proxy forms on how the votes are to be cast in respect of such resolution.

6. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who may have delegated detailed supervision of the preparation of this Addendum) collectively and individually accept full responsibility for the accuracy of the information given in this Addendum and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Addendum constitutes full and true disclosure of all material facts about the proposed adoption of the Share Buyback Mandate and the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Addendum misleading.

Where information in the Addendum has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Addendum in its proper form and context.

7. INSPECTION OF DOCUMENTS

The following documents are available for inspection at the office of Chancery Law Corporation at 138 Robinson Road, #26-03, Singapore 068906, during normal business hours on any weekday (public holidays excepted) from the date of this Addendum up to and including the date of the AGM:

(a) the Annual Report of the Company for the financial year ended 31 December 2025; and

(b) the Bye-laws.

Any Shareholder who wishes to inspect any of the foregoing documents should contact the Company at the email address info@chanceryllc.com at least three (3) working days in advance to make a prior appointment to inspect the document. The Company will arrange a date on which each Shareholder may come for inspection of the documents accordingly. Shareholders will need to identify themselves by stating his/her/its full name as it appears on his/her/its CDP/CPF/SRS share records, contact number and NRIC/Passport/UEN number and state the manner in which he/she/it holds his/her/its Shares in the Company (e.g. via CDP, CPF or SRS).

Yours faithfully
For and on behalf of the Board of Directors of
Fuxing China Group Limited

HONG QING LIANG
Executive Chairman

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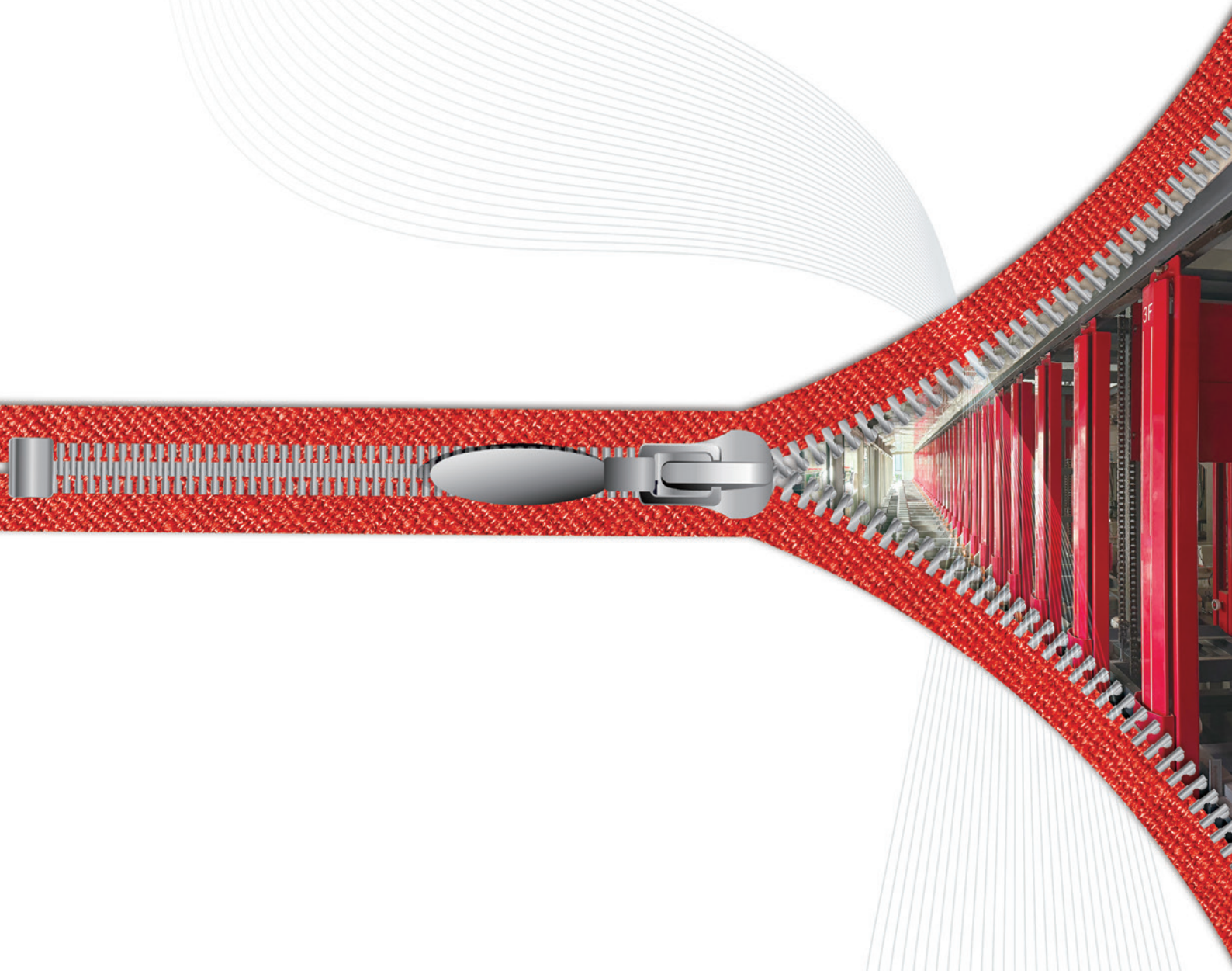
Fuxing China Group Limited



SYMBOLIC BRAND OF CHINA