



HAO REN HAO SHI LIMITED

(Registered under the Companies Act 1967 and the Charities Act 1994)

(Registration No: 202222684W)

Statement by Directors and Financial Statements

Reporting Year Ended 31 December 2025



HAO REN HAO SHI LIMITED

Statement by Directors and Financial Statements

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HAO REN HAO SHI LIMITED

Statement by Directors

The directors of Hao Ren Hao Shi Limited (the “Company”) are pleased to present the financial statements of the Company for the reporting year ended 31 December 2025.

1. Opinion of the directors

In the opinion of the directors,

- (a) the accompanying financial statements are drawn up so as to give a true and fair view of the financial position and performance of the Company for the reporting year covered by the financial statements; and
- (b) the company has complied with the requirements of Regulations 11 and 15 of the Charities (Institutions of a Public Character) Regulations 2012 relating to the use of donation monies and the fund-raising expenses respectively; and
- (c) at the date of the statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The board of directors approved and authorised these financial statements for issue.

2. Directors

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

Ng Ching Kok
Nge Beng Hwee
Lam Chee Yong

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

The Company is a company limited by guarantee and has no share capital.

4. Options

The Company is a company limited by guarantee. As such, there are no shares options or unissued shares of the Company under option.

HAO REN HAO SHI LIMITED

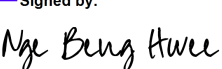
5. Independent auditor

RSM SG Assurance LLP has expressed willingness to accept re-appointment.

On behalf of the directors

Signed by:

.....3E22AF96B7E44A9.....
Ng Ching Kok
Director

Signed by:

.....91F09D16AD1E404.....
Nge Beng Hwee
Director

5 June 2026



RSM SG Assurance LLP

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**Independent Auditor’s Report to the Members of
HAO REN HAO SHI LIMITED**

Report on the audit of the financial statements

Opinion

We have audited the accompanying financial statements of Hao Ren Hao Shi Limited (the “Company”), which comprise the statement of financial position as at 31 December 2025, and the statement of financial activities, statement of changes in funds and statement of cash flows for the reporting year then ended, and notes to the financial statements, including material accounting policy information.

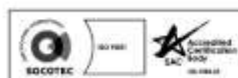
In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act 1967 (the “Act”), the Charities Act 1994 and other relevant regulations (the “Charities Act and Regulations”) and the Financial Reporting Standards (“FRS”) so as to give a true and fair view of the financial position of the Company as at 31 December 2025 and of the financial performance, changes in funds and cash flows of the Company for the reporting 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 Company in accordance with the Accounting and Corporate Regulatory Authority (“ACRA”) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we 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 for our opinion.

Other matters

The financial statements of the Company for the reporting year ended 31 December 2024 were audited by another independent auditor who expressed an unmodified opinion on those financial statements on 4 June 2025.



Independent Auditor's Report to the Members of HAO REN HAO SHI LIMITED

Other information

Management is responsible for the other information. The other information comprises the statement by management and 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 will 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 identified above when it becomes available 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 on the other information that we obtained prior to the date of this auditor's report, 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 of financial statements that give a true and fair view in accordance with the provisions of the Act, the Charities Act and Regulations and the FRS, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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

The directors' responsibilities include overseeing the Company'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.

**Independent Auditor's Report to the Members of
HAO REN HAO SHI LIMITED**

Auditor's responsibilities for the audit of the financial statements (cont'd)

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

- (a) 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.
- (b) 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 Company's internal control.
- (c) Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- (d) 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 Company to cease to continue as a going concern.
- (e) 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.

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.

**Independent Auditor's Report to the Members of
HAO REN HAO SHI LIMITED**


Report on other legal and regulatory requirements

In our opinion, the accounting and other records required to be kept by the Company have been properly kept in accordance with the provisions of the Act and the Charities Act and Regulations.

During the course of our audit, nothing has come to our attention that causes us to believe that during the year:

- (a) the Company has not used the donation moneys in accordance with its objectives as required under Regulation 11 of the Charities (Institutions of a Public Character) Regulations; and
- (b) the Company has not complied with the requirements of Regulation 15 of the Charities (Institutions of a Public Character) Regulations.

The engagement partner on the audit resulting in this independent auditor's report is Kelly Lee Pei Woon.

DocuSigned by:

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RSM SG Assurance LLP
Public Accountants and
Chartered Accountants
Singapore

5 June 2026

HAO REN HAO SHI LIMITED

Statement of Financial Activities Reporting Year Ended 31 December 2025

	<u>Note</u>	<u>General fund</u> \$	<u>Restricted fund</u> \$	<u>Total</u> \$ (Reclassified)
<u>Income</u>				
2025:				
Donations	4	1,739,446	738,710	2,478,156
Grants		121,975	250,000	371,975
Interest income		3,572	–	3,572
Programme income		21,285	–	21,285
Other income		6,949	–	6,949
Total income resources		<u>1,893,227</u>	<u>988,710</u>	<u>2,881,937</u>
<u>Expenditure</u>				
Cost of generating funds		(1,543,400)	–	(1,543,400)
Cost of generating voluntary income		–	(107,778)	(107,778)
Governance cost		(13,298)	–	(13,298)
Other expenditures		(204,480)	–	(204,480)
Total expenditure	5	<u>(1,761,178)</u>	<u>(107,778)</u>	<u>(1,868,956)</u>
Net surplus for the year		<u>132,049</u>	<u>880,932</u>	<u>1,012,981</u>
<u>Income</u>				
2024:				
Donations	4	1,587,287	–	1,587,287
Grants		4,234	–	4,234
Interest income		2,995	–	2,995
Other income		78	–	78
Total income resources		<u>1,594,594</u>	<u>–</u>	<u>1,594,594</u>
<u>Expenditure</u>				
Cost of generating funds		(1,314,039)	–	(1,314,039)
Cost of generating voluntary income		(36,286)	–	(36,286)
Governance cost		(11,000)	–	(11,000)
Other expenditures		(69,756)	–	(69,756)
Total expenditure	5	<u>(1,431,081)</u>	<u>–</u>	<u>(1,431,081)</u>
Net surplus for the year		<u>163,513</u>	<u>–</u>	<u>163,513</u>

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

HAO REN HAO SHI LIMITED

Statement of Financial Position As at 31 December 2025

	<u>Note</u>	<u>2025</u> \$	<u>2024</u> \$ (Reclassified)
ASSETS			
<u>Non-current assets</u>			
Plant and equipment	7	572,507	460,864
Right-of-use assets	8	91,462	19,073
Total non-current assets		<u>663,969</u>	<u>479,937</u>
<u>Current assets</u>			
Inventories	9	87,145	65,197
Other receivables	10	49,084	22,797
Cash and cash equivalents	11	1,346,048	462,445
Total current assets		<u>1,482,277</u>	<u>550,439</u>
Total assets		<u>2,146,246</u>	<u>1,030,376</u>
FUNDS AND LIABILITIES			
<u>Funds</u>			
General fund		1,123,478	991,429
Restricted fund	12	880,932	–
Total funds		<u>2,004,410</u>	<u>991,429</u>
<u>Non-current liability</u>			
Lease liabilities, non-current	13	18,850	3,908
Total non-current liabilities		<u>18,850</u>	<u>3,908</u>
<u>Current liabilities</u>			
Other payables	14	49,211	18,672
Lease liabilities, current	13	73,775	16,367
Total current liabilities		<u>122,986</u>	<u>35,039</u>
Total liabilities		<u>141,836</u>	<u>38,947</u>
Total funds and liabilities		<u>2,146,246</u>	<u>1,030,376</u>

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

HAO REN HAO SHI LIMITED**Statement of Changes of Funds
Reporting Year Ended 31 December 2025**

	<u>General fund</u> \$	<u>Restricted fund</u> \$	<u>Total</u> \$
Current year			
Opening balance at 1 January 2025	991,429	–	991,429
Net surplus for the year	132,049	880,932	1,012,981
Closing balance at 31 December 2025	<u>1,123,478</u>	<u>880,932</u>	<u>2,004,410</u>
Previous year			
Opening balance at 1 January 2024	827,916	–	827,916
Net surplus for the year	163,513	–	163,513
Closing balance at 31 December 2024	<u>991,429</u>	<u>–</u>	<u>991,429</u>

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

HAO REN HAO SHI LIMITED**Statement of Cash Flows**
Reporting Year Ended 31 December 2025

	<u>2025</u>	<u>2024</u>
	\$	\$
<u>Cash flows from operating activities</u>		
Surplus for the year	1,012,981	163,513
Adjustments for:		
Depreciation of plant and equipment	163,225	153,799
Depreciation of right-of-use asset	68,260	40,233
Gain on disposal of plant and equipment	(6,553)	–
Interest expense	2,414	1,672
Interest income	(3,572)	(2,996)
Operating cash flows before changes in working capital	<u>1,236,755</u>	<u>356,221</u>
Changes in restricted cash	(880,932)	–
Inventories	(21,948)	(54,725)
Other receivables	(26,287)	(13,392)
Other payables	<u>30,539</u>	<u>4,188</u>
Net cash flows from operating activities	<u>338,127</u>	<u>292,292</u>
<u>Cash flows used in investing activities</u>		
Purchase of plant and equipment	(298,114)	(124,767)
Proceeds from disposal of plant and equipment	29,799	–
Interest income received	<u>3,572</u>	<u>2,996</u>
Net cash flows used in investing activities	<u>(264,743)</u>	<u>(121,771)</u>
<u>Cash flows used in financing activities</u>		
Lease liabilities – principal portion paid	(68,299)	(40,814)
Interest expense paid	<u>(2,414)</u>	<u>(1,672)</u>
Net cash flows used in financing activities	<u>(70,713)</u>	<u>(42,486)</u>
Net increase in cash and cash equivalents	2,671	128,035
Cash and cash equivalents, beginning balance	<u>462,445</u>	<u>334,410</u>
Cash and cash equivalents, ending balance (Note 11A)	<u><u>465,116</u></u>	<u><u>462,445</u></u>

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

HAO REN HAO SHI LIMITED

Notes to the Financial Statements 31 December 2025

1. General information

Hao Ren Hao Shi Limited (the “Company”) (Registration No: 202222684W) is incorporated in Singapore as a company limited by guarantee. The Company is a charity registered under the Charities Act 1994 on 22 September 2023 and has been accorded the Institutions of a Public Character (“IPC”) status under the Income Tax Act 1947. The IPC status was for a period of one year from 2 December 2024 to 1 December 2025 and was subsequently renewed from 2 December 2025 to 1 December 2027. The financial statements are presented in Singapore dollar (“\$”).

The board of directors approved and authorised these financial statements for issue on the date of the statement by directors. The directors have the power to amend and reissue the financial statements.

The principal activities of the Company is to purchase, pack and deliver provisions to beneficiaries and deserving families.

Each member of the Company has undertaken to contribute such amounts not exceeding \$1 to the assets of the Company in the event the Company is wound up and the monies are required for payment of the liabilities of the Company. The Company has 10 (2024: 10) members at the end of the reporting year.

The memorandum and articles of the Company restricts the use of fund monies to the furtherance of the objects of the Company. They prohibit the payment of dividends to members.

The registered office is: 51 Bukit Batok Crescent, #02-19, Unity Centre, Singapore 658077. The Company is situated in Singapore.

Statement of compliance with financial reporting standards

These financial statements have been prepared in accordance with the Financial Reporting Standards (“FRSs”) and the related interpretations to FRSs (“INT FRSs”) as issued by the Accounting Standards Committee under Accounting and Corporate Regulatory Authority (“ASC”). They are in compliance with the provisions of the Companies Act 1967 and the Charities Act 1994 and other relevant regulations.

Basis of preparation of the financial statements

The financial statements are prepared on a going concern basis under the historical cost convention except where a financial reporting standard requires an alternative treatment (such as fair values) as disclosed where appropriate in these financial statements. The accounting policies in the financial reporting standards may not be applied when the effect of applying them is not material. The disclosures required by financial reporting standards may not be provided if the information resulting from that disclosure is not material.

HAO REN HAO SHI LIMITED

2. Material accounting policy information and other explanatory information

2A. Material accounting policy information

Fair value measurement

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When measuring the fair value of an asset or a liability, market observable data to the extent possible is used. If the fair value of an asset or a liability is not directly observable, an estimate is made using valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs (e.g. by use of the market comparable approach that reflects recent transaction prices for similar items, discounted cash flow analysis, or option pricing models refined to reflect the issuer's specific circumstances). Inputs used are consistent with the characteristics of the asset or liability that market participants would take into account. The entity's intention to hold an asset or to settle or otherwise fulfil a liability is not taken into account as relevant when measuring fair value.

Fair values are categorised into different levels in a fair value hierarchy based on the degree to which the inputs to the measurement are observable and the significance of the inputs to the fair value measurement in its entirety: Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs). Transfers between levels of the fair value hierarchy are recognised at the end of the reporting period during which the change occurred.

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments and the disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value. The fair values of non-current financial instruments may not be disclosed separately unless there are material differences at the end of the reporting year and in the event the fair values are disclosed in the relevant notes to the financial statements. The recurring measurements are made at each reporting year end date.

Revenue and income recognition

Revenue is recognised at an amount that reflects the consideration to which the entity expects to be entitled in exchange for transferring goods or services to a customer (which excludes estimates of variable consideration that are subject to constraints, such as right of return exists, and modifications), net of any related taxes and excluding any amounts collected on behalf of third parties. An asset (goods or services) is transferred when or as the customer obtains control of that asset. As a practical expedient the effects of any significant financing component is not adjusted if the payment for the good or service will be within one year.

Income from donations are recognised at a point in time when received, except for committed donations that are recorded when the commitments are signed. Such income is only deferred when: the donor specifies that the grant or donation must only be used in future accounting periods; or the donor has imposed conditions which must be met before the entity has unconditional entitlement. Donations from special fund-raising events are recognised when the event takes place.

HAO REN HAO SHI LIMITED**2. Material accounting policy information and other explanatory information (cont'd)****2A. Material accounting policy information (cont'd)****Revenue and income recognition (cont'd)**

A donation in kind is included in the statement of financial activities based on an estimate of the fair value at the date of the receipt of the gift of the non-monetary asset or the grant of a right to the monetary asset. The gift is recognised if the amount of the gift can be measured reliably and there is no uncertainty that it will be received.

Government grants are recognised at fair value when there is reasonable assurance that the conditions attaching to them will be complied with and that the grants will be received. Grants in recognition of specific expenses are recognised in profit or loss on a systematic basis over the periods necessary to match them with the related costs that they are intended to compensate.

Interest income is recognised using the effective interest method.

Programme fee is recognised upon rendering of services or completion of programme such as consultation services.

Employee benefits

Contributions to a defined contribution retirement benefit plan are recorded as an expense as they fall due. The entity's legal or constructive obligation is limited to the amount that it is obligated to contribute to an independently administered fund (such as the Central Provident Fund in Singapore, a government managed defined contribution retirement benefit plan). For employee leave entitlement, the expected cost of short-term employee benefits in the form of compensated absences is recognised in the case of accumulating compensated absences, when the employees render service that increases their entitlement to future compensated absences; and in the case of non-accumulating compensated absences, when the absences occur. A liability for bonuses is recognised where the entity is contractually obliged or where there is constructive obligation based on past practice.

Expenditure

Expenditure is recognised when it is incurred and is reported gross of related income. Charitable expenditure comprises direct expenditure, including direct staff costs attributable to its activities. Where costs cannot be directly attributed, they have been allocated to activities on a basis consistent with the use of resources. Expenditure has been classified by reference to specific activity categories: all direct costs relating to a specific activity have been aggregated, costs of raising funds include all direct fundraising expenses and an apportionment of support costs. All direct expenditure in furtherance of the charity's objects, together with an apportionment of support costs, is included under the charitable activities heading. Governance costs comprise all costs involving the public accountability of the charity and its compliance with regulations and good practice. Irrecoverable GST is charged as a cost.

Plant and equipment

Plant and equipment are carried at cost on initial recognition and after initial recognition at cost less any accumulated depreciation and any accumulated impairment losses. Depreciation is provided on a straight-line basis to allocate the gross carrying amounts of the assets less their residual values over their estimated useful lives of each part of an item of these assets (or, for certain leased assets, the shorter lease term). An asset is depreciated when it is available for use until it is derecognised even if during that period the item is idle.

HAO REN HAO SHI LIMITED**2. Material accounting policy information and other explanatory information (cont'd)****2A. Material accounting policy information (cont'd)****Plant and equipment (cont'd)**

The annual rates of depreciation are as follows:

Motor vehicles	–	3 – 5 years
Warehouse equipment	–	3 years
Warehouse fixtures	–	3 years
Office equipment	–	3 years
Office renovation	–	3 years
Happy Mart @ fixtures and equipment	–	5 years

The gain or loss arising from the derecognition of an item of plant and equipment is recognised in profit or loss.

Right-of-use assets

The right-of-use assets are accounted and presented as if they were owned such as plant and equipment.

Depreciation is provided on a straight line-basis to allocate the gross carrying amounts of the assets over their estimated useful lives as follows:

Office & warehouse	–	Over terms of lease of 2 to 3 years
Outlet	–	Over terms of lease of 2 to 3 years

Leases of lessee

A lease conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration. Where a lease arrangement is identified, a liability to the lessor is recognised as a lease obligation calculated at the present value of minimum unavoidable lease payments. A corresponding right-of-use asset is recorded. Lease payments are apportioned between finance costs and reduction of the lease liability so as to reflect the interest on the remaining balance of the liability. Finance charges are recorded as a finance cost. Leases with a term of 12 months or less and leases for low value are not recorded as a liability and lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

Inventories

Inventories are stated at the lower of cost and selling price less costs to complete and sell. Cost is calculated using the first-in, first-out method. Cost includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. In the case of manufactured inventories and work in progress, cost includes an appropriate share of overheads based on normal operating capacity.

Carrying amounts of non-financial assets

The carrying amount of non-financial assets is reviewed at each end of the reporting year for indications of impairment and where an asset is impaired, it is written down through profit or loss to its estimated recoverable amount. The impairment loss is the excess of the carrying amount over the recoverable amount and is recognised in profit or loss.

HAO REN HAO SHI LIMITED**2. Material accounting policy information and other explanatory information (cont'd)****2A. Material accounting policy information (cont'd)****Financial instruments**

Recognition and derecognition of financial instruments

A financial asset or a financial liability is recognised when, and only when, the entity becomes party to the contractual provisions of the instrument. All other financial instruments (including regular-way purchases and sales of financial assets) are recognised and derecognised, as applicable, using trade date accounting or settlement date accounting. A financial asset is derecognised 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 substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the entity neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset. A financial liability is removed from the statement of financial position when, and only when, it is extinguished, that is, when the obligation specified in the contract is discharged or cancelled or expires.

At initial recognition the financial asset or financial liability is measured at its fair value plus or minus, in the case of a financial asset or financial liability not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial asset or financial liability.

Classification of financial assets and financial liabilities and subsequent measurement:

The financial reporting standard on financial instruments requires the certain classification of financial assets and financial liabilities. At the end of the reporting year, the reporting entity had the following classes:

- Financial asset classified as measured 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 fair value through profit or loss ("FVTPL"), that is (a) the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and (b) the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. Typically other receivables, bank and cash balances are in this class.
- Financial liabilities are carried at amortised cost using the effective interest method.

Cash and cash equivalents

For the statement of cash flows, cash and cash equivalents includes cash and cash equivalents less cash subject to restriction. Cash equivalents are short-term (three months or less), highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Cash flows are reported using the indirect method, whereby profit or loss is adjusted for the effects of transactions of a non-cash nature, and items of income or expense associated with investing or financing cash flows.

HAO REN HAO SHI LIMITED**2. Material accounting policy information and other explanatory information (cont'd)****2A. Material accounting policy information (cont'd)****Funds**

Fund balances restricted by outside sources are so indicated and are distinguished from unrestricted funds allocated to specific purposes, if any, by action of the management. Externally restricted funds may only be utilised in accordance with the purposes established by the source of such funds or through the terms of an appeal and are in contrast with unrestricted funds over which management retains full control to use in achieving any of its institutional purposes. An expense resulting from the operating activities of a fund that is directly attributable to the fund is charged to that fund. Common expenses, if any, are allocated on a reasonable basis to the funds based on a method most suitable to that common expense unless impractical to do so.

2B. Judgements and sources of estimation uncertainties

Disclosures on material information about the assumptions management made about the future, and other major sources of estimation uncertainty at the end of the reporting year, that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed in the corresponding Notes to these financial statements. These estimates and assumptions are periodically monitored to ensure they incorporate all relevant information available at the date when financial statements are prepared. However, this does not prevent actual figures differing from estimates.

Estimation of fair value of donations-in-kind

The recognition of donations-in-kind requires management to estimate the fair value of donated items at the date of receipt. In determining fair value, management exercises judgement and makes estimates based on observable market prices for similar goods, where available. Where observable market prices are not available, fair value is estimated using replacement cost or other appropriate valuation techniques, taking into account factors such as the condition, age, and expected usability of the donated items.

Actual values realised may differ from these estimates. However, management does not expect that any reasonably possible changes in these estimates would have a material effect on the financial statements in the next financial year.

3. Related party relationships and transactions

The financial reporting standard on related party disclosures requires the Company to disclose: (a) related party relationships, transactions and outstanding balances, including commitments, including (b) relationships between parents and subsidiaries irrespective of whether there have been transactions between those related parties. A party is related to a party if the party controls, or is controlled by, or can significantly influence or is significantly influenced by the other party.

A related party includes the board of directors and key management of the company. It also includes an entity or person that directly or indirectly controls, is controlled by, or is under common or joint control with these persons; members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual.

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3. Related party relationships and transactions (cont'd)

All members, directors and staff members of the Company are required to read and understand the conflict of interest policy in place and make full disclosure of interests and relationships that could potentially result in conflict of interests. When a conflict of interest situation arises, the members, directors or staff shall abstain from participating in the discussion, decision making and voting on the matter.

If any members, directors or key management is directly or indirectly interested in any contract, proposed contract, or other matter and is present at a meeting of the Company or any board committees thereof, at which the contract or other matter is the subject of consideration, the member shall, at the meeting and as soon as practicable after it commences, disclose the fact, and shall not thereafter be present during the consideration or discussion of, and shall not vote on, any question with respect to that contract or other matter.

The directors who performed their board responsibilities did not receive remuneration, or other benefits, from the Company for board services for which they are responsible.

There are no paid staff whose remuneration exceeds \$100,000 during the year.

3B. Key management compensation

Key management personnel are the directors having authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly. The directors did not receive any remuneration during the reporting year and previous reporting year.

4. Analysis of income

	<u>2025</u>	<u>2024</u>
	\$	\$
Donations		
Tax deductible donations	1,725,980	63,152
Non-tax deductible donations	397,796	1,178,345
Donation-in-kind	354,380	345,790
	<u>2,478,156</u>	<u>1,587,287</u>

The Company enjoys a concessionary tax treatment whereby qualifying donors are granted 2.5 (2024: 2.5) times tax deductions for the donations made to the Company. The Company's Institution of a Public Character status for general donations was for the period from 2 December 2024 to 1 December 2025 and was subsequently renewed from 2 December 2025 to 1 December 2027.

HAO REN HAO SHI LIMITED**5. Analysis of expenditure**

	<u>2025</u>	<u>2024</u>
	\$	\$
Cost of generating funds		
Depreciation of plant and equipment	163,225	153,798
Depreciation of right-of-use assets	68,260	40,233
Employee benefits expenses (Note 5A)	149,061	78,854
Fund disbursement	1,134,324	1,018,035
Motor vehicle expenses	28,530	23,119
	<u>1,543,400</u>	<u>1,314,039</u>
Cost of generating voluntary income		
Charity dinner	<u>107,778</u>	<u>36,286</u>
Governance costs		
Audit fee	11,990	11,000
Consulting and accounting fee	1,308	–
	<u>13,298</u>	<u>11,000</u>
Other expenditures		
Employee benefits expenses (Note 5A)	159,547	38,652
General expenses	14,545	8,475
Insurance	4,712	7,105
Interest expense on lease liabilities	2,414	1,672
Repair and maintenance	15,404	6,543
Short-term lease expense	4,183	5,000
Others	3,675	2,309
	<u>204,480</u>	<u>69,756</u>
Total	<u>1,868,956</u>	<u>1,431,081</u>

5A. Employee benefits expenses

	<u>2025</u>	<u>2024</u>
	\$	\$
Salaries and other short term employee benefits	262,716	101,424
Contributions to defined contribution plan	41,813	15,556
Other short-term benefits	4,079	526
Total employee benefits expense	<u>308,608</u>	<u>117,506</u>
Employee benefits expenses are included in:		
Cost of generating funds	149,061	78,854
Other expenditures	159,547	38,652
	<u>308,608</u>	<u>117,506</u>

6. Income tax

As a charity, the Company is exempt from income tax on income and gains within the section 13(1)(zm) of the Income Tax Act 1947 to the extent that these are applied to its charitable objects. Therefore, no provision for income tax has been made in the financial statements.

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7. Plant and equipment

	<u>Motor vehicles</u>	<u>Warehouse equipment</u>	<u>Warehouse fixtures</u>	<u>Office equipment</u>	<u>Office renovations</u>	<u>Happy Mart @ fixtures and equipment</u>	<u>Total</u>
	\$	\$	\$	\$	\$	\$	\$
<u>Cost:</u>							
At 1 January 2024 (reclassified)	515,000	47,857	4,355	-	-	-	567,212
Additions	42,211	-	-	1,177	-	81,379	124,767
At 31 December 2024 (reclassified)	557,211	47,857	4,355	1,177	-	81,379	691,979
Additions	236,900	-	-	12,190	37,902	11,122	298,114
Disposal	(95,211)	-	-	-	-	-	(95,211)
At 31 December 2025	698,900	47,857	4,355	13,367	37,902	92,501	894,882
<u>Accumulated depreciation:</u>							
At 1 January 2024 (reclassified)	64,250	11,677	1,389	-	-	-	77,316
Depreciation for the year	129,156	15,952	1,452	229	-	7,010	153,799
At 31 December 2024 (reclassified)	193,406	27,629	2,841	229	-	7,010	231,115
Depreciation for the year	118,924	14,828	1,280	731	9,518	17,944	163,225
Disposal	(71,965)	-	-	-	-	-	(71,965)
At 31 December 2025	240,365	42,457	4,121	960	9,518	24,954	322,375
<u>Carrying value:</u>							
At 1 January 2024	450,750	36,180	2,966	-	-	-	489,896
At 31 December 2024	363,805	20,228	1,514	948	-	74,369	460,864
At 31 December 2025	458,535	5,400	234	12,407	28,384	67,547	572,507

HAO REN HAO SHI LIMITED**8. Right-of-use assets**

	<u>Office & Warehouse</u>	<u>Outlet</u>	<u>Total</u>
	\$	\$	\$
<u>Cost:</u>			
At 1 January 2024 (reclassified)	78,160	-	78,160
Additions	-	8,263	8,263
At 31 December 2024 (reclassified)	78,160	8,263	86,423
Additions	140,649	-	140,649
Written-off	(78,160)	-	(78,160)
At 31 December 2025	140,649	8,263	148,912
<u>Accumulated depreciation:</u>			
At 1 January 2024 (reclassified)	27,117	-	27,117
Depreciation for the year	38,282	1,951	40,233
At 31 December 2024 (reclassified)	65,399	1,951	67,350
Depreciation for the year	65,504	2,756	68,260
Written-off	(78,160)	-	(78,160)
At 31 December 2025	52,743	4,707	57,450
<u>Carrying value:</u>			
At 1 January 2024	51,043	-	51,043
At 31 December 2024	12,761	6,312	19,073
At 31 December 2025	87,906	3,556	91,462

9. Inventories

	<u>2025</u>	<u>2024</u>
	\$	\$
Consumables and food supplies	87,145	65,197

The cost of inventories recognised as expenditure and included in 'fund disbursement' amounted to \$1,105,076 (2024: \$969,630).

10. Other receivables

	<u>2025</u>	<u>2024</u>
	\$	\$
Outside parties	15,480	10,418
Refundable deposits	31,984	7,359
Prepayments	1,620	5,020
	49,084	22,797

HAO REN HAO SHI LIMITED**11. Cash and cash equivalents**

	<u>2025</u>	<u>2024</u>
	\$	\$
Not restricted in use	465,116	462,445
Restricted in use ^(a)	<u>880,932</u>	<u>-</u>
	<u>1,346,048</u>	<u>462,445</u>
Interest earning balances maturing within 12 months	<u>250,000</u>	<u>250,000</u>

(a) This relates to balances intended for certain specified fund-raising activities and designated charitable purposes.

The rates of interest for the cash on interest earning balances ranging from 0.28% to 1.68% (2024: 1.88% to 2.38%) per annum with tenures ranging from 90 to 92 days (2024: ranging from 6 months to 12 months).

11A. Cash and cash equivalents in statement of cash flows

	<u>2025</u>	<u>2024</u>
	\$	\$
Amount as shown above	1,346,048	462,445
Restricted in use	<u>(880,932)</u>	<u>-</u>
Cash and cash equivalents for statement of cash flows purposes at end of the year	<u>465,116</u>	<u>462,445</u>

11B. Reconciliation of liabilities arising from financing activities

	<u>Beginning of the year</u>	<u>Cash flows</u>	<u>Non-cash changes</u>	<u>End of the year</u>
	\$	\$	\$	\$
<u>2025:</u>				
Lease liabilities	<u>20,275</u>	<u>(70,713)</u>	<u>143,063^(a)</u>	<u>92,625</u>
<u>2024:</u>				
Lease liabilities	<u>52,826</u>	<u>(42,486)</u>	<u>9,935^(a)</u>	<u>20,275</u>

(a) Non-cash changes refer to additions of right-of-use assets amounting to \$140,649 (2024: \$8,263) and interest expense of \$2,414 (2024: \$1,672).

12. Restricted fund

	<u>2025</u>	<u>2024</u>
	\$	\$
Balance at beginning of the year	-	-
Income	988,710	-
Expenditure	<u>(107,778)</u>	<u>-</u>
Balance at end of the year	<u>880,932</u>	<u>-</u>

The restricted fund mainly relates to donations arising from charity dinner that amounted to \$738,710 and matching grants that amounted to \$250,000 received for purchasing of provisions and essential items used to distribute to low-income families. The funds are to be utilised in accordance with the intended purposes stipulated by the donors and grant providers.

HAO REN HAO SHI LIMITED**13. Lease liabilities**

	<u>2025</u>	<u>2024</u>
	\$	\$
Current	73,775	16,367
Non-current	18,850	3,908
	<u>92,625</u>	<u>20,275</u>

A summary of the maturity analysis of lease liabilities is disclosed in Note 15E.

Total cash outflows from leases are shown in the statement of cash flows.

The related right-of-use assets are disclosed in Note 8.

14. Other payables

	<u>2025</u>	<u>2024</u>
	\$	\$
Outside parties	39,111	8,572
Accruals	10,100	10,100
	<u>49,211</u>	<u>18,672</u>

15. Financial instruments: information on financial risks and other explanatory information**15A. Categories of financial assets and financial liabilities**

The following table categorises the carrying amount of financial assets and financial liabilities recorded at the end of the reporting year:

	<u>2025</u>	<u>2024</u>
	\$	\$
<u>Financial assets:</u>		
At amortised cost	<u>1,393,512</u>	<u>480,222</u>
<u>Financial liabilities:</u>		
At amortised cost	<u>141,836</u>	<u>38,947</u>

Further quantitative disclosures are included throughout these financial statements.

15B. Financial risk management

The main purpose for holding or issuing financial instruments is to raise and manage the finances for the Company's operating, investing and financing activities. There are exposures to the financial risks on the financial instruments such as credit risk, liquidity risk and market risk comprising interest rate, currency risk and price risk exposures. Management has certain guidelines for the management financial risks and action to be taken in order to manage the financial risks. All financial risk management activities are carried out and monitored by senior management staff. All financial risk management activities are carried out following acceptable market practices.

There have been no changes to the exposures to risk; the objectives, policies and processes for managing the risk and the methods used to measure the risk.

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15. Financial instruments: information on financial risks and other explanatory information (cont'd)

15C. Fair values of financial instruments

The carrying values of current financial instruments approximate their fair values due to the short-term maturity of these instruments. The disclosures of fair value are not made when the carrying amount of current financial instruments is a reasonable approximation of the fair value.

15D. Credit risk on financial assets

Financial assets subject to concentrations of credit risk and failures by counterparties to discharge their obligations in full or in a timely manner arise principally from cash balances with banks, receivables and other financial assets.

The maximum exposure to credit risk is the total of the fair value of the financial assets at the end of the reporting year. Credit risk on cash balances is limited because the counter-parties are entities with acceptable credit ratings. For expected credit losses (“ECL”) on the remaining financial assets, the Company applies the simplified approach in calculating ECL as is permitted by the financial reporting standard on financial instruments. Under the simplified approach, the Company does not track changes in credit risk, but instead recognises the loss allowance at an amount equal to lifetime ECL at initial recognition and throughout its life at each reporting date. For the credit risk on the financial assets an ongoing credit evaluation is performed on the financial condition of the debtors and any loss is recognised in profit or loss. Reviews and assessments of credit exposures in excess of designated limits are made. Renewals and reviews of credits limits are subject to the same review process.

Note 11 discloses the cash balances. There was no identified impairment loss.

15E. Liquidity risk – financial liabilities maturity analysis

Liquidity risk refers to the difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. It is expected that all the liabilities will be settled at their contractual maturity.

The other payables are with short-term durations. The classification of the financial assets is shown in the statement of financial position as they may be available to meet liquidity needs and no further analysis is deemed necessary.

The following table analyses the non-derivative financial liabilities by remaining contractual maturity (contractual undiscounted cash flows) at the end of the reporting year:

	Less than 1 year \$	2 – 5 years \$	Total \$
<u>2025:</u>			
Other payables	49,211	–	49,211
Lease liabilities	75,113	18,850	93,963
	<u>124,324</u>	<u>18,850</u>	<u>143,174</u>
<u>2024:</u>			
Other payables	18,672	–	18,672
Lease liabilities	16,367	4,021	20,388
	<u>35,039</u>	<u>4,021</u>	<u>39,060</u>

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15. Financial instruments: information on financial risks and other explanatory information (cont'd)

15F. Interest rate risk

The Company is not exposed to material interest rate risk.

16. Changes and adoption of financial reporting standards

For the current reporting year the ASC issued certain new or revised financial reporting standards. None had a material impact on the Company.

17. New or amended standards in issue but not yet effective

The ASC issued certain new or revised financial reporting standards for the future reporting years. The transfer to the applicable new or revised standards from the effective dates is not expected to result in material modification of the measurement methods or the presentation in the financial statements for the following reporting year from the known or reasonably estimable information relevant to assessing the possible impact that application of the new or revised standards may have on the entity's financial statements in the period of initial application. Those applicable to the Company for future reporting years are listed below.

<u>FRS No.</u>	<u>Title</u>	<u>Effective date for periods beginning on or after</u>
FRS 109 and 107	Classification and Measurement of Financial Instruments – Amendments	1 January 2026
FRS 118	Presentation and disclosures in financial statements	1 January 2027

FRS 118 has brought many of the requirements of FRS 1 unchanged and completing them with new requirements. Some of the paragraphs in FRS 1 have been moved to FRS 8 and FRS 107 with or without minor amendments. Applying FRS 118 would result in changes to the presentation of the statement of income and related notes but is not expected to materially impact the measurement requirements of the Company.

HAO REN HAO SHI LIMITED**18. Reclassifications of comparative figures**

The material changes in balances were as follows:

	<u>After</u> <u>reclassifications</u> \$	<u>Before</u> <u>reclassifications</u> \$	<u>Difference</u> \$
<u>2024</u>			
<u>Statement of financial activities:</u>			
<u>Income</u>			
Donations	1,587,287	1,241,575	345,712
Donations-in-kind	-	345,790	(345,790)
Grants	4,234	-	4,234
Interest income	2,995	-	2,995
Other income	78	7,229	(7,151)
	<hr/>	<hr/>	<hr/>
<u>Expenditure</u>			
Depreciation of property, plant and equipment	-	194,032	(194,032)
Employees' compensation	-	119,769	(119,769)
Fund disbursement	-	1,018,035	(1,018,035)
Interest on lease liabilities	-	1,672	(1,672)
Motor vehicle expenses	-	23,119	(23,119)
Professional fees	-	11,000	(11,000)
Repair and maintenance	-	2,284	(2,284)
Short-term lease expense	-	5,000	(5,000)
Others	-	56,170	(56,170)
Cost of generating funds	1,314,039	-	1,314,039
Cost of generating voluntary income	36,286	-	36,286
Governance cost	11,000	-	11,000
Other expenditures	69,756	-	69,756
	<hr/>	<hr/>	<hr/>
<u>Statement of financial position:</u>			
Property, plant and equipment	-	479,937	(479,937)
Plant and equipment	460,864	-	460,864
Right-of-use assets	19,073	-	19,073
	<hr/>	<hr/>	<hr/>
<u>Statement of cash flow:</u>			
<u>Cash flow from operating activities</u>			
Depreciation of property, plant and equipment	-	194,032	(194,032)
Depreciation of plant and equipment	153,799	-	153,799
Depreciation of right-of-use asset	40,233	-	40,233
	<hr/>	<hr/>	<hr/>

The financial statements for the reporting year ended 31 December 2024 were audited by other independent auditor (other than RSM Assurance LLP) whose report dated 4 June 2025 expressed an unmodified opinion on those financial statements.