



SUNTAR ECO-CITY LIMITED

Condensed Interim Financial Statements for the Six months ended 30th June 2025

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A. Condensed Interim Consolidated Statement of Comprehensive Income

Condensed Interim Consolidated statement of comprehensive income for the Six Months Ended 30 June 2025 ("1H 2025")

	Group 1H 2025 RMB'000	Group 1H 2024 RMB'000	+ / (-) %
Revenue	1,287	5,894	(78.2)
Cost of sales	(899)	(5,574)	(83.9)
Gross profit	388	320	21.3
Other operating income	214	308	(30.5)
Administrative expenses	(1,801)	(1,401)	28.6
Selling and distribution expenses	(199)	(191)	4.2
Share of profit of associates	3,430	1,986	72.7
Profit before taxation	2,032	1,022	98.8
Income tax expense	(8)	(90)	(91.1)
Profit after taxation, representing total comprehensive income	<u>2,024</u>	<u>932</u>	117.2
Profit attributable to:			
Owners of the company	1,974	922	114.1
Non-controlling interests	50	10	n.m.
	<u>2,024</u>	<u>932</u>	117.2
Earnings per share (cent)			
- Basic	3.15	1.47	114.1
- Diluted	3.15	1.47	114.1

n.m.= not meaningful

B. Condensed Interim Statements of Financial Position

	Group 2025/6/30 RMB'000	Group 2024/12/31 RMB'000	Company 2025/6/30 RMB'000	Company 2024/12/31 RMB'000
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	10,827	57,789	279	387
Structured deposits	44,030	-	-	-
Trade receivables	544	3,665	-	-
Other receivables	4,420	7,976	265	219
Completed properties for sale	9,421	9,421	-	-
Inventories	348	330	-	-
Total current assets	69,590	79,181	544	606
Non-current assets				
Right-of-use asset	12,794	12,930	-	-
Property, plant and equipment	592	345	-	-
Subsidiaries	-	-	131,406	131,406
Associate	46,241	42,811	-	-
Deferred tax asset	292	292	-	-
Total non-current assets	59,919	56,378	131,406	131,406
Total assets	129,509	135,559	131,950	132,012
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade payables	4,236	6,336	-	-
Other payables	22,984	29,005	22,602	21,490
Income tax payable	1,274	1,227	-	-
Total current liabilities	28,494	36,568	22,602	21,490
Capital and reserves				
Share capital	162,713	162,713	162,713	162,713
Statutory reserves	1,154	1,154	-	-
Accumulated losses	(63,075)	(65,049)	(53,365)	(52,191)
Equity attributable to owners of the Company	100,792	98,818	109,348	110,522
Non-controlling interest	223	173	-	-
Total equity	101,015	98,991	109,348	110,522
Total liabilities and equity	129,509	135,559	131,950	132,012

C. Condensed Interim Statements of Changes in Equity

	Share capital RMB'000	Statutory reserves RMB'000	Accumulated losses RMB'000	Equity attributable to owners of the Company RMB'000	Non- controlling interest RMB'000	Total equity RMB'000
Group						
Balance as at 1 January 2025	162,713	1,154	(65,049)	98,818	173	98,991
Profit for the period, representing total comprehensive income for the period	-	-	1,974	1,974	50	2,024
Balance as at 30 June 2025	162,713	1,154	(63,075)	100,792	223	101,015
Balance as at 1 January 2024	162,713	1,102	(73,169)	90,646	122	90,768
Profit for the period, representing total comprehensive income for the period	-	-	922	922	10	932
Balance as at 30 June 2024	162,713	1,102	(72,247)	91,568	132	91,700

	Share capital RMB'000	Statutory reserves RMB'000	Accumulated losses RMB'000	Total equity RMB'000
Company				
Balance as at 1 January 2025	162,713	-	(52,191)	110,522
Loss for the period, representing total comprehensive loss for the period	-	-	(1,174)	(1,174)
Balance as at 30 June 2025	162,713	-	(53,365)	109,348
Balance as at 1 January 2024	162,713	-	(50,053)	112,660
Loss for the period, representing total comprehensive loss for the period	-	-	(981)	(981)
Balance as at 30 June 2024	162,713	-	(51,034)	111,679

D. Condensed Interim Consolidated Statement of Cash Flows

UNAUDITED CONSOLIDATED STATEMENTS OF CASH FLOWS FOR THE SECOND QUARTER AND FIRST HALF 30-Jun-25

	Group	
	1H 2025 RMB'000	1H 2024 RMB'000
Operating activities:		
Profit before taxation	2,032	1,022
Adjustments for:		
Depreciation of property, plant and equipment	38	10
Interest income	(143)	(271)
Depreciation of right-of-use asset	136	136
Share of profit of associate	(3,430)	(1,986)
Unrealised exchange Loss (gain)	15	(1)
Operating loss before working capital changes	(1,352)	(1,090)
Change in trade receivables	3,121	1,128
Change in inventories	(18)	(13)
Change in other receivable	(444)	18
Change in trade payables	(2,100)	(192)
Change in other payables and accruals	(7,449)	(777)
Cash used in operations	(8,242)	(926)
Interest received	143	271
Income tax paid	39	(106)
Net cash used in operating activities	(8,060)	(761)
Investing activities:		
Increase in structured deposits	(44,030)	(27,400)
Purchase of property, plant and equipment	(285)	(58)
Repayment from an associate	4,000	4,000
Net cash used in investing activities	(40,315)	(23,458)
Financing activities		
Receipt of advances from a director, representing net cash generated from financing activity	1,428	1,673
Net decrease in cash and cash equivalents	(46,947)	(22,546)
Cash and cash equivalents at beginning of financial year	57,789	38,653
Effect of exchange rate changes on the balance of cash held in foreign currencies	(15)	1
Cash and cash equivalents at end of financial period	10,827	16,108

E. Notes To The Condensed Interim Consolidated Financial Statements

1. Corporate Information

Suntar Eco-city Limited (the "Company") is incorporated and domiciled in Singapore and whose shares are publicly traded on the Mainboard of the Singapore Exchange.

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2025 comprise the Company and its subsidiaries (collectively, the Group).

The principal activities of the Group is:

- (a) Health and Nutrition
- (b) Property Development

2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2025 have been prepared in accordance with SFRS(I) 1-34 Interim Financial Reporting issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2024.

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

The condensed interim financial statements are presented in Renminbi which is the Company's functional currency.

2.1 New and amended standards adopted by the Group

A number of amendments to Standards have become applicable for the current reporting period. The Group did not have to change its accounting policies or make retrospective adjustments as a result of adopting those standards.

2.2 Use of Judgements And Estimates

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

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

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

3. Seasonal Operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment Information

The group has two reportable segments, as described below, which are the Group's strategic business unit. The operating businesses are organized and managed separately according to the nature of the product provided, with each segment representing a strategic business unit that offers different products and serves different markets.

The Group is organized into two main operating business segments, namely:

- (a) Health and Nutrition
- (b) Property Development

4.1 Reportable segments

	Health & Nutrition	Property Development	Unallocated	Total
	RMB'000	RMB'000	RMB'000	RMB'000
1H 2025				
Segment revenue:				
External customers	1,287	-	-	1,287
Segment results:				
Segment result	23	(247)	(1,174)	(1,398)
Share of profit in associate				3,430
Tax Expense				(8)
Profit for the period				2,024
Assets				
Segment assets	39,441	89,790	278	129,509
Liabilities				
Segment liabilities	561	5,095	22,838	28,494
Other Segment Information:				
Capital Expenditure	-	-	-	-
Depreciation of property, plant and equipment	-	38	-	38
Depreciation of right-of-use assets	-	136	-	136

4.1 Reportable segments (Cont'd)

	Health & Nutrition RMB'000	Property Development RMB'000	Unallocated RMB'000	Total RMB'000
1H 2024				
Segment revenue:				
External customers	5,894	-	-	5,894
Segment results:				
Segment result	(31)	48	(981)	(964)
Share of profit in associate				1,986
Tax Expense				(90)
Profit for the period				932
Assets				
Segment assets	37,781	82,091	534	120,406
Liabilities				
Segment liabilities	635	7,145	20,926	28,706
Other Segment Information:				
Capital Expenditure	-	-	-	-
Depreciation of property, plant and equipment	-	10	-	10
Depreciation of right-of-use assets	-	136	-	136

4.2 Disaggregation of Revenue

The Group derives revenue from the transfer of goods at a point in time in the People's Republic of China.

The Group	1H 2025 RMB'000	1H 2024 RMB'000
Timing of revenue recognition		
<u>At a point of time:</u>		
Sale of completed properties	-	-
Sale of health and nutrition products	1,287	5,894
Total	1,287	5,894

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2025 and 31 December 2024:

	The Group		The Company	
	30 June 2025	31 December 2024	30 June 2025	31 December 2024
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Financial assets at amortised cost:				
Cash and cash equivalents	10,827	57,789	279	387
Structured Deposit	44,030	-	-	-
Trade receivables	544	3,665	-	-
Other receivables	3,961	7,963	265	219
	59,362	69,417	544	606
Financial liabilities				
Financial liabilities at amortised cost:				
Trade payables	1,707	3,717	-	-
Other payables	22,952	28,692	22,602	21,490
	24,659	32,409	22,602	21,490

6. Profit before taxation

Significant items

	Group 1H 2025 RMB'000	Group 1H 2024 RMB'000	+ / (-) %
Other Income			
Interest income	143	271	(47.2)
Other operating expenses			
Staff costs	(208)	(269)	(22.7)
Depreciation of property, plant and equipment	(38)	(10)	n.m.
Depreciation of right-of-use assets	(136)	(136)	-

7. Taxation

The Group calculates the income tax expense using the statutory tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the interim consolidated statement of profit or loss are:

	Group 1H 2025 RMB'000	Group 1H 2024 RMB'000	+ / (-) %
Current tax expense	(8)	(90)	(91.1)

8. Dividends

No interim dividends for the first half ended 30 June 2025 (30 June 2024: \$Nil) is recommended. No dividends have been declared or recommended in line with the previous financial year practice that proposed dividends are declared on a full financial year basis.

9. Net Asset Value

	Group 2025/6/30 RMB Cents	Group 2024/12/31 RMB Cents	Company 2025/6/30 RMB Cents	Company 2024/12/31 RMB Cents
Net asset value per ordinary share based on total number of issued shares excluding treasury shares	160.60	157.45	174.23	176.10

10. Loan and Borrowings

Amount repayable in one year or less, or on demand

As at 30/06/2025		As at 31/12/2024	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
Nil	21,202	Nil	19,774

Amount repayable after one year

As at 30/06/2025		As at 31/12/2024	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
Nil	Nil	Nil	Nil

11. Share Capital

	As at 30 June 2025	As at 31 December 2024
Total number of issued shares	<u>62,759,999</u>	<u>62,759,999</u>

There are no treasury shares as at 31 December 2024 and 30 June 2025.

12. Subsequent Events

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

F. Other information required by listing rule appendix 7.2

1. Review

The condensed consolidated statement of financial position of Suntar Eco-city Limited and its subsidiaries as at 30 June 2025 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the Group

Income Statement

The Group's revenue has decreased by RMB 4.61 million to RMB 1.29 million for the six months ended 30 June 2025 ('1H 2025') compared to the corresponding period in 2024. All revenue was contributed by the Health and Nutrition segment, and there was no income from the Property Development segment. Within the Health and Nutrition segment, revenue was composed of RMB 1.06 million from bottled water business and RMB 0.23 million from health supplements business. The revenue decrease is primarily attributed to the health and nutrition segment. In comparison, during the same period in 2024, revenue from the bottled water business was RMB 1.26 million, and revenue from the health supplements business was RMB 4.63 million. The revenue decrease is primarily attributed to the health and nutrition segment. The decrease in revenue continued during the period, mainly due to the prolonged slowdown in China's health supplement industry, changing market demands, and increased competition. While we have adjusted our product structure by reducing focus on lutein and introducing new product lines, including vitamins and tea. Sales of these products remain modest and have not yet compensated for the decline in lutein sales.

The Group's overall gross profit margin increased to 30.17% in 2025 from 5.43% in 2024. The increase was primarily driven by a strategic shift in our distribution channels, whereby we discontinued the trading of certain low-margin raw materials in the health nutrition segment. The Group is now focused on serving corporate clients and offering premium health supplement gift box products, which carry higher margins.

Other operating income has decreased to RMB 0.21 million as compared to RMB 0.31 million in 1H 2024. The decrease was primarily attributable to the timing of income recognition, as the structured deposits held during the period had not yet matured and therefore did not generate interest income in 1H 2025.

General and Administrative expenses have increased from RMB 1.40 million to RMB 1.80 million, primarily due to higher audit and company secretarial fees and legal costs related to a property transaction recession. Selling and distribution expenses have increased from RMB 0.19 million to RMB 0.20 million, mainly due to sales promotion efforts.

The Group has recognized a share of profit from associates amounting to RMB 3.43 million, compared to RMB 1.99 million in 1H 2024. This includes a contribution of RMB 0.68 million from Hebei Huawei Health Industry Co. Ltd (“Huawei”), reflecting the impact of intensified product homogeneity and challenges faced by traditional customer acquisition channels. The increase was mainly driven by Wuping Hailan Real Estate Development Co., Ltd. (“Hailan”), which contributed RMB 2.75 million following the progressive revenue recognition from the handover of units under its Lanjun Jiangnan project.

Statement of Financial Position

The Group has recorded a structured deposits of RMB 44.03 million in 1H 2025 as compared to no entry at 31 December 2024. All structured deposits held in 2024 had matured and were redeemed into cash by year-end, and the Group subsequently reinvested in structured deposits during 1H 2025, which had not yet matured as at the period end.

Trade receivables decreased by RMB 3.12 million, reaching RMB 0.54 million as of June 30, 2025. This decrease is solely attributed to the Health & Nutrition segment, where market conditions led to adjustments in the product structure and a decline in sales. Other receivables have decreased from RMB 7.98 million by RMB 3.56 million to RMB 4.42 million. This reduction can be attributed to the strong presales performance of our Associate, Wuping Hailan Real Estate Development Co., Ltd., enabling them to repay advances from shareholders. Trade payables decreased RMB 2.10 million to RMB 4.24 million. Other payables have decreased from RMB 29.01 million by RMB 6.02 million to RMB 22.98 million. The decrease was mainly due to the settlement of a payable previously recognised in relation to the property transaction with a related party.

Statement of Cash Flows

The overall net cash decrease in cash and cash equivalents is RMB 46.95 million for 6 months period ended 30 June 2025. It was mainly attributable to net cash outflow of RMB 44.03 million increased in structure deposits and a cash outflow of RMB 6.69 million in settlement of other payables relating to the property transaction with a related party, off-set by the recovery of RMB 4 million with the primary contributor being the repayment of shareholders' advance by associate.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

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

In the Health and Nutrition segment, revenue from health supplements declined, due to challenges faced by traditional distribution channels amid evolving market conditions. The Group continues to optimize its product portfolio, focusing on vitamins, protein powders, and tea products. Efforts are also underway to expand distribution channels for the bottled water brand and to explore new market opportunities beyond current regions. The Group will continue to monitor market developments closely and adjust strategies accordingly to support sustainable performance.

In the Property Development segment, sales of the Jiangnan project progressed steadily despite the challenging conditions in the Chinese real estate market. As we continue to make progress on the Lanjun Jiangnan project, we see it as an opportunity to strengthen our brand presence in the market. By delivering quality residential units and villas, we aim to build a reputation for excellence. Moving forward, we are focused on completing the remaining phases of the Jiangnan project and expect it to serve as a foundation for further growth in our property development portfolio.

5. Dividend Information

No dividends have been declared or recommended. This is in line with previous financial year practice that proposed dividends are declared on a full financial year basis as the Group deems it appropriate to retain cash for its operations.

6. Interested person transactions

Company has no shareholders' mandate for interested person transactions.

7. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720 (1).

The Company confirms that undertakings have been procured from all Directors and Executive Officers under Rule 720 (1).

8. Confirmation Pursuant to The Rule 705(5) of The Listing Manual

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the six-month period ended 30 June 2025 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Dr Lan Weiguang
Non-Independent Non-Executive Director

14 August 2025