SUNTAR ECO-CITY LIMITED

Condensed Interim Financial Statements for the Six months ended 30th June 2026

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A. Condensed Interim Consolidated Statement of Comprehensive Income

	Group 1H 2026 RMB'000	Group 1H 2025 RMB'000	+ / (-) %
Revenue	2,016	1,287	56.6
Cost of sales	(1,680)	(899)	86.9
Gross profit	336	388	(13.4)
Other operating income	39	214	(81.8)
Administrative expenses	(1,759)	(1,801)	(2.3)
Selling and distribution expenses	(208)	(199)	4.5
Share of profit of associates	348	3,430	(89.9)
(Loss)/Profit before taxation	(1,244)	2,032	n.m.
Income tax expense	(43)	(8)	n.m.
(Loss)/Profit after taxation, representing total comprehensive (loss)/income	(1,287)	2,024	n.m.
(Loss)/Profit attributable to:			
Owners of the company	(1,311)	1,974	n.m.
Non-controlling interests	24	50	(52.0)
	(1,287)	2,024	n.m.
(Loss)/Earnings per share (cent)			
- Basic	(2.09)	3.15	n.m.
- Diluted	(2.09)	3.15	n.m.

n.m.= not meaningful

B. Condensed Interim Statements of Financial Position

	Group 2026/6/30 RMB'000	Group 2025/12/31 RMB'000	Company 2026/6/30 RMB'000	Company 2025/12/31 RMB'000
ASSETS				
Current assets				
Cash and cash equivalents	4,920	59,630	349	187
Structured deposits	56,287	-	-	-
Trade receivables	1,018	922	-	-
Other receivables	419	375	278	258
Completed properties for sale	9,064	9,064	-	-
Inventories	267	331	-	-
Total current assets	71,975	70,322	627	445
Non-current assets				
Right-of-use asset	12,522	12,658	-	-
Property, plant and equipment	535	525	-	-
Subsidiaries	-	-	131,406	131,406
Associate	42,501	42,153	-	-
Deferred tax asset	292	292	-	-
Total non-current assets	55,850	55,628	131,406	131,406
Total assets	127,825	125,950	132,033	131,851
LIABILITIES AND EQUITY				
Current liabilities				
Trade payables	475	514	-	-
Other payables	27,633	24,441	25,093	23,715
Income tax payable	1,270	1,261	-	-
Total current liabilities	29,378	26,216	25,093	23,715
Capital and reserves				
Share capital	162,713	162,713	162,713	162,713
Statutory reserves	1,229	1,229	-	-
Accumulated losses	(65,822)	(64,511)	(55,773)	(54,577)
Equity attributable to owners of the Company	98,120	99,431	106,940	108,136
Non-controlling interest	327	303	-	-
Total equity	98,447	99,734	106,940	108,136
Total liabilities and equity	127,825	125,950	132,033	131,851

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 2026	162,713	1,229	(64,511)	99,431	303	99,734
Loss for the period, representing total comprehensive loss for the period	-	-	(1,311)	(1,311)	24	(1,287)
Balance as at 30 June 2026	162,713	1,229	(65,822)	98,120	327	98,447
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

	Share capital RMB'000	Statutory reserves RMB'000	Accumulated losses RMB'000	Total equity RMB'000
Company				
Balance as at 1 January 2026	162,713	-	(54,577)	108,136
Loss for the period, representing total comprehensive loss for the period	-	-	(1,196)	(1,196)
Balance as at 30 June 2026	162,713	-	(55,773)	106,940
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

D. Condensed Interim Consolidated Statement of Cash Flows

	Group 1H 2026 RMB'000	Group 1H 2025 RMB'000
Operating activities:		
(Loss)/Profit before taxation	(1,244)	2,032
Adjustments for:		
Depreciation of property, plant and equipment	70	38
Interest income	(5)	(143)
Depreciation of right-of-use asset	136	136
Share of profit of associate	(348)	(3,430)
Unrealised exchange (loss)/gain	(12)	15
Operating loss before working capital changes	(1,403)	(1,352)
Change in trade receivables	(96)	3,121
Change in inventories	64	(18)
Change in other receivable	(44)	(444)
Change in trade payables	(39)	(2,100)
Change in other payables and accruals	1,107	(7,449)
Cash used in operations	(411)	(8,242)
Interest received	5	143
Income tax paid	(34)	39
Net cash used in operating activities	(440)	(8,060)
Investing activities:		
Increase in structured deposits	(56,287)	(44,030)
Purchase of property, plant and equipment	(80)	(285)
Repayment from an associate	-	4,000
Net cash used in investing activities	(56,367)	(40,315)
Financing activities		
Receipt of advances from a director,representing net cash generated from financing activity	2,085	1,428
Net decrease in cash and cash equivalents	(54,722)	(46,947)
Cash and cash equivalents at beginning of financial year	59,630	57,789
Effect of exchange rate changes on the balance of cash held in foreign currencies	12	(15)
Cash and cash equivalents at end of financial period	4,920	10,827

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 2026 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 2026 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 2025.

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 2025.

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 2026				
Segment revenue:				
External customers	2,016	-	-	2,016
Segment results:				
Segment result	(66)	(330)	(1,196)	(1,592)
Share of profit in associate				348
Tax Expense				(43)
Loss for the period				(1,287)
Assets				
Segment assets	40,313	87,165	347	127,825
Liabilities				
Segment liabilities	571	3,480	25,327	29,378
Other Segment Information:				
Capital Expenditure	-	-	-	-
Depreciation of property, plant and equipment	32	38	-	70
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 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

4.2 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 2026 RMB'000	1H 2025 RMB'000
Timing of revenue recognition		
<u>At a point of time:</u>		
Sale of completed properties	-	-
Sale of health and nutrition products	2,016	1,287
Total	2,016	1,287

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 2026 and 31 December 2025:

	The Group		The Company	
	30 June 2026	31 December 2025	30 June 2026	31 December 2025
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Financial assets at amortised cost:				
Cash and cash equivalents	**4,920**	59,630	**349**	187
Structured Deposit	**56,287**	-	**-**	-
Trade receivables	**1,018**	922	**-**	-
Other receivables	**371**	359	**278**	258
	62,596	60,911	**627**	445
Financial liabilities				
Financial liabilities at amortised cost:				
Trade payables	**475**	514	**-**	-
Other payables	**27,490**	24,153	**25,093**	23,715
	27,965	24,667	**25,093**	23,715

6. (Loss)/Profit before taxation

Significant items

	Group 1H 2026 RMB'000	Group 1H 2025 RMB'000	+ / (-) %
Other Income			
Interest income	5	143	(97)
Other operating expenses			
Staff costs	(220)	(208)	5.8
Depreciation of property, plant and equipment	(70)	(38)	84.2
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 2026 RMB'000	Group 1H 2025 RMB'000	+ / (-) %
Current tax expense	(43)	(8)	n.m

8. Dividends

No interim dividends for the first half ended 30 June 2026 (30 June 2025: $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 2026/6/30 RMB Cents	Group 2025/12/31 RMB Cents	Company 2026/6/30 RMB Cents	Company 2025/12/31 RMB Cents
Net asset value per ordinary share based on total number of issued shares excluding treasury shares	156.34	158.43	170.40	172.30

10. Loan and Borrowings

Amount repayable in one year or less, or on demand

As at 30/06/2026		As at 31/12/2025	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
Nil	23,841	Nil	21,756

Amount repayable after one year

As at 30/06/2026		As at 31/12/2025	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
Nil	Nil	Nil	Nil

11. Share Capital

	As at 30 June 2026	As at 31 December 2025
Total number of issued shares	62,759,999	62,759,999

There are no treasury shares as at 31 December 2025 and 30 June 2026.

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 2026 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

The Group’s revenue increased by RMB 0.73 million, to RMB 2.02 million for the six months ended 30 June 2026 (‘1H 2026’) compared to RMB 1.29 million in the corresponding period in 2025 (‘1H 2025’). All revenue continued to be contributed by the Health and Nutrition segment, with no income from the Property Development segment, consistent with 1H 2025. Within the Health and Nutrition segment, revenue was composed of RMB 1.78 million from the bottled water business and RMB 0.24 million from the health supplements business. Cost of sales increased at a faster pace than revenue, from RMB 0.90 million to RMB 1.68 million, resulting in gross profit decreased by 13.4%, to RMB 0.34 million, with gross profit margin narrowing from 30.1% to 16.7%. The decline in gross profit margin was mainly due to higher raw material costs for the bottled water business and changes in product mix, with a higher proportion of customised bottled water products during the period, which resulted in higher packaging and production costs.

Other operating income decreased by RMB 0.18 million, to RMB 0.04 million in 1H 2026 as compared to RMB 0.21 million in 1H 2025. The decrease was mainly attributable to lower investment income recognised during the period.

Administrative expenses decreased marginally from RMB 1.80 million to RMB 1.76 million. Selling and distribution expenses increased from RMB 0.20 million to RMB 0.21 million.

The Group's share of profit from associates decreased significantly by RMB 3.08 million, from RMB 3.43 million in 1H 2025 to RMB 0.35 million in 1H 2026. This comprised RMB 0.24 million from Hebei Huawei Health Industry Co., Ltd. ("Huawei"), the segment continued to face intensifying competition from homogeneous products and persistent challenges in customer acquisition through traditional distribution channels, and RMB 0.11 million from Wuping Hailan Real Estate Development Co., Ltd. ("Hailan"), primarily from the sale and handover of properties under its Lanjun Jiangnan project.

As a result, the Group recorded a loss before taxation of RMB 1.24 million in 1H 2026, as compared to a profit before taxation of RMB 2.03 million in 1H 2025. After income tax expense of RMB 0.04 million, the Group recorded a net loss of RMB 1.29 million for 1H 2026, as compared to a net profit of RMB 2.02 million in 1H 2025.

Statement of Financial Position

The Group has recorded a structured deposits of RMB 56.29 million in 1H 2026 as compared to nil at 31 December 2025. All structured deposits held in 2025 had matured and were redeemed into cash by year-end, and the Group subsequently reinvested in structured deposits during 1H 2026, which had not yet matured as at the period end.

Trade receivables increased by RMB 0.10 million to RMB 1.02 million as at 30 June 2026 (31 December 2025: RMB 0.92 million). The increase was at a slower pace than revenue growth, reflecting improved collections during the period. Other receivables increased by RMB 0.04 million to RMB 0.42 million.

Trade payables decreased by RMB 0.04 million to RMB 0.48 million, as compared to RMB 0.51 million as at 31 December 2025. Other payables increased by RMB 3.19 million to RMB 27.63 million, as compared to RMB 24.44 million as at 31 December 2025, mainly due to continued funding support in the form of advances from a director, as well as temporary internal funding arrangements within the Group.

Statement of Cash Flows

The Group recorded a net decrease in cash and cash equivalents of RMB 54.72 million for the six-month period ended 30 June 2026, as compared to RMB 46.95 million in 1H 2025. This was mainly attributable to net cash outflow of RMB 56.29 million arising from the placement of structured deposits, partially offset by net cash inflow of RMB 2.09 million from advances received from a director. Net cash used in operating activities improved to RMB 0.44 million in 1H 2026, from RMB 8.06 million in 1H 2025, mainly due to favourable working capital movements during the period.

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, market conditions are expected to remain challenging amid intense competition in China's health supplement industry. The Group will continue to monitor market developments closely and adopt a prudent approach in optimising its product portfolio, distribution strategy and cost structure in response to evolving market conditions.

In the Property Development segment, the Group remains focused on completing the remaining phases of the Lanjun Jiangnan project. Revenue recognition is expected to continue to depend on the progress of project completion and the timing of property handovers, which may be affected by prevailing market conditions. As the Group continues to progress with the Lanjun Jiangnan project, it remains committed to strengthening its brand presence in the local market through the delivery of quality properties. The Group believes the project will continue to support its long-term property development strategy.

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 2026 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Dr Lan Weiguang
Non-Independent Non-Executive Director

14 August 2026