



SUNTAR ECO-CITY LIMITED

Condensed interim consolidated financial statements
For the six months and full year ended 31 December 2024

Table of Contents

A. Condensed Interim Consolidated Statement of Comprehensive Income	3
B. Condensed Interim Statements of Financial Position	4
C. Condensed Interim Statements of Changes in Equity	5
D. Condensed Interim Consolidated Statement of Cash Flows	6
E. Notes To The Condensed Interim Consolidated Financial Statements.	7
F. Other information required by listing rule appendix 7.2	13

A. Condensed Interim Consolidated Statement of Comprehensive Income

	Group			Group		
	2 nd half year	2 nd half year		Full year	Full year	
	ended	ended		ended	ended	
	31-Dec	31-Dec		31-Dec	31-Dec	
	2024	2023	+ / (-)	2024	2023	+ / (-)
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Revenue	14,437	22,013	(34.4)	20,331	35,418	(42.6)
Cost of sales	(13,416)	(21,293)	(37.0)	(18,990)	(34,277)	(44.6)
Gross profit	1,021	720	41.8	1,341	1,141	17.5
Other operating income	1,117	349	n.m.	1,425	623	n.m.
Write back of payables	2,000	42	n.m.	2,000	42	n.m.
Administrative expenses	(1,785)	(2,224)	(19.7)	(3,186)	(3,542)	(10.1)
Selling and distribution expenses	(258)	(224)	15.2	(449)	(429)	4.7
Loss on deconsolidation of a subsidiary	-	(118)	n.m.	-	(118)	-
Bad debt written off	-	78	n.m.	-	-	-
Other operating expenses	(142)	(254)	(44.1)	(142)	(254)	(44.1)
Share of profit of associates	6,123	1,358	n.m.	8,109	3,180	n.m.
Profit before taxation	8,076	(273)	n.m.	9,098	643	n.m.
Tax expense	(410)	102	n.m.	(500)	78	n.m.
Profit / (Loss) after taxation	7,666	(171)	n.m.	8,598	721	n.m.
Profit/ (Loss) attributable to:						
Owners of the company	7,630	(233)	n.m.	8,552	643	n.m.
Non-controlling interests	36	62	(41.9)	46	78	(41.0)
	7,666	(171)	n.m.	8,598	721	n.m.
Earnings per ordinary share (cent)						
- Basic	12.16	(0.37)	n.m.	13.63	1.02	n.m.
- Diluted	12.16	(0.37)	n.m.	13.63	1.02	n.m.

n.m.= not meaningful

B. Condensed Interim Statements of Financial Position

	Group 31/12/2024 RMB'000	Group 31/12/2023 RMB'000	Company 31/12/2024 RMB'000	Company 31/12/2023 RMB'000
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	57,789	38,653	387	440
Trade receivables	7,565	1,588	-	-
Other receivables	7,976	20,147	219	133
Completed properties for sale	-	9,513	-	-
Inventories	330	322	-	-
Total current assets	73,660	70,223	606	573
Non-current assets				
Right-of-use asset	12,930	13,202	-	-
Property, plant and equipment	345	367	-	-
Subsidiaries	-	-	131,406	131,406
Associate	42,811	34,702	-	-
Deferred tax asset	-	292	-	-
Total non-current assets	56,086	48,563	131,406	131,406
Total assets	129,746	118,786	132,012	131,979
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade payables	6,336	6,448	-	-
Other payables	22,817	20,285	21,490	19,319
Income tax payable	1,227	1,285	-	-
Total current liabilities	30,380	28,018	21,490	19,319
Capital and reserves				
Share capital	162,713	162,713	162,713	162,713
Statutory reserves	1,192	1,102	-	-
Accumulated losses	(64,712)	(73,169)	(52,191)	(50,053)
Equity attributable to owners of the Company	99,193	90,646	110,522	112,660
Non-controlling interest	173	122	-	-
Total equity	99,366	90,768	110,522	112,660
Total liabilities and equity	129,746	118,786	132,012	131,979

C. Condensed Interim Statements of Changes in Equity

	Share capital RMB'000	Statutory reserves RMB'000	Accumulated losses RMB'000	Total RMB'000	Non-controlling interest RMB'000	Total equity RMB'000
Group						
Balance as at 1 January 2024	162,713	1,102	(73,169)	90,646	122	90,768
Profit for the year, representing total comprehensive income for the year	-	-	8,552	8,552	46	8,598
Transfer to statutory reserves	-	90	(95)	(5)	5	-
Balance as at 31 December 2024	162,713	1,192	(64,712)	99,193	173	99,366
Balance as at 1 January 2023	162,713	1,070	(73,780)	90,003	44	90,047
Acquisition of a subsidiary	-	-	-	-	-	-
Profit for the year, representing total comprehensive income for the year	-	-	643	643	78	721
Transfer to statutory reserves		32	(32)	-	-	-
Balance as at 31 December 2023	162,713	1,102	(73,169)	90,646	122	90,768
	Share capital RMB'000	Statutory reserves RMB'000	Accumulated losses RMB'000	Total equity RMB'000		
Company						
Balance as at 1 January 2024		162,713	-	(50,053)		112,660
Loss for the year, representing total comprehensive loss for the year		-	-	(2,138)		(2,138)
Balance as at 31 December 2024		162,713	-	(52,191)		110,522
Balance as at 1 January 2023		162,713	-	(48,131)		114,582
Loss for the year, representing total comprehensive loss for the year		-	-	(1,922)		(1,922)
Balance as at 31 December 2023		162,713	-	(50,053)		112,660

D. Condensed Interim Consolidated Statement of Cash Flows

	Group	
	FY2024 RMB'000	FY2023 RMB'000
Operating activities:		
Profit before taxation	9,098	643
Adjustments for:		
Depreciation of property, plant and equipment	58	17
Interest income	(812)	(415)
Depreciation of right-of-use asset	272	272
Loss on deconsolidation	-	118
Write-back of payables	(2,000)	(42)
Impairment loss on development property for sale	-	254
Write off of property, plant and equipment	114	-
Write off of inventory	28	-
Share of profit of associate	(8,109)	(3,180)
Operating loss before working capital changes	(1,351)	(2,333)
Change in trade receivables	(5,977)	(1,044)
Change in inventories	(36)	(143)
Change in other receivable	171	246
Change in completed properties for sale	9,513	1,023
Change in trade payables	1,888	(172)
Change in other payables and accruals	146	457
Cash generated from/(used in) operations	4,354	(1,966)
Government grant received	-	-
Interest received	812	415
Income tax paid	(110)	(109)
Net cash generated from/(used in) operating activities	5,056	(1,660)
Investing activities:		
Purchase of property, plant and equipment	(131)	(266)
Disposal of property, plant and equipment	-	-
Repayment from /(Advance to) an associate	12,000	28,400
Net cash generated from investing activities	11,869	28,134
Financing activities		
Receipt of advances from a director, representing net cash generated from financing activity	2,211	1,840
Net cash generated from financing activities	2,211	1,840
Net increase in cash and cash equivalents	19,136	28,314
Cash and cash equivalents at beginning of financial year	38,653	10,330
Effect of exchange rate changes on the balance of cash held in foreign currencies	-	9
Cash and cash equivalents at end of financial year	57,789	38,653

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 and full year ended 31 December 2024 comprise the Company and its subsidiaries (collectively, the Group).

The principal activities of the Group are:

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

2. Basis of Preparation

The condensed interim financial statements for the six months and full year ended 31 December 2024 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 2023.

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 2023.

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:

1. Health & Nutrition
2. Property Development

4.1 Reportable segments

Segment revenues and results

	<u>Health & Nutrition</u>		<u>Property development</u>		<u>Unallocated</u>		<u>Total</u>	
	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended	6 months ended
	31-Dec 2024	31-Dec 2023	31-Dec 2024	31-Dec 2023	31-Dec 2024	31-Dec 2023	31-Dec 2024	31-Dec 2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue:								
External customers	4,239	20,861	10,198	1,152	-	(221)	14,437	21,792
Segment result:								
Segment result	89	159	2,699	(813)	(835)	(977)	1,953	(1,631)
Share of profit in associate							6,123	1,358
Tax expense							(410)	102
Profit for the period							7,666	(171)

	<u>Health & Nutrition</u>		<u>Property development</u>		<u>Unallocated</u>		<u>Total</u>	
	Full year ended	Full year ended	Full year ended	Full year ended	Full year ended	Full year ended	Full year ended	Full year ended
	31-Dec 2024	31-Dec 2023	31-Dec 2024	31-Dec 2023	31-Dec 2024	31-Dec 2023	31-Dec 2024	31-Dec 2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue:								
External customers	10,133	34,266	10,198	1,152	-	-	20,331	35,418
Segment result:								
Segment result	58	307	2,747	(1,717)	(1,816)	(1,127)	989	(2,537)
Share of profit in associate							8,109	3,180
Tax expense							(500)	78
Profit for the year							8,598	721

4.1 Reportable segments (Cont'd)

Segment assets, liabilities and other segment information

	<u>Health & Nutrition</u>		<u>Property development</u>		<u>Unallocated</u>		<u>Total</u>	
	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Assets:								
Segment assets	40,902	35,763	88,394	82,579	450	444	129,746	118,786
Liabilities:								
Segment liabilities	2,790	887	5,828	7,276	21,762	19,855	30,380	28,018

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.

	Group			
	6 months ended 31 December 2024 RMB'000	6 months ended 31 December 2023 RMB'000	Full year ended 31 December 2024 RMB'000	Full year ended 31 December 2023 RMB'000

Timing of revenue
recognition

At a point of time:

Sale of completed properties	10,198	1,152	10,198	1,152
Sale of health and nutrition products	4,239	20,861	10,133	34,266
Total	14,437	22,013	20,331	35,418

4.3 A breakdown of sales

	Full year ended 31/12/2024 RMB'000	Group Full year ended 31/12/2023 RMB'000	Increase / (decrease) %
(a) Sales reported for first half year	5,894	13,405	(56.0)
(b) Profit after tax before minority interest reported for first half year	932	892	4.5
(c) Sales reported for second half year	14,437	22,013	(34.4)
(d) Loss after tax before minority interest reported for second half year	7,666	(171)	n.m.

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 31 December 2024 and 31 December 2023

	The Group		The Company	
	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets at amortised cost:				
Cash and cash equivalents	57,789	38,653	387	440
Trade receivables	7,565	1,588	-	-
Other receivables	7,963	20,044	219	133
	73,317	60,285	606	573
Financial liabilities at amortised cost:				
Financial liabilities at amortised cost:				
Trade payables	6,336	1,921	-	-
Other payables	22,000	20,028	21,490	19,319
	28,336	21,949	21,490	19,319

6. Profit before taxation

6.1 Significant items

	Group			Group		
	2 nd half year	2 nd half year		Full year	Full year	
	ended	ended		ended	ended	
	31-Dec	31-Dec		31-Dec	31-Dec	
	2024	2023	+ / (-)	2024	2023	+ / (-)
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Other Income						
Interest income	541	271	99.2	812	415	95.6
Profit before taxation						
Staff costs	(206)	(299)	(31.1)	(475)	(416)	14.2
Depreciation of right-of-use asset	(136)	(136)	-	(272)	(272)	-
Depreciation of property, plant and equipment	(48)	(10)	n.m.	(58)	(17)	n.m.
Impairment on property for sale	-	(254)	n.m.	-	(254)	n.m.

6.2 Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following are transactions with related parties made at terms agreed between the parties:

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the year was as follows:

The Group	2024	2023
	RMB'000	RMB'000
Directors' fees	316	294

Purchase of health and nutrition product

During the financial year ended 31 December 2024, the Group purchased health and nutrition products of RMB7,101,000 (2023 - RMB 30,993,000) from an associate.

Sale of property

During the financial year ended 31 December 2024, the Group sold property of RMB10,088,000 (2023 - RMB 390,000) to related parties.

Advances from director

During the financial year ended 31 December 2024, the Group received advances from a director amounting to RMB2,211,000 (2023 - RMB1,804,000).

Product fee charged by a related party

During the financial year ended 31 December 2024, the Group incurred product fees charged by a related party of RMB898,000 (2023 - RMB953,000).

Rental income from a related party

During the financial year ended 31 December 2024, the Group received rental income from a related party amounting to RMB171,000 (2023 - RMBNil).

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			Group		
	2 nd half year	2 nd half year		Full year	Full year	
	ended	ended		ended	ended	
	31-Dec	31-Dec		31-Dec	31-Dec	
	2024	2023	+ / (-)	2024	2023	+ / (-)
	RMB'000	RMB'000	%	RMB'000	RMB'000	%
Current tax expense	(410)	102	n.m	(500)	78	n.m

8. Dividends

No dividends for the full year ended 31 December 2024 (31 December 2023: RMBNil) is recommended. No dividends have been declared or recommended in line with the previous financial year practice. The group deems it appropriate to retain cash for operational purposes.

9. Net Asset Value

	Group	Group	Company	Company
	31/12/2024	31/12/2023	31/12/2024	31/12/2023
	RMB Cents	RMB Cents	RMB Cents	RMB Cents
Net asset value per ordinary share based on total number of issued shares excluding treasury shares	158.05	144.43	176.10	179.51

10. Loan and Borrowings**Amount repayable in one year or less, or on demand**

As at 31/12/2024		As at 31/12/2023	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000
Nil	19,774	Nil	17,563

Amount repayable after one year

As at 31/12/2024		As at 31/12/2023	
Secured	Unsecured	Secured	Unsecured
RMB'000	RMB'000	RMB'000	RMB'000

Nil	Nil	Nil	Nil
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11. Share Capital

	As at 31 December 2024	As at 31 December 2023
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 31 December 2023.

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 31 December 2024 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 full year 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 15.09 million to RMB 20.33 million for the year ended 31 December 2024 compared to the corresponding period in 2023. The Health and Nutrition segment contributed RMB 10.13 million, while the Property Development segment generated RMB 10.20 million. In the Property Development segment, revenue was mainly driven by the progressive handover of units in the Lanjun Jiangnan project. In the Health and Nutrition segment, revenue consisted of RMB 7.55 million from health supplements and RMB 2.58 million from bottled water. In comparison, the Health and Nutrition segment in 2023 recorded RMB 31.48 million from health supplements and RMB 2.78 million from bottled water. The decline in health supplement sales this year was primarily due to the Group's decision to shift its focus away from lutein products in response to evolving market trends and increased competition. The Group has since adjusted its product portfolio, focusing on vitamins, protein powders, and tea products, with plans to further refine its offerings based on market feedback and industry conditions.

The Group's overall gross profit margin increased to 7% in 2024 from 3% in 2023. This improvement was driven by higher-margin products within the Health and Nutrition segment, along with an increased contribution from the Property Development segment, which has a comparatively higher gross profit margin.

Other operating income has increased to RMB 1.43 million as compared to RMB 0.62 million in 2023. This is due to the increase in investment returns resulting from the utilization of proceeds from property sales for cash management.

Other operating expenses decreased from RMB 0.25 million in 2023 to RMB 0.14 million in 2024, mainly due to the sale of property development inventory, with no impairment losses incurred this year.

General and Administrative expenses have decreased by 10.1% to RMB 3.19 million, reflecting improved cost management. Selling and distribution expenses have increased by 4.7% to RMB 0.45 million, which aligns with the increased sales activities and expanded distribution efforts as the Group continues to capture market opportunities.

The share of profit of associate increased to RMB 8.11 million from RMB 3.18 million. This growth was primarily driven by the progressive handover of units in the Wuping Hailan Real Estate Development Co., Ltd. (‘‘Hailan’’)'s Jiangnan project, which contributed RMB 5.95 million to the overall share of profit of associate. RMB 2.16 million was contributed by Hebei Huawei Health Industry Co., Ltd. (‘‘Huawei’’). In comparison, Huawei contributed RMB 4.08 million in the prior year. The decrease in Huawei's contribution is primarily due to lower revenue and increased research and development expenses during the reporting period.

As a result of the above, the Group recorded a net profit after tax of RMB 8.60 million for FY2024 as compared to a net profit after tax of RMB 0.72 million for FY2023.

Statement of Financial Position

Trade receivables have increased from RMB 1.59 million to RMB 7.57 million as of 31 December 2024. This notable increase primarily stems from sales in both the property development segment and health and nutrition segment, with RMB 6.00 million collected after the reporting period. Other receivables have decreased from RMB 20.15 million by RMB 12.17 million to RMB 8.00 million. It is mainly due to loan repayment from an associate, Hailan. The good performance of the Hailan's Lanjun Jiangnan property development project continues to facilitate the repayment of shareholder loans. Investment in associates has increased from RMB 34.70 million to RMB 42.80 million due to the operating performance of the joint venture, Hailan.

Completed properties available for sale decreased from RMB 9.51 million to nil compared to 2023, mainly attributed to the sale of remaining parking spaces and residential units by Wuping Lan County Real Estate Development Co., Ltd. (‘‘Wuping Lanjun’’).

Trade payables have decreased from RMB 6.44 million by RMB 0.11 million to RMB 6.34 million. Other payables have increased from RMB 20.29 million by RMB 2.51 million to RMB 22.80 million, this was attributed to the increase in interest-free loan from directors.

Statement of Cash Flows

The overall net increase in cash and cash equivalents is RMB 19.14 million for the year ended 31 December 2024. It was mainly attributable to the RMB 12.00 million in loan repayments from Hailan and the receipt of interest-free advances from a Director of RMB 2.21 million.

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 saw a decline due to shifting market trends and intensified competition. However, the Group has taken proactive measures to adjust its product portfolio, focusing on vitamins, protein powders, and tea products. We remain committed to refining our offerings based on market feedback and industry conditions, which we expect will help stabilize our performance in the future. Additionally, we are actively exploring new market opportunities to expand the reach of our bottled water brand, particularly in regions outside our current operations.

For the Property Development segment, the gradual handover of units from the Hailan project has contributed to a steady stream of revenue this year. 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. The group deems it appropriate to retain cash for operational purposes.

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. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Lan Weiguang	61	Brother of Lan Chunguang, Chief Executive Officer	Non-Independent Non-Executive Chairman, 2006	Nil
Lan Chunguang	57	Brother of Lan Weiguang, Non-Independent Non-Executive Chairman	Chief Executive Officer, 2010	Nil
Lan Yihong	38	Son of Lan Weiguang, Non-Independent Non-Executive Chairman	Executive Director and Finance Director, 2015	Nil

BY ORDER OF THE BOARD

Dr Lan Weiguang
Non-Independent Non-Executive Chairman

28 Feb 2025