



Suntar

SUNTAR ECO-CITY LIMITED

3 Tuas Link 1,
Singapore 638584
Tel: (65) 6334 1514



STEADY THROUGH UNCERTAINTY

ANNUAL REPORT 2025





CONTENTS

01	Contents Page
02	About Us
03	Corporate Information
04	Chairman's Statement
06	Board of Directors
08	Financial Highlights
09	Corporate Governance Report
31	Directors' Statement
35	Independent Auditor's Report
40	Statements of Financial Position
41	Consolidated Statement of Profit or Loss and Other Comprehensive Income
42	Consolidated Statements of Changes in Equity
43	Consolidated Statement of Cash Flows
45	Notes to Financial Statements
79	Statistics of Shareholdings
81	Notice of Annual General Meeting Proxy Form

ABOUT US

Suntar Eco-City Limited (the “Company”) was established on 22 September 2006 and was listed on the Mainboard of Singapore Exchange Securities Trading Limited (“SGX-ST”) on 1 August 2007. The Company discontinued its pharmaceutical ingredients products segment in FY2019. Currently the Company has two divisions: the property development segment and the health and nutrition segment.

At the Extraordinary General Meeting held on 11 June 2012, the shareholders of the Company approved the expansion of the Group’s scope of business to include the eco-tourism and real estate development and management business and change in name of the Company from “Reyphon Agriceutical Limited” to “Suntar Eco-City Limited”.



CORPORATE INFORMATION

BOARD OF DIRECTORS

Pan Shimo
(Independent Chairman and Independent Director)

Dr Lan Weiguang
(Non-Executive Non-Independent Director)

Foong Daw Ching
(Non-Executive Non-Independent Director)

Lan Yihong
(Executive Director and Finance Director)

Hu Yu Gan
(Lead Independent Director)

AUDIT COMMITTEE

Hu Yu Gan *(Chairman)*

Foong Daw Ching
Pan Shimo

REMUNERATION COMMITTEE

Pan Shimo *(Chairman)*

Foong Daw Ching
Hu Yu Gan

NOMINATING COMMITTEE

Pan Shimo *(Chairman)*

Foong Daw Ching
Hu Yu Gan

COMPANY SECRETARY

Lee Wei Hsiung
Hon Wei Ling

REGISTERED OFFICE

3 Tuas Link 1
Singapore 638584
Company Registration No. 200613997H
Tel : (65) 6334 1514
Fax : (65) 6334 1513

SHARE REGISTRAR AND SHARE TRANSFER OFFICE

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte. Ltd.)
9 Raffles Place,
#26-01 Republic Plaza
Singapore 048619

AUDITORS

Foo Kon Tan LLP
Public Accountants and Chartered Accountants
1 Raffles Place
#04-61/62, One Raffles Place,
Tower 2 , Singapore 048616
Partner-in-charge: Mr Ling Guo Leng
Appointed from the financial year ended 31
December 2025

PRINCIPAL BANKERS

United Overseas Bank Limited
80 Raffles Place
#12-00 UOB Plaza 1
Singapore 048624

CHAIRMAN'S MESSAGE

DEAR SHAREHOLDERS,

Financial and Operations Review

The Group has two divisions: the Health and Nutrition segment and the Property Development segment. The Health and Nutrition segment was established in 2020 through our partnership with North China Pharmaceutical Co., Ltd (“NCPC”) and our investment in North China Pharmaceutical Hebei Huawei Health Industry Co., Ltd (“Huawei”). Our associate, Huawei, focused on enhancing its operational and quality management systems, with emphasis on end-to-end process control, standardisation, and intellectual property development to build long-term competitive advantages. The Group remains committed to deepening its presence in the health sector. The Property Development segment was established as part of the Group's entry into the eco tourism real estate development and management business. The segment completed the development of the Lan County residential project in 2016. In 2022, the Group commenced the Lanjun Jiangnan property development project in Fujian Province, which has received positive market response and strong pre-sales results.

Continuing Operations

Revenue for the financial year ended 31 December 2025 (“FY 2025”) decreased by RMB 4.01 million to RMB 6.23 million, primarily due to strategic adjustments to the Health and Nutrition segment. The reduction in sales was primarily a result of the Group's ongoing product portfolio optimisation, responding to market trends and increased competition. The Group has since refocused its product portfolio, emphasizing vitamins, protein powders, and tea products, with plans to refine these offerings based on market feedback. In the Property Development segment, sales of the Lanjun County residential project remain ongoing.

The Group's gross profit margin had increased to 16% in FY2025 compared to the 7% in the corresponding period in 2024, primarily due to a shift towards higher-margin products within the Health and Nutrition segment. The

Group recorded share of loss of associates of RMB 0.66 million in FY2025 compared to share of profit of associates of RMB 8.11 million in FY2024. The decrease in the share of profit of associates was mainly attributed to the impact of strategic adjustments and transitional factors of Health and Nutrition segment. In addition, contributions from the Group's property development associate, Wuping Hailan Real Estate Development Co., Ltd. (“Hailan”), were affected by the timing of project handover progress. Notwithstanding this, the Lanjun Jiangnan property development project had achieved a sales rate of 82% in 2025.

FY2026 Prospects and Future Plans

The Group's revenue for FY2025 declined, primarily reflecting a more challenging market environment in the health supplements sector. In response, the Group has adopted a more focused and disciplined approach, placing greater emphasis on product quality, optimising its product mix, and reducing reliance on lower-margin product lines. Looking ahead, the Group will continue to adopt a prudent strategy in this segment, strengthening its core offerings while remaining attentive to new market opportunities as they arise.

In the bottled water business, the Group continues to integrate Fujian Liangye into its broader product strategy for the Health and Nutrition segment while actively exploring strategic partnerships to expand market reach and improve operational scale. For the Property Development segment, the Group's indirect associate company, Wuping Hailan Real Estate Development Co., Ltd., is expected to continue the progressive handover of units for the Lanjun Jiangnan project. With a sales rate exceeding 80%, the project has demonstrated resilient demand, and established a strong foundation for the Group's brand presence in integrated lifestyle developments. Since the Group's successful investment into Huawei in 2020, a subsidiary of North China Pharmaceutical, Huawei has become a strategic component of the Group's Health and Nutrition segment. Moving forward, Huawei will continue to focus on strengthening its

CHAIRMAN'S MESSAGE

core capabilities and advancing its quality-driven development, while exploring opportunities in digital health and related areas. The Group will also continue to explore collaboration opportunities with NCPC to further develop its health and nutrition business. NCPC, Huawei's parent company, remains interested in collaborating with our Group to expand our health and nutrition business line in China, Southeast Asia, and beyond. We are enthusiastic about NCPC's broad range of products and will explore market opportunities that leverage Huawei's extensive portfolio.

Acknowledgment

Finally, I would like to thank all our board directors, management team, business partners and shareholders for their support and understanding all these years.

Pan Shimo

*Independent Chairman
Independent Director*



BOARD OF DIRECTORS



Pan Shimo

Independent Chairman and Independent Director

Mr Pan was appointed as an Independent Director on 25 July 2019 and he was subsequently been appointed as an Independent Chairman of the Board with effect from 1 May 2024. He holds a Bachelor's Degree of Philosophy from Xiamen University PRC. From 1998 to 2008, Mr Pan worked as professor of Xiamen University. From 2006 to 2008, he was appointed as Vice President of Xiamen University. From 2004 to 2018, Mr Pan also served as Consultant of People's Government of Fujian Province.



Dr Lan Weiguang

Non-Independent Non-Executive Director

Dr. Lan Weiguang was appointed on 22 September 2006 and is responsible for overseeing the overall management and operations of Sinomem Technology Pte Ltd and its subsidiaries (the "**Sinomem Group**"), including formulating business models and growth strategies, as well as supervising research and development activities.

Dr. Lan is a distinguished scientist and entrepreneur with extensive experience in membrane technology, environmental engineering, and industrial purification. He has made significant contributions to both fundamental research and the commercialization of advanced membrane technologies, successfully bridging scientific innovation with large-scale industrial applications. Over the course of his career, he has authored more than 100 peer-reviewed publications and holds numerous patents in membrane technology.

Prior to founding the Sinomem Group in November 1996, Dr. Lan served as an Assistant Professor at the Department of Food Engineering at Jimei University from August 1985 to January 1992. He subsequently held the role of Technical and Sales Director at Hydrochem Engineering (Singapore) Pte Ltd from March 1994 to December 1995. From June 1997 to September 1999, he was an Associate Professor at Xiamen University, where he established the Applied Membrane R&D Centre, and was later promoted to Professor at the Faculty of Chemistry and Chemical Engineering in September 1999, a position he continues to hold. He was also appointed as a Professor at Nanchang University in 2004.

Dr. Lan obtained a Bachelor of Science in Chemistry from Xiamen University in July 1985 and a PhD in Chemistry from the National University of Singapore in September 1995. His doctoral research introduced advanced process optimization methodologies, which have contributed to subsequent innovations in membrane process design and industrial applications.

In addition to his role within the Group, Dr. Lan holds several prominent academic and professional appointments. He is the Executive Dean of the Future Membrane Technology Institute of Fuzhou University, President of the Singapore-China Association for Advancement of Science and Technology, and an A*STAR Distinguished Visiting Scientist. Through these roles, he actively promotes collaboration between academia, industry, and government, and advances the development and application of membrane technologies globally.

Dr. Lan's contributions have been widely recognised. He received the Young Chinese Entrepreneur Award in 2003, and in 2005 was awarded the Outstanding Entrepreneurship Award by the State Overseas Chinese Affairs Office of the PRC, the "Golden-Bridge" Award by the Chinese Technological Market Association, and the Outstanding Science Alumni Award by the National University of Singapore. He was also elected Vice Secretary-General of the China Membrane Industry Association in June 2004.

BOARD OF DIRECTORS



Foong Daw Ching

Non-Executive Non-Independent Director

Mr Foong was appointed as an Independent Director of our Company on 19 June 2007. He has been re-designated as a Non-Executive Non-Independent Director upon the conclusion of the Annual General Meeting held on 29 April 2024, as he has served on the Board for more than nine years since his first appointment and is no longer deemed independent under Rule 210(5)(d)(iv) of the Listing Manual of the SGX-ST. He has more than 30 years of audit experience and was the managing partner of Baker Tilly TFW LLP and the Regional Chairman of Baker Tilly International Asia Pacific Region. He retired as Managing Partner of Baker Tilly TFW LLP and stepped down as the Regional Chairman of Baker Tilly International Asia Pacific Region in 2010 and 2016 respectively.

He is an Independent Director and the Chairman of Audit Committee of ABR Holdings Ltd, Noel Gifts International Ltd and Goodwill Entertainment Holding Ltd. All these companies are listed on the SGX-ST. He was awarded the Merit Service Award by the Institute of Singapore Chartered Accountants in 2000, and a Public Service Medal (Pingat Bakti Masyarakat) by the President of Singapore in 2003 and Covid-19 Resilience Medal in 2023.

Mr Foong is a Fellow of the Institute of Chartered Accountants in England and Wales, a Fellow of the Institute of Singapore Chartered Accountants and a Fellow of CPA Australia. Mr Foong is a Senior Accredited Director awarded by Singapore Institute of Directors.



Lan Yihong

Executive Director and Finance Director

Dr Lan was appointed as Executive Director of the Company on 8 May 2015, and re-designated to Executive Director and Finance Director with effect from 5 August 2015. Dr Lan is responsible for the oversight of the financial planning and financial reporting matters of the company and strategic development of the group. Previously, Dr Lan was with CDH Investments in their Beijing Private Equity office where he drove investments in the Consumer and Healthcare space. Prior to that Dr Lan worked with Deutsche Bank Securities in their investment banking division based out of New York City, with a specific focus on the Chemicals sector. He holds a PhD from the National University of Singapore and an undergraduate degree in Industrial Engineering from the University of Michigan – Ann Arbor.



Hu Yu Gan

Lead Independent Director

Mr. Hu Yu Gan is our Lead Independent Director and was appointed to the Board of our Company on 1 May 2025. He holds a bachelor's degree in accounting and began his career in accounting from 2001 to 2005, gaining valuable audit and financial expertise. He then transitioned to investment management, where he has built over 15 years of industry experience. Mr. Hu has worked in securities companies, listed companies, and private equity funds in China. Since 2019, he has served as the General Manager of the Investment Banking Department at FC Financial Holding (Shanghai) Asset Management Co., Ltd. He is currently the Executive Director of Joaquim Capital Pte Ltd in Singapore. Mr. Hu brings a wealth of experience in both finance and investment management, contributing to the strategic growth of the Company.

FINANCIAL HIGHLIGHTS

	2021 RMB '000	2022 RMB '000	2023 RMB '000	2024 RMB '000	2025 RMB '000
Revenue	10,733	15,791	35,418	10,243	6,230
Gross Profit	430	770	1,141	674	1,021
Profit before tax	91	409	643	8,431	913
Profit after tax	65	539	721	8,223	743
Current assets	76,493	70,764	70,223	79,181	70,322
Non-current assets	37,882	45,344	48,563	56,378	55,628
Total assets	114,375	116,108	118,786	135,559	125,950
Current liabilities	24,867	26,061	28,018	36,568	26,216
Total liabilities	24,867	26,061	28,018	36,568	26,216
Net current assets	51,626	44,703	42,205	42,613	44,106
Equity or Net assets	89,508	90,047	90,768	98,991	99,734
Basic and diluted earnings per share (RMB cents)	0.13	0.74	1.02	13.03	1.00



CORPORATE GOVERNANCE REPORT

Suntar Eco-City Limited (the “**Company**”) and together with its subsidiaries (the “**Group**”) are committed to achieving high standards of corporate governance and transparency within the Group in the spirit of the Code of Corporate Governance 2018 which was revised and issued on 11 January 2023 (the “**Code**”) and accompanying Practice Guidance which was also revised and issued on 14 December 2023, in order to safeguard the Group’s assets and to protect the interest of the shareholders. The Board of Directors (the “**Board**”) believes that good corporate governance inculcates an ethical environment and enhances the long-term value of its shareholders.

This report describes corporate governance framework and practices adopted by the Group, embodying the principles in the Code. The Board is pleased to confirm that for the financial year ended 31 December 2025 (“**FY2025**”), the Group has adhered to the principles and provisions as set out in the Code, except where otherwise indicated.

A. BOARD MATTERS

The Board’s Conduct of Affairs

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

The Board is responsible for setting the strategic directions for the Company. The Board, in fulfilling its stewardship responsibility for the Company, met on a regular basis throughout the year to supervise the Management in areas such as budgeting and planning, organisational and financial performance, the achievement of strategic goals and objectives, risk management as well as communication with shareholders of the Company. The Board is also responsible for considering sustainability issues relating to the environment and social factors as part of the strategic direction of the Group.

The principle functions of the Board are, *inter alia*, to:

- provide entrepreneurial leadership, set strategic objectives, and ensure that necessary financial and human resources are in place for the Group to meet its objectives;
- establish a framework of prudent and effective controls which enables risks to be assessed and managed, including safeguarding of shareholders’ interests and the Group’s assets;
- review of management performance;
- identify the key stakeholder groups and recognise that their perceptions affect the Group’s reputation;
- set the Group’s values and standards (including ethical standards), and ensure that obligations to shareholders and other stakeholders are understood and met;
- consider sustainability issues, e.g. Environmental, Social and Governance (“**ESG**”) factors, as part of its strategic formulation and its disclosures;
- approve announcements, annual report and financial statements;
- convene meetings of shareholders; and
- approve acquisition and/or disposal of company and/or business; entry into material contracts; incorporation and/or dissolution of subsidiary, associated company and/or joint venture company; changes to the issued and paid-up share capital of any subsidiaries within the Group.

All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the best interests of the Company and hold Management accountable for performance and the Board is accountable to shareholders through effective governance of the business.

CORPORATE GOVERNANCE REPORT

The Board acts in good faith and in the best interests of the Company by exercising due care, skills and diligence, and avoiding conflicts of interest. The Directors are cognizant of their fiduciary duties at law. When a potential conflict of interest situation arises, the affected Director will recuse himself or herself from the discussion and decisions involving the areas of potential conflict, unless the Board is of the opinion that his or her participation is necessary. Where such participation is permitted, the conflicted Director excuses himself or herself for an appropriate period during the discussions to facilitate full and frank exchange by the other Directors, and shall in any event recuse himself or herself from the decision-making.

Pursuant to Section 156 of the Companies Act 1967 (the “**Companies Act**”), each Director is to declare to the Company his or her interests (direct or indirect) in all transactions with the Company and provide details on the nature of such interests as soon as practicable after the relevant facts have come to his or her knowledge.

Each Director is required to promptly disclose any conflict or potentially conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as is practicable after the relevant facts have come to his or her knowledge. On an annual basis, each Director is also required to submit details of his or her associates for the purpose of monitoring interested persons transactions. Where a Director has a conflict or potentially conflict of interest in relation to any matter, he or she should immediately declare his or her interest when the conflict-related matter is discussed, unless the Board is of the opinion that his or her presence and participation is necessary to enhance the efficacy of such discussion. Nonetheless, he or she is abstained from voting in relation to the conflict-related matters.

The Company has and will continue to provide incoming Directors (if and when appointed) with information relating to corporate conduct and governance including continuing disclosure requirements as required by the Listing Manual of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), disclosure of interests in securities, restrictions on disclosure of confidential or price sensitive information and etc. Orientation programmes were also provided to the newly appointed Directors to familiarise themselves with the role and responsibilities of a Director and the Group’s business and operations, including site visits. The costs of arranging and funding the training of the Directors will be borne by the Company.

The details of updates, seminars and training programmes attended by the Directors in FY2025 include, amongst others: -

- ACRA Financial Reporting and ESG Reporting Guidance on 20 January 2025 by Baker Tilly Singapore;
- Business Leaders Connect 2025 by Baker Tilly Singapore;
- Audit and Risk Committee Seminar 2026 on 20 January 2026 by SID;
- Updates on developments in financial reporting, where relevant, by the external auditors of the Company;
- Updates on regulatory announcements, guidance and/or amendments to the Listing Rules of the SGX-ST and the Code, where relevant, by the Company Secretary; and
- the changes in the relevant laws and regulations pertaining to the Group’s business and changing commercial risks and business conditions of the Group by the Management.

On an on-going basis, new releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority (“**ACRA**”) which are relevant to the Group are circulated to all the Directors to enable them to make well-informed decisions and to ensure that the Directors are competent in carrying out their expected roles and responsibilities.

The Board has adopted a set of internal controls and guidelines which sets out authority and approval limits for cheque signatories’ arrangements. Matters which are specifically reserved to the Board for decision and approval, amongst others: -

- Approval of announcements (including but not limited to half-year and full-year results announcements) for release to the SGX-ST;
- Approval of the annual reports, circulars and audited financial statements;
- Convening of shareholders’ meetings;

CORPORATE GOVERNANCE REPORT

- Approval of corporate strategies;
- Approval of material acquisitions and disposal of assets; and
- Approval of major investment and funding decisions.

To facilitate effective execution of its function, the Board has delegated specific responsibilities to three subcommittees, namely Audit Committee (“**AC**”), Nominating Committee (“**NC**”) and Remuneration Committee (“**RC**”) (collectively, the “**Board Committees**” or each the “**Board Committee**”). Each Board Committee has its own terms of reference which clearly setting out its duties, roles and authorities to examine particular issues and report back to the Board with its recommendations. The Chief Executive Officer (“**CEO**”) is invited to attend all Board and Board Committees meetings and is required to report to the Board. The ultimate responsibility for the final decision on all matters, however, lies with the entire Board.

The Board meets regularly on a half-yearly basis and such other times as warranted by circumstances. Ad-hoc, non-scheduled Board meetings including meetings via teleconference or videoconference, could be held to deliberate on urgent and critical matters. The Company’s Constitution provides for Board meetings to be conducted by way of teleconference or videoconference, provided that the requisite quorum of at least two Directors is present.

The number of Board and Board Committees meetings held during the FY2025 and the attendance of each Director at every Board and Board Committees meeting is presented below. Minutes of all Board and Board Committees meetings are circulated to members for review and confirmation. These minutes could also enable Directors to be kept abreast of matters discussed at such meetings.

	Board ⁽¹⁾	AC ⁽¹⁾	NC ⁽¹⁾	RC ⁽¹⁾
No. of meetings held	2	2	1	1
<u>No. of meetings attended by respective Directors</u>				
Independent Chairman				
Pan Shimo	2	2	1	1
Non-Executive Non-Independent Directors:				
Dr Lan Weiguang	2	2*	1*	1*
Foong Daw Ching	2	2	1	1
Executive Director:				
Lan Yihong	2	2*	1*	1*
Independent Director:				
Hu Yu Gan	2	2	1	1

**Attendance by invitation of the Board Committees*

Notes:

⁽¹⁾ Include meetings via teleconference or videoconference.

The NC and the Board are satisfied that all Directors are able to and have adequately carried out their duties as Directors of the Company after taking into the consideration the number of listed company board representations and other principal commitments of these Directors. The Board with the recommendation of the NC, has decided that the maximum number of the listed company board representations which any Director may hold is five.

As at the date of this report, no Director has exceeded the maximum number of the listed company board representations set by the Board.

To enable the Board to function effectively and to fulfill its responsibilities, the Management strives to provide Board papers prior to any Board and Board Committees meeting. These papers are issued in advance, with sufficient time to enable Directors to consider the issues and to obtain additional information or explanation from the Management, if necessary.

CORPORATE GOVERNANCE REPORT

Draft agendas for Board and Board Committees meetings are circulated in advance to the respective Chairman, in order for them to suggest items for the agenda and/or review the usefulness of the items in the proposed agenda.

All Directors have separate and independent access to key management personnel and to the Company Secretary at all times. The Company Secretary and/or her representatives administer, attend and prepare minutes of Board and Board Committees meetings, and assists the respective Chairman of the Board and Board Committees meetings in ensuring that Board procedures are followed so that the Board functions effectively, and the Company's Constitution and relevant rules and regulations, including requirements of the Singapore Companies Act and the Listing Manual of the SGX-ST, are complied with, at all times.

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

Should the Directors need independent professional advice, the Company will, upon direction by the Board, appoint a professional advisor to render the advice, and the costs of such professional fees will be borne by the Company.

Board Composition and Guidance

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

The Board consists of five (5) Directors comprising one (1) Executive Director and four (4) Non-Executive Directors. The Directors as at the date of this report are listed as follows:

EXECUTIVE DIRECTOR

Mr Lan Yihong (Executive Director and Finance Director)

NON-EXECUTIVE DIRECTORS

Mr Pan Shimo (Independent Chairman and Independent Director)

Dr Lan Weiguang (Non-Executive Non-Independent Director)

Mr Foong Daw Ching (Non-Executive Non-Independent Director)

Mr Hu Yu Gan (Lead Independent Director)

The current Board composition complies with the Provision 2.3 of the Code as well as Rule 210(5)(c) of the Listing Manual of the SGX-ST, where Non-Executive Directors make up a majority of the Board and Independent Directors comprise at least one-third of the Board respectively. Nonetheless, the Company is actively seeking qualified candidates to serve as Independent Director, as well as looking at potential changes to the composition of the Board and Board Committees, to ensure appropriate level of independence for making decisions in the best interests of the Company.

The criterion for independence is based on the definition set out in the Code and Practice Guidance, and taking into consideration whether the Director falls under any circumstances pursuant to Rule 210(5)(d) of the Listing Manual of the SGX-ST. The Board considers an "Independent" Director as one who has no relationship with the Group, its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interest of the Company and Group.

The NC, conducts an annual review to determine the independence of the Directors according to the Code and its Practice Guidance, as well as Rule 210(5)(d) of the Listing Manual of the SGX-ST. In its review, the NC shall consider all nature of relationships and circumstances that could influence the judgement and decisions of the Directors before tabling its findings and recommendations to the Board for approval.

CORPORATE GOVERNANCE REPORT

The Independent Directors (namely Mr Pan Shimo and Mr Hu Yu Gan) have confirmed that they or their immediate family members do not have any relationship with the Company or any of its related corporations, its substantial shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment with a view to the best interests of the Company, and do not fall under any of the circumstances pursuant to Rule 210(5)(d) of the Listing Manual of the SGX-ST. The Independent Directors are not the substantial shareholder of the Company and were not in foreseeable situation that could compromise their independence of thought and decision. The Board, based on the review conducted by the NC, has determined that the said Directors are independent.

As at the date of this report, none of the Independent Directors has served on the Board beyond nine years since the date of his or her first appointment. The Company is also cognizant of the removal of the two-tier vote mechanism by the Singapore Exchange Regulation and will ensure that the tenure of each of its Independent Directors does not exceed the nine-year limit.

The Chairman of the Board, Mr Pan Shimo, is an Independent Director. In view of an Independent Director being the Chairman of the Board, the Company has complied with Provision 2.2 of the Code. Although Independent Directors do not make up a majority of the Board, the Board is of the view that there is a strong and independent element considering the independence of the Chairman. Matters requiring the Board's approval are discussed and deliberated with participation from each member of the Board and all major decisions are made without any individual influencing or dominating the decision-making process.

Although all the Directors have an equal responsibility for the Group's operations, the role of the Non-Executive Directors is particularly important in ensuring that the strategies proposed and implemented by the Management are constructively challenged, taking into account the long-term success of the Group and interests of the shareholders. The Non-Executive Directors also monitor closely on the performance of the Management in meeting agreed goals and objectives. The Non-Executive Directors are encouraged to meet regularly as and when required without Management present.

The Board believes that there is a good balance of power and authority as all Board Committees are chaired by Independent Directors. The Company will continue to review its Board composition with a view to enhance corporate governance practices and to address changes in the operations.

The Company recognises and embraces the importance and benefits of having a diverse Board to provide equality and enhance its performance. The Company believes that diversity is an important attribute of a well-functioning and effective Board and has adopted a Board Diversity Policy in December 2022.

On annual basis, the NC and Board conducts its review of the composition of the Board, examined its size and review the competencies of the Directors to ensure effective governance of the Company and contribution to the Board. Additionally, all Directors will submit to the NC on an annual basis a completed Board and Board Committees Evaluation Questionnaire (including composition of the Board and Board Committees). The NC has reviewed the completed Questionnaire for FY2025, and is satisfied that the Board has the appropriate mix of expertise, experiences, and skills in supporting the attainment of its strategic objectives and sustainable development.

The Board consists of respected individuals from different backgrounds whose core competencies, qualifications, skills and experience are extensive and complementary. These include accounting, finance, pharmaceutical, property development, engineering, business and management experience. Key information regarding the directors' academic and professional qualifications and other appointments is set out on pages 6 to 7 of the Annual Report. The Company is constantly on the lookout for suitable candidates to join the Board as Independent Directors as part of its review process. To address the dynamic business environment, the NC will recommend the Board to consider the appointment of new Director(s) that has/have the required skillset, expertise, experience and knowledge as and when it deems necessary.

Hence, the Board is of the view that the current board size remains appropriate for effective decision-making, taking into account the scope and nature of the operations of the Company and the core competencies and experience of its members. The Board is also of the view that the current Board consists of the appropriate mix of expertise, knowledge and experience to provide the necessary guidance to lead and direct the Group. The Board will consistently examine its size with a view of determining its impact on its effectiveness. Going forward, if the NC and the Board identify the need for an additional Director, they will source a suitable candidate while considering gender diversity aspects.

CORPORATE GOVERNANCE REPORT

The Non-Executive Directors and the Independent Directors will assist to develop proposals on strategies and goals for the Company and regularly assess the performance of the Management in meeting the agreed goals and objectives, and monitor the reporting of performance. The Non-Executive Directors and the Independent Directors are encouraged to meet, without the presence of the Management, so as to facilitate a more effective check on the Management. They will meet on a need-basis without the presence of the Management to discuss on arising issues.

During FY2025, the Independent Directors have met informally at least once without the presence of Management to discuss matters such as corporate governance initiatives, board processes as well as succession planning.

Chairman and Chief Executive Officer

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

The roles of the Chairman and the CEO are separated and distinct, each having his own areas of responsibilities. The Company believes that a clear division of responsibilities between the Chairman and the CEO will ensure an appropriate balance of power, increased accountability and greater capacity of the Board for constructive decision-making. The positions of Chairman and CEO are held by Mr Pan Shimo and Mr Lan Chunguang respectively.

In order to promote high standards of corporate governance, Mr Hu Yu Gan has been appointed as the Group's Lead Independent Director. Mr Hu Yu Gan, who is also the Chairman of the AC, and a member of the NC and the RC, shall be available to the shareholders whenever their concerns through the normal communication channels to the Chairman, CEO or Finance Director has failed to resolve or for which such contact is inappropriate. Such concerns may be sent to his email address at xinquheikeji@gmail.com.

As the Company's Independent Chairman, Mr Pan Shimo's primary responsibilities include:

- Ensuring that Board procedures are followed and reviewed so that the Board functions effectively;
- Ensuring that corporate plans, policies and strategies adopted by the Board are implemented;
- Ensuring the Company's compliance with the Code;
- Ensuring that Board Meetings are held as and when necessary;
- Ensuring that adequate time of Board Meetings are available for discussion and promote openness and debate during the Board Meetings;
- Ensuring effective communication with shareholders;
- Ensuring constructive relations within the Board, between the Board and Management as well as facilitating effective contribution of Non-Executive Directors; and
- Ensuring that the Directors receive complete, adequate and timely information.

As the Company's CEO, Mr Lan Chunguang is responsible for the overall management and strategic development of the Group. To further enhance balance of power within the Board, all major decisions made by the Company will be subject to review by the Board.

The Independent Directors led by the Lead Independent Director, are encouraged to meet periodically without the presence of the Executive Director where necessary. The Lead Independent Director will also provide feedback to the Non-Executive Non-Independent Directors after such meetings.

CORPORATE GOVERNANCE REPORT

Board Membership

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

Board Performance

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

The NC comprises the following three (3) Directors, all non-executive, the majority of whom, including the Chairman of the NC, are Independent Non-Executive Directors:

- Mr Pan Shimo (NC Chairman and Independent Director)
- Mr Hu Yu Gan (Lead Independent Director)
- Mr Foong Daw Ching (Non-Executive Non-Independent Director)

The Lead Independent Director is also a member of the NC.

The NC is scheduled to meet at least once a year. Each member of the NC shall abstain from voting on any resolution in respect of the evaluation of his/her performance or re-nomination as a Director.

The Board has approved the written terms of reference of the NC. The NC performs, *inter alia*, the following functions and duties:

- (a) reviewing and recommending of the Board succession plans for Directors, in particular, the Chairman and the CEO;
- (b) reviewing and recommending of appointment and re-appointment of Directors (including alternate directors, if applicable) having regard to the Directors' contribution and performance;
- (c) determining on an annual basis whether or not a Director is independent;
- (d) assessing the performance of the Board, its Board Committees and contribution of each Director to the effectiveness of the Board;
- (e) reviewing the training and professional development programs for the Board;
- (f) developing a process for evaluation of the performance of the Board, its Board Committees and Directors;
- (g) where any Director has multiple listed company board representations and other principal commitments, to decide whether the Director is able to and has adequately carrying out his duties as a Director of the Company, taking into consideration the competing time commitments that the Director faces when serving on multiple listed company board representations and to determine the maximum number of listed company board representations which any Director may hold; and
- (h) other acts as may be required by the SGX-ST and the Code from time to time.

The independence of each Director will be reviewed by the NC on an annual basis. The NC adopts the definition of what constitute an Independent Director from the Code and the Listing Manual of the SGX-ST. During the year, the NC had reviewed the confirmation of independence submitted by the Independent Directors and determined that Mr Pan Shimo and Mr Hu Yu Gan are independent. Each of the Independent Directors, being members of the NC, has abstained and not participated in the review and determination in respect of himself.

CORPORATE GOVERNANCE REPORT

For new appointments to the Board, the NC will consider the Company's current Board size and its composition and decide if the candidate's background, expertise and knowledge will complement the skills and competencies of the existing Directors on the Board. The candidate must be a person of integrity and must be able to commit sufficient time and attention to the affairs of the Company, especially if he is serving on multiple boards. The NC will ensure that new Directors are aware of their duties and obligations.

If a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new Director, the NC, in consultation with the Board, will determine the selection criteria and select the appropriate candidate for the position. The search for a suitable candidate is drawn from the contacts and networks of existing Directors. The NC can also approach relevant institutions such as the Singapore Institute of Directors, professional organisations or business federations to source for a suitable candidate.

All Directors are subject to retirement pursuant to the provisions of the Company's Constitution whereby one-third of the Directors are required to retire and subject themselves to re-election by shareholders at every AGM.

A newly-appointed Director will have to submit himself for re-election at the AGM immediately following his appointment and, thereafter, be subjected to the one-third-rotation rule. The NC also ensures that new Directors are aware of their duties and obligations.

For re-nomination and re-appointment of Directors, the NC takes into consideration the competing time commitments faced by Directors and their ability to devote appropriate time and attention to the Group.

The NC has recommended to the Board that Mr Pan Shimo and Mr Foong Daw Ching, both retiring at the forthcoming AGM via rotation, be nominated for re-election pursuant to Regulation 93 of the Company's Constitution. In making the recommendation, the NC had considered the Directors' overall contribution and performance. The Directors have consented for re-election and abstained from voting on any resolutions in respect to their re-election as a Director.

INFORMATION ON DIRECTORS UNDER APPENDIX 7.4.1 OF THE LISTING MANUAL

Name of Director	Mr Pan Shimo	Mr Foong Daw Ching
Date of Appointment	25 July 2019	19 June 2007
Date of last re-election (if applicable)	29 April 2024 (Due for re-election at the AGM to be held on 30 April 2026)	29 April 2024 (Due for re-election at the AGM to be held on 30 April 2026)
Age	77	75
Country of principal residence	The People's Republic of China	Singapore
The Board's comments on this re-election (including rationale, selection criteria, and the search and nomination process) :	The Board of Directors of the Company has accepted and approved the NC's recommendation, who has reviewed and considered Mr Pan's contribution and performance as the Independent Chairman and Independent Director of the Company.	The Board of Directors of the Company has accepted and approved the NC's recommendation, who has reviewed and considered Mr Foong's contribution and performance as the Non-Executive Non-Independent Director of the Company.
Whether appointment is executive, and if so, the area of responsibility:	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.):	Independent Chairman and Independent Director, Chairman of Nominating Committee and Remuneration Committee, Member of Audit Committee	Non-Executive Non-Independent Director, Member of Audit Committee, Nominating Committee and Remuneration Committee

CORPORATE GOVERNANCE REPORT

Name of Director	Mr Pan Shimo	Mr Foong Daw Ching
Professional qualifications:	Mr Pan obtained a Bachelor Degree of Philosophy Department of Xiamen University China.	Mr Foong is a Fellow of The Institute of Chartered Accountants in England and Wales, a Fellow of the Institute of Singapore Chartered Accountants and a Fellow member of CPA Australia.
Working experience and occupation(s) during the past 10 years:	August 2004 to August 2018 Consultant to the People's Government of Fujian Province	Please refer to Other Principal Commitments including Directorships
Shareholding interest in the listed issuer and its subsidiaries:	Nil	Yes <u>The Company</u> Direct: 2,000 ordinary shares <u>Subsidiaries Group</u> Nil
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/ or substantial shareholder of the listed issuer or of any of its principal subsidiaries	None	None
Conflict of interest (including any competing business)	None	None
Undertaking (in the format set out in Appendix 7.7 of Listing Rules) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments including Directorships	<u>Past Directorships</u> Nil <u>Present Directorship</u> Nil	<u>Past Directorships</u> Avondo Ltd. Travelites Holdings Ltd. Luminor Financial Holdings Ltd. (f.k.a. Starland Holdings Ltd.) <u>Present Directorships</u> Goodwill Entertainment Holding Ltd. ABR Holdings Ltd Crestar Education Group Pte. Ltd. Noel Gifts International Ltd. KLC International Institute Pte. Ltd. Kinderland International Education Pte. Ltd. <u>Other Principal Commitments</u> St. Luke's Hospital St. Luke's ElderCare Tung Ling PreSchool Education Limited

CORPORATE GOVERNANCE REPORT

Mr Pan Shimo had responded negative to items (a) to (k) listed in Appendix 7.4.1 of the Listing Manual of the SGX-ST.

Mr Foong Daw Ching had responded negative to items (a) to (k) listed in Appendix 7.4.1 of the Listing Manual of the SGX-ST, except for the followings:-

- (b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?

Yes.

Mr Foong Daw Ching was one of the Independent Directors of ayondo Ltd. (“**ayondo**”) and was not involved in the management of ayondo’s and its Group’s operations. The trading of ayondo’s shares has been suspended since 1 February 2019.

Between April 2020 and September 2021, ayondo attempted to complete a “Reverse Take-over” (“**RTO**”) but the RTO was not able to complete the Proposed Acquisition within the timelines given by SGX and ayondo’s requests for extension of time was not granted by SGX.

Moreover, based on ayondo’s audited financial statements for Financial Year Ended 2020, its independent auditors have reported that the ability of ayondo to continue as going concerns depended on the continued support from its controlling shareholder via subscription of the convertible notes to inject additional funds into ayondo to meet its obligations as and when they fall due.

On 20 September 2021, ayondo issued an announcement on SGX-ST, stating, *inter alia* ayondo had received from the SGX-ST a notification of delisting from the Official List of the SGX-ST, as a result, the RTO could not proceed and its controlling shareholder ceased to finance ayondo. On 24 December 2021, ayondo was delisted from the SGX-ST. Soon after the delisting of its shares, on 7 January 2022, Mr Foong together with the other remaining Independent Director filed an application to the Court to windup ayondo and the winding up order was granted on 28 January 2022. ayondo was dissolved by the Court on 1 July 2024.

- (k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?

Yes.

Mr Foong Daw Ching was an independent director of Ayondo (dissolved). Ayondo and some of its existing and former directors including Mr Foong Daw Ching received a private show casue letter (the “**Letter**”) from the Singapore Exchange Regulation (“**SGX Regco**”) to make representations for potential breaches of listing rules. At the date of this annual report, there is no outcome on this matter.

In September 2020, Mr Foong in the capacity as an independent director of ayondo attended an interview conducted by the Market Conduct Investigations (Enforcement Department) of Monetary Authority of Singapore in conjunction with the Commercial Affairs Department in relation to an investigation into a possible offence under the Securities and Futures Act 2001.

There were no restrictions or conditions imposed on Mr Foong Daw Ching and he has not attended any further interviews.

Further to the Company’s announcements released on 1 October 2020 and 5 October 2020, with reference to the guidance provided in Practice Note 7.1 of the Listing Manual, the Board and the NC have assessed the matter and are of the view that Mr Foong Daw Ching remains suitable as a Director of the Company despite the receipt of this Letter and the interview.

The Board and the NC will re-assess the suitability of Mr Foong Daw Ching when there is an outcome from SGX Regco and MAS on this matter.

CORPORATE GOVERNANCE REPORT

The Board will table the re-election of Mr Pan Shimo and Mr Foong Daw Ching for shareholders' approval at the forthcoming AGM.

As set out under Provision 1.5 of the Code above, the NC has reviewed and is of the opinion that the Directors are able to and have adequately carried out their duties as Directors of the Company, as well as sufficient time and attention are given by the Directors to the affairs of the Company, in FY2025. Mr Pan Shimo and Mr Foong Daw Ching, being members of the NC, have abstained and not participated in the review and determination in respect of themselves.

Please refer to the section entitled "Directors Profile" of the Annual Report for the listed company directorship and principal commitments of each Director.

There is no alternate Director on the Board.

On an annual basis, the NC, in consultation with the Chairman of the Board, will review and evaluate the performance of the Board as a whole, its Board Committees and each Board Member taking into consideration the attendance record, preparedness and participation at the meetings of the Board and Board Committees and also the contribution of each Director to the effectiveness of the Board.

The Board has a formal process for assessing the effectiveness of the Board as a whole, its Board Committees and Board Member with objective performance criteria and contribution of each individual Director to the effectiveness of the Board. The NC had conducted an assessment of the functions and effectiveness of the Board as a whole, its Board Committees and the contribution of each individual Director towards the effectiveness of the Board for FY2025. These assessment reports were recommended by the NC and reviewed by the Board. These assessments also take into consideration both qualitative and quantitative criteria, such as return on equity, success of the strategic and long-term objectives set by the Board and the effectiveness of the Board in monitoring the Management's performance against the goals that had been set by the Board.

Each Director completes an evaluation form to assess the overall effectiveness of the Board as a whole and its Board Committees. The appraisal process for the Board focused on the evaluation of factors such as the Board composition, Board information, Board process, Board accountability, CEO/Top Management and Directors' standards of conduct. The appraisal process for the Board Committees, on the other hand, focused on the evaluation of the respective Board Committees composition, Board Committees process, Board Committees accountability. For the AC evaluation, the evaluation of factors also includes the audit process, internal controls and risk management systems. The appraisal process for the individual Directors focused on the evaluations of the factors such as attendance, preparation for Board and Board Committees meetings, contributions, initiative, responsiveness and knowledge. The results of these evaluations are reviewed and used constructively by the NC to identify areas of improvements and recommending appropriate course of action to the Board. Based on the results collated from the evaluations, the NC is of the view that the overall effectiveness of the Board as a whole and the Board Committees has been satisfactory for the financial year.

For FY2025, the NC has not engaged any external facilitator to assist in the assessment of the performance of the Board, the Board Committees and individual Directors.

B. REMUNERATION MATTERS

Procedures for developing remuneration policies

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

Level and mix of remuneration

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

CORPORATE GOVERNANCE REPORT

Disclosure on Remuneration

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

The RC comprises the following three (3) non-executive Directors, the majority of whom, including the Chairman of the RC, are independent:

- Mr Pan Shimo (RC Chairman and Independent Director)
- Mr Hu Yu Gan (Lead Independent Director)
- Mr Foong Daw Ching (Non-Executive Non-Independent Director)

The RC is scheduled to meet at least once a year. Each member of the RC shall abstain from voting on any resolution in respect of his/her remuneration package or that of employees related to his/her.

The Board has approved the written terms of reference of the RC. The RC performs, *inter alia*, the following functions and duties:

- (a) reviewing and recommending to the Board a general framework of remuneration for the Directors and key management personnel (including executive officers and senior management) of the Group;
- (b) reviewing and recommending specific remuneration packages and terms of employment (where applicable) for each Executive Director and key management personnel (including executive officers and senior management);
- (c) conducting annual review of the remuneration of employees related to the Directors and substantial shareholders to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities;
- (d) considering various disclosure requirements for remuneration of Directors, the CEO and at least the top five key management personnel (who are not the Directors and the CEO), and ensure that there is adequate disclosure in the financial statements to ensure and enhance transparency between the Company and relevant interested parties;
- (e) reviewing and recommending to the Board, the adoption of share options schemes or any long-term incentive schemes for the benefits of the Group's employees who had exceptional performance; and
- (f) other acts as may be required by the SGX-ST and the Code from time to time.

In carrying out the above responsibilities, the RC may obtain independent external legal and other professional advice as it deems necessary. The expenses of such advice will be borne by the Company. For FY2025, the RC has not sought external advice nor appointed remuneration consultants in considering the remuneration of all Directors.

In setting remuneration packages, the RC takes into consideration the pay and employment conditions within the industry and in comparable companies. As part of its review, the RC ensures that the performance related elements of remuneration form a significant part of the total remuneration package of the Executive Director and is designed to align the Executive Director's interest with those of shareholders and link rewards to corporate and individual performance. In addition, the RC is responsible for the review of compensation commitments to the service agreements, if any, entail in the event of early termination to ensure that such service agreements contain fair and reasonable termination clauses which are not overly generous.

The RC recognises that the level and structure of remuneration should be aligned with the long-term interests and risk policies of the Company and should be appropriate to attract, retain and motivate the Directors to provide good stewardship of the Company and the key management personnel to successfully manage the Company. The Company links the remuneration paid to the Executive Directors and key management personnel to the Company's and each individual's performance, based on an annual appraisal and using indicators such as core values, competencies, key result areas, performance rating and potential of the employees.

CORPORATE GOVERNANCE REPORT

The Independent Directors and Non-Executive Directors do not have service agreement with the Company. Directors' fees will be paid or payable to the Independent Director and Non-Executive Director in accordance with their contributions, taking into account factors such as effort and time spent, responsibilities of the Directors and the need to pay competitive fees to attract, retain and motivate the Directors. The Independent Directors and Non-Executive Directors shall not be overcompensated to the extent that their independence may be compromised.

The Directors' fees are reviewed and recommended by the RC and endorsed by the Board for shareholders' approval at the AGM of the Company. The Company will table the quantum of the Directors' fee of each financial year to the shareholders for approval at the AGM. The payment of fees to Non-Executive Directors is subject to approval at the AGM of the Company. Each and every Director abstained from voting on any resolutions and making any recommendations and/or participating in any deliberations in respect of their own remuneration.

The RC may recommend the Board to consider the use of contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Director and key management personnel in exceptional circumstances of misstatement of financial results, or misconduct resulting in financial loss to the Company.

The Company does not use contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and Key Management Personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company. The Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

The breakdown of the total remuneration of the Directors for FY2025 is set out below:

Board of Directors	Salary RMB	Bonus RMB	Directors' Fees RMB	Incentive and other benefits RMB	Total RMB
Below RMB1,365,000 or approximately S\$250,000					
Dr Lan Weiguang	–	–	–	–	–
Mr Lan Yihong	–	–	–	–	–
Mr Foong Daw Ching	–	–	265,029	–	265,029
Mr Pan Shimo	–	–	36,000	–	36,000
Mr Hu Yu Gan	–	–	36,000	–	36,000

The Directors' fees are subject to shareholders' approval at the forthcoming AGM.

The remuneration paid to the key management personnel (including executive officers and senior management) on an individual basis during FY2025 is set out below:

Key Management Personnel	Salary %	Bonus %	Incentive and other benefits %	Total %
Below RMB1,365,000 or approximately S\$250,000				
Lan Chunguang	–	–	–	–
Zhuang Danhui	69	15	16	100
Zhong Fuzhang	76	–	24	100

The aggregate total remuneration paid to the key management personnel (who are not Directors) for the FY2025 is RMB182,000. In the healthcare segment, there are two key management personnel to manage its operations. Zhuang Danhui was assigned to lead the trading business of the healthcare segment, while Zhong Fuzhang was entrusted with managing the bottled water business. By appointing individuals with expertise and experience in their respective areas, the healthcare segment can ensure that its business operations are efficiently and effectively managed, which ultimately benefits the company and its stakeholders. Additionally, the remuneration paid to Dr Lan Weiguang, and CEO, Mr Lan Chunguang was NIL as they have voluntarily agreed to receive no compensation or payment of any form for their contribution and work at the Company until the Company's operations are on track.

CORPORATE GOVERNANCE REPORT

None of the Directors, CEO and the key management personnel (who are not Directors or the CEO) of the Company has received any termination, retirement, post-employment benefits for FY2025.

For FY2025, the Company does not have any employees who are immediate family members of a Director or the CEO, whose remuneration exceeded S\$100,000.

The Company has a share option scheme known as Suntar Eco-City Employee Share Option Scheme which was approved by shareholders of the Company on 10 July 2007 (“ESOS”). The ESOS complies with the relevant rules as set out in Chapter 8 of the Listing Manual of the SGX-ST. The ESOS will provide eligible participants with an opportunity to participate in the equity of the Company and to motivate them towards better performance through increased dedication and loyalty. The ESOS is administered by the RC. The principal terms of the Scheme are set out in pages 123 to 129 of the IPO Prospectus dated 24 July 2007. The ESOS is in operation for a maximum duration of ten years and has expired on 9 July 2017. There are no outstanding options under the ESOS.

C. ACCOUNTABILITY AND AUDIT

Risk management and internal controls

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

The Board acknowledges that it is responsible for establishing, maintaining and reviewing the effectiveness of the Company’s overall internal control framework. The Board believes in the importance of maintaining a sound system of internal controls to safeguard the interests of the shareholders and the Group’s asset. The system is intended to provide reasonable but not absolute assurance against material misstatements or loss and to ensure maintenance of proper accounting records, reliability of financial information, compliance with appropriate legislations, regulations and best practices, and the identification and containment of business risks.

The AC will continue to review and monitor the adequacy and effectiveness of the Company’s internal controls and risk management systems, taking into consideration the risks which the Group is exposed to, the likelihood of occurrence of such risks and the costs of implementing controls.

For FY2025, the Board has received assurance from the CEO and Finance Director that (a) the financial records of the Group have been properly maintained and the financial statements give a true and fair view of the Company’s operations and finances; and (b) the Group’s risk management and internal control systems are sufficient, adequate and effective.

The AC and Board received reports from the Finance Director who identifies material non-compliance or internal control weaknesses. There were no major internal control weaknesses highlighted for the attention of AC for FY2025. The AC and Board also review the management letter, if any, prepared by the external auditors on control weakness relevant for the preparation of financial statements.

The Board and the AC, reviews the adequacy and effectiveness of the Group’s risk management framework and internal controls, to ensure risk management and internal controls are in place. In this aspect, the AC reviews the audit plans, and the findings of the auditors and ensures that the Group follows up on auditors’ recommendations raised, if any, during the audit process. The AC guides the Management to check and ensure the adequacy and effectiveness of the internal controls. Based on the internal controls and risk management framework established and maintained by the Group, work performed by the external auditors (to the extent as required by them to form an audit opinion on the statutory financial statements), the report from the internal auditors, periodic reviews performed by the Management and assurance from the CEO and Finance Director, the Board with the concurrence of the AC, is of the opinion that the Group’s internal controls in addressing financial, operational, compliance and information technology controls, and risk management systems during the year are effective and adequate to safeguard its assets and ensure the integrity of financial statements.

At the moment, the overall risk management framework of the Group was collectively monitored by the AC and the Board. The Board will consider the necessity of establishing a separate Board risk committee as and when it deemed expedient.

CORPORATE GOVERNANCE REPORT

Audit Committee

Principle 10: The Board has an AC which discharges its duties objectively.

The AC comprises the following three (3) non-executive Directors, the majority of whom, including the Chairman of the AC, are independent:

- Mr Hu Yu Gan (AC Chairman and Lead Independent Director)
- Mr Pan Shimo (Independent Chairman)
- Mr Foong Daw Ching (Non-Executive Non-Independent Director)

The members of the AC, collectively, have expertise or experience in financial management and are qualified to discharge the AC's responsibilities. None of the AC members was a former partner or director of the Company's existing auditing firm (a) within a period of two years commencing on the date of their ceasing to be a partner or director of the auditing firm; and (b) for as long as they have any financial interest in the auditing firm. The Board is of the view that the AC has sufficient financial management expertise and experience to discharge the AC's functions.

The Board has approved the written terms of reference of the AC. The AC will assist the Board in discharging its responsibility to safeguard the Group's assets, maintain adequate accounting records, develop and maintain effective systems of internal control, with the overall objective of ensuring that the Management creates and maintains an effective control environment in the Group. The AC will provide a channel of communication between the Board, the Management and the auditors on matters relating to audit. The AC met with the external auditors periodically.

The AC performs, *inter alia*, the following roles, functions and duties:

- reviewing the external auditors' audit plan and audit report, their evaluation of the system of internal accounting controls, their letter to management and the management's response;
- reviewing with internal auditors the internal audit plan, the scope and the result of their examination and evaluation of the system of internal controls;
- reviewing the half-yearly and annual financial statements and results announcements before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual of the SGX-ST and any other relevant statutory or regulatory requirements;
- reviewing the internal control procedures and ensure co-ordination between the auditors and the Management, and reviewing the assistance given by the Management to the auditors, and discuss problems and concerns, if any, arising from audits, and any matters which the auditors may wish to discuss (in the absence of the Management, where necessary);
- reviewing and discussing with the auditors any suspected fraud or improprieties or irregularities, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position and the Management's response;
- reviewing the scope and results of external audit, its cost effectiveness, and the independence and objectivity of the external auditors;
- reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Company's internal controls systems, including financial, operational, compliance, information technology controls and risk management systems;
- recommending to the Board on the proposals on the appointment or re-appointment of the internal and external auditors and matters relating to the resignation or change of the internal and external auditors;
- reviewing interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual of the SGX-ST;

CORPORATE GOVERNANCE REPORT

- (j) reviewing potential conflicts of interest (if any);
- (k) reviewing the policy and arrangements by which staff of the Group or any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters and ensures that arrangements are in place for the independent investigation of such matters and for appropriate follow-up action;
- (l) assessing the suitability for appointment of Finance Director / Manager (or equivalent rank);
- (m) undertaking such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and
- (n) other acts as may be required by the SGX-ST and the Code from time to time.

The AC had met, at the minimum, on a half-yearly basis for FY2025. In the event that a member of the AC is interested in any matter being considered by the AC, he will abstain from reviewing that particular transaction or voting on that particular resolution.

The AC has been given full access to and co-operation of the Company's Management. The AC has access to resources to enable it to discharge its functions properly. To facilitate discussions at its meetings, the AC had invited the other key executives of the Group to attend its meetings. The AC had direct access to the external auditors and had also met with the external auditors without the presence of the Management to discuss the results of their examinations and evaluation of the system of internal accounting controls. During the year, the AC has reviewed the scope and quality of their audits and the independence and objectivity of the external auditors as well as the cost effectiveness.

The fees paid/payable to Messrs Foo Kon Tan LLP, the external auditors, for the FY2025 are as follows:-

Services	Amount (SGD)
Audit service	215,800
Non-audit service	—
Total	<u>215,800</u>

The AC has also reviewed all audit and non-audit fees paid to the external auditors. The AC is satisfied that the nature and extent of the non-audit service will not prejudice the independence and objectivity of the external auditors. There is no non-audit service being performed by the external auditors for the FY2025.

The Company has complied with Rule 715 of the Listing Manual of the SGX-ST as all subsidiaries of the Company are audited by Messrs Foo Kon Tan LLP for the purposes of the consolidated financial statements of the Company and its subsidiaries.

Messrs Foo Kon Tan LLP, the external auditors of the Company, has confirmed that they are Public Accounting Firms registered with Accounting and Corporate Regulatory Authority and provided a confirmation of their independence to the AC. The AC had assessed the external auditors based on factors such as performance, adequacy of resources and experience of their audit engagement partner and auditing team assigned to the Group's audit, the size and complexity of the Group.

In July 2010, the Singapore Exchange Limited ("SGX") and Accounting and Corporate Regulatory Authority ("ACRA") launched the "Guidance to Audit Committees on Evaluation of Quality of Work performed by External Auditors" which aims to facilitate the AC in evaluating the external auditors. Accordingly, the AC had evaluated the performance of the external auditors based on the key indicators of audit quality set out in the Guidance such as performance, adequacy of resources and experience of their audit engagement partner and auditing team assigned to the Group's audit, the size and complexity of the Group.

In addition, in October 2015, with the support from SGX and Singapore Institute of Directors, ACRA had introduced the "Audit Quality Indicators ("AQIs") Disclosure Framework to assist the ACs in evaluating the re-appointment of external auditors based on eight quality markers that correlate closely with audit quality. Accordingly, the AC had evaluated the external auditors based on the eight AQIs at engagement and/or firm-level.

The AC met with the external auditors to discuss the audit findings as well as their audit. The management has made significant judgements relating to significant estimates in the financial statements.

CORPORATE GOVERNANCE REPORT

Significant judgement is required to determine the net realisable value of these completed properties for sale which is dependent upon the expectation of the future selling price which is affected by, amongst other macro and micro factors, demand and supply, interest rates, government policies and economic conditions. There is an inherent risk that the carrying amount as at the reporting date exceeds the future selling price resulting in a loss when the properties are sold.

An investment in associate is tested for impairment whenever there is any objective evidence or indication that it may be impaired by comparing its recoverable amount with the carrying amount. The recoverable amount is determined based on the higher of its value in use and fair value less costs of disposal. There are significant judgments applied to assess for any impairment indication and in regard to the method and key assumptions used in the estimation of the recoverable amount.

The financial reporting matters that required significant judgements and estimates are fully described in Note 2(b) to the accompanying financial statements.

The AC has discussed with management and the independent auditors on significant issues and assumptions that impact the financial statements. Following the review, the AC is satisfied that net realisable value of completed properties for sale and impairment assessment of investment in associates to be the key audit matters.

The AC is satisfied that the Company's auditors are able to meet the audit requirements and statutory obligations of the Company. Accordingly, the AC is satisfied that Rule 712 of the Listing Manual of the SGX-ST is complied with and has recommended to the Board, the nomination of the external auditors for re-appointment at the forthcoming AGM.

In addition to the activities undertaken to fulfil its responsibilities, the AC is kept abreast by the Management, external and internal auditors on changes to accounting standards, stock exchange rules and other codes and regulations which could have an impact on the Group's business and financial statements.

The Company has established a whistleblowing policy to enable persons employed by the Group a channel to report any suspected non-compliance with regulations, policies, fraud and/or other matters to the appropriate authority for resolution, without any prejudicial implications to these employees. The AC is vested with the power and authority to receive, investigate and enforce appropriate action when any such non-compliance matter is brought to its attention. As of to-date, there were no reports received through the whistleblowing mechanism.

The Group has had an internal audit function in place since 2015, and has outsourced an independent audit firm to conduct internal audits on an annual basis to help the Group in evaluating and assessing the adequacy and effectiveness of internal controls and consequently to highlight the areas where control weaknesses exist, if any, and thus improvements could be made.

The Company had engaged Xiamen Heyu Certified Public Accountant (CPA) Ltd (厦门和裕会计师事务所有限公司) as its internal auditors for the Group. The internal auditor reports directly to the AC on internal audit matters and to the Finance Director on administrative matters. The main objective of the internal audit function is to assist the Group in evaluating and assessing the adequacy and effectiveness of internal controls and consequently to highlight the areas where control weaknesses exist, if any, and thus improvements could be made. The Company continues to work with the internal auditor to identify other scope of work which will help to further enhance the robustness of the Company's internal controls. The internal auditors have unfettered access to all the Company's records, properties and personnel, including the AC, and has appropriate standing within the Company.

The AC will review the adequacy and effectiveness of the internal audit function at least annually and ensure that the internal audit function is independent, adequately resourced and has appropriate standing within the Company. The AC has communicated with the internal auditors, without the presence of Management, once during FY2025.

The internal auditor follows closely the standards set by nationally or internationally recognized professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors ("IIA").

The AC is of the view that internal auditor is adequately staffed with persons with relevant qualifications and experience and adheres to professional standards including those promulgated by IIA. The AC had conducted a review of the internal audit function and based on its review, it has concluded that the internal audit function is adequately resourced, effective and independent.

The Board acknowledges that it is responsible for the overall internal control framework but notes that no system of internal control could provide absolute assurance against all irregularities.

CORPORATE GOVERNANCE REPORT

D. SHAREHOLDER RIGHTS AND ENGAGEMENTS

Shareholders Rights and Conduct of General Meetings

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

Engagement with Shareholders

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

The Company believes that a high standard of disclosure is crucial to raising the level of corporate governance. All information that requires public disclosure is first announced through the SGXNet. The Company is open to meetings with investors and analysts and in conducting such meetings, the Company is mindful of the need to ensure fair disclosure of any price sensitive information which will be publicly released via SGXNet. The Company has also adopted half-yearly results reporting starting from FY2021. Price-sensitive information is publicly released, and is announced within the mandatory period. The Company does not practise selective disclosure. In line with the continuous obligations of the Company under the Listing Rules of the SGX-ST and the Companies Act 1967, the Board's policy is that all shareholders should be informed of all major developments that impact the Group via SGXNet on a timely basis.

The Company believes in high standard of transparent corporate disclosure and is committed to disclose to its shareholders, the information in a timely and fair manner via SGXNet. Communication is mainly made through:-

- Annual Report and Circulars that are prepared and sent to all shareholders. The Board ensures that these documents include all relevant material information about the Company and the Group, and other disclosures required by the Listing Rules of the SGX-ST, Singapore Companies Act and Singapore Financial Reporting Standards. Since the evolving COVID-19 situation in year 2021, these documents are available to Shareholders on SGX-ST website and the Company's website;
- Half yearly financial statements announcements containing a summary of the financial information and affairs of the Group;
- Announcements via SGXNet on matters required by the Listing Rules, amongst which include acquisitions and disposals, corporate actions, sustainability reporting; and
- The Company's website at <https://www.suntareco-city.com/>, where shareholders can access information and the corporate profile of the Group.

In discharge of its duties to the shareholders, the Board, when presenting annual financial statements and announcements, seek to provide the shareholders with a detailed analysis, explanation and assessment of the Group's financial position and prospects. For interim financial statements, the Board provides a negative assurance confirmation to shareholders, in line with Rule 705(5) of the Listing Manual of the SGX-ST. The Management currently provides the Board with appropriately detailed management accounts of the Group's performance, position and prospects on a regular basis to enable the Board to make a balanced and informed assessment of the Company's performance, position and prospects. In addition, all Directors and key management personnel of the Company also signed a letter of undertaking pursuant to Rule 720(1) of the Listing Manual of the SGX-ST.

The AGM of the Company is the principal forum for dialogue and interaction with all shareholders. All shareholders of the Company will receive the annual report and notice of the AGM. At the AGM, shareholders will be given the opportunity to voice their views and to direct questions regarding the Group to the Directors including the chairman of each of the Board Committees. The Chairman of the AC, NC and RC together with the external auditors would be present at the AGM to address all queries that the shareholders may have. In the event that the Company wishes to obtain shareholders' approval for any major transaction, the Board will disseminate such information via SGXNet, prepare and send notice of general meeting and circular to shareholders within the mandatory period.

CORPORATE GOVERNANCE REPORT

The Company ensures that there are separate resolutions at general meetings on each distinct issue. Each item of the resolution included in the notice of general meetings will be accompanied by full explanation of the effects of a proposed resolution.

The Company has put all resolutions to vote by poll at its AGM. The Company will release an announcement on the detailed results showing the numbers of votes cast for and against each resolution and the respective percentages.

Shareholders are encouraged to attend and vote at the AGM of the Company to ensure a high level of representation and to stay informed of the Company's strategy and goals. If any shareholder is unable to attend, he/she is allowed to appoint up to two proxies to vote on his/her behalf at the AGM through proxy forms sent in advance. A Relevant Intermediary¹ may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by him (which number and class of shares shall be specified). An investor who holds shares under the Central Provident Fund Investment Scheme ("**CPF Investor**") and/or the Supplementary Retirement Scheme ("**SRS Investor**") (as may be applicable) may attend and cast his/her vote(s) at the Meeting in person. CPF and SRS Investors who are unable to attend the Meeting but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the Meeting to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the Meeting.

The Chairman of the AC, NC and RC are normally present and available to address questions relating to the work of their respective Board Committees at general meetings. The external auditors are present to assist the Board in addressing any relevant queries raised by the shareholders on matters relating to the audit and the financial statements.

The Company has decided, for the time being, not to implement voting in absentia through mail, electronic mail or fax until security, integrity and other pertinent issues are satisfactorily resolved.

The AGM held on 29 May 2025 ("**2025 AGM**"), was held in a wholly physical format. The notice of the 2025 AGM was published in the newspaper, and also disseminated to the Shareholders through publication on SGXNet and the Company's corporate website, as well as by postal to the Shareholders, within the prescribed period in accordance with the Companies Act 1967 and the Company's Constitution.

For the forthcoming AGM to be held on 30 April 2026, in respect of FY2025, which will be convened in a wholly physical format and there will be no option for Shareholders to participate virtually. Please refer to the notice of forthcoming AGM dated 15 April 2026 as set out in this Annual Report for more information on how Shareholders may participate in the forthcoming AGM.

Shareholders are encouraged to submit their questions by 22 April 2026. The Company will respond to these submitted questions and published it on the (i) SGX's website and (ii) the Company's corporate website on or before 10:30 a.m. on 26 April 2026 (in accordance with the guidelines in which questions must be responded forty-eight (48) hours prior to the closing date and time for the lodgment of the proxy forms).

Minutes of general meetings include substantial and relevant queries or comments from shareholders relating to the agenda of the meeting and responses from the Board and Management. Since the evolving COVID-19 situation in year 2020, these minutes are available to Shareholders on SGX-ST website within one (1) months from general meetings.

¹ A Relevant Intermediary is:

- a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or
- b) a person holding a capital markets services licence to provide custodial services for securities under the Securities Futures Act 2001 and who holds shares in that capacity; or
- c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

CORPORATE GOVERNANCE REPORT

The Company does not have a policy on payment of dividends. The issue of dividend is deliberated by the Board having regard to various factors, including but not limited to the Group's actual and projected financial performance; projected levels of capital expenditure and other investment plans; working capital requirements and general financial conditions; and the level of the Group's cash and retained earnings. Taking into account the above factors, the Board has not recommended dividends to be paid in respect of FY2025.

Presently, the Company does not have an investor relations policy or protocol in place nor a dedicated investor relations team, as the Board was of the view that the current communication channels are sufficient and cost-effective. The Company will assess the need to establish an investor policy or protocol or investor relations team as and when it deems necessary. Notwithstanding so, taking into account the communication and dialogue with Shareholders taken by the Company as set out above, the Board is of the view that the Company complies with Principle 12 of the Code.

E. MANAGING STAKEHOLDER RELATIONSHIPS

Engagement with Stakeholders

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

The Company recognises the vitality on stakeholders' engagement for the Company's long-term sustainability. The Company engages with key stakeholders such as customers, suppliers, employees, investors, as well as government and regulators, to align the Company's sustainable approach with their expectations.

The Company has regularly engaged its stakeholders through various medium and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services and products' standards, as well as to sustain business operations for long-term growth.

The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are similarly able to impact the Group's business and operations. They are namely, customers, employees, government and regulatory bodies, shareholders and investors, and suppliers. The Group has also undertaken a process to determine the economic, environmental, social and governance issues, which important to these stakeholders. These issues form the materiality matrix upon which targets, performance and progress are reviewed and endorsed by the Board annually.

Detailed approach to the stakeholder engagement and materiality assessment will be disclosed in the Company's sustainability report FY2025, which will be published to keep stakeholders informed on the Company's business and operations.

The Company maintains a corporate website at <https://www.suntareco-city.com/> to communicate and engage with stakeholders. The corporate website provides, among others, announcements, annual reports, and financial information of the Group, stock information of the Company, as well as the profiles of the Group, the Directors and the key management personnel.

The Company welcomes enquiries from investors, stakeholders and analysts, Company related queries can be sent to contactsg@suntar.com.

F. ADDITIONAL INFORMATION

Dealings in Securities

The Company has complied with Rule 1207(19) of the Listing Manual of the SGX-ST in relation to the best practices on dealings in the securities:

- (a) The Company had devised and adopted its own internal compliance code to provide guidance to its officers with regards to dealings by the Company and its officers in its securities;
- (b) Officers of the Company did not deal in the Company's securities on short-term considerations; and

CORPORATE GOVERNANCE REPORT

- (c) The Company and its officers did not deal in the Company's shares (i) during the periods commencing one month before the announcement of the Company's half year and full year financial statements, ending on the date of the announcement of the relevant results, and (ii) if they are in possession of unpublished price-sensitive information of the Group.

In addition, the Directors and Management are expected to observe the insider trading laws at all times even when dealing in securities within permitted trading period.

Material Contracts

(Listing Manual Rule 1207(8))

There was no material contract entered into by the Group involving the interests of any directors or Controlling Shareholders subsisting at the end of the FY2025.

Interested Person Transactions

(Listing Manual Rule 907)

The Company had established a procedure to ensure that all transactions with interested persons are reported in a timely manner to the AC and that the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

As previously disclosed, during FY2024, the Group had entered into a transaction involving the sale of certain properties to an associate of its controlling shareholder, which was subsequently identified as constituting an interested person transaction that did not fully comply with Chapter 9 of the Mainboard Rules due to an inadvertent oversight. Details of the transaction were announced on 15 April 2025.

The transaction has since been cancelled and rescinded and is treated at law as null and void as if it had never been entered into. The Company has implemented enhanced procedures following a review of the circumstances to strengthen the identification, monitoring and approval processes for Interested Person Transactions.

The Company has no shareholders' mandate for interested person transactions.

Use of Initial Public Offering proceeds

(Listing Manual Rule 1207(20))

The Group raised S\$28,782,000 from its initial public offering ("IPO") from the issuance of 73,800,000 new shares of S\$0.39 each on 1 August 2007. Total net proceeds were approximately S\$26,370,000 after deducting IPO expenses of approximately S\$2,412,000.

After the IPO, the Group had transferred a total sum of USD13,461,200 (approximately S\$19,854,000) from the IPO proceeds to its principal subsidiary, Jiangxi New Reyphon Biochemical Co., Ltd, for the following purposes:

Use of net proceeds as stated in the Prospectus	Amount allocated as stated in the Prospectus (\$)	Amount Utilised (\$)
To expand production capacity	15,000,000	11,426,000
For R&D of new products	3,000,000	576,000
To strengthen sales and distribution network	1,000,000	370,000
For general working capital purposes of the Group		
- Purchase of raw materials		6,162,000
- Employee salary expenses		1,012,000
- Tax expenses		76,000
- Miscellaneous expenses	7,447,000	232,000
Total	26,447,000	19,854,000

CORPORATE GOVERNANCE REPORT

The aforementioned proceeds have been used in accordance with the intended use and is in accordance with the percentage allocated as stated in the Prospectus. The remaining proceeds of approximately S\$6.6 million has not been utilised to-date.

As announced on 14 November 2013, the Company does not have any immediate plans to utilise the remaining proceeds. In order to increase the flexibility in the deployment of funds, the Company had re-designated the remaining proceeds as working capital of the Company.

The Company shall make periodic announcements of the use of the IPO proceeds as and when the proceeds are materially disbursed.

DIRECTORS' STATEMENT

The directors are pleased to submit their statement to the members together with the audited financial statements of the Group for the financial year ended 31 December 2025 and statement of financial position of the Company as at 31 December 2025.

In the opinion of the directors,

- (a) the consolidated financial statements of the Group and statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2025 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date, in accordance with the provisions of the Singapore Companies Act 1967 (the “Act”) and Singapore Financial Reporting Standards (International); and
- (b) at the date of this statement, having regard to the information as disclosed in Note 2(a) to the financial statements, 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 has, on the date of this statement, authorised these financial statements for issue.

Directors

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

Pan Shimo
Dr Lan Weiguang
Foong Daw Ching
Lan Yihong
Hu Yugan

Arrangements to enable directors to acquire benefits by means of the acquisition of shares or debentures

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

DIRECTORS' STATEMENT

Directors' interests in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, the directors who held office at the end of the financial year had no interest in shares or debentures of the Company and its related corporations, except as follows:

	<u>Holdings registered in the name of director</u>		<u>Holdings in which director is deemed to have interest</u>	
	As at <u>1.1.2025</u>	As at <u>31.12.2025</u>	As at <u>1.1.2025</u>	As at <u>31.12.2025</u>
The Company				
<u>Suntar Eco-City Limited</u>				
(Number of ordinary shares)				
Dr Lan Weiguang	63,800	63,800	47,213,600	47,213,600
Foong Daw Ching	2,000	2,000	-	-
Ultimate holding company				
<u>Clean Water Investment Limited</u>				
(Ordinary shares of par value US\$0.000001)				
Dr Lan Weiguang	271,268,960	271,268,960	10,000,040	10,000,040

By virtue of the provisions of Section 7 of the Act, Dr Lan Weiguang is deemed to have an interest in the shares of each of the wholly-owned subsidiaries of Suntar Eco-City Limited and China Green Eco-Holding Pte. Ltd.

There were no changes to any of the above-mentioned directors' interests between the end of the financial year and 21 January 2026.

Share options

No options were granted during the financial year to take up unissued shares of the Company or of its subsidiaries.

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

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

Audit Committee

The Audit Committee during the financial year and at the date of this statement comprises the following non-executive directors of the Company and majority of whom, including the Chairman of the Audit Committee, are independent:

Hu Yugan (Chairman)
Foong Daw Ching
Pan Shimo

The Audit Committee performs the functions set out in Section 201B(5) of the Act, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the Audit Committee has met two times since the last Annual General Meeting ("AGM") and has reviewed the following, where relevant, with the executive directors and external and internal auditors of the Company:

DIRECTORS' STATEMENT

Audit Committee (Cont'd)

- (a) the internal and external audit plans and results of internal auditors' examination and evaluation of the Group's systems of internal accounting controls;
- (b) the half yearly and annual announcements, financial statements of the Company and consolidated financial statements of the Group and the external auditor's report on those financial statements before submission to the Board of Directors for approval, focusing in particular on changes in accounting policies and practices, significant risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual of SGX-ST and any other relevant statutory or regulatory requirements;
- (c) the co-ordination between the external auditors and the management, and review the assistance given by the management to the auditors, and discuss problems and concerns, if any, arising from audits, and any matters which the auditors may wish to discuss;
- (d) any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position with management;
- (e) the recommendation to the Board of Directors appointment and re-appointment of the external auditors, approval of the compensation of the external auditors, and review of the scope and results of the audit;
- (f) interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual of SGX-ST;
- (g) potential conflicts of interest (if any); and
- (h) undertake such other reviews and projects as may be requested by the Board of Directors and report to the Board its findings from time to time on matters arising and requiring the attention of the Audit Committee.

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

The Audit Committee has recommended to the Board of Directors the nomination of Foo Kon Tan LLP for re-appointment as external auditors of the Group at the forthcoming AGM of the Company.

Full details regarding the Audit Committee are provided in the Report on Corporate Governance.

In appointing the auditors for the Company, the subsidiaries and the significant associates, we have complied with Rules 712 and 715 of the SGX Listing Manual.

DIRECTORS' STATEMENT

Independent auditor

The independent auditor, Foo Kon Tan LLP, Public Accountants and Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

.....
LAN WEIGUANG

.....
LAN YIHONG

Dated: 31 March 2026

INDEPENDENT AUDITOR'S REPORT

Year ended 31 December 2025

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Suntar Eco-City Limited (the “Company”) and its subsidiaries (the “Group”), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2025, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act 1967 (the “Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)s”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2025 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the *Auditor’s Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (“ACRA”) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (“ACRA Code”), as applicable to audits of financial statements of public interest entities, together with the ethical requirements that are relevant to audits of the financial statements of public interest entities in Singapore. We have also 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.

Key Audit Matters

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

(1) Impairment assessment of investment in associates (Note 7)

As at 31 December 2025, the carrying amount of the Group’s investments in associates was RMB42.2 million (2024 – RMB42.8 million). An investment in associate is tested for impairment whenever there is any objective evidence or indication that it may be impaired by comparing its recoverable amount with the carrying amount. The recoverable amount is determined based on the higher of its value in use and fair value less costs of disposal.

The impairment assessment of investments in associates is determined to be a key audit matter due to their materiality to the financial statements as well as the significant judgments applied to assess for any impairment indication and in regard to the method and key assumptions used in the estimation of the recoverable amount.

INDEPENDENT AUDITOR'S REPORT

Year ended 31 December 2025

Key Audit Matters (Cont'd)

How the matter was addressed in the audit

We reviewed management's assessment for any objective evidence or indication that an investment in associate may be impaired. If there was any indication that an investment in associate may be impaired, we reviewed management's estimation of its recoverable amount based on the higher of its value in use and fair value less costs of disposal, including the method and key assumptions used. We also evaluated the adequacy of relevant disclosure information made in the financial statements.

(2) Net realisable value of completed properties for sale (Note 11)

As at 31 December 2025, the carrying amount of the Group's completed properties for sale was RMB9.1 million (2024 – RMB9.4 million). The completed properties for sale are stated at the lower of cost and net realisable value which is the estimated selling price in the ordinary course of business less selling expenses.

Significant judgement is required to determine the net realisable value of these completed properties for sale which is dependent upon the expectation of the future selling price which is affected by, amongst other macro and micro factors, demand and supply, interest rates, government policies and economic conditions. There is an inherent risk that the carrying amount as at the reporting date exceeds the future selling price resulting in a loss when the properties are sold. Therefore, we have determined the net realisable value of completed properties for sale to be a key audit matter.

How the matter was addressed in the audit

We reviewed reasonableness of the method and key assumptions used by management in assessing the estimated selling price of the completed properties for sale, which included recently transacted selling prices of these properties, where available, and comparable properties, and management's expectations about the market and project specific factors. Where an expert was involved in assessing the net realisable value, we evaluated whether the expert had the necessary competence and objectivity for the required purpose. We also evaluated the adequacy of relevant disclosure information made in the financial statements.

Other Information

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

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

Year ended 31 December 2025

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 and SFRS(I)s, 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 Group'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 Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

INDEPENDENT AUDITOR'S REPORT

Year ended 31 December 2025

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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 Group to cease to continue as a going concern.
- 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

INDEPENDENT AUDITOR'S REPORT

Year ended 31 December 2025

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary corporation incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ling Guo Leng.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 31 March 2026

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2025

	Note	The Group		The Company	
		31 December 2025 RMB'000	31 December 2024 RMB'000	31 December 2025 RMB'000	31 December 2024 RMB'000
ASSETS					
Non-Current Assets					
Right-of-use asset	4	12,658	12,930	-	-
Property, plant and equipment	5	525	345	-	-
Subsidiaries	6	-	-	131,406	131,406
Associates	7	42,153	42,811	-	-
Deferred tax assets	8	292	292	-	-
Total non-current assets		55,628	56,378	131,406	131,406
Current Assets					
Trade receivables	9	922	3,665	-	-
Other receivables	10	375	7,976	258	219
Completed properties for sale	11	9,064	9,421	-	-
Inventories	12	331	330	-	-
Cash and cash equivalents	13	59,630	57,789	187	387
Total current assets		70,322	79,181	445	606
Total assets		125,950	135,559	131,851	132,012
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	14	162,713	162,713	162,713	162,713
Reserves	15	(63,282)	(63,895)	(54,577)	(52,191)
Equity attributable to owners of the Company		99,431	98,818	108,136	110,522
Non-controlling interest	6	303	173	-	-
Total equity		99,734	98,991	108,136	110,522
Current Liabilities					
Trade payables	16	514	6,336	-	-
Other payables	17	24,441	29,005	23,715	21,490
Income tax payable		1,261	1,227	-	-
Total current liabilities and total liabilities		26,216	36,568	23,715	21,490
Total equity and liabilities		125,950	135,559	131,851	132,012

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the financial year ended 31 December 2025

The Group	Note	2025 RMB'000	2024 RMB'000
Revenue	3	6,230	10,243
Cost of sales		(5,209)	(9,569)
Gross profit		1,021	674
Other operating income	18	1,072	1,425
General and administrative expenses		(3,499)	(3,186)
Distribution and selling expenses		(487)	(449)
Monies received from customers not refunded	19	2,527	2,000
Waiver of trade payables to third parties	19	1,166	-
Allowance for diminution in value of completed properties for sale	19	(229)	-
Other operating expenses		-	(142)
Share of results of associates, net of tax	7	(658)	8,109
Profit before taxation	19	913	8,431
Tax expense	20	(170)	(208)
Profit for the year, representing total comprehensive income for the year		743	8,223
Profit attributable to:			
Owners of the Company		626	8,177
Non-controlling interest	6	117	46
		743	8,223
Earnings per share			
Basic and diluted (RMB cents)	21	1.00	13.03

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2025

	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
The Group						
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	-	-	8,177	8,177	46	8,223
Transfer to statutory reserves	-	52	(57)	(5)	5	-
At 31 December 2024	162,713	1,154	(65,049)	98,818	173	98,991
Profit for the year, representing total comprehensive income for the year	-	-	626	626	117	743
Transfer to statutory reserves	-	75	(88)	(13)	13	-
At 31 December 2025	162,713	1,229	(64,511)	99,431	303	99,734

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2025

	Note	2025 RMB'000	2024 RMB'000
Cash Flows from Operating Activities			
Profit before taxation		913	8,431
Adjustments for:			
Depreciation of right-of-use asset	4, 19	272	272
Depreciation of property, plant and equipment	5, 19	124	58
Allowance for diminution in value of completed properties for sale	11, 19	229	-
Loss on property, plant and equipment written off	19	-	116
Inventories written off	12, 19	11	28
Monies received from customers not refunded	19	(2,527)	(2,000)
Waiver of trade payables to third parties	19	(1,166)	-
Interest income	18	(869)	(812)
Share of results of associates, net of tax	7	658	(8,109)
Operating loss before working capital changes		(2,355)	(2,016)
Changes in trade receivables		2,743	(2,077)
Changes in other receivables		1	171
Changes in completed properties for sale		128	92
Changes in inventories		(12)	(36)
Changes in trade payables		(2,129)	1,888
Changes in other payables		(6,546)	6,334
Cash (used in)/generated from operations		(8,170)	4,356
Interest received		869	812
Income tax paid		(136)	(110)
Net cash (used in)/generated from operating activities		(7,437)	5,058
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	A	(304)	(133)
Repayment of advance from an associate	10	7,600	12,000
Net cash generated from investing activities		7,296	11,867
Cash Flows from Financing Activities			
Advances from a director	B	1,982	2,211
Net cash generated from financing activities		1,982	2,211
Net increase in cash and cash equivalents		1,841	19,136
Cash and cash equivalents at beginning of year		57,789	38,653
Effect of exchange rate changes on the balance of cash held in foreign currencies		-*	-*
Cash and cash equivalents at end of year	13	59,630	57,789

* Less than RMB1,000

CONSOLIDATED STATEMENT OF CASH FLOWS

For the financial year ended 31 December 2025

Note A: Property, plant and equipment

During the financial year ended 31 December 2025, the Group acquired property, plant and equipment with an aggregate cost of RMB304,000 (2024 - RMB152,000). The Group makes cash payments of RMB304,000 (2024 - RMB133,000) to acquire the property, plant and equipment. The outstanding balance of RMB 19,000 (2024 - RMB19,000) is payable to the supplier of property, plant and equipment, as recorded under “Other payables”.

Note B: Reconciliation of liabilities arising from financing activities

The following is the disclosures of the reconciliation of liabilities arising from financing activities, excluding equity items:

	<u>As at</u> <u>1 January</u> RMB'000	<u>Cash flows -</u> <u>Proceeds</u> RMB'000	<u>As at</u> <u>31 December</u> RMB'000
2025			
Advances from a director (Note 17)	19,774	1,982	21,756
2024			
Advances from a director (Note 17)	17,563	2,211	19,774

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

1 General information

The Company was incorporated as a limited liability company and domiciled in Singapore. The principal place of business and registered office of the Company is located at 3 Tuas Link 1, Singapore 638584.

The Company was listed on the mainboard of Singapore Exchange Securities Trading Limited on 1 August 2007.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries and associates are disclosed in Notes 6 and 7 respectively to the financial statements. There has been no significant change in the nature of these activities during the financial year.

The holding companies of the Company are as follows:

- immediate holding company - Suntar Investment Pte Ltd, incorporated in Singapore;
- intermediate holding company - Sinomem Technology Pte Ltd, incorporated in Singapore; and
- ultimate holding company - Clean Water Investment Limited, incorporated in the Cayman Islands.

The consolidated financial statements of the Group and statement of financial position of the Company for the year ended 31 December 2025 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

2(a) Going concern basis

The Company

As at 31 December 2025, the current liabilities of the Company have exceeded the current assets by RMB23,270,000 (2024 - RMB20,884,000).

As at the reporting date, the Company's current liabilities of RMB23,715,000 (2024 - RMB21,490,000) included an amount of RMB21,746,000 (2024 - RMB19,764,000) related to advances from a director of the Company, who is also the ultimate controlling shareholder of the Company.

The ultimate controlling shareholder has given an undertaking that he shall not demand immediate repayment from the Company and to provide continuing financial support to the Company in the next twelve months from the date of these financial statements.

2(b) Basis of preparation

The financial statements are drawn up in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards (International) ("SFRS(I)"), and have been prepared on the historical cost convention, except as disclosed in the accounting policies below.

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

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2(b) Basis of preparation (Cont'd)

Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with SFRS(I) requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

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

(i) Significant judgements used in applying accounting policies

The following are the critical judgements, apart from those involving estimations (which are presented separately below), that have been made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Income taxes (Notes 8 and 20)

The Group has exposure to income taxes in several jurisdictions. Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax exposures based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

Determination of functional currency

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

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are discussed below.

Impairment of non-financial assets (Notes 4, 5, 6 and 7)

Right-of-use asset, property, plant and equipment, subsidiaries and associates are tested for impairment whenever there is any objective evidence or indication, such as poor economic performance, that these assets may be impaired.

The recoverable amounts of these assets and, where applicable, cash-generating units, have been determined based on the higher of value-in-use and fair-value-less-costs-of-disposal. The value-in-use calculation requires the Group to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows. The determination of fair value less costs to sell involves use of unobservable inputs. Management has reviewed for possible impairment and assessed that no impairment is required.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2(b) Basis of preparation (Cont'd)

(ii) Key sources of estimation uncertainty (Cont'd)

Net realisable value of completed properties for sale (Note 11)

Net realisable value of completed properties for sale is determined based on management's estimates of the selling price which takes into account projected timing of sales and prevailing customer demand and market conditions, less applicable variable selling expenses. Revisions to estimates are made when there is a change in market conditions. A 1% decrease in selling price will not affect the carrying amounts of completed properties for sale.

Allowance for expected credit losses of other receivables (Note 10)

The Group applies the 3-stage general approach to determine ECL for receivables which are non-trade in nature. ECL is measured as an allowance equal to 12-month ECL for stage-1 assets, or lifetime ECL for stage-2 or stage-3 assets. An asset moves from stage-1 to stage-2 when its credit risk increases significantly since initial recognition and subsequently to stage-3 as it becomes credit-impaired. In assessing whether credit risk has significantly increased, the Group considers qualitative and quantitative reasonable and supportable forward-looking information. Lifetime ECL represents ECL that will result from all possible default events over the expected life of a financial instrument whereas 12-month ECL represents the portion of lifetime ECL expected to result from default events possible within 12 months after the reporting date.

2(c) Adoption of new and revised SFRS(I) effective for the current financial year

On 1 January 2025, the Group and the Company adopted all the new and amended SFRS(I), effective for the current financial year that are relevant to them. The adoption of these new and amended SFRS(I) pronouncements does not result in significant changes to the Group's and the Company's accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods.

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to: SFRS(I) 1-21	Lack of Exchangeability	1 January 2025

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2(d) New and revised SFRS(I) in issue but not yet effective

At the date of authorisation of the financial statements, the Group and the Company have not adopted the new and revised SFRS(I) and amendments to SFRS(I) that have been issued but are not yet effective to them.

Reference	Description	Effective date (Annual periods beginning on or after)
SFRS(I) 18	Presentation and Disclosure in Financial Statements	1 January 2027
SFRS(I) 19	Subsidiaries without Public Accountability: Disclosures	1 January 2027
Amendments to: SFRS(I) 9, SFRS(I) 7	Amendments to the Classification and Measurement of Financial Instruments	1 January 2026
SFRS(I) 9, SFRS(I) 7	Contracts Referencing Nature-dependent Electricity	1 January 2026
Various SFRS(I) 1-21	Annual Improvements to SFRS(I)s - Volume 11 Translation to a Hyperinflationary Presentation Currency	1 January 2026 1 January 2027
SFRS(I) 10, SFRS(I) 1-28	Sale or Contribution of Assets between an Investor and its Associate or Joint venture	To be determined

The directors expect that the adoption of the standards and amendments above, where applicable, will have no material impact on the financial statements in the period of initial application, except as disclosed below.

SFRS(I) 18 Presentation and Disclosure in Financial Statements

SFRS(I) 18 replaces SFRS(I) 1-1 *Presentation of Financial Statements*, introducing new requirements that will help to achieve comparability of the financial performance of similar entities and provide more relevant information and transparency to users.

SFRS(I) 18 introduces new requirements for presentation within the statement of profit or loss, including specified totals and subtotals. In particular, entities are required to classify all income and expenses within the statement of profit or loss into one of five categories: operating, investing, financing, income taxes and discontinued operations. In addition, SFRS(I) 18 requires disclosure of newly prescribed management-defined performance measures and includes new requirements for aggregation and disaggregation of financial information based on the identified 'roles' of the primary financial statements and the notes to the financial statements.

Furthermore, narrow scope amendments are made to SFRS(I) 1-7 *Statement of Cash Flows*, which include changing the starting point for determining cash flows from operations under the indirect method, from 'profit or loss' to 'operating profit or loss' and removing the optionality around classification of cash flows from dividends and interest. There are also amendments to several other standards.

SFRS(I) 18, and the consequential amendments to the other standards, is effective for annual reporting periods beginning on or after 1 January 2027. Early application is permitted. SFRS(I) 18 is applied retrospectively with specific transition provisions.

It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the financial statements in the period of initial application.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2(e) Material accounting policy information

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive income are attributable to the non-controlling interest even if that results in a deficit balance.

Subsidiary

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, the Group controls an investee, if and only if, the Group has all of the following:

- power over the investee,
- exposure, or rights or variable returns from its involvement with the investee, and
- the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Where the Group has less than a majority of the voting rights of an investee, it has the power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- the size of the Group's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Group, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

A change in the ownership interests

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transaction. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2(e) Material accounting policy information (Cont'd)

Consolidation (Cont'd)

A change in the ownership interests (Cont'd)

Where the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

Where the Group loses control of a subsidiary, the gain or loss on disposal is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interest. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)). The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under SFRS(I) 9, where applicable, is the cost on initial recognition of investment in an associate or a joint venture.

Acquisition

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

The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2(e) Material accounting policy information (Cont'd)

Consolidation (Cont'd)

Disposals

When a change in the Group's ownership interest in a subsidiary result in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific standard.

Any retained equity interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost, and its fair value is recognised in profit or loss.

Transactions with non-controlling interest

Non-controlling interest represents the equity in subsidiaries not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of comprehensive income and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. In such circumstances, the carrying amounts of the controlling and non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interest is adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

Investment in subsidiaries

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investment in subsidiaries are carried at cost less any impairment losses. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investment is recognised in profit or loss.

Associates

An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for in accordance with SFRS(I) 5.

Under the equity method, an investment in an associate is recognised initially in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate. When the Group's share of losses of an associate exceeds the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2(e) Material accounting policy information (Cont'd)

Associates (Cont'd)

An investment in an associate accounted for using the equity method from the date on which the investee becomes an associate. On acquisition of the investment in an associate, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

If there is objective evidence that the Group's net investment in an associate is impaired, the requirements of SFRS(I) 1-36 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment. When necessary, the entire carrying amount of the investment (including goodwill, if any) is tested for impairment in accordance with SFRS(I) 1-36 as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised is not allocated to any asset, including goodwill that forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with SFRS(I) 1-36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate. When the Group retains an interest in the former associate and the retained interest is a financial asset, the Group measures the retained interest at fair value at that date and the fair value is regarded as its fair value on initial recognition in accordance with SFRS(I) 9. The difference between the carrying amount of the associate at the date the equity method was discontinued, and the fair value of any retained interest and any proceeds from disposing of a part interest in the associate is included in the determination of the gain or loss on disposal of the associate.

When a group entity transacts with an associate of the Group, profits and losses resulting from the transactions with the associate are recognised in the Group's consolidated financial statements only to the extent of interests in the associate that are not related to the Group.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost, less accumulated depreciation and accumulated impairment losses, if any. Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amount over their estimated useful lives as follows:

Office equipment	3 to 10 years
Motor vehicles	3 years
Plant and machinery	5 years
Renovation	5 years

No depreciation was provided for construction-in-progress.

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2(e) Material accounting policy information (Cont'd)

Property, plant and equipment and depreciation (Cont'd)

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

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at each reporting date as a change in estimates.

An item of property, plant and equipment and ROU assets is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

Leases

The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Right-of-use asset

The right-of-use asset, which relates to the upfront payment for the land use right for a parcel of land, comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

Land use rights	70 years
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If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line item in the consolidated statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

Financial instruments

Financial assets and financial liabilities are recognised in the Group's statement of financial position when the Group becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value, except for trade receivables that do not have a significant financing component which are measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2(e) Material accounting policy information (Cont'd)

Financial instruments (Cont'd)

Financial assets and financial liabilities are offset and the net amount reported in the statement of financial position when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

(I) Financial assets

The Group classifies its financial assets at amortised cost. The classification depends on the Group's business model for managing the financial assets as well as the contractual terms of the cash flows of the financial asset.

(a) *Classification and measurement*

Amortised cost

These assets arise principally from the sales of goods to customers (e.g. trade receivables), and also other financial assets held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest.

At initial recognition, the Group measures a financial asset at its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment, if any. Interest income from these financial assets is included in interest income using the effective interest rate method.

The Group's financial assets measured at amortised cost comprise trade and other receivables, and cash and cash equivalents.

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

(b) *Impairment of financial assets*

The Group recognises lifetime ECL for trade receivables. The expected credit losses on trade receivables are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there is a significant increase in credit risk since initial recognition. If, on the other hand, the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL. The assessment of whether lifetime ECL should be recognised is based on significant increase in the likelihood or risk of a default occurring since initial recognition instead of on evidence of a financial asset being credit-impaired at the reporting date or an actual default occurring.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within twelve months after the reporting date.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2(e) Material accounting policy information (Cont'd)

Financial instruments (Cont'd)

(II) Financial liabilities

All financial liabilities are initially recognised at fair value plus, in the case of a financial liability not at FVPL, transaction costs that are directly attributable to the issue of the financial liability, and are subsequently measured at amortised cost using the effective interest method or at FVPL.

Financial liabilities at amortised cost

Financial liabilities that are not

- (i) contingent consideration of an acquirer in a business combination,
- (ii) held-for-trading, or
- (iii) designated as at FVPL

are subsequently measured at amortised cost using the effective interest method. The Group's financial liabilities at amortised cost mainly include trade and other payables.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the amortised cost of a financial liability.

Trade and other payables represent liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method. Trade and other payables are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business if longer). Otherwise, they are presented as non-current liabilities.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(III) Cash and cash equivalents

Cash and cash equivalents comprise cash and bank balances that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

Completed properties for sale

Completed properties for sale are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less selling expenses.

Government grants

Government grants are recognised initially as deferred income at fair value when there is reasonable assurance that they will be received and the Group will comply with the conditions associated with the grant.

Grants that compensate the Group for expenses incurred are recognised in profit or loss as other income on a systematic basis in the same periods in which the expenses are recognised.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2(e) Material accounting policy information (Cont'd)

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined using the weighted average method and includes direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method.

Allowance is made for obsolete, slow-moving and defective inventories in arriving at the net realisable value.

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

Share capital

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

Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares, if any.

Income taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit.

Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax assets and liabilities are recognised on transactions that, on initial recognition, give rise to equal amounts of deductible and taxable temporary differences, arising from leases and decommissioning liabilities.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries and associates except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2(e) Material accounting policy information (Cont'd)

Income taxes (Cont'd)

The carrying amount of deferred tax assets is reviewed as at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Except for investment properties measured using the fair value model, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

Value-added tax ("VAT")

Revenue, expenses and assets are recognised net of the amount of VAT except:

- where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables on the statements of financial position.

Employee benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

Pension obligations

The Group participate in the defined contribution national pension schemes as provided by the laws of the countries in which it has operations. In particular, the PRC incorporated companies in the Group contributes to certain staff pension benefits, a defined contribution plan regulated and managed by PRC regulations, which applies to the majority of the employees. The contributions to the national pension scheme are charged to the profit or loss in the period to which the contributions relate.

Key management personnel

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain key executive officers are considered key management personnel.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2(e) Material accounting policy information (Cont'd)

Impairment of non-financial assets

The carrying amounts of the Group's and the Company's non-financial assets, other than inventories, subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or those not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. All assets are subsequently reassessed for indications that an impairment loss previously recognised may no longer exist.

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity. An impairment loss, except for goodwill, is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognised for the asset no longer exists or decrease.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognised.

Revenue recognition

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or extending a service to the customer, which is when the customer obtains control of the good or derived benefits from the usage of the service. A performance obligation may be satisfied at a point in time or over time. If a performance obligation is satisfied over time, the revenue is recognised based on the percentage of completion reflecting the progress towards complete satisfaction of that performance obligation. The amount of revenue recognised is the amount allocated to the satisfied performance obligation. Revenue is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties.

Sale of health and nutrition products

Revenue is recognised at a point in time when the goods are delivered to the customers and all criteria for acceptance have been satisfied.

Revenue from completed properties for sale

Revenue from the sale of property is recognised at a point in time when the completed property is delivered to the customers and the customers have accepted the delivery in accordance with the contract.

Interest income

Interest income is recognised using the effective interest method.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

2(e) Material accounting policy information (Cont'd)

Functional currencies

Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The financial statements of the Group and the Company are presented in Renminbi (“RMB”), which is also the functional currency of the Company. All financial information presented in RMB has been rounded to the nearest thousand (“RMB’000”).

Conversion of foreign currencies

Transactions and balances

Transactions in a currency other than the functional currency (“foreign currency”) are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the reporting period are recognised in the profit or loss.

Non-monetary items that are measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined. Non-monetary items that are measured at historical cost in foreign currencies are translated using the exchange rates at the date of the transactions.

Operating segments

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group’s other components. Operating segments are reported in a manner consistent with the internal reporting provided to the Chief Operating Decision Maker. The Chief Operating Decision Maker has been identified as the Executive Officer who makes strategic resources allocation decisions and assesses segment performance.

3 Revenue

The Group	2025 RMB’000	2024 RMB’000
Timing of revenue recognition		
At a point in time:		
Sale of completed properties	112	110
Sale of health and nutrition products	6,118	10,133
	6,230	10,243

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

4 Right-of-use asset

	Land use rights RMB'000
The Group	
<u>Cost</u>	
At 1 January 2024, 31 December 2024 and 31 December 2025	17,379
<u>Accumulated depreciation</u>	
At 1 January 2024	4,177
Depreciation for the year	272
At 31 December 2024	4,449
Depreciation for the year	272
At 31 December 2025	4,721
<u>Carrying amount</u>	
At 31 December 2025	12,658
At 31 December 2024	12,930

Right-of-use asset represents prepaid lease premium for land use rights for the land located at Jingwei 7th Road, Jinghe Industrial Zone, Gaoling County, Xi'an City, Shaanxi, the People's Republic of China ("PRC"), with a land use term expiring on 10 November 2079, granted by the local authorities in the PRC to a subsidiary. The underlying land has been earmarked for future property development.

Depreciation of right-of-use asset is included in the line item "General and administrative expenses" in profit or loss.

5 Property, plant and equipment

	Office equipment	Motor vehicles	Plant and machinery	Renovation	Construction- in- progress	Total
The Group	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<u>Cost</u>						
At 1 January 2024	330	50	-	-	228	608
Written off	(312)	-	-	-	-	(312)
Additions	-	-	-	-	152	152
Transfers	-	-	-	380	(380)	-
At 31 December 2024	18	50	304	380	-	448
Additions	-	-	304	76	-	304
At 31 December 2025	18	50	304	380	-	752
<u>Accumulated depreciation and impairment loss</u>						
At 1 January 2024	193	48	-	-	-	241
Written off	(196)	-	-	-	-	(196)
Depreciation for the year	20	-	-	38	-	58
At 31 December 2024	17	48	-	38	-	103
Depreciation for the year	-	-	48	76	-	124
At 31 December 2025	17	48	48	114	-	227
<u>Net book value</u>						
At 31 December 2025	1	2	256	266	-	525
At 31 December 2024	1	2	-	342	-	345

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

6 Subsidiaries

The Company	2025 RMB'000	2024 RMB'000
Unquoted equity investments, at cost	51,614	51,614
Amount due from a subsidiary	79,792	79,792
	131,406	131,406

Amount due from a subsidiary, China Green Eco-Holding Pte. Ltd., is deemed as a capital injection in the subsidiary since 2011.

Details of the subsidiaries are as follows:

<u>Name of subsidiaries</u>	Country of incorporation/ principal place of business	Percentage of ownership interest and voting rights held by the Group		<u>Principal activities</u>
		2025	2024	
<u>Held by the Company</u>				
China Green Eco-Holding Pte. Ltd. ⁽¹⁾	Singapore	100%	100%	Investment holding company
Xi'an Suntar Eco-city Co., Ltd ⁽²⁾	PRC	100%	100%	Property development
<u>Held by subsidiaries</u>				
Wuping Suntar Eco-city Development Co., Ltd ("Wuping Suntar") ⁽²⁾	PRC	100%	100%	Inactive
Wuping Lan County Real Estate Development Co., Ltd ("Wuping Lanjun") ⁽²⁾	PRC	100%	100%	Property development
Xiamen DaLan Technology Co., Ltd ⁽²⁾	PRC	100%	100%	Sale of healthcare product and bottled drinking water
Fujian Wuping Liangye Mountain Mineral Water Co., Ltd. ⁽²⁾	PRC	51%	51%	Manufacture and sale of bottled drinking water

⁽¹⁾ Audited by Foo Kon Tan LLP.

⁽²⁾ Audited by Foo Kon Tan LLP for consolidation purposes.

(a) Deregistration of subsidiaries

On 13 September 2024, the Group had deregistered Yan'an Water Ecological Town Development Co., Ltd, which had been an inactive wholly-owned subsidiary of the Group.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

6 Subsidiaries (Cont'd)

(b) Capital reduction in Wuping Lanjun

On 24 July 2024, Wuping Suntar, the shareholder of Wuping Lanjun approved the reduction of registered capital by RMB20,500,000. Following the capital reduction, the registered capital in Wuping Lanjun was reduced by RMB20,500,000 from RMB22,500,000 to RMB2,000,000. The proportion of the Group's ownership interest in the subsidiary continued to remain at 100%. During the financial year ended 31 December 2024, Wuping Suntar received RMB20,500,000 from the subsidiary for the capital reduction.

(c) Non-controlling interest

Details of non-wholly owned subsidiary that has material non-controlling interest ("NCI") to the Group are set out below:

Name of subsidiary	Principal place of business/ Country of incorporation	Proportion of ownership interest and voting rights held by NCI		Profit for the year allocated to NCI		Total comprehensive income for the year allocated to NCI		NCI accumulated at the reporting date	
		2025	2024	2025	2024	2025	2024	2025	2024
		RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Fujian Wuping Liangye Mountain Mineral Water Co., Ltd	PRC	49%	49%	117	46	117	46	303	173

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interest is set out below:

	Fujian Wuping Liangye Mountain Mineral Water Co., Ltd	
	2025	2024
	RMB'000	RMB'000
Current assets	1,105	909
Current liabilities	(488)	(556)
Net assets	617	353
Revenue	2,485	2,341
Expenses	(2,220)	(2,237)
Profit for the year	265	104
Profit attributable to:		
- owners of the Company	148	58
- NCI	117	46
	265	104
Net cash flows from operating activities	27	*
Net cash flows from investing activities	-	-
Net cash flows from financing activities	-	-
Net increase in cash and cash equivalents	27	*

* Less than RMB1,000

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

7 Associates

The Group	2025 RMB'000	2024 RMB'000
Unquoted equity investments, at cost	25,260	25,260
Share of profit of associates, net of tax	16,893	17,551
	42,153	42,811

Details of the associates are as follows:

Name of associates	Country of incorporation/ principal place of business	Percentage of ownership interest and voting rights held by the Group		Principal activities
		2025	2024	
<u>Held by Xi'an Suntar Eco-city Co., Ltd</u>				
North China Pharmaceutical Hebei Huawei Health Industry Co., Ltd ⁽¹⁾	PRC	26%	26%	Manufacture and distribution of health and nutrition product
<u>Held by Wuping Lan County Real Estate Development Co., Ltd</u>				
Wuping Hailan Real Estate Development Co., Ltd ("Wuping Hailan") ⁽¹⁾	PRC	40%	40%	Property development

⁽¹⁾ Audited by Foo Kon Tan LLP for equity accounting purposes.

The following table summarises the information of the associates, which are equity accounted, modified for fair value adjustments on acquisition at inception. The summarised financial information is not adjusted for percentage ownership held by the Group.

The Group	North China Pharmaceutical Hebei Huawei Health Industry Co., Ltd		Wuping Hailan Real Estate Development Co., Ltd	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Revenue	207,946	241,342	71,232	162,495
Profit/(loss) for the year	574	8,298	(2,019)	14,879
Other comprehensive income	-	-	-	-
Total comprehensive income/(loss)	574	8,298	(2,019)	14,879
Current assets	200,985	207,917	48,584	122,782
Non-current assets	28,918	28,047	1,929	3,077
Current liabilities	(77,766)	(84,250)	(31,877)	(105,204)
Non-current liabilities	(19,809)	(19,954)	-	-
Net assets attributable to shareholders of associates	132,328	131,760	18,636	20,655
Group's share of associates' net assets at beginning of year	34,549	32,391	8,262	2,311
Group's share of profit/(loss) of associates, net of tax	149	2,158	(807)	5,951
Group's share of associates' net assets at end of year	34,698	34,549	7,455	8,262

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

7 Associates (Cont'd)

Reconciliation of the above summarised financial information for the carrying amount of the interest in the associates recognised in the Group's consolidated financial statements are as follows:

The Group	North China Pharmaceutical Hebei Huawei Health Industry Co., Ltd		Wuping Hailan Real Estate Development Co., Ltd	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Net asset of the associates	132,328	131,760	18,636	20,655
Proportion of the Group's ownership interest in the associates	26%	26%	40%	40%
Share of net assets of the associates	34,407	34,258	7,455	8,262
Goodwill	291	291	-	-
Carrying amount of Group's interest in the associates	34,698	34,549	7,455	8,262

8 Deferred tax assets

The Group	2025 RMB'000	2024 RMB'000
Deferred tax assets	292	292

The movement in deferred tax assets are as follows:

The Group	Completed properties for sale* RMB'000
At 1 January 2024, 31 December 2024 and 31 December 2025	292

* Related to allowance for diminution in value of completed properties for sale

9 Trade receivables

The Group	2025 RMB'000	2024 RMB'000
Trade receivables		
- third parties	843	3,627
- an associate	79	38
	922	3,665
Less: Loss allowance		
- At 1 January	-	(525)
- Written off	-	525
- At 31 December	-	-
Trade receivables - net	922	3,665

Trade receivables are non-interest bearing and generally have an average credit term of 60 days (2024 - 60 days).

Trade receivables are denominated in Renminbi.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

10 Other receivables

	The Group		The Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Advances to an associate	-	7,600	-	-
Advances to staff	7	7	-	-
Other receivables from				
- third parties	352	354	-	-
- a subsidiary	-	-	258	219
- a director	-	2	-	-
	359	7,963	258	219
Prepayments	8	8	-	-
Tax recoverable	8	5	-	-
	375	7,976	258	219

Advances to staff are interest free, unsecured and repayable on demand.

Advances to an associate related to the amount the Group extended to Wuping Hailan, to the extent of the Group's share of equity interest in Wuping Hailan, for funding Wuping Hailan's acquisition of a land plot used in property development. Advances to an associate was unsecured, interest-free and repayable on demand. During the financial year ended 31 December 2025, the Group received full repayment from Wuping Hailan.

Other receivables from a director of the Company and from a subsidiary of the Group are unsecured, interest-free and repayable on demand.

Other receivables are denominated in the following currencies:

	The Group		The Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Singapore dollar	-	-	258	219
Renminbi	375	7,976	-	-
	375	7,976	258	219

11 Completed properties for sale

The Group	2025 RMB'000	2024 RMB'000
Completed properties for sale	9,064	9,421

Details of completed properties for sale held by the Group as at the reporting date are as follows:

Location	Description	Gross floor area	Tenure
龙岩市武平县工业区新洲路 1 号	四季花园	1,898.98 (2024 - 1,983.43) square metres comprising residential units, shops and car park lots	Leasehold

During the financial year ended 31 December 2025, there is an allowance for diminution in value of completed properties of sale amounting to RMB229,000 (2024 - RMB nil) (Note 19).

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

12 Inventories

The Group	2025 RMB'000	2024 RMB'000
Raw materials, at cost	264	242
Finished goods, at cost	67	88
	331	330

As at the reporting date, the finished goods comprise nano purified water products and nutrition products.

During the financial year ended 31 December 2025, an amount of RMB11,000 (2024 - RMB28,000) has been written off due to defective goods (Note 19).

13 Cash and cash equivalents

	The Group		The Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Cash at bank	59,630	57,789	187	387

Cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
United States dollar	121	124	121	124
Singapore dollar	131	327	66	263
Renminbi	59,378	57,338	-	-
	59,630	57,789	187	387

Renminbi is not freely convertible to other currencies as such amounts were held by the subsidiaries located in PRC. Under the PRC's Foreign Exchange Control Regulations and Administration of Settlement, Sale and Payment of Foreign Exchange Regulations, the Group is permitted to exchange Renminbi for foreign currencies only through banks that are authorised to conduct foreign exchange business.

14 Share capital

The Group and the Company	2025 No. of ordinary shares	2024 No. of ordinary shares	2025 RMB'000	2024 RMB'000
Ordinary shares issued and fully paid, with no par value				
Balance at beginning and at end of year	62,759,999	62,759,999	162,713	162,713

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All shares rank equally with regard to the Company's residual assets.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

15 Reserves

	The Group		The Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Statutory reserves	1,229	1,154	-	-
Accumulated losses	(64,511)	(65,049)	(54,577)	(52,191)
	(63,282)	(63,895)	(54,577)	(52,191)

The Group

According to the current PRC Company Law, the subsidiaries incorporated in the PRC are required to transfer between 5% and 10% of its profit after taxation to statutory common reserve until the common reserve balance reaches 50% of the registered capital. For the purpose of calculating the transfer to this reserve, the profit after taxation shall be the amount determined under the PRC accounting standards. The transfer to this reserve must be made before the distribution of dividends to shareholders.

Statutory common reserve can be used to make good previous year's losses and for conversion to capital, if any, provided that the balance remains not less than 25% of the registered capital.

16 Trade payables

The Group	2025 RMB'000	2024 RMB'000
Trade payables		
- third parties	514	1,691
- an associate	-	2,026
	514	3,717
Advances from customers	-	2,619
	514	6,336

The average credit period granted by suppliers is 60 days (2024 - 60 days). Trade payables are unsecured and non-interest bearing.

Trade payables are denominated in Renminbi.

17 Other payables

	The Group		The Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Accrued expenses	2,214	1,966	1,919	1,693
Advances from a director	21,756	19,774	21,746	19,764
Other payables				
- third parties	183	190	50	-
- a related party (Note 27)	-	6,692	-	-
- a non-controlling shareholder of a subsidiary	-	70	-	33
	24,153	28,692	23,715	21,490
VAT and other tax payable	288	313	-	-
	24,441	29,005	23,715	21,490

Advances from a director of the Company, who is also the Company's ultimate controlling shareholder, are unsecured, interest-free and repayable on demand.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

17 Other payables (Cont'd)

Other payables are denominated in the following currencies:

	The Group		The Company	
	2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Singapore dollar	2,259	1,694	1,969	1,666
Renminbi	22,182	27,311	21,746	19,824
	24,441	29,005	23,715	21,490

18 Other operating income

The Group	2025 RMB'000	2024 RMB'000
Interest income	8	106
Interest income from structured deposits	861	706
	869	812
Rental income	118	279
Government subsidy	-	301
Others	85	33
	1,072	1,425

During the financial year ended 31 December 2024, the government subsidy of RMB301,000 for ecological project in the PRC had been recognised in the profit or loss upon the deregistration of a subsidiary (Note 6).

19 Profit before taxation

The following items have been included in arriving at profit before taxation:

The Group	Note	2025 RMB'000	2024 RMB'000
Audit fees			
- paid/payable to the Company's auditor		1,305	1,256
Non-audit fee			
- paid/payable to the other auditor (non-network firms)		5	5
Depreciation of right-of-use asset	4	272	272
Depreciation of property, plant and equipment	5	124	58
Loss on property, plant and equipment written off		-	116
Inventories written off	12	11	28
Monies received from customers not refunded		(2,527)	(2,000)
Waiver of trade payables to third parties		(1,166)	-
Allowance for diminution in value of completed properties for sale (car park spaces and shop lots)	11	229	-
Cost of inventories included in cost of sales		5,209	9,569
Exchange loss/(gain), net		44	(31)
Directors' fees	22	337	316
Short-term employee benefits		407	384
Contribution to defined contribution plans		94	91
		838	791

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

20 Tax expense

The Group	2025 RMB'000	2024 RMB'000
Current taxation		
- current year	168	117
- under provision in respect of prior years	2	91
Tax expense	170	208

The tax expense is calculated by applying the PRC statutory tax rate at 25% (2024 - 25%) of the estimated assessable results for the year. Taxation for other jurisdictions is calculated at the prevailing corporate tax rates in the relevant jurisdictions.

The Group	2025 RMB'000	2024 RMB'000
Profit before taxation	913	8,431
Tax at statutory tax rate of 25% (2024 - 25%)	228	2,108
Tax effect on non-deductible expenses ⁽¹⁾	472	388
Tax effect on non-taxable income ⁽²⁾	(1)	(108)
Tax effect on share of results of associates	165	(2,027)
Tax incentives	(77)	(56)
Utilisation of temporary differences previously not recognised	(769)	(416)
Tax effect on different tax rates applied to group entities operating in the various jurisdiction	194	178
Tax effect of tax losses not recognised	-	9
Under provision of current taxation in respect of prior years	2	91
Others	(44)	41
	170	208

⁽¹⁾ Non-deductible expenses relate mainly to tax loss of the Group not allowed for carry-forward and disallowable expenses incurred in the ordinary course of business.

⁽²⁾ Non-taxable income relates mainly to government subsidy and other income not subject to tax.

As at the reporting date, the Group has not recognised deferred tax assets in respect of unutilised tax loss due to unpredictability of future profit streams. The unutilised tax losses are subject to agreement by the tax authority and compliance with tax regulations in the PRC in which the subsidiaries operate. The tax losses will expire between 2025 and 2029.

The Group	2025 RMB'000	2024 RMB'000
At beginning of year	3,894	7,351
Tax losses during the year	-	38
Utilised	(3,076)	(1,663)
Expired	-	(1,832)
At end of year	818	3,894
Deferred tax assets not recognised	205	974

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

21 Earnings per share

The Group	2025 RMB'000	2024 RMB'000
Profit for the year attributable to owners of the Company	626	8,177
Weighted average number of ordinary shares in issue during the year ('000)	62,760	62,760
<u>Earnings per share (RMB cents):</u>		
- Basic and diluted	1.00	13.03

Diluted earnings per share is the same as the basic earnings per share because the Group has no dilutive potential ordinary shares in issue.

22 Related party transactions

Other than as disclosed elsewhere in these financial statements, the following transactions took place between the Group and these related parties at terms agreed between the parties:

The Group	2025 RMB'000	2024 RMB'000
Sales of health and nutrition products to related parties	79	32
Rental income from a related party	-	171
Rental income of equipment from a related party	96	-
Purchase of health and nutrition products from an associate	(2,694)	(7,101)
Production cost charged by a related party	(839)	(898)
Rental expenses charged by a related party	(17)	(17)

Related parties refer to companies in which one or more of the directors or shareholders of the Company have a significant equity interest or could exercise significant influence.

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	2025 RMB'000	2024 RMB'000
Directors' fees (Note 19)	337	316
<u>Key management personnel compensation (other than directors)</u>		
Short-term employee benefits	149	83
Contribution to defined contribution plans	33	19
	519	418

No director remuneration has been incurred by the Group and the Company for the financial years ended 31 December 2025 and 2024. Administrative services have been provided by the directors of the Company at no cost. In the opinion of the directors of the Company, had administrative fees been charged by the director, it would not be material.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

23 Operating segments

For management reporting purposes, the Group is organised into the following reportable operating segments which are the Group's strategic business units:

- (1) Property development is in the business of sales of properties to individual buyers in the China domestic market; and
- (2) Health and nutrition products deal in sales of health and nutrition products to distributors in the China domestic market.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2(e). Segment profit represents the profits earned by each segment without allocation of central administration costs, independent directors' fees, interest income, foreign exchange gains or losses and finance costs at corporate level. This is the measure reported to the Chief Operating Decision Maker for the purposes of resource allocation and assessment of segment performance.

No geographical segment information is presented as the Group's revenue and profits are derived primarily from customers in the PRC and the Group's non-current assets are held in the PRC.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

23 Operating segments (Cont'd)

The following is an analysis of the Group's revenue and results by reportable segments:

	Health and Nutrition		Property development		Unallocated		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Segment revenue:								
External customers	6,118	10,133	112	110	-	-	6,230	10,243
Segment results:								
Segment results	283	58	3,717	2,080	(2,429)	(1,816)	1,571	322
Share of results of associates, net of tax	149	2,158	(807)	5,951	-	-	(658)	8,109
Tax expense	-	-	-	-	-	-	(170)	(208)
Profit for the year							743	8,223
Segment assets:								
Segment assets	40,141	40,902	85,557	94,207	-	-	125,698	135,109
Unallocated assets	-	-	-	-	252	450	252	450
Total assets							125,950	135,559
Segment liabilities:								
Segment liabilities	608	2,790	1,615	12,016	-	-	2,223	14,806
Unallocated liabilities	-	-	-	-	*23,993	*21,762	23,993	21,762
Total liabilities							26,216	36,568

* mainly consist of advances from a director (see Note 17)

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

23 Operating segments (Cont'd)

	Health and Nutrition		Property development		Unallocated		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Other segment information:								
Capital expenditure	(304)	-	-	(152)	-	-	(304)	(152)
Depreciation of property, plant and equipment	(48)	-	(76)	(58)	-	-	(124)	(58)
Depreciation of right-of-use assets	-	-	(272)	(272)	-	-	(272)	(272)
Allowance for diminution in value of completed properties for sale	-	-	(229)	-	-	-	(229)	-
Cost of inventories included in cost of sales	(5,081)	(9,377)	(128)	(192)	-	-	(5,209)	(9,569)
Monies received from customers not refunded	-	-	2,527	2,000	-	-	2,527	2,000
Waiver of trade payable to third parties	-	-	1,166	-	-	-	1,166	-
Interest income on structured deposits placed and matured during the year	-	-	861	706	-	-	861	706

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales during the financial years ended 31 December 2025 and 2024.

Information about major customers

During the financial years ended 31 December 2025, sales to 1 customer in health and nutrition (2024 - 2 customers in health and nutrition) accounted for more than 10% of the Group's total revenue.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

24 Financial risk management

The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk and liquidity risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

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

The carrying amounts of financial assets and financial liabilities at the reporting date by categories are as follows:

The Group	Note	2025 RMB'000	2024 RMB'000
Financial assets at amortised cost			
Trade receivables	9	922	3,665
Other receivables ⁽¹⁾	10	359	7,963
Cash and cash equivalents	13	59,630	57,789
		60,911	69,417
Financial liabilities at amortised cost			
Trade payables ⁽²⁾	16	514	3,717
Other payables ⁽²⁾	17	24,153	28,692
		24,667	32,409
The Company			
Financial assets at amortised cost			
Other receivables ⁽¹⁾	10	258	219
Cash and cash equivalents	13	187	387
		445	606
Financial liabilities at amortised cost			
Other payables ⁽²⁾	17	23,715	21,490

⁽¹⁾ excludes prepayments and tax recoverable

⁽²⁾ excludes advances from customers and VAT and other tax payable

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group or the Company to incur a financial loss. The Group's exposure to credit risk arises primarily from trade and other receivables.

The Group's objective is to seek continual growth while minimising losses arising from credit risk exposure. Credit risk is managed through the application of credit approvals, credit limits and monitoring procedures.

As at the reporting date, the Group reviews the recoverable amount of debtors to ensure that adequate impairment losses are made for irrecoverable amounts. In this regard, management considers that the Group's credit risk is significantly reduced.

Significant concentrations of credit risk

Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group's and the Company's total credit exposure. As at the reporting date, one customer (2024 - one customer) accounted for approximately 7% (2024 - 83%) of trade receivables.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

24 Financial risk management (Cont'd)

(a) Credit risk (Cont'd)

Exposure to credit risk

A summary of the Group's and the Company's exposures to credit risk for trade receivables and other receivables is as follows:

The Group		12-month/ <u>Lifetime ECL</u>	Gross carrying amount RMB'000	Loss allowance RMB'000	Net carrying amount RMB'000
31 December 2025					
Trade receivables (Note 9)	(1)	Lifetime ECL	922	-	922
Other receivables (Note 10) #	(2)	12-month ECL	359	-	359
31 December 2024					
Trade receivables (Note 9)	(1)	Lifetime ECL	3,665	-	3,665
Other receivables (Note 10) #	(2)	12-month ECL	7,963	-	7,963

excludes prepayments and tax recoverable

The Company		12-month/ <u>Lifetime ECL</u>	Gross carrying amount RMB'000	Loss allowance RMB'000	Net carrying amount RMB'000
31 December 2025					
Other receivables (Note 10)	(2)	12-month ECL	258	-	258
31 December 2024					
Other receivables (Note 10)	(2)	12-month ECL	219	-	219

(1) Trade receivables

Loss allowance for trade receivables is measured at an amount equal to lifetime expected credit losses ("ECL"). The ECL on trade receivables were estimated by reference to historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment. At the reporting date, no loss allowance for trade receivables is required.

(2) Other receivables

Other receivables mainly consist of other receivables from third parties and a subsidiary. The management carries out impairment assessment on these balances, measured on a 12-month expected credit loss basis, with reference to the payment patterns of the counterparties and their business and financial conditions, where information is available. As at reporting date, no loss allowance for other receivables is required.

Cash and cash equivalents

The cash and cash equivalents are held with banks of good credit ratings.

(b) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

At the reporting date, the Group does not hold any variable rate financial assets and liabilities. Accordingly, no sensitivity analysis is presented.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

24 Financial risk management (Cont'd)

(c) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group's operations are primarily conducted in the PRC in RMB. The Group and the Company holds cash and bank balances denominated in foreign currencies (mainly SGD and USD) for working capital purposes. There is no formal hedging policy with respect to foreign currency exposure. Exposure to foreign currency risk is monitored on an on-going basis and the Group endeavours to keep the net exposure at an acceptable level.

The currency exposure of the Group and the Company based on the information provided to key management is as follows:

The Group	Note	SGD		USD	
		2025 RMB'000	2024 RMB'000	2025 RMB'000	2024 RMB'000
Financial assets					
Cash and cash equivalents	13	131	327	121	124
Financial liabilities					
Other payables	17	(2,259)	(1,694)	-	-
Net exposure on financial assets and financial liabilities		(2,128)	(1,367)	121	124
The Company					
Financial assets					
Other receivables	10	258	219	-	-
Cash and cash equivalents	13	66	263	121	124
		324	482	121	124
Financial liabilities					
Other payables	17	(1,969)	(1,666)	-	-
Net exposure on financial assets and financial liabilities		(1,645)	(1,184)	121	124

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity to a reasonably possible change in the SGD and USD against RMB, with all other variables held constant, of the Group's and the Company's profit after tax and equity.

The Group	2025		2024	
	Profit after tax RMB'000	Equity RMB'000	Profit after tax RMB'000	Equity RMB'000
SGD against RMB				
- strengthened by 5% (2024 - 5%)	(80)	(80)	(51)	(51)
- weakened by 5% (2024 - 5%)	80	80	51	51
USD against RMB				
- strengthened by 5% (2024 - 5%)	5	5	5	5
- weakened by 5% (2024 - 5%)	(5)	(5)	(5)	(5)

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

24 Financial risk management (Cont'd)

(c) Currency risk (Cont'd)

Sensitivity analysis for foreign currency risk (Cont'd)

The Company	2025		2024	
	Profit after tax RMB'000	Equity RMB'000	Profit after tax RMB'000	Equity RMB'000
SGD against RMB				
- strengthened by 5% (2024 - 5%)	(62)	(62)	(44)	(44)
- weakened by 5% (2024 - 5%)	62	62	44	44
USD against RMB				
- strengthened by 5% (2024 - 5%)	5	5	5	5
- weakened by 5% (2024 - 5%)	(5)	(5)	(5)	(5)

(d) Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

Having regard to the financial support obtained from the ultimate controlling shareholder of the Company, the Company manages its liquidity risk by ensuring the availability of adequate funds to meet all its obligations in a timely and cost-effective manner.

As at the end of the reporting period, there is no non-current item of monetary assets and liabilities which require analysis of the liquidity risk as to its maturing period.

25 Fair value measurement

(a) Fair value

SFRS(I) 13 defines fair value as 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. In estimating the fair value of an asset or a liability, the Group and the Company take into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis.

The carrying amount of financial assets and financial liabilities with a maturity of less than one year is assumed to approximate their fair values.

The Group and the Company does not anticipate that the carrying amounts recorded as at the end of reporting period would be significantly different from the values that would eventually be received or settled.

NOTES TO FINANCIAL STATEMENTS

For the financial year ended 31 December 2025

25 Fair value measurement (Cont'd)

(b) Fair value measurement of financial assets

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 - quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2 - 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 - inputs for the asset or liability that are not based on observable market data (unobservable inputs)

There is no financial assets and financial liabilities measured at fair value as at 31 December 2025 and 2024.

26 Capital management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders.

The Group monitors capital based on total equity as presented in the balance sheet.

The Group manages its capital structure and makes adjustment to it, in the light of changes in economic and financial market conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 31 December 2025 and 2024.

The Group is not subject to any externally imposed capital requirements.

27 Other payables due to a related party

On 11 March 2025, the Company received a query from SGX regarding the related party transactions disclosure made on the full year announcement. Following the query, the Company reviewed its related party transactions and noted that, during the financial year ended 31 December 2024, the Group, through its wholly owned subsidiary, Wuping Lan County Real Estate Development Co., Ltd, sold certain properties comprising 4 residential units, 10 commercial shop units and 19 car park lots at the Lan County residential project (四季花园) (“Property Transactions”) of RMB 10,088,000 to a related party, Rosin Chemical (Wuping) Co., Ltd. (新洲(武平)林化有限公司). These property transactions represent approximately 11.11% of the Group’s audited net tangible assets as at 31 December 2023 of RMB 90,768,000.

Subsequent to the review, the Company assessed that the Property Transactions should have been classified as interested person transactions under Chapter 9 of the SGX Listing Manual. The Company had made a separate public disclosure on the background and circumstances relating to this assessment.

The Company and the Group, in agreement with the related party, had rescinded the Property Transactions. The Property Transactions were deemed as cancelled and terminated as though it had not occurred.

The financial effects of the rescission of the Property Transactions caused the revenue of RMB 10,088,000 to be cancelled with the corresponding cost of sales of RMB 9,421,000 charged to income statement to be re-capitalised to “Completed properties for sale” during the financial year ended 31 December 2024. The cash amount of RMB 6,692,000 received was recorded as an amount owing to the related party, which was refunded to the related party during the financial year ended 31 December 2025.

STATISTICS OF SHAREHOLDINGS

As at 20 March 2026

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	0	0.00	0	0.00
100 - 1,000	240	50.31	133,600	0.21
1,001 - 10,000	169	35.43	698,599	1.11
10,001 - 1,000,000	64	13.42	6,450,900	10.28
1,000,001 and above	4	0.84	55,476,900	88.40
TOTAL	477	100.00	62,759,999	100.00

TWENTY LARGEST SHAREHOLDERS AS AT 20 MARCH 2026

	NAME OF SHAREHOLDER	NO. OF SHARES	% OF SHARES
1	SUNTAR INVESTMENT PTE LTD	47,213,600	75.23
2	CGS INTERNATIONAL SECURITIES SINGAPORE PTE. LTD.	3,663,600	5.84
3	UOB KAY HIAN PTE LTD	2,576,500	4.11
4	PHILLIP SECURITIES PTE LTD	2,023,200	3.22
5	DBS NOMINEES PTE LTD	875,100	1.39
6	LIU TIANRONG	400,600	0.64
7	CHENG YE	391,400	0.62
8	YE JIAHONG	342,000	0.54
9	RAFFLES NOMINEES (PTE) LIMITED	268,400	0.43
10	WAN HUAYIN	268,000	0.43
11	LIAO LIANGDONG	263,200	0.42
12	TANG JIA JING	249,400	0.40
13	HOE JUAN JOK	230,000	0.37
14	CHONG PAULINE	198,800	0.32
15	CHEN YAN FENG	170,000	0.27
16	LIU XINHONG	167,000	0.27
17	ZOU XIN	140,000	0.22
18	SIM SENG JIN	140,000	0.22
19	TAN LYE SENG	138,700	0.22
20	ZHONG WENDE	138,000	0.22
	Total:	59,857,500	95.38

STATISTICS OF SHAREHOLDINGS

As at 20 March 2026

SHAREHOLDERS' INFORMATION AS AT 20 MARCH 2026

Total number of issued shares excluding treasury shares and subsidiary holdings	:	62,759,999
Total number of treasury shares	:	Nil
Total number of subsidiary holdings	:	Nil
Class of shares	:	Ordinary shares
Voting rights	:	One vote per share

The percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of ordinary shares outstanding: 0.00%

SUBSTANTIAL SHAREHOLDERS

Substantial shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 20 March 2026

Name	Direct Interest	No. of Ordinary shares		
		%	Deemed Interest	%
Suntar Investment Pte. Ltd.	47,213,600	75.23	–	–
Sinomem Technology Pte. Ltd.(1)	–	–	47,213,600	75.23

Notes:

1. Sinomem Technology Pte. Ltd. ("**Sinomem**"), holds not less than 20% interests in Suntar Investment Pte. Ltd. ("**Suntar Investment**"), is deemed to be interested in the shares held by Suntar Investment.

Clean Water Investment Limited, holds the entire issued share capital of Sinomem which is the majority shareholder of Suntar Investment, is deemed to be interested in the shares held by Suntar Investment.

Dr Lan Weiguang holds not less than 20% interests in Clean Water Investment Limited, which in turns hold 100% of the issued share capital of Sinomem, is deemed to be interested in the shares held by Suntar Investment.

FREE FLOAT

As at 20 March 2026, approximately 24.48% of the Company's total number of issued shares (excluding treasury shares, preference shares and convertible equity securities) of the Company was held in the hands of public.

Accordingly, the Company has complied with Rule 723 of the Listing Manual of SGX-ST which requires at least 10% of the total number of issued shares (excluding treasury shares, preference shares and convertible equity securities) in a class that is listed at all times held in the hands of the public.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“**AGM**”) of SUNTAR ECO-CITY LIMITED (the “**Company**”) will be held at 3 Tuas Link 1, Singapore 638584 on Thursday, 30 April 2026 at 10:30 a.m., for the following purposes:

AS ORDINARY BUSINESSES

1. To receive and adopt the Directors’ Statement and Audited Financial Statements of the Company and of the Group for the financial year ended 31 December 2025 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect Mr Foong Daw Ching, a Director who is retiring pursuant to Regulation 93 of the Company’s Constitution. *[See Explanatory Note (i)]* **(Resolution 2)**
3. To re-elect Mr Pan Shimo, a Director who is retiring pursuant to Regulation 93 of the Company’s Constitution. *[See Explanatory Note (ii)]* **(Resolution 3)**
4. To approve the payment of Directors’ fees of SGD61,040 for the financial year ended 31 December 2025. (2024: SGD59,259.00) **(Resolution 4)**
5. To re-appoint Messrs Foo Kon Tan LLP, Public Accountants and Chartered Accountants, as the Company’s Auditors and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**
6. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution, with or without any modifications:

7. Authority to allot and issue shares of up to fifty per centum (50%) of Company’s total number of issued shares excluding treasury shares and subsidiary holdings.

“That, pursuant to Section 161 of the Companies Act 1967 and Rule 806(2) of the Listing Manual of the SGX-ST, authority be and is hereby given to the Directors of the Company to: -

(a) (i) issue shares in the capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of Shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) shall not exceed fifty per centum (50%) of the Company’s total number of issued Shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company shall not exceed

NOTICE OF ANNUAL GENERAL MEETING

twenty per centum (20%) of the Company's total number of issued shares excluding treasury shares and subsidiary holdings (as calculated in accordance with sub-paragraph (2) below). Unless prior shareholder approval is required under the Listing Manual of the SGX-ST, an issue of treasury shares and subsidiary holdings will not require further shareholder approval, and will not be included in the aforementioned limits.

- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued shares excluding treasury shares and subsidiary holdings shall be based on the Company's total number of issued Shares excluding treasury shares and subsidiary holdings at the time of the passing of this Resolution, after adjusting for:
- (i) new Shares arising from the conversion or exercise of any convertible securities or exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Listing Manual of the SGX-ST; and
 - (ii) any subsequent bonus issue, consolidation or subdivision of shares;

Adjustments in accordance with sub-paragraph (2)(i) above is only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution.

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Company's Constitution; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier."

[See Explanatory Note (iii)]

(Resolution 6)

By Order of the Board

Hon Wei Ling
Company Secretary

Singapore, 15 April 2026

Explanatory Notes:

- (i) Mr Foong Daw Ching will, upon re-election as a Director of the Company, remain as the Non-Executive Non-Independent Director, Member of Audit Committee, Nominating Committee and Remuneration Committee. Mr Foong Daw Ching will not be considered independent for the purpose of Rule 704(8) of the Listing Manual of the SGX-ST. Please refer to pages 16 to 18 of the Corporate Governance Report in the Annual Report for the detailed information as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.
- (ii) Mr Pan Shimo will, upon re-election as a Director of the Company, remain as the Independent Chairman of the Board, Independent Non-Executive Director, Chairman of Nominating Committee and Remuneration Committee and Member of Audit Committee. Mr Pan Shimo will be considered independent pursuant to Rule 704(8) of the Listing Manual of the SGX-ST. There are no relationships (including immediate family relationships) between Mr Pan Shimo and the other Directors of the Company, the Company, its related corporations, its substantial shareholders or its officers, which may affect his independence. Please refer to pages 16 to 18 of the Corporate Governance Report in the Annual Report for the detailed information as required pursuant to Rule 720(6) of the Listing Manual of the SGX-ST.

NOTICE OF ANNUAL GENERAL MEETING

- (iii) Ordinary Resolution 6, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, to issue shares and convertible securities in the Company. The aggregate number of shares (including any shares issued pursuant to the convertible securities) which the Directors may issue under this Resolution, up to a number not exceeding, in total, fifty per centum (50%) of the Company's total number of issued shares excluding treasury shares and subsidiary holdings. For issues of shares other than on a *pro rata* basis to shareholders, the aggregate number of shares to be issued up to twenty per centum (20%) of Company's total number of issued shares excluding treasury shares and subsidiary holdings. This authority will, unless previously revoked or varied at a general meeting, expire at the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier. However, notwithstanding the cessation of this authority, the Directors are empowered to issue shares pursuant to any Instrument made or granted under this authority.

Notes:

- (1) The AGM of the Company will be held, in a wholly physical format at 3 Tuas Link 1, Singapore 638584 on Thursday, 30 April 2026 at 10:30 a.m.. There will be no option for members to participate virtually.
- (2) In view of the guidance note issued by the Singapore Exchange Regulation, members may also submit questions relating to the resolutions to be tabled for approval at the AGM in the following:
- (a) submitting question via mail to the Company's registered office at 3 Tuas Link 1, Singapore 638584, or email to contactsg@suntar.com prior to the AGM manner by **10:30 a.m. on 22 April 2026**; or
- (b) "live" at the AGM.

When submitting the questions, please provide the Company with the following details, for verification purpose:-

- (i) Full name;
(ii) NRIC number;
(iii) current address;
(iv) contact number; and
(v) number of Shares held.

Please also indicate the manner in which you hold Shares in the Company (e.g. via CDP, CPF or SRS).

Shareholders are encouraged to submit their questions before **10:30 a.m. on 22 April 2026** as this will allow Company to have sufficient time to address all substantial and relevant submitted questions. The Company will respond to these questions and published it on the (i) SGX's website and (ii) the Company's corporate website **on or before 10:30 a.m. on 26 April 2026** (forty-eight (48) hours prior to the closing date and time for the lodgement of the proxy forms). The minutes of the AGM will be published on (i) the SGX's website (ii) the Company's corporate website, within one (1) month after the date of the AGM.

- (3) A member who is not a Relevant Intermediary*, entitled to attend, speak and vote at the AGM is entitled to appoint not more than two proxies or Chairman to attend, speak and vote in his/her stead at the AGM of the Company. Where a member appoints more than one proxy, he/she shall specify the proportion of his/her shareholding to be represented by each proxy in the form of proxy. A proxy need not be a member of the Company.
- (4) A member who is a Relevant Intermediary* may appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Relevant Intermediary has the meaning ascribed to it in section 181 of the Companies Act.

*Relevant Intermediary is either:

- (i) a banking corporation licensed under the Banking Act 1970 or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;
- (ii) a capital markets services license holder which provides custodial services for securities under the Securities and Futures Act 2001 and holds shares in that capacity; or
- (iii) the Central Provident Fund ("CPF") Board established by the Central Provident Fund Act 1963, in respect of shares purchased on behalf of CPF investors.
- (5) In appointing the Chairman of the AGM as proxy, a member (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
- (6) The instrument appointing a proxy(ies) must be under the hand of the appointor or of their attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy(ies) as proxy is executed by an attorney on behalf of the appointer, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.

NOTICE OF ANNUAL GENERAL MEETING

- (7) Investors who hold shares through CPF Investment Scheme or Supplementary Retirement Scheme (“SRS”):-
- (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or
 - (b) may appoint the Chairman of the AGM as their proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes
- at least seven (7) working days before the AGM (i.e. **by 10:30 a.m. on 20 April 2026**).
- (8) The instrument appointing a proxy(ies) must be deposited to the Company in the following manner:
- (a) mail to the Company’s Share Registrar business office at 9 Raffles Place, Republic Plaza, Tower I, #26-01, Singapore 048619; or
 - (b) email to contactsg@suntar.com.
- in each case, by **10:30 a.m. on 28 April 2026**, being no later than 48 hours before the time fixed for the AGM.
- (9) The Company shall be entitled to reject the instrument appointing the proxy or proxies if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the proxy or proxies (including any related attachment or supporting documents) (such as in the case where the appointor submits more than one instrument appointing the proxy or proxies).
- (10) In the case of a member whose Shares are entered against his/her/its name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001), the Company may reject any instrument appointing the proxy or proxies lodged if such member, being appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

PERSONAL DATA PRIVACY

By (a) submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM of the Company and/or any adjournment thereof, or (b) submitting any question prior or at the AGM of the Company in accordance with this Notice, a member of the Company consents to the collection, use and disclosure of the member’s personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing, administration and analysis by the Company (or its agents) of proxy(ies) and representative(s) appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “Purposes”);
- (ii) warrants that where the member discloses the personal data of the member’s proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes;
- (iii) addressing substantial and relevant questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions;
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities; and
- (v) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member’s breach of warranty.

The member’s personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company’s verification and record purposes. Photographic, sound and/or video recordings of the AGM of the Company may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM of the Company. Accordingly, the personal data of a member (such as his name, his presence at the AGM of the Company and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

SUNTAR ECO-CITY LIMITED

Company Registration No. 200613997H
(Incorporated in the Republic of Singapore)

ANNUAL GENERAL MEETING PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT:

1. The AGM of the Company will be held, in a wholly physical format at 3 Tuas Link 1, Singapore 638584, on Thursday, 30 April 2026 at 10:30 a.m.. There will be no option for members to participate virtually.
2. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR THEIR INFORMATION ONLY.
3. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
4. By submitting an instrument appointing a proxy(ies) and/or representative(s), the Shareholder accepts and agrees to the personal data privacy terms set out in the Notice of Annual General Meeting dated 15 April 2026.
5. A Relevant Intermediary may appoint more than two proxies to attend the AGM and vote (please see Note 3 for the definition of "Relevant Intermediary").

PLEASE READ THE NOTES TO THE PROXY FORM

*I/We, _____ (Name), _____ (NRIC/Passport No./Company Registration No.)

of _____ (Address)

being a *member/members of SUNTAR ECO-CITY LIMITED (the "Company") hereby appoint:-

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate)

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

or failing *him/her/them, Chairman of the Annual General Meeting ("AGM"), as *my/our *proxy/proxies to attend, speak and vote for *me/us on *my/our behalf at the AGM of the Company to be convened at 3 Tuas Link 1, Singapore 638584 on Thursday, 30 April 2026 at 10:30 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against or to abstain from voting on the resolutions to be proposed at the AGM as indicated hereunder. If no specific directions as to voting on the resolutions are given, the *proxy/proxies may vote or abstain from voting at *his/her/their direction and any other matters arising at the AGM and at any adjournment thereof. In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as *my/our proxy for that resolution will be treated as invalid.

Note: Please indicate with an "X" or number of votes in the spaces provided whether you wish your vote(s) to be cast for or against or abstain the resolutions as set out in the Notice of AGM. If you mark the abstain box for a particular resolution, you are directing the proxy(ies) or Chairman of the AGM not to vote on that resolution on a poll and your votes will not be counted in computing the required majority on a poll.

No.	Resolutions relating to:	No. of votes 'For'***	No. of votes 'Against'***	No. of votes 'Abstain'***
Ordinary Business				
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2025			
2	Re-election of Mr Foong Daw Ching as a Director of the Company			
3	Re-election of Mr Pan Shimo as a Director of the Company			
4	Approval of Directors' fees for the financial year ended 31 December 2025			
5	Re-appointment of Messrs Foo Kon Tan LLP as Auditors and authority to Directors to fix remuneration			
Special Business				
6	Authority to issue shares			

* Delete where inapplicable.

Note: Please note that the short descriptions given above of the Resolutions to be passed do not in any way whatsoever reflect the intent and purpose of the Resolutions. The short descriptions have been inserted for convenience only. Shareholders are encouraged to refer to the Notice of AGM for the full purpose and intent of the Resolutions to be passed.

Dated this _____ day of _____ 2026

Total no. of Shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

Signature of Member(s)
and/or Common Seal of Corporate Shareholder



Notes:

1. Please insert the total number of shares in the capital of the Company (“**Shares**”) held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act 2001 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy(ies) shall be deemed to relate to all the Shares held by you.
2. A member of the Company (other than a Relevant Intermediary*) entitled to attend, speak and vote at a meeting of the Company is entitled to appoint not more than two proxies. Where such member’s instrument appointing a proxy(ies) appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the instrument. A proxy need not be a member of the Company.
3. Pursuant to Section 181 of the Companies Act 1967, any member who is a Relevant Intermediary* is entitled to appoint more than two proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the appointments shall be invalid unless the member specifies the number of Shares in relation to which each proxy has been appointed.

*Relevant Intermediary is either:

- (i) a banking corporation licensed under the Banking Act 1970 or its wholly-owned subsidiary which provides nominee services and holds shares in that capacity;
 - (ii) a capital markets services license holder which provides custodial services for securities under the Securities and Futures Act 2001 and holds shares in that capacity; or
 - (iii) the Central Provident Fund (“**CPF**”) Board established by the Central Provident Fund Act 1963, in respect of shares purchased on behalf of CPF investors.
4. The instrument appointing a proxy(ies) must be deposited at the Share Registrar business office at 9 Raffles Place, 26-01 Republic Plaza, Singapore 048619 by mail or to contactsg@suntar.com by email, in either case, by 10:30 a.m. on 28 April 2026 being not less than forty-eight (48) hours before the time appointed for holding the Meeting.
 5. The instrument appointing a proxy(ies) must be under the hand of the appointor or of their attorney duly authorised in writing. Where the instrument appointing a proxy(ies) is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy(ies) as proxy is executed by an attorney on behalf of the appointer, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
 6. A corporation which is a member may authorize by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, 1967.
 7. Investors who hold Shares through Relevant Intermediaries, including under the Central Provident Fund Investment Scheme (“**CPF Investor**”) or the Supplementary Retirement Scheme (“**SRS Investor**”), (a) may vote at the AGM if they are appointed as proxies by their respective CPF Agent Banks or SRS Operators, and should contact their respective CPF Agent Banks or SRS Operators if they have any queries regarding their appointment as proxies; or (b) may appoint the Chairman of the AGM as their proxy to vote on their behalf at the AGM, in which case they should approach their respective CPF Agent Banks or SRS Operators to submit their votes, at least seven (7) working days before the AGM (i.e. by 10:30 a.m. on 20 April 2026).
 8. The Company shall be entitled to reject an instrument appointing a proxy(ies) which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument appointing a proxy(ies).
 9. In the case of members whose shares entered against their names in the Depository Register, the Company may reject an instrument appointing a proxy(ies) if the member, being the appointor, is not shown to have shares against his name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies), the member of the Company is deemed to have accepted and agreed to the personal data privacy terms set out in the Notice of the Meeting dated 15 April 2026.