



Anchun International Holdings Ltd.

(Incorporated in Singapore)

(Company registration number: 200920277C)

**Condensed Interim Financial Statements
For the half year ended 30 June 2025**

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A. Unaudited condensed consolidated statement of profit or loss and other comprehensive income
For the half year ended 30 June 2025

The Group's operations are principally conducted in the People's Republic of China ("PRC"). Accordingly, the condensed consolidated financial statements have been prepared in Chinese Renminbi ("RMB"), being the functional currency of the Company and its subsidiary.

	Note	Group		
		Unaudited	Unaudited	
		6 months ended		
		30/06/2025	30/06/2024	Change
		RMB'000	RMB'000	%
Revenue	4	71,595	66,700	7
Cost of sales		(54,793)	(56,269)	(3)
Gross profit		16,802	10,431	61
Other item of income				
Finance and other income		3,199	2,640	21
(Impairment losses) on/write-back of financial assets, net		(688)	1,076	N.M
Other items of expenses				
Marketing and distribution expenses		(3,074)	(3,015)	2
Administrative expenses		(9,415)	(10,408)	(10)
Research expenses		(2,173)	(4,281)	(49)
Finance costs		-	(3)	N.M
Profit/ (loss) before tax	6	4,651	(3,560)	N.M
Income taxation		-	-	-
Total comprehensive income for the period attributable to owners of the Company		4,651	(3,560)	N.M
Earnings per share (RMB cents):				
Basic	17	9.93	(7.60)	N.M
Diluted	17	9.93	(7.60)	N.M

N.M. - not meaningful

B. Unaudited condensed interim statements of financial position
As at 30 June 2025

		Group			Company		
		Unaudited 30/06/2025 RMB'000	Audited 31/12/2024 RMB'000	Change %	Unaudited 30/06/2025 RMB'000	Audited 31/12/2024 RMB'000	Change %
	Note						
ASSETS							
Non-current assets							
Property, plant and equipment	11	34,208	36,846	(7)	—	—	—
Intangible assets	9	1,543	896	72	—	—	—
Investment in a subsidiary		—	—	—	75,631	75,631	—
Investment properties	12	1,845	2,008	(8)	—	—	—
Right of use asset	10	10,970	11,152	(2)	—	—	—
Prepayments		766	170	351	—	—	—
		49,332	51,072	(3)	75,631	75,631	—
Current assets							
Inventories		24,689	23,404	5	—	—	—
Trade and other receivables	13	34,894	35,846	(3)	29,672	47,504	(38)
Contract assets	4.4	117,087	104,014	13	—	—	—
Prepayments		3,268	5,141	(36)	14	43	(67)
Short term deposits		120,000	120,000	—	—	—	—
Cash and cash equivalents	15	43,601	76,937	(43)	13,523	3,006	350
		343,539	365,342	(6)	43,209	50,553	(15)
		392,871	416,414	(6)	118,840	126,184	(6)
EQUITY AND LIABILITIES							
Current liabilities							
Trade and other payables		39,900	54,522	(27)	13,263	13,072	1
Contract liabilities	4.4	24,240	27,625	(12)	—	—	—
Other liabilities		18,822	22,146	(15)	760	820	(7)
Income tax payable		732	2,045	(64)	—	—	—
		83,694	106,338	(21)	14,023	13,892	1
		259,845	259,004	(0.3)	29,186	36,661	(20)
Net current assets							
		83,694	106,338	(21)	14,023	13,892	1
Net assets							
		309,177	310,076	(0.3)	104,817	112,292	(7)
Equity attributable to owners of the Company							
Share capital	16	149,278	149,278	—	149,278	149,278	—
Treasury/employee benefit trust shares		(4,994)	(4,994)	—	(4,994)	(4,994)	—
Other reserves		130,209	130,617	(0.3)	(10)	(10)	—
Accumulated profits/(losses)		34,684	35,175	(1)	(39,457)	(31,982)	23
		309,177	310,076	(0.3)	104,817	112,292	(7)
Total equity							
		392,871	416,414	(6)	118,840	126,184	(6)
Total equity and liabilities							

C. Unaudited condensed interim statements of changes in equity
For the half year ended 30 June 2025

Statement of Changes in Equity

Attributable to owners of the Company	Attributable to owners of the Company								Accumulated profits	Total equity
	Share Capital	Treasury/ Employee benefit trust shares	Other reserves	Loss on reissuance of EBT shares	Contribution from shareholder	Statutory reserve fund	Statutory reserve fund - safety production reserve	Merger reserve		
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Group Unaudited										
Balance at 1 January 2024	149,278	(4,994)	128,857	(10)	1,725	45,792	6,350	75,000	26,066	299,207
Loss for the period, representing total comprehensive income	—	—	—	—	—	—	—	—	(3,560)	(3,560)
<u>Others</u>										
Transfer to statutory reserve fund-safety production expenditure, net	—	—	(136)	—	—	—	(136)	—	136	—
Balance at 30 June 2024	149,278	(4,994)	128,721	(10)	1,725	45,792	6,214	75,000	22,642	295,647
Group Unaudited										
Balance at 1 January 2025	149,278	(4,994)	130,617	(10)	1,725	47,845	6,057	75,000	35,175	310,076
Profit for the period, representing total comprehensive income	—	—	—	—	—	—	—	—	4,651	4,651
<u>Others</u>										
Utilisation to statutory reserve fund– safety production expenditure, net	—	—	(408)	—	—	—	(408)	—	408	—
Dividend paid	—	—	—	—	—	—	—	—	(5,550)	(5,550)
Balance at 30 June 2025	149,278	(4,994)	130,209	(10)	1,725	47,845	5,649	75,000	34,684	309,177

C. Unaudited condensed interim statements of changes in equity (cont'd)
For the half year ended 30 June 2025

Statement of Changes in Equity (cont'd)

	Attributable to owners of the Company					Total equity
	Share Capital	Treasury/Employee benefit trust shares	Other reserves	Treasury shares	Accumulated losses	
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Company Unaudited						
Balance at 1 January 2024	149,278	(4,994)	(10)	(10)	(37,659)	106,615
Loss for the period, representing total comprehensive income for the year	–	–	–	–	(2,210)	(2,210)
Balance at 30 June 2024	149,278	(4,994)	(10)	(10)	(39,869)	104,405
Company Unaudited						
Balance at 1 January 2025	149,278	(4,994)	(10)	(10)	(31,982)	112,292
Loss for the year, representing total comprehensive income for the year	–	–	–	–	(1,925)	(1,925)
Dividend paid	–	–	–	–	(5,550)	(5,550)
Balance at 30 June 2025	149,278	(4,994)	(10)	(10)	(39,457)	104,817

D. Unaudited condensed interim consolidated statement of cash flows
For the half year ended 30 June 2025

	Note	Group	
		Unaudited	Unaudited
		6 months ended	6 months ended
		30/06/2025	30/06/2024
		RMB'000	RMB'000
Operating activities			
Profit/(loss) before tax		4,651	(3,560)
<u>Adjustments for:</u>			
Depreciation of property, plant and equipment	6	3,381	3,667
Depreciation of right-of-use assets	6	182	183
Depreciation of investment properties	6	163	316
Amortisation of intangible assets	6	235	103
Gain on disposal of property, plant and equipment	6	–	(62)
Impairment losses/(write-back of) impairment losses on financial assets, net	6	688	(1,076)
Write-off of property, plant and equipment	6	39	100
Net foreign exchange (gain)/loss		(105)	34
Finance costs		–	3
Finance income		(258)	(439)
Operating cash flows before changes in working capital		8,976	(731)
<u>Changes in working capital</u>			
Decrease/(Increase) in:			
Inventories		(1,285)	(2,662)
Trade and other receivables		346	(2,097)
Contract assets		(13,155)	11,523
Prepayments		1,887	(1,010)
(Decrease)/Increase in:			
Trade and other payables		(14,534)	(3,418)
Contract liabilities		(3,385)	11,213
Other liabilities		(3,324)	(1,590)
Total changes in working capital		(33,450)	11,959
Cash flows (used in)/generated from operations		(24,474)	11,228
Interest received		258	439
Interest paid		–	(3)
Income taxes paid		(1,313)	(378)
Net cash flows (used in)/generated from operating activities		(25,529)	11,286

D. Unaudited condensed interim consolidated statement of cash flows (cont'd)
For the half year ended 30 June 2025

		Group	
		Unaudited	Unaudited
		6 months ended	
		30/06/2025	30/06/2024
	Note	RMB'000	RMB'000
Investing activities			
Proceeds from sale of property, plant and equipment	11	–	62
Purchase of Intangible assets - software		(882)	(740)
Purchase of property, plant and equipment	11	(1,480)	(1,537)
Net cash used in investing activities		(2,362)	(2,215)
Financing activity			
Dividends paid		(5,550)	–
Net cash used in financing activity		(5,550)	–
Net (decrease)/increase in cash and cash equivalents		(33,441)	9,071
Cash and cash equivalents at beginning of period		76,937	79,018
Effect of exchange rate changes on cash and cash equivalents		105	(34)
Cash and cash equivalents at end of period	15	43,601	88,055

E. Notes to the unaudited condensed interim consolidated financial statements
As at and for the half year ended 30 June 2025

1. Corporate information

Anchun International Holdings Ltd. (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2025 comprise the Company and its subsidiaries (collectively, the Group). The principal activity of the Company is investment holding.

The principal activities of the Group is the provision of integrated chemical systems engineering and technology solutions to the petrochemical and chemical industries.

2. Basis of preparation

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

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

The financial statements are presented in Renminbi ("RMB") and all values are rounded to the nearest thousand ("RMB'000"), except when otherwise indicated.

2.1. New and amended standards adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year except that in the current financial year, the Group has adopted all the new and amended standards which are relevant to the Group and are effective for annual financial period beginning on 1 January 2025.

The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

2.2. Use of judgements and estimates

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

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

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

There is no significant judgement made in applying accounting policies that have a significant effect on the amounts recognised in the consolidated financial statements.

2.2. Use of judgements and estimates (cont'd)

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are included in the following:

- Note 4 and Note 13 - Provision for expected credit losses of trade receivables and contract assets
- Note 4 - Contracts and revenue recognition

3. Seasonal operations

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

4. Segment revenue information

For management purposes, the Group is organised into business units based on their products and services, and has three reportable operating segments as follows:

(i) Catalyst Business

The catalyst business segment involves manufacturing of a variety of catalysts for use in the process of gas-making, ammonia synthesis and methanol synthesis.

(ii) Chemical systems and components ("CSC") Business

This segment involves manufacturing of chemical equipment designed by the chemical engineering and technology consultancy services department.

(iii) Chemical engineering and technology ("CET") Engineering Services

This segment involves providing chemical systems engineering and technology design services for the production of ammonia and methanol related products such as agriculture fertilisers and biodiesel which are mainly used in the agriculture and energy industries.

These operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision makers who are responsible for allocating resources and assessing performance of the operating segments.

4. Segment revenue information (cont'd)

4.1. Reportable segments

	Catalyst Business RMB'000	CSC Business RMB'000	CET Engineering Services RMB'000	Total RMB'000
Group				
1 January 2025 to				
30 June 2025				
Revenue				
External customers	5,483	61,890	4,222	71,595
Total revenue	5,483	61,890	4,222	71,595
Results:				
Segment gross profit	1,800	13,661	1,341	16,802
Finance income				258
Other income				2,941
Write-back of impairment losses on of financial assets, net				(688)
Marketing and distribution expenses				(3,074)
Administrative expenses				(9,415)
Research expenses				(2,173)
Profit before tax				4,651
Other material non-cash items				
Depreciation and amortisation				(3,961)
Write-off of property, plant and equipment				(39)

4. Segment revenue information (cont'd)

4.1. Reportable segments (cont'd)

	Catalyst Business RMB'000	CSC Business RMB'000	CET Engineering Services RMB'000	Total RMB'000
Group				
1 January 2024 to				
30 June 2024				
Revenue				
External customers	5,497	58,527	2,676	66,700
Total revenue	5,497	58,527	2,676	66,700
Results:				
Segment gross profit	1,733	7,864	834	10,431
Finance income				439
Other income				2,201
Impairment losses on financial assets, net				1,076
Marketing and distribution expenses				(3,015)
Administrative expenses				(10,408)
Research expenses				(4,281)
Finance costs				(3)
Profit before tax				(3,560)
Other material non-cash items				
Depreciation and amortisation				(4,269)
Gain on disposal of property, plant and equipment, net				62
Write-off of property, plant and equipment				(100)

Geographical information

No geographical information is provided as the principal assets employed by the Group are located in the PRC and the Group's revenue and profits are derived primarily from customers in the PRC.

Information about major customers

During the 6 months ended 30 June 2025, revenue from two (2024: two) major customers amounted to RMB31,475,000 (2024: RMB27,732,000), arising from sales by the CSC Business segment (2024: CSC Business segment).

4. Segment revenue information (cont'd)

4.2. Disaggregation of Revenue

	The Group 6 months ended 30 June 2025			
	Catalyst business RMB'000	CSC business RMB'000	CET engineering services RMB'000	Total revenue RMB'000
Primary geographical market				
People's Republic of China	5,483	61,890	4,222	71,595
Major product or service lines				
Catalyst	5,483	—	—	5,483
Chemical systems and components	—	61,890	—	61,890
Engineering and design services	—	—	4,222	4,222
	5,483	61,890	4,222	71,595
Timing of transfer of goods or services				
At a point in time	5,483	—	—	5,483
Over time	—	61,890	4,222	66,112
	5,483	61,890	4,222	71,595

	The Group 6 months ended 30 June 2024			
	Catalyst business RMB'000	CSC business RMB'000	CET engineering services RMB'000	Total revenue RMB'000
Primary geographical market				
People's Republic of China	5,497	58,527	2,676	66,700
Major product or service lines				
Catalyst	5,497	—	—	5,497
Chemical systems and components	—	58,527	—	58,527
Engineering and design services	—	—	2,676	2,676
	5,497	58,527	2,676	66,700
Timing of transfer of goods or services				
At a point in time	5,497	—	—	5,497
Over time	—	58,527	2,676	61,203
	5,497	58,527	2,676	66,700

4. Segment revenue information (cont'd)

4.3. Judgement and methods used in estimating revenue

Recognition of revenue from sale of chemical equipment over time

For sales of chemical equipment where the Group satisfies its performance obligations over time, management has determined that a cost-based input method provides a faithful depiction of the Group's performance in transferring control of the chemical equipment to the customers, as it reflects the Group's efforts incurred to date relative to the total inputs expected to be incurred for sales of chemical equipment. The measure of progress is based on the costs incurred to date as a proportion of total costs expected to be incurred up to the complete construction of the chemical equipment.

The estimated total construction and other related costs are based on contracted amounts and, in respect of amounts not contracted for, management relies on past experience and knowledge of the project engineers to make estimates of the amounts to be incurred. In making these estimates, management takes into consideration the historical trends of amounts incurred to construct other similar chemical equipment.

4.4. Contract assets and contract liabilities

Information about receivables, contract assets and contract liabilities from contracts with customers is disclosed as follows:

	30/06/2025	Group 31/12/2024	31/12/2023
	RMB'000	RMB'000	RMB'000
Receivables from contracts with customers (Note 13)	12,997	15,909	17,019
Contract assets	117,087	104,014	88,777
Contract liabilities	24,240	27,625	35,412

During the current financial period, the Group has recognised impairment losses on receivables, net, arising from contracts with customers of RMB606,000 (30 June 2024: write back of impairment losses of RMB1,376,000).

Contract assets primarily relate to the Group's rights to consideration for work completed but not yet billed at reporting date for sales of chemical equipment.

Contract assets are transferred to receivables when the rights become unconditional. During the reporting period, the Group has recognised impairment loss on contract assets of RMB82,000 (30 June 2024: impairment loss of RMB 300,000). Contract liabilities primarily relate to the Group's obligation to transfer goods or services to customers for which the Group has received advances from customers for sales of chemical equipment.

Contract liabilities are recognised as revenue as the Group performs under the contract.

(i) Significant changes in contract assets are explained as follows:

	Group 30/06/2025	30/06/2024
	RMB'000	RMB'000
Contract assets reclassified to receivables	35,999	44,271

4. Segment revenue information (cont'd)

4.4. Contract assets and contract liabilities (cont'd)

(ii) Significant changes in contract liabilities are explained as follows:

	Group 30/06/2025 RMB'000	30/06/2024 RMB'000
Revenue recognised that was included in the contract liability balance at the beginning of the period	16,075	18,928

4.5. Transaction price allocated to remaining performance obligation

The aggregate amount of transaction price allocated to the unsatisfied (or partially unsatisfied) performance obligations as at 30 June 2025 is RMB179,310,000 (2024: RMB129,987,000). The Group expects to recognise RMB58,554,000 as revenue relating to the transaction price allocated to the unsatisfied (or partially satisfied) performance obligations as at 30 June 2025 in the financial year 2025 and RMB120,756,000 in the financial year 2026.

5. Financial assets and financial liabilities

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

	Group		Company	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
	RMB'000	RMB'000	RMB'000	RMB'000
Group				
Financial assets				
Trade and other receivables (excluding sales tax receivables)	34,864	35,833	29,642	47,491
Cash and bank balances	163,601	196,937	13,523	3,006
Total undiscounted financial assets	198,465	232,770	43,165	50,497
Financial liabilities				
Trade and other payables (excluding sales tax and other tax payables)	23,493	40,001	13,263	13,072
Other liabilities	18,822	22,146	760	820
Total undiscounted financial liabilities	42,315	62,147	14,023	13,892
Total net undiscounted financial assets	156,150	170,623	29,142	36,605

6. Profit/(loss) before tax

6.1. Significant items

	Group	
	6 months ended	
	30/06/2025	30/06/2024
	RMB'000	RMB'000
<u>Income</u>		
Interest income on bank balances and deposits	258	439
Government grants	528	358
Sale of scrap materials and parts	497	776
Rental income from investment properties	1,677	1,160
Net foreign exchange gain/ (loss)	105	(34)
Compensation from suppliers on late deliveries	110	2
Gain on disposal of property, plant and equipment, net	—	62
<u>Expenses</u>		
Depreciation of property, plant and equipment	3,381	3,667
Depreciation of investment properties	163	316
Depreciation of right-of-use assets	182	183
Amortisation of intangible assets	235	103
Impairment/ (Write-back of) losses on financial assets, net	688	(1,076)
Write-off of property, plant and equipment	39	100
Finance costs	—	3

6.2. Related party transactions

There are no significant related party transactions apart from those disclosed elsewhere in the financial statements.

7. Net Asset Value

	Group		Company	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
Net asset value per share (RMB per share)	6.60	6.62	2.24	2.40

Net asset value per ordinary share as at 30 June 2025 and as at 31 December 2024 were calculated based on the existing number of shares in issue excluding EBT shares and treasury shares of 46,850,900 ordinary shares as at 30 June 2025 and 31 December 2024.

8. Fair value of assets and liabilities

8.1. Fair value measurement

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- a) Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date **(Level 1)**;
- b) Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly **(Level 2)**; and
- c) Unobservable inputs for the asset or liability **(Level 3)**

The following table shows an analysis of the Group's assets not measured at fair value, for which fair value is disclosed:

		Group RMB'000		
		Fair value measurements at the end of the reporting period using		
		Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Carrying amount
Note				
	30 June 2025			
	Investment properties			
	– Xiang Kai Shi Hua Tower	4,059	–	–
	– Lufeng Road, Hi-Tech Industrial Development Zone	–	14,005	1,106
	– Lusong Road, Hi-Tech Industrial Development Zone	–	3,610	739
	31 December 2024			
	Investment properties			
	– Xiang Kai Shi Hua Tower	8,637	–	–
	– Lufeng Road, Hi-Tech Industrial Development Zone	–	14,073	1,197
	– Lusong Road, Hi-Tech Industrial Development Zone	–	3,630	811

9. Intangible assets

	Group RMB'000
Group	
At 31 December 2024	
Cost	3,336
Accumulated amortisation and impairment	(2,440)
Net book amount	<u>896</u>
 6 months ended 30 June 2025	
Opening net book amount	896
Additions	882
Amortisation charge for the period	(235)
Closing net book amount	<u>1,543</u>
 At 30 June 2025	
Cost	4,218
Accumulated amortisation and impairment	(2,675)
Net book amount	<u>1,543</u>

Intangible assets relate to computer software purchased from vendors and have an average remaining amortisation period of 2 years (2024: 2 years). The amortisation of intangible assets is included in the "Administrative expenses" line item in the condensed consolidated statement of comprehensive income.

10. Right-of-use assets

The Group has land use rights over three plots of state-owned land in the People's Republic of China (PRC) where the Group's PRC manufacturing and storage facilities reside. The land use rights are not transferable.

10. Right-of-use assets (cont'd)

The Group also has certain leases of dormitories with lease term of less than 12 months in which the Group applies the 'short-term lease' recognition exemptions for these leases.

	Land use rights RMB'000
Group	
At 31 December 2024	
Cost	18,271
Accumulated depreciation and impairment	(7,119)
Net book amount	<u>11,152</u>
 6 months ended 30 June 2025	
Opening net book amount	11,152
Amortisation charge for the period	(182)
Closing net book amount	<u>10,970</u>
 At 30 June 2025	
Cost	18,271
Accumulated amortisation and impairment	(7,301)
Net book amount	<u>10,970</u>

11. Property, plant and equipment

During the six months ended 30 June 2025, the Group acquired assets amounting to RMB1.3 million (30 June 2024: RMB1.5 million) and depreciation charges amounted to RMB3.4 million.

12. Investment properties

The Group's investment properties consist of both commercial and industrial properties held for long-term rental yields and/or capital appreciation and are not substantially occupied by the Group. They are mainly leased to third parties under operating leases.

	Group	
	30/06/2025	31/12/2024
	RMB'000	RMB'000
Cost		
Beginning of financial period	17,026	17,026
Reclassification of investment properties to property, plant and equipment	(1,973)	–
End of financial period/year	15,053	17,026
Accumulated depreciation		
Beginning of financial period	(15,018)	(14,539)
Reclassification of investment properties to property, plant and equipment	1,973	–
Depreciation charge for the period/year	(163)	(479)
End of financial period	(13,208)	(15,018)
Net carrying amount		
At end of financial period/year	1,845	2,008
Fair value	21,674	26,340

12.1 Valuation

The fair value of investment property in Xiang Kai Shi Hua Tower is determined based on comparable market transactions that consider the sales of similar properties that have been transacted in the open market.

The fair value of investment properties in Lufeng Road and Lusong Road are determined based on discounted cash flows method. Fair value is estimated using assumptions regarding the benefits and liabilities of ownership over the asset's life. This method involves the projection of a series of cash flows on an investment property. To this projected cash flow series, a market-derived discount rate is applied to establish the present value of the income stream associated with the asset.

The duration of the cash flows and the specific timing of inflows and outflows are determined by events such as rent reviews and lease renewal. The appropriate duration is typically driven by market behaviour that is a characteristic of the class of real property. Periodic cash flow is estimated as gross cash flow less maintenance cost and other operating and management expenses. The series of periodic net operating cash flow is then discounted. Generally, a change in the assumption made for the estimated rental value is accompanied by a directionally similar change in the rent growth per annum, and an opposite change in the long-term vacancy rate and discount rate.

12. Investment properties (cont'd)

12.1 Valuation (cont'd)

The investment properties held by the Group as at 30 June 2025 and 31 December 2024 are as follows:

Description and location	Existing Use	Tenure of land	Unexpired lease term
10 th floor, Xiang Kai Shi Hua Tower, Changsha, PRC	Offices	Leasehold, 50 years lease from 2 August 1999	24.5 years (2024: 25 years)
No. 65, Lufeng Road, Hi-Tech Industrial Development Zone, Changsha, PRC	Manufacturing	Leasehold, 50 years lease from 16 August 2002	27.5 years (2024: 28 years)
No. 539, Lusong Road, Hi-Tech Industrial Development Zone, Changsha, PRC	Manufacturing	Leasehold, 50 years lease from 28 February 2007	31.5 years (2024: 32 years)

13. Trade and other receivables

13.1. Trade and other receivables

	Group		Company	
	30/06/2025	31/12/2024	30/06/2025	31/12/2024
	RMB'000	RMB'000	RMB'000	RMB'000
Trade receivables	12,997	15,909	—	—
Bills receivable	18,755	17,446	—	—
VAT/GST receivables	30	13	30	13
Amount due from a subsidiary (non-trade)	—	—	29,642	47,491
Other receivables	3,112	2,478	—	—
Total trade and other receivables	34,894	35,846	29,672	47,504
Add:				
Contract assets	117,087	104,014	—	—
Cash and bank balances	163,601	196,937	13,523	3,006
Less:				
VAT/GST receivables	(30)	(13)	(30)	(13)
Total financial assets carried at amortised cost	315,552	336,784	43,165	50,497

13. Trade and other receivables (cont'd)

13.2. Expected credit losses

The movement in allowance for expected credit losses of trade and other receivables and contract assets computed based on lifetime ECL are as follow:

	Trade and other receivables	Contract assets	Group Trade and other receivables	Contract assets
	30/06/2025 RMB'000	30/06/2025 RMB'000	31/12/2024 RMB'000	31/12/2024 RMB'000
Movements in the allowance accounts:				
At beginning of financial year	24,062	9,125	23,841	5,367
Charge for the year	606	82	1,234	3,758
Written-off	—	—	(1,013)	—
At end of financial year	24,668	9,207	24,062	9,125

14. Borrowings

The Group has no outstanding borrowings and debt securities as at 30 June 2025 (31 December 2024: nil).

15. Cash and cash equivalents

	Group		Company	
	30/06/2025 RMB'000	31/12/2024 RMB'000	30/06/2025 RMB'000	31/12/2024 RMB'000
Cash at banks and on hand	26,874	66,723	1,053	1,719
Short-term deposits	136,727	130,214	12,470	1,287
Total	163,601	196,937	13,523	3,006
Less: Short-term deposits (Maturity >3 months)	(120,000)	(120,000)	—	—
Cash and cash equivalents	43,601	76,937	13,523	3,006

Cash at banks

Cash at banks earns interest at floating rates based on daily bank deposit rates.

Short-term deposits

Short-term deposits are for various periods between one to three months (2024: one to three months) and earn interests at the respective short-term deposit rates.

16. Share capital

Ordinary shares

	Number of Shares	Amount RMB'000
Ordinary shares including employee benefit trust ("EBT") shares & treasury shares as at 30 June 2025 and 31 December 2024	50,500,000	149,278

Convertibles

The Company did not have outstanding options, convertibles or subsidiary holdings as at 30 June 2025 and 31 December 2024.

EBT shares

The Company has no EBT shares as at 30 June 2025 and 31 December 2024.

Treasury shares

The Company has 3,649,100 treasury shares (approximately 7.23% of the total number of issued shares) as at 30 June 2025 (31 December 2024: 3,649,100).

17. Earnings per share

Basic earnings per share is calculated by dividing profit for the period, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period.

Diluted earnings per share is calculated by dividing profit for the period, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial period plus the weighted average number of ordinary shares that would be issued on the conversion of all dilutive potential ordinary shares into ordinary shares.

17. Earnings per share (cont'd)

The following tables reflect the profit and share data used in the computation of basic and diluted earnings per share:

	Group	
	6 months ended 30/6/2025	6 months ended 30/06/2024
	RMB'000	RMB'000
Profit/(loss) for the periods attributable to owners of the Company used in the computation of basic and diluted loss per share	4,651	(3,560)
Weighted average number of ordinary shares for basic earnings per share computation ('000) #	46,851	46,851
Effects of dilution of share awards ('000)	—	—
Weighted average number of ordinary shares for diluted earnings per share computation ('000)	46,851	46,851
Basic earnings/(loss) per share (RMB cents)	9.93	(7.60)
Diluted earnings/(loss) per share (RMB cents)	9.93	(7.60)

The weighted average number of ordinary shares takes into account the weighted average effect of changes in treasury and EBT shares transactions during the periods.

As at 30 June 2025, no treasury shares and EBT shares are granted to employees under the Performance Share Plan 2014.

**F. Other information required by Listing Rule Appendix 7.2
For the half year ended 30 June 2025**

1. Review

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

2. Review of performance of the Group

A) Income Statements

Revenue

1H2025 vs 1H2024

The Group reported revenue of RMB 71.6 million for the six months ended 30 June 2025, representing a 4.7% increase from RMB 66.7 million in the prior corresponding period. This increase was mainly attributable to higher revenue from the Chemical Systems and Components (CSC) business segment and the Engineering Services segment.

Revenue from our Catalyst Business

Revenue from the Catalyst Business remained largely stable, recording a RMB5.5 million revenue for both reporting periods.

Revenue from our Engineering Services

Revenue from the Engineering Services increased by RMB1.5 million or 55% from RMB2.7 million in 1H2024 to RMB4.2 million in 1H2025 mainly due to a greater volume of design service projects undertaken during the period.

Revenue from our CSC Business

Revenue from the CSC Business increased by RMB3.4 million or 6% from RMB58.5 million in 1H2024 to RMB61.9 million in 1H2025. The increase was primarily attributable to a higher percentage of completion recognised, reflecting an increased level of work activities from various on-going and new contracts involving patented technologies.

Gross profit and gross profit margin

1H2025 vs 1H2024

Our overall gross profit increased by RMB6.4 million or 61% from RMB10.4 million in 1H2024 to RMB16.8 million in 1H2025 and our gross profit margin increased from 16% in 1H2024 to 23% in 1H2025.

The increase in the overall gross profit was mainly due to the following:

- 1) The gross profit of Catalyst business remained relatively stable at RMB1.8 million in 1H2025, compared to RMB1.7 million in 1H2024. The gross profit margin increased by 1% from 32% in 1H2024 to 33% in 1H2025, mainly due to a marginal improvement in product mix and material costs.
- 2) Gross profit of CSC business increased by RMB5.8 million from RMB7.9 million in 1H2024 to RMB13.7 million in 1H2025 mainly attributable to higher percentage of completion for CSC contracts in 1H2025. The gross profit margin increased by 9% from 13% in 1H2024 to 22% in 1H2025 was mainly attributable to margin improvement and better project cost control.

2. Review of performance of the Group (cont'd)

A) Income Statements (cont'd)

Gross profit and gross profit margin(cont'd)

- 3) The gross profit of engineering design increased by RMB0.5 million from RMB0.8 million in 1H2024 to RMB1.3 million in 1H2025. On the whole, the gross profit margin for this segment remained relatively unchanged (1H2025: 32% vs 1H2024: 31%) as measured against the segment's revenue.

Finance and other income

1H2025 vs 1H2024

Finance and other income increased by RMB0.5 million or 21% from RMB2.7 million in 1H2024 to RMB3.2 million in 1H2025. The increase was mainly due to an increase in rental income amounting to RMB0.5 million.

(Impairment losses) on/write-back of financial assets, net

1H2025 vs 1H2024

For details on the impairment loss of RMB0.7 million in 1H2025 and the write-back of RMB1.1 million in 1H2024, please refer to Section E, Paragraph 4.4 of this results announcement.

Marketing and distribution expenses

1H2025 vs 1H2024

Marketing and distribution expenses for both reporting periods remain relatively the same at RMB 3.0 million.

2. Review of performance of the Group (cont'd)

Administrative expenses

1H2025 vs 1H2024

Administrative expenses decreased by RMB1.0 million or 7% from RMB10.4 million in 1H2024 to RMB9.4 million in 1H2025. The decrease is analysed in the table below:

Item by nature	1H2025	1H2024	1H2025 vs. 1H2024 (Change)		Comments
	RMB'000	RMB'000	RMB'000	%	
Unallocated manufacturing overheads allocated in administrative expenses	873	1,491	(618)	(41)	The decrease is due to the higher volume of production resulting in lower unallocated manufacturing overheads recorded under administrative expenses in 1H2025 over 1H2024.
Salaries, bonuses and fees	3,170	3,360	(190)	(6)	Include salaries of executive directors and heads of department deployed in administrative functions. Decrease is due to lower number of employees in 1H2025 compared to 1H2024.
Safety cost	408	136	272	200	Increase in depreciation of environmental protection equipment and emergency expenses for liquid ammonia treatment in 1H2025 compared to 1H2024.
Travelling expenses	81	243	(162)	(67)	Travelling expenses in 1H2024 is mainly due to the expenses incurred from the attendance of the "Innovation for All" seminar where none was noted in 1H2025. This hence resulted in the significant decrease from 1H2024 to 1H2025.
Professional fees	624	713	(89)	(12)	Decrease in legal services for advising on commercial matters.
Factory repair and maintenance	76	—	76	N.M	Increase of repair and maintenance costs incurred for upgrade of the washrooms in the factory and office.
Staff welfare expenses	674	554	120	22	Increase was due to the introduction of nutritional meals for employees which resulted in higher meal expenses in 1H2025 over 1H2024. The increase was partially offset by the decrease of 1 employee in 1H2025 compared to 1H2024.
Meeting expenses	16	397	(381)	(96)	Decrease is due to the expenses incurred for the 30th anniversary in 1H2024 where none was noted in 1H2025.
Other expenses	3,493	3,514	(21)	(1)	Other expenses are an aggregation of miscellaneous expenses. The fluctuations in the miscellaneous expenses are less than RMB0.04 million individually.
Total	9,415	10,408	(993)	(10)	

2. Review of performance of the Group (cont'd)

A) Income Statements (cont'd)

Research expenses

1H2025 vs 1H2024

Research expenses decreased by RMB2.1 million or 49% from RMB4.3 million in 1H2024 to RMB2.2 million in 1H2025. The decline was mainly due to lower expenditure incurred in relation to the improvement of the waste heat boiler tube bundle under the CSC business segment during the reporting period.

Net profit attributable to owners of the Company

1H2025 vs 1H2024

Consequent to the above, the owners of the Company reported a net profit of RMB 4.7 million in 1H2025, reversing from a net loss of RMB3.6 million in 1H2024. The improvement was mainly due to higher gross profit contributions and better cost management.

B) Balance Sheet Statements

Non-current assets

Non-current assets decreased by RMB1.8 million or 3% from RMB51.1 million as at 31 December 2024 to RMB49.3 million as at 30 June 2025. Non-current assets comprised property, plant and equipment, investment property, intangible assets, right of use asset, deferred tax assets and prepayments.

Property, plant and equipment decreased by RMB2.6 million or 8% from RMB36.8 million as at 31 December 2024 to RMB34.2 million as at 30 June 2025, mainly due to depreciation charges of RMB3.7 million. The decrease was partially offset by additions during the period.

Current assets

Current assets decreased by RMB21.8 million or 6% from RMB365.3 million as at 31 December 2024 to RMB343.5 million as at 30 June 2025. The decrease was mainly due to the following:

- a) The decrease in trade and other receivables of RMB1.0 million was due to settlements with our customers.
- b) The decrease in prepayments of RMB1.9 million was mainly due to the decrease in payments made to suppliers for the purchase of raw materials.
- c) Net decrease in cash and cash equivalents and short-term deposits of RMB33.3 million was mainly due to the repayment to trade and other creditors amounting to RMB14.5 million, payment of dividends amounting to RMB5.6 million and the increase in contract assets amounting to RMB13.2 million.

The decrease in the above current assets was then partially offset by the following:

- a) The increase in inventories of RMB1.3 million was mainly due to increase in finished goods produced for Catalyst business contract orders;
- b) The increase in contract assets of RMB13.1 million was due to the increase in works incurred for contracts where billings for contractual milestones have not been satisfied.
- c) The increase in bills receivable of RMB1.3 million was due to the settlement by customers in the form of bills receivables which will then be offset with the trade receivables.

2. Review of performance of the Group (cont'd)

A) Balance Sheet Statements (cont'd)

Current assets (cont'd)

The breakdown and aging of items of trade and other receivables are as follows:

Item by nature	30/06/2025 RMB'000	< 6 months RMB'000	6-12 months RMB'000	1-2years RMB'000	>2years RMB'000
Trade Receivables					
Receivables from sales	37,412	3,700	2,836	11,497	19,379
Less: Impairment losses on trade receivables, net	(24,415)	(635)	(487)	(4,262)	(19,031)
Sub-total	12,997	3,065	2,349	7,235	348
Other Receivables					
A. Bills receivable	18,755	18,755			
B. Operation cash advances	834	834			
C. Bid bonds	2,278	2,278			
D. GST receivables	30	30			
Total	34,894	24,962	2,349	7,235	348

Current liabilities

Current liabilities decreased by RMB22.6 million or 21% from RMB106.3 million as at 31 December 2024 to RMB83.7 million as at 30 June 2025.

- The decrease in contract liabilities of RMB3.4 million was due to revenue recognition as the Group satisfies the contract obligations according to the Group's revenue recognition policy and there were lesser advances received from customers as at 30 June 2025.
- The decrease in trade and other payables of RMB14.5 million was due to settlements with our suppliers.
- The decrease in other liabilities of RMB3.3 million was mainly due to payments of the employees' FY2024 bonuses.
- The decrease in income tax payable of RMB1.3 million was due to the payment during the year and reversal of overprovision of income tax in respect of previous financial years.

C) Cash Flow Statements

Net cash used in operating activities amounted to RMB25.5 million in 1H2025, compared to net cash generated from operations of RMB11.3 million in 1H2024. The cash outflow was primarily attributable to working capital outlays relating to contract assets, inventories and settlement of payables.

Net cash used in investing activities amounted to RMB2.4 million, mainly for the purchase of plant and equipment and intangible assets (software).

Net cash used in financing activities was RMB5.6 million, mainly reflecting the final dividend payment of RMB5.6 million for FY2024 declared and paid during the reporting period.

As a result, the Group's cash and cash equivalents decreased from RMB76.9 million as at 31 December 2024 to RMB43.6 million as at 30 June 2025.

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

The Company has not previously disclosed to shareholders any forecast or prospect statement.

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

The Group has continued its strategic efforts to diversify into non-fertiliser industries, which contributed revenue of approximately RMB32 million in 1H2025, accounting for 45% (RMB47.0 million for 1H2024 or 70.4%) of the total revenue. The Group remains focused on costs discipline and will continue to strengthen its research and development initiatives to enhance long-term competitiveness.

The Group's order book as of 30 June 2025 stood at approximately RMB179.3 million (31 December 2024: RMB130.0 million), of which RMB132.2 million (31 December 2024: RMB56.8 million) was attributable to contracts from non-fertiliser sectors. This reflects the Group's efforts in expanding its business mix into adjacent industries that present potential opportunities for growth.

As the local government in Changsha city is strengthening its emergency response policies and placing emphasis on more stringent enforcement of geographical zoning rules in connection with chemical production units, the catalyst processing unit of the Group housed in our manufacturing facility at No. 539, Lusong Road, Hi-Tech Industrial Development Zone, Changsha, PRC (the "Lusong Road Facilities") is currently under assessment by the relevant government authority. Accordingly, there is a possibility that the Group may be required to cease its catalyst processing activities at the Lusong Road Facilities. In such event, the Group will consider the options available, including relocation of the affected business activities, and decide on an option which is the most commercially viable and least disruptive to the business operations of the Group.

Looking ahead, the Group's integrated capabilities in engineering design, equipment manufacture, catalyst production and technological solutions are expected to support continued growth. In tandem with the global transition towards clean energy, demand for green ammonia, green methanol and green hydrogen is gaining momentum. The Group will continue to build on its R&D foundation, leveraging its portfolio of patented technologies to develop forward-looking solutions that have increasing relevance in the world today.

5. Dividend information

(a) Current financial period reported on

The Company does not recommend any dividend for the financial period ended 30 June 2025.

(b) Corresponding period of the immediately preceding financial year

The Company did not recommend or declare any dividend for the financial period ended 30 June 2024.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

(e) If no dividend has been declared/recommended, a statement to that effect

No dividend has been declared or recommended by the Board for the half year ended 30 June 2025 after taking into consideration the uncertainties of the macroeconomic environment particularly challenges for capital goods industry.

6. Interested person transactions

There was no interested person transaction which is S\$100,000 and above during the period under review. The Group has not obtained a general mandate from shareholders of the Company for Interested Person Transactions.

7. Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company has received undertaking from all its directors and executive officers in the format as set out in Appendix 7.7 under Rule 720(1) of the Listing Manual of the SGX-ST.

8. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Pursuant to Rule 704(13) of the Listing Manual, the Company confirms that there are no persons occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

CONFIRMATION BY THE BOARD

Pursuant to Rule 705(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we, the undersigned hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for half year ended 30 June 2025 to be false or misleading in any material aspect. On behalf of the Board of Directors.

Zheng, ZhiZhong
Executive Director and Chief Executive Officer

Dai, FengYu
Executive Director

Singapore
12 August 2025