

**SUNTAR ECO-CITY LIMITED**

(Company Registration No. 200613997H)

(Incorporated in the Republic of Singapore)

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**CLARIFICATION ON DISCREPANCIES BETWEEN UNAUDITED AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

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The Board of Directors (the “**Board**”) of Suntar Eco-City Limited (the “**Company**” or together with its subsidiary, the “**Group**”) refers to the announcement made by the Company of its unaudited full year results for the financial year ended 31 December 2020 released to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 26 February 2021 (Announcement Reference: SG210226OTHR6BQZ).

Pursuant to Rule 704(6) of the Listing Manual of the SGX-ST, the Board wishes to clarify the discrepancies between the unaudited full year results and the audited financial statements for financial year ended 31 December 2020 of the Company as below: -

**Consolidated Statement of Profit and Loss and Other Comprehensive Income**

| <b>Item</b>                  | <b>Previously Announced (RMB'000)</b> | <b>Audited (RMB'000)</b> | <b>Variance (RMB'000)</b> | <b>Explanation</b>                                                                                                                                                                                                                                                                                                                                                                                                           |
|------------------------------|---------------------------------------|--------------------------|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Other operating income       | 2,023                                 | 3,036                    | 1,013                     | Recognition of interest receivable of RMB1.0 million from the RMB12.0 million loan to third party bearing interest of 18% per annum.                                                                                                                                                                                                                                                                                         |
| Share of profit of associate | 1,691                                 | 654                      | (1,037)                   | The previously announced figure was based on the unaudited financial statements from the associate due to auditing delay caused by Shijiazhuang COVID-19 outbreak. The audited figures are adjusted based on the audited financial statements of the associate, resulting in a reduction of RMB627,000<br><br>There are also fair value adjustments on acquisition of the associate, resulting in a reduction of RMB410,000. |
| Tax expense                  | (308)                                 | (506)                    | (198)                     | Increase in tax expense due to the increase in other operating income.                                                                                                                                                                                                                                                                                                                                                       |

**Consolidated Statement of Financial Position**

| <b>Item</b>        | <b>Previously Announced<br/>(RMB'000)</b> | <b>Audited<br/>(RMB'000)</b> | <b>Variance<br/>(RMB'000)</b> | <b>Explanation</b>                                                                                                                   |
|--------------------|-------------------------------------------|------------------------------|-------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| Other receivables  | 13,622                                    | 14,615                       | 993                           | Recognition of interest receivable of RMB1.0 million from the RMB12.0 million loan to third party bearing interest of 18% per annum. |
| Associate          | 22,951                                    | 21,914                       | (1,037)                       | Please refer to the explanation on variance of "Share of profit of associate".                                                       |
| Income tax payable | 1,756                                     | 1,954                        | 198                           | Increase in tax expense due to the increase in other operating income.                                                               |

**Consolidated Statement of Cash flows**

| <b>Item</b>                           | <b>Previously Announced<br/>(RMB'000)</b> | <b>Audited<br/>(RMB'000)</b> | <b>Variance<br/>(RMB'000)</b> | <b>Explanation</b>                                                                              |
|---------------------------------------|-------------------------------------------|------------------------------|-------------------------------|-------------------------------------------------------------------------------------------------|
| Net cash used in operating activities | (564)                                     | (6,401)                      | (5,837)                       | Recategorisation of the deposit paid portion of RMB6.3 million in investment in associate.      |
| Net cash used in investing activities | (33,399)                                  | (27,521)                     | 5,878                         | Recategorisation of the disposal of discontinued operation, net of cash disposed of RMB500,000. |

**BY ORDER OF THE BOARD****Dr Lan Weiguang**  
**Non-Independent Non-Executive Chairman**

15 April 2021