

**RESPONSE TO SGX QUERY ON THE ANNOUNCEMENT OF FULL YEARLY RESULTS ENDED 31 DECEMBER 2023**

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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 full yearly results ended 31 December 2023 (“**FY2023**”) released to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 28 February 2024 (Announcement Reference: SG240228OTHR1PAG).

The Board wishes to provide the additional information in response to the SGX-ST’s queries as follows: -

**Query 1:**

The increase in other payables of RMB 2.2 million is mainly due to an interest free loan from a director. Please explain the reasons for the interest-free loan, when the loan was extended and the use of proceeds of the loan, noting that the Company’s cash balance had increased to RMB 38.7 million in FY2023 (FY2022: RMB 10.3 million).

**Company’s Response to Query 1:**

The increase in our cash balance primarily stems from our Chinese subsidiary, Wuping Lanjun, which contributed RMB 32.35 million, representing 84% of the total cash balance. Notably, loan repayment from Wuping Hailan contributes RMB 28.4 million.

Given that our funds are predominantly allocated to support operational needs of subsidiaries in China, the director’s interest-free loan is essential to support operational expenses for our Singapore-listed entity. The director annually extends the necessary working capital needed to ensure the smooth functioning of our operations in Singapore.

**Query 2:**

We note that other receivables decreased to RMB 20.1 million as at 31 December 2023 (31 December 2022: RMB 48.92 million) due to loan repayment from Wuping Hailan Real Estate Development Co., Ltd (“Hailan”). This is due to “good performance of the Halan’s Lanjun Jiangnan property development project”.

- (a) Please disclose the status of the property development; and
- (b) Please elaborate on the factors which resulted in the significant improvement in the performance of Hailan and disclose the detail of the relevant property development project, including the location of the project, construction progress (%), total number of units built and sold to-date.

**Company’s Response to Query 2:**

Lanjan Jiangnan project is located in North Yihao Gongguan, Wuping County, Qifang community of the Pingchuan Street, Longyan City, Fujian Province, China. The project has land area of approximately 17,976 square meters, with construction area of around 4,500 square meters. The total construction area of the project is approximately 52,000 square meters, with a plot ratio of 2.1 and a green space ratio of 30%.

Benefiting from its prime location, Lanjun Jiangnan offers residents convenient access to essential amenities. Surrounded by a forest park and in close proximity to educational facilities, as well as healthcare institutions, the project ensures residents have access to high-quality education and medical services. The project is recognized as school district housing. Additionally, Lanjun Jiangnan features upscale amenities, including street-facing storefronts, a household water purification system, and intelligent security features.

Approved for development in the latter half of 2022, the construction phase commenced during that year, with pre-sales starting in September 2022 and continuing progressively through 2023.

Regarding construction progress, all four residential buildings and 13 villas have completed, with current efforts focused on landscaping and final adjustments. The project is expected to undergo final inspection and acceptance in the second half of 2024.

Property Type	Residential Units	Villa Units	Commercial Units	Parking Lots	Total
Total Units	238	13	21	271	543
Construction Progress	100%	100%	100%	100%	100%
Units sold till 2023	170	0	6	163	339
Take-up Rate	71%	0%	29%	60%	62%

### Query 3:

In relation to Note F8, we note that the Company stated that no dividends have been declared or recommended, in line with the previous financial year practice that proposed dividends are declared on a full financial year basis. As these results are for the full financial year ended 31 December 2023, the Company is required under paragraph 12 of Appendix 7.2 to elaborate why the Company has not declared any dividends. Please disclose accordingly.

### Company's Response to Query 3:

1. Dividend
  - (a) Current Financial Period Reported On  
*Any dividend declared for the current financial period reported on?*  
No.
  - (b) Corresponding Period of the Immediately Preceding Financial Year  
*Any dividend declared for the corresponding period of the immediately preceding financial year?*  
No.
  - (c) Date payable  
Not applicable.
  - (d) Books closure date  
Not applicable.
2. If no dividend has been declared or recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared or recommended for FY2023 (FY 2022: Nil) so as to conserve cash for operation purposes.

**BY ORDER OF THE BOARD**

**Dr Lan Weiguang**  
**Non-Independent Non-Executive Chairman**

**8 March 2024**