SUNTAR ECO-CITY LIMITED
(Company Registration Number: 200613997H)
Incorporated in the Republic of Singapore

RECEIPT OF QUERY AND APPLICATION TO THE SINGAPORE EXCHANGE REGULATION ("SGX REGCO") FOR EXTENSION OF TIME:

1. TO HOLD THE COMPANY'S ANNUAL GENERAL MEETING ("AGM") FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2024 ("FY2024"); AND

2. TO ISSUE THE COMPANY'S ANNUAL REPORT AND SUSTAINABILITY REPORT FOR FY2024

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1. RECEIPT OF SGX REGCO QUERY

The Board of Directors (the "**Board**") of Suntar Eco-City Limited (the "**Company**", together with its subsidiaries, collectively, the "**Group**") wishes to announce that the Company had received the following query on its unaudited financial results announcement for FY2024 ("**FY2024 Results**") released on 28 February 2025:

Query
We note that the Group sold property worth RMB10.088 million to related parties during FY2024. This amount represents approximately 11.11% of the Group's latest audited net tangible assets. Please disclose how the Company has complied with Chapter 9 of the Listing Manual, including Part IV, which governs the sale of property units to interested persons.

Upon receiving the above query, the Company realised that due to an inadvertent oversight, the Company only accounted for the aforesaid transactions as a related party transaction (as seen from page 11 of the FY2024 Results), but did not consider its implications as an interested person transaction under Chapter 9 of the Listing Manual. The Company wishes to set out the salient points of its response to the SGX Regco's query as follows:

(a) The contracting party in respect of the transaction of RMB10.088 million for the properties ("**Property Transactions**") is Rosin Chemical (Wuping) Co, Ltd (新洲（武平）林化有限公司) ("**XWL**"). As XWL is a 100% indirect subsidiary of Suntar Investment Pte. Ltd., the Company's controlling shareholder, the Property Transactions constitute an IPT.

(b) The properties which are the subject of the Property Transactions ("**Subject Properties**") comprise 4 residential units, 10 commercial shop units, and 19 car park spaces at the Group's development project named "Lan County," located at Wuping County, Fujian in a "Tier-4" city in the People's Republic of China ("**PRC**") ("**Development**").

(c) The Development was completed in 2016 and the Subject Properties are the only unsold units in the Development. Since completion with intensified efforts from the first half of 2022, the Group had explored the sale of the Subject Properties to independent third party purchasers, however they remained unsold.

(d) The Group only started engaging in discussions with XWL (being an associate of the Company's controlling shareholder Suntar Investment Pte. Ltd.) on the Property Transactions around the second half of 2024, after the intended purchasers indicated that they were not interested in proceeding due to the age of the project. In addition, as the Development was not in a top-tier city, and in light of the generally unfavorable macroeconomic conditions and weak property industry in the PRC, it was difficult to find suitable buyers for the Subject Properties.

(e) After entering into the Property Transactions, the Company accounted for them as related party transactions (as seen from page 11 of the FY2024 Results), but did not consider their implications as IPT under Chapter 9 of the Listing Manual. The Company did not identify the Property Transactions as an IPT due to an inadvertent oversight as the sales team in the PRC was focused on divesting the properties before the end of FY2024, without considering the implications as an IPT. The fact that the Group had always contemplated the divestment of the Subject Properties with independent third party purchasers contributed to the inadvertent oversight. In addition, as the Property Transactions were transactions in the normal course of business, the team did not take additional steps to consult professionals of the regulatory implications of the Property Transactions.

(f) The Company did not transact with other individuals or companies related to Suntar Investment Pte. Ltd. during FY2024.

(g) As the Property Transactions did not take into account of the IPT implications purely due to an administrative inadvertence, the Company has sought advice from its PRC legal counsel and intends to cancel and rescind the Property Transactions *ab initio*, such that the Property Transactions are treated at law as null and void as if they were never entered into ("**Proposed Recission**"). The Company's PRC legal counsel has confirmed that that the Proposed Recission can be undertaken under PRC law.

(h) The estimated financial effects of the Proposed Recission are as follows:

(i) Revenue would decrease by approximately 50% from approximately RMB 20,331,000 to RMB 10,243,000.
(ii) Group gross profit would decrease by approximately 50% from RMB 1,341,000 to RMB 674,000. Group net profit would decrease by approximately 4% from RMB 8,599,000 to RMB 8,223,000.
(iii) The balance sheet would show an increase in Completed properties for sale by RMB 9,421,000.
(iv) In addition, there may be an impact on impairment on development properties when shown as cost.

(i) In light of the Proposed Recission, the external auditors would need more time to complete their audit to account for the Recission, and the Group would apply to both ACRA and the Exchange for an extension of time to prepare its audited financial statements and to convene the annual general meeting. Please refer to paragraph 2 of this announcement for further details.

2. APPLICATION FOR EXTENSIONS OF TIME ("EOT")

The Company has sought the following EOT from the SGX RegCo of:

(a) 2 months for the Company to convene its AGM for FY2024 by 30 June 2025 (from the current deadline of 30 April 2025 prescribed under Rule 707(1) of the Listing Manual); and

(b) 2 months for the Company to issue the annual report and sustainability report for FY2024 by 15 June 2025, being at least 14 days before the date of its AGM (from the current deadline of 15 April 2025 prescribed under Rule 707(2) of the Listing Manual).

The Company will also submit an application to the Accounting and Corporate Regulatory Authority ("**ACRA**") for an extension of time to convene its AGM in respect of FY2024 pursuant to Section 175(2) of the Companies Act 1967 of Singapore (the "**Companies Act**") and to lodge its annual return in respect of FY2024 with ACRA pursuant to Section 197 of the Companies Act.

The Company will make further announcements to update shareholders on the outcome of the above applications to the SGX RegCo and ACRA in due course.

BY ORDER OF THE BOARD

Dr Lan Weiguang
Non-Independent Non-Executive Director
15 April 2025