

SUNTAR ECO-CITY LIMITED

(Company Registration No. 200613997H)

(Incorporated in the Republic of Singapore)

CLARIFICATION ON DISCREPANCIES BETWEEN UNAUDITED AND AUDITED FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2023

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 2023 released to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 28 February 2024 (Announcement Reference: SG240228OTHR1PAG).

Pursuant to Rule 704(5) 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 2023 of the Group as below: -

Consolidated Statement of Profit or Loss and Other Comprehensive Income

Item	Previously Announced (RMB'000)	Audited (RMB'000)	Variance (RMB'000)	Explanation
Share of profit of associates	3,302	3,180	(122)	<p>The group has two associates:</p> <p>i. <u>North China Pharmaceutical Hebei Huawei Health Industry Co., Ltd</u> Impairment losses on trade receivables and corrections in tax rates were made after the FY2023 full year announcements, resulting in an RMB16,000 variance.</p> <p>ii. <u>Wuping Hailan Real Estate Development Co., Ltd</u> Costs related to Wuping Hailan's real estate projects capitalised as construction in progress under property development costs had been charged out to profit or loss as expenses after the FY2023 full year announcements, resulting in an RMB106,000 variance.</p> <p>The above variances resulted in a cumulative adjustment of RMB122,000.</p>
General and administrative expenses	(3,514)	(3,542)	(28)	<p>The variance of RMB28,000 is due to adjustment in other taxes (eg. property tax, urban maintenance and construction tax), which were made based on final tax provisions provided by an auditor's tax expert.</p>

Tax (expense)/ credit	(129)	78	207	The adjustment from a tax expense of RMB129,000 to a tax credit of RMB78,000 resulted from the write-down in value of completed properties for sale, leading to an increase in deferred tax assets.
Loss on deconsolidation of a subsidiary	0	(118)	(118)	Recognition of loss on deconsolidation of a subsidiary of RMB118,000 from the investment in a subsidiary, Xi'an Ruijin Biological Pharmaceutical Co., Ltd. The subsidiary struck off on 7 February 2023.
Write-back of other payables	0	42	42	
Bad debt written off	(78)	0	78	
Write-down in value of completed properties for sale	0	(254)	(254)	
Other operating expenses	(252)	0	252	The term changed from "other operating expenses" to "write-down in value of completed properties for sale" after the FY2023 full year announcements for better clarification. The variance of RMB2,000 is due to adjustment made based on final valuation report carried by an independent professional valuer.

Statements of Financial Position

Item	Previously Announced (RMB'000)	Audited (RMB'000)	Variance (RMB'000)	Explanation
Associates	34,824	34,702	(122)	Please refer to the explanation on variance of "Share of profit of associates"
Deferred tax assets	86	292	206	Please refer to the explanation on variance of "Tax (expense)/credit"
Other payables	20,258	20,285	27	Please refer to the explanation on variance of "General and administrative expenses"

*The observed discrepancy of RMB1,000 between the variance amount in the Consolidated Statement of Profit or Loss and Other Comprehensive Income and the variance amount in the Statements of Financial Position is due to rounding effect.

BY ORDER OF THE BOARD

Dr Lan Weiguang
Non-Independent Non-Executive Chairman

12 April 2024