

**SUNTAR ECO-CITY LIMITED**

(Company Registration No. 200613997H)  
(Incorporated in the Republic of Singapore)

---

**MATERIAL VARIANCES BETWEEN THE AUDITED FINANCIAL  
STATEMENTS AND THE UNAUDITED FINANCIAL STATEMENT AND RELATED  
ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013**

---

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 Financial Statement and Related Announcement for the Fourth Quarter and Twelve Months Ended 31 December 2013 (“**2013 Preliminary Results**”) released to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on 28 February 2014 (Announcement No. 00399).

Pursuant to Rule 704(6) of the Listing Manual of the SGX-ST, the Board wishes to announce that subsequent to the release of the 2013 Preliminary Results, certain adjustments and reclassifications were made to the 2013 Preliminary Results. Accordingly, there are variances between the audited financial results of the Group for the financial year ended 31 December 2013 (“**FY2013**”) and the 2013 Preliminary Results.

**(1) Consolidated Statement of Comprehensive Income**

	<b>Note</b>	<b>Previously Announced (RMB ‘000)</b>	<b>Audited (RMB ‘000)</b>	<b>Variance (%)</b>
Other operating income	a	11,450	12,000	4.8
Administrative expenses	b	8,686	8,411	3.2
Profit before income tax	c	97	922	>100
Income tax expenses	d	986	1,372	39

- a. Due to re-classification of other operating expenses amounting to RMB550,000 to administrative expenses.
- b. Due to :
- 1) Reversal of bad debt provision of RMB1.2 million as the trade receivables was fully settled subsequent to the year end;
  - 2) Re-classification of other operating expenses amounting to RMB550,000 from other operating income to administrative expenses;
  - 3) Reversal of the waiver of director’s fee and CEO remuneration for the financial year ended 31 December 2012 increased the administrative expenses by approximately RMB397,000.
- c. Due to the above mentioned increase in other operating income as set out under (1)(a) and decrease in administrative expenses as set out under (1)(b).
- d. Due to the increase in a subsidiary’s profit before tax as a result of reversal of bad debt provision of RMB1.2 million.

**(2) Statement of Financial Position**

	<b>Note</b>	<b>Previously Announced (RMB '000)</b>	<b>Audited (RMB '000)</b>	<b>Variance (%)</b>
Trade receivable	a	11,244	12,456	10.8
Other payables	b	4,599	4,986	8.4
Income tax payable	c	860	1,246	44.9

- a. Due to the reversal of bad debt provision of RMB1.2 million.
- b. Due to reversal of waiver of director's fee and CEO remuneration for the financial year ended 31 December 2012 increased the other payables.
- c. In line with the increase in income tax expenses.

**(3) Consolidated Statement of Cash Flows**

	<b>Note</b>	<b>Previously Announced (RMB '000)</b>	<b>Audited (RMB '000)</b>	<b>Variance (%)</b>
Net cash from operating activities	a	2,911	1,565	46.2
Net cash from financing activities	b	1,932	3,278	69.7

- a. Due to re-classification of RMB1.3 million of advances from a non-related party from cash generated from operating activities to financing activities.
- b. Due to the above mentioned re-classification as set out under (3)(a).

**BY ORDER OF THE BOARD**

**Lan Chunguang**  
**Executive Director and Chief Executive Officer**

**31 March 2014**