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共建美丽家园

STARLAND HOLDINGS LIMITED



BREAKING NEW GROUND

ANNUAL REPORT 2020

TABLE OF CONTENTS

1	CORPORATE PROFILE	15	CORPORATE INFORMATION
2	OUR BUSINESS	16	REPORT ON CORPORATE GOVERNANCE
4	OUR MILESTONES	53	SUSTAINABILITY REPORT
6	CHAIRMAN'S MESSAGE	68	FINANCIAL CONTENTS
8	OPERATION AND FINANCIAL REVIEW	177	STATISTICS OF SHAREHOLDINGS
9	BOARD OF DIRECTORS	179	NOTICE OF ANNUAL GENERAL MEETING
11	KEY MANAGEMENT	188	DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION
13	FINANCIAL HIGHLIGHTS		
14	CORPORATE STRUCTURE		PROXY FORM

The Directors (including any person who may have been delegated detailed supervision of this Annual Report) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this Annual Report are fair and accurate and that no material facts have been omitted from this Annual Report which might cause this Annual Report to be misleading in any material respect, and they jointly and severally accept responsibility accordingly.

This Annual Report has been prepared by Starland Holdings Limited (the "Company") and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst.

This Annual Report has not been examined or approved by the SGX-ST and the SGX-ST assume no responsibility for the contents of this Annual Report, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this Annual Report.

The contact person for the Sponsor is Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.

CORPORATE **PROFILE**

Starland Holdings Limited (the “Company”) has been listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) since 27 April 2012.

The main activities of the Group are:

1. Property Development
2. Financial Solutions Business

Property Development

The Group engages in the development of quality integrated residential and commercial properties in the People’s Republic of China (“**PRC**”) and Singapore.

Financial Solutions Business

With the acquisition of 51% interest in Luminor Capital (Malaysia) Sdn Bhd (“**Luminor Malaysia**”) on 4 February 2020, the Group has diversified into Financial Solutions business.

Luminor Malaysia is a financial services holding company incorporated in Malaysia. The Luminor Malaysia Group of Companies and Associate have the following licenses and rights:

- (a) license issued under MoneyLenders Act 1951 by the Malaysia Ministry of Housing and Local Government
- (b) license issued under the Malaysia Capital Markets and Services Act 2007 by the Securities Commission Malaysia
- (c) Rights granted under the Banking and Financial Institutions Act 1989 by Bank Negara Malaysia
- (d) Approval to operate factoring business granted by Ministry of Finance Malaysia

OUR BUSINESS

COMPLETED PROPERTY DEVELOPMENT

SINGAPORE GARDEN 新加坡花苑



PERCENTAGE INTEREST	100%
LOCATION	8 Wubao Road, Fuling District, Chongqing
EXISTING USE	Residential and Commercial
TARGET MARKET	Mid to High-end
LAND TENURE	Leasehold
SITE AREA (SQ M)	32,616
TOTAL GFA (SQ M)	105,350
STAGE OF COMPLETION	Completed
DATE OF COMPLETION	August 2015

UNIVERSITY TOWN 学府新城



PERCENTAGE INTEREST	100%
LOCATION	89 Julong Avenue, Lidu, Fuling District, Chongqing
EXISTING USE	Residential and Commercial
TARGET MARKET	Mass
LAND TENURE	Leasehold
SITE AREA (SQ M)	19,330
TOTAL GFA (SQ M)	43,284
STAGE OF COMPLETION	Completed
DATE OF COMPLETION	April 2011

OUR BUSINESS

PROPOSED PROPERTY DEVELOPMENT

JALAN NIPAH



PERCENTAGE INTEREST	100%
LOCATION	Jalan Nipah, Singapore
EXISTING USE	Residential
TARGET MARKET	High-end
LAND TENURE	Freehold
SITE AREA (SQ M)	700
TOTAL GFA (SQ M)	803
STAGE OF COMPLETION	Completed
DATE OF COMPLETION	June 2018

ROYAL WATERHOUSE 江畔豪庭



PERCENTAGE INTEREST	100%
LOCATION	Zone 5, Dianyi Residential Committee, Jiangbei Office, Fuling District, Chongqing
LAND TENURE	Leasehold
SITE AREA (SQ M)	25,560
UPDATE	In March 2019, the Fuling District local authority had issued a repossession notice to Chongqing Gangyuan Property Development Co., Ltd.. For details, please refer to the Company's SGX announcement dated 27 March 2019.

OUR MILESTONES

APRIL

Successfully completed our first property development, the University Town Project of value approximately RMB257.7 million

2011

APRIL

Admission of 144,733,000 ordinary shares to the Official List of SGX-Catalist

2012

AUGUST

Successfully completed our second integrated residential and commercial property development, the Singapore Garden Project, comprising residential and commercial units with a GFA of approximately 92,390 & 4,250 square metres respectively.

2015

2011

OCTOBER

Incorporation of Starland Holdings Limited

2013

JANUARY

Incorporated Starland Axis Pte. Ltd.
Incorporated Starland Commercial Trading Pte. Ltd.
Launched our second property development project, The Singapore Garden

OUR MILESTONES

JANUARY

Completion of the acquisition of 82.91% of the Company by GRP Chongqing Land Pte. Ltd.

2016

SEPTEMBER

Termination of the proposed acquisition of ayondo

With the listing of ayondo on the Catalist board of Singapore Exchange on 26 March 2018, we recovered S\$2.168 million professional fees incurred in relation to the ayondo acquisition, in the form of S\$1.027 million cash and 6.5 million new ayondo shares valued at S\$1.141 million (being a 33% discount from ayondo's IPO price.).

2017

OCTOBER

Shareholders' approval of diversification into Financial Solutions Business.

2019

2016

JUNE

Proposed acquisition of the equity interest of ayondo Holding AG ("ayondo"), a financial technology group.

2018

JUNE

Completion of our residential property development, the Jalan Nipah Project in Singapore, comprising 2 semi-detached units with a GFA of approximately 803 square metres.

2020

FEBRUARY

Exercised option to convert S\$0.7 million of the total convertible loan for 51% interest in Luminor Capital (Malaysia) Sdn. Bhd. ("Luminor Malaysia"), a financial services holding company.

CHAIRMAN'S MESSAGE



DEAR SHAREHOLDERS,

On behalf of the Board of Directors of Starland Holdings Limited ("**Company**") and its subsidiaries, the "**Group**", I am pleased to present to you the Annual Report of the Group for the financial year ended 31 December 2020 ("**FY2020**").

FY2020 has been indeed an eventful year. In March 2020, the World Health Organization declared the COVID-19 outbreak as a pandemic. As a result of this pandemic, various social distancing and lockdown measures were implemented by the authorities in Singapore, in the People's Republic of China ("**PRC**") and in Malaysia.

On 19 June 2020, the Group became aware that Bank of China and Industrial and Commercial Bank of China, had frozen the bank accounts of two of our wholly owned subsidiaries in the PRC ("**PRC Subsidiaries**"). A legal counsel in the PRC was appointed to pursue a resolution of the matter. After documents submissions and communication with the officer-in-charge ("**OIC**") of the case in Yan Ta police station, Shanxi Province, Xi'an City, PRC, the affected bank accounts were "unfrozen" as announced on 24 November 2020, and the PRC Subsidiaries have since resumed use of the funds in the affected bank accounts for our normal business operations.

On 25 October 2019, the shareholders of the Company approved the proposed diversification of the Group's business into the Financial Solutions business. On 4 February 2020, after satisfactory due diligence, the Group proceeded to acquire a 51% interest in the enlarged share capital of Luminor Capital (Malaysia) Sdn Bhd ("**Luminor Malaysia**"). Luminor Malaysia is an entity involved in the Financial Solutions business. In September 2020, Luminor Malaysia completed the acquisition of 85% interest in SA Puncak Management Sdn. Bhd. ("**SA Puncak**"), formerly known as El Nuwr Capital Sdn. Bhd. SA Puncak is in the business of providing factoring facilities, leasing and building credit.

In the property related segment, the Group sold its last unit of semi-detached house in Singapore in July 2020. The Group has also sold substantial portion of the property projects in Fuling District of Chongqing, PRC. As at 31 December 2020, the Group is left with 11 residential units, 25 commercial units and 73 carpark lots in the PRC.

REVIEW OF OPERATIONS

For the financial year under review, revenue was RMB37.4 million, a 26.1% improvement from the revenue of RMB29.6 million for financial year ended 31 December 2019 ("**FY2019**"). The higher revenue in FY2020 is mainly a result of sale of one unit of semi-

CHAIRMAN'S MESSAGE

detached house in Singapore in FY2020. The following table is a comparison of the units sold in FY2020 vis-à-vis FY2019:

	FY2020	FY2019
Jalan Nipah project		
– Residential unit	1	–
Singapore Garden project		
– Residential units	7	12
– Commercial units	–	1
– Carpark lots	42	43
University Town project		
– Commercial units	–	1
– Carpark lots	–	3

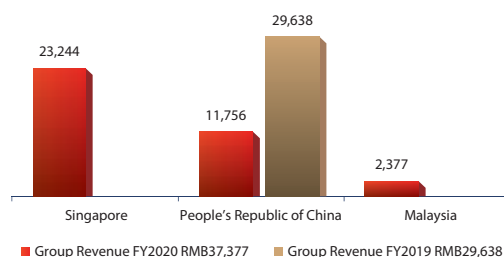
With the sales in FY2020, the Group has following remaining unsold units:

Project	Residential units	Commercial units	Carpark lots
Singapore Garden	11	23	41
University Town	–	2	32
Total	11	25	73

Despite the higher revenue in FY2020 as compared to FY2019, the Group registered a loss before tax of RMB4.2 million in FY2020 as compared to a profit before tax of RMB7.5 million in FY2019. This is because the sale of the semi-detached house in Singapore is based on the recovery of the land cost from the joint development with no gross profit recognised. The loss was also attributable to fewer units sold in PRC and losses incurred by the newly acquired Luminor Malaysia Group due to the impact of global COVID-19 pandemic with additional administrative expenses incurred and impairment of goodwill.

As at 31 December 2020, the Group had net cash and bank balances of RMB105.2 million, properties held for sale amounting to RMB26.3 million and total development properties of RMB8.4 million. The properties held for sale are the unsold units of the Singapore Garden project and the University Town project in PRC. Development properties pertain to one

**GROUP REVENUE
BY GEOGRAPHICAL MARKETS (RMB'000)**



development property in Chongqing PRC. The Group has no bank borrowings as at 31 December 2020.

The Group's loss per share for FY2020 was 2.47 RMB cents compared with earnings per share of 1.06 RMB cents for FY2019. Having paid a dividend of 3 SGD cents per share, amounting to RMB21.9 million during the year ended 31 December 2020, our net asset value per share as at 31 December 2020 was RMB0.80, a decrease from RMB1.01 as at 31 December 2019.

LOOKING AHEAD

The Group will focus on growing the Financial Solutions business of Luminor Malaysia Group, where we see opportunities to serve the underserved small and medium enterprises (“SME”) lending and consumer loan markets, while continuing to offer various corporate advisory services.

The Group will continue to sell the remaining units of the Singapore Garden project and the University Town project.

As the Group's focus will be on the Financial Solutions business, the Company is proposing to change its name to Luminor Financial Holdings Limited so as to better reflect its strategy going forward.

IN APPRECIATION

On behalf of the Board of Directors of Starland Holdings Limited, I would like to take this opportunity to thank all our business associates and shareholders for their continued support. In addition, I wish to acknowledge our appreciation to the management team and all our employees for their hard work and dedication.

MR FOONG DAW CHING

Chairman

OPERATION AND **FINANCIAL REVIEW**

The Group's revenue is derived from the sale of properties, rental income from leasing of our properties in the PRC, interest income and fees from financial solutions. For FY2020, the Group recorded revenue of RMB37.4 million, an increase of RMB7.7 million as compared to FY2019. Revenue in FY2020 was mainly derived from sale of one unit of semi-detached house in Singapore and sale of residential and carpark lots of the Singapore Garden project in the PRC. In FY2020, 93.6% of revenue was derived from property segment both in Singapore and in PRC, and the 6.4% of revenue was derived from our recently acquired financial solutions business in Malaysia.

The higher revenue in FY2020 is mainly a result of sale of one unit of semi-detached house in Singapore in FY2020. The Group sold 7 residential units and 42 carpark lots of the Singapore Garden project in the PRC and 1 unit of semi-detached house of the Jalan Nipah project in Singapore in FY2020. In FY2019, the Group sold 12 residential units, 1 commercial unit and 43 carpark lots of the Singapore Garden project, 1 commercial unit and 3 carpark lots of the University Town project in the PRC.

Rental income was derived from the rental of the unsold commercial units under the University Town project and the Singapore Garden project. Rental income amounted to RMB1.2 million and accounted for 3.3% of the total revenue in FY2020 as compared to RMB2.1 million which accounted for 7.0% of total revenue in FY2019.

The Group recorded a loss before tax of RMB4.2 million in FY2020 as compared to profit before tax of

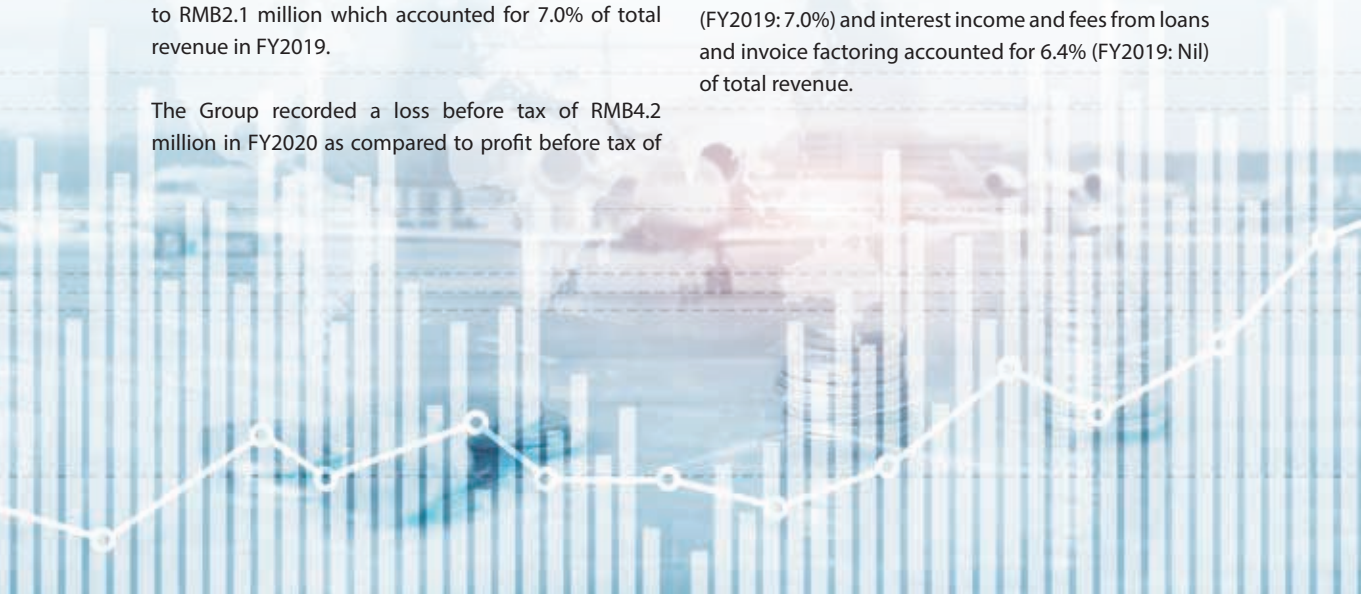
RMB7.5 million in FY2019. This is because the sale of the semi-detached house in Singapore is based on the recovery of the land cost from the joint development with no gross profit recognised. The loss was also attributable to fewer units sold in PRC and losses incurred by the newly acquired Luminor Malaysia Group due to the impact of global COVID-19 pandemic with additional administrative expenses incurred and impairment of goodwill.

The Group posted a loss after tax of RMB5.0 million for FY2020, a decrease of RMB6.5 million as compared to the profit after tax of RMB1.5 million achieved in FY2019.

On a per share basis, basic and diluted loss per share for FY2020 was 2.47 RMB cents and earnings per share for FY2019 was 1.06 RMB cents. Net asset value per share as at 31 December 2020 amounted to RMB0.80, a decrease from RMB1.01 as at 31 December 2019.

BUSINESS SEGMENT

The Group derives its revenue mainly from (1) sale of properties both in the PRC and Singapore (2) rental income from leasing of our properties in PRC and (3) interest income and fees from financial solutions derived from the recently acquired financial solutions business in Malaysia. For FY2020, sale of properties accounted for 90.3% (FY2019: 93.0%) of total revenue, rental income accounted for 3.3% (FY2019: 7.0%) and interest income and fees from loans and invoice factoring accounted for 6.4% (FY2019: Nil) of total revenue.



BOARD OF DIRECTORS



MR FOONG DAW CHING

Independent Director

MR FOONG DAW CHING is our *Independent Director* and was appointed to the Board of our Company on 26 March 2012. Mr Foong is the chairman of the Board of Directors. He has more than 30 years of audit experience and was the managing partner of Baker Tilly TFW LLP and the Regional Chairman of Baker Tilly International Asia Pacific Region. He retired as managing partner of Baker Tilly TFW LLP and stepped down as the Regional Chairman of Baker Tilly International Asia Pacific Region in 2010 and 2016 respectively.

He is an Independent Director and the chairman of the audit committee of Travelite Holdings Ltd, and Suntar Eco-city Limited. He is also an Independent Director of ayondo. All these companies are listed on the SGX-ST. He was awarded the Merit Service Award by the Institute of Certified Public Accountants of Singapore in 2000, and a Public Service Medal (Pingat Bakti Masyarakat) by the President of Singapore in 2003.

Mr Foong is a Fellow of the Institute of Chartered Accountants in England and Wales, a Fellow of the Institute of Singapore Chartered Accountants and a Fellow of CPA Australia.

MR KWAN CHEE SENG is our *Non-Executive Director* and was appointed to the Board of our Company on 18 February 2016. He is also an Executive Director of GRP Limited, the company's ultimate holding company. Mr Kwan has extensive experience in management and investment, particularly in the area of Mergers and Acquisitions ("**M&A**"). Besides being the Chairman of Van der Horst Holdings Pte Ltd, his investment holding company, Mr Kwan has been a substantial shareholder of ASX-listed company, Variscan Mines Ltd since 2008.

In 2009, Mr Kwan began his Fund management business with Luminor Capital Pte Ltd, a manager of private equity funds, as a founding director. Thus, he brings to the Board an unique set of skills with a M&A angle.



MR KWAN CHEE SENG

Non-Executive Director

BOARD OF DIRECTORS



MS KWAN YU WEN
Executive Director

MS KWAN YU WEN is our Executive Director and was appointed to the Board of our Company on 21 December 2020. She is also a Non-Executive Director of GRP Limited, the company's ultimate holding company.

She was the Assistant Director, Operations and Business Development of Luminor Capital Pte Ltd from January 2017 to February 2019.

Ms Kwan graduated from the Singapore Management University with a Bachelor of Science (Economics) degree in 2015.

Ms Kwan is the daughter of Mr Kwan Chee Seng, Non-Executive Director of our company, Executive Director and substantial shareholder of GRP Limited, the company's ultimate holding company.

MR TAN CHADE PHANG is our Independent Director and was appointed to the Board of our company on 18 February 2016. He is the CEO and founder of Voyage Research since 2009 till present. Prior to setting up Voyage Research, he was an Investment Analyst with Standard Chartered Bank Singapore from 2007 to 2008, and was also the lead Investment Analyst in SIAS Research from 2005 to 2006. Mr Tan is currently also the President of the Small and Middle Capitalisation Companies Association.

Mr Tan is an Independent Director of OUE Lippo Healthcare Limited (formerly known as International Healthway Corporation Ltd) and TIH Limited. He is also appointed as an Independent Director of REVEZ Corporation Ltd and Camsing Healthcare Limited in 2021.

He graduated with a Bachelor of Business in Accountancy Degree from RMIT University and obtained a Master of Finance from the same university.



MR TAN CHADE PHANG
Independent Director

MR LIM SEE YONG is our Independent Director and was appointed to the Board of our Company on 1 July 2019. He was the Managing Director of Xin Sheng International Pte Ltd from 2006 to 2018. Mr Lim was also the Independent Director of Western Plains Resources Limited from 2007 to 2019.

Mr Lim graduated from the National University of Singapore with a Bachelor of Business Administration (Major in Finance).



MR LIM SEE YONG
Independent Director

KEY MANAGEMENT

MR KELVIN KWAN CHEE HONG

General Manager, Property

MR KELVIN KWAN CHEE HONG was appointed as **General Manager** of our Company on 18 February 2016. Prior to joining our Company, he was the General Manager of the Property Division of GRP Limited the company's ultimate holding company. Mr Kwan was the Investment Director of Van der Horst Holdings Pte Ltd in 2013. He was the Assistant General Manager of GKE International Ltd from 2008 to 2012. He has more than 30 years of manufacturing and sales experience.

Mr Kwan holds a Full Technology Certificate in Electricity from City & Guild of London Institute and a Master degree in Business Administration from Henley Brunei University.

MS ANNIE XIONG YING

Finance Manager

MS ANNIE XIONG YING was appointed as the **Finance Manager** of our Company on 18 June 2018. She is responsible for the finance, accounting, taxation and compliance matters relating to the Group's operations. Before her current appointment, she was the Senior Accountant of GRP Limited, the company's ultimate holding company. Ms Xiong has held finance positions in multi-national corporations, Singapore-listed companies and international accounting firm. Collectively, Ms Xiong has more than 10 years of experience in the field of accountancy.

Ms Xiong holds a degree in Bachelor of Science in Applied Accounting (2nd Upper Honours) from Oxford Brookes University, UK. She is a member of the Institute of Singapore Chartered Accountants and an affiliate of The Association of Chartered Certified Accountants.

MR LUO DENG XIAO

Deputy General Manager, Property

MR LUO DENG XIAO is our **Deputy General Manager** and joined our Company in August 2008. Prior to that, from April 1992 to July 2008, he was a superintendent in Fuling Iron Alloy Plant (涪陵铁合金厂) in charge of operations, administrative matters, human resources and finance matters, where he held the position of head of technical department. He was also a planning executive in Sichuan Automobile Factory (四川汽车制造厂) from July 1983 to March 1992, where he was in charge of its production plans and supervised the production departments.

Mr Luo graduated with a Diploma in Economic Management from the Party School of the Central Committee of the Communist Party of China (中共中央党校) in June 2000.

MR PAUL OW PENG YONG

*Chairman and Executive Director,
Financial Solutions Business ("FSB")*

MR PAUL OW PENG YONG was appointed as **Chairman and Executive Director** of Luminor Malaysia in February 2019 and is one of the founders of the company. He was previously the chairman of Macquarie Capital Securities Malaysia and an executive director of the Macquarie Bank Group Australia.

Mr Ow holds a degree in Economics from University of Western Australia.

KEY MANAGEMENT

MR WISUN SOON

Chief Executive Officer and Executive Director, FSB

MR WISUN SOON was appointed as **Chief Executive Officer and Executive Director** of Luminor Malaysia in February 2019 and is one of the founders of the company. He was previously Head of Corporate Finance of KAF Investment Bank Malaysia.

Mr Soon holds a degree in Finance and Economics from the University of Technology Sydney Australia.

MR LIM AIK TEONG (RICHARD)

Chief Operating Officer and Executive Director, FSB

MR LIM AIK TEONG (RICHARD) was appointed as **Chief Operating Officer and Executive Director** of Luminor Malaysia in February 2019 and is one of the founders of the company. He was previously with KAF Investment Bank Malaysia.

Mr Lim holds a degree in Finance and Information Technology from the University of Technology Sydney Australia.

MS LOH YOOK MUN (IVANNA)

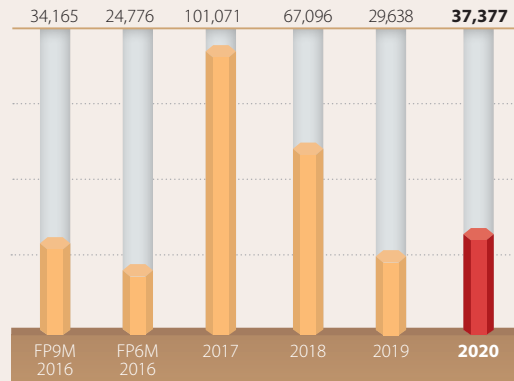
Head, Business Development, FSB

MS LOH YOOK MUN (IVANNA) was appointed as **Head, Business Development** of Luminor Malaysia in February 2019 and is one of the founders of the company. She was previously overseeing the client coverage, deal analysis and execution for debt and equity capital market related deals at Well-Cept Equity Partners Sdn. Bhd.. Her former employers include a Big-4 audit firm in Malaysia.

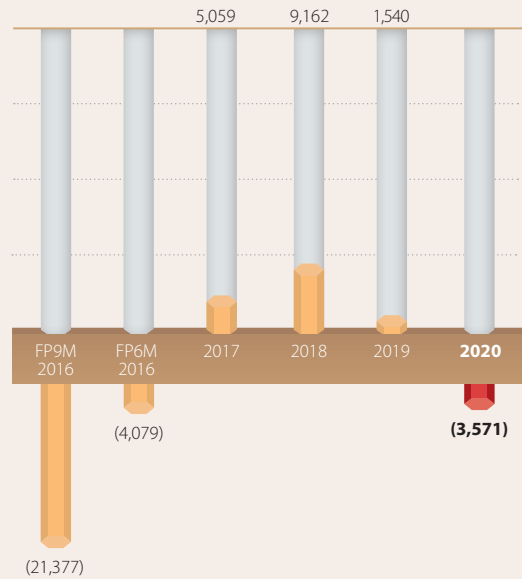
Ms. Loh holds a degree in Applied Accounting and is a member of the Association of Chartered Certified Accountants.

FINANCIAL HIGHLIGHTS

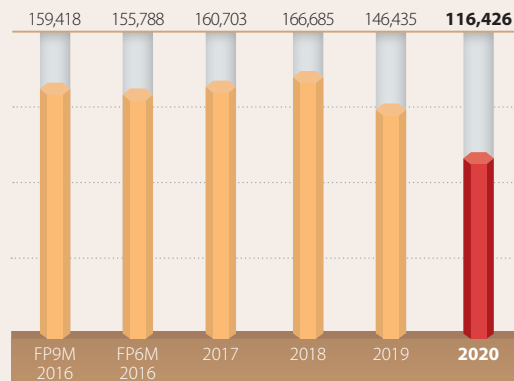
REVENUE (RMB'000)



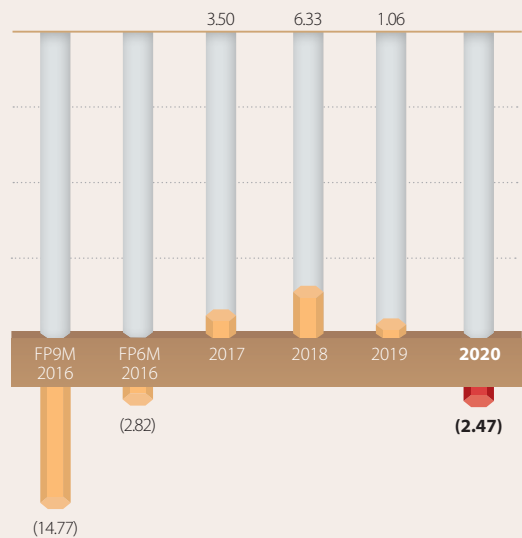
NET PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY (RMB'000)



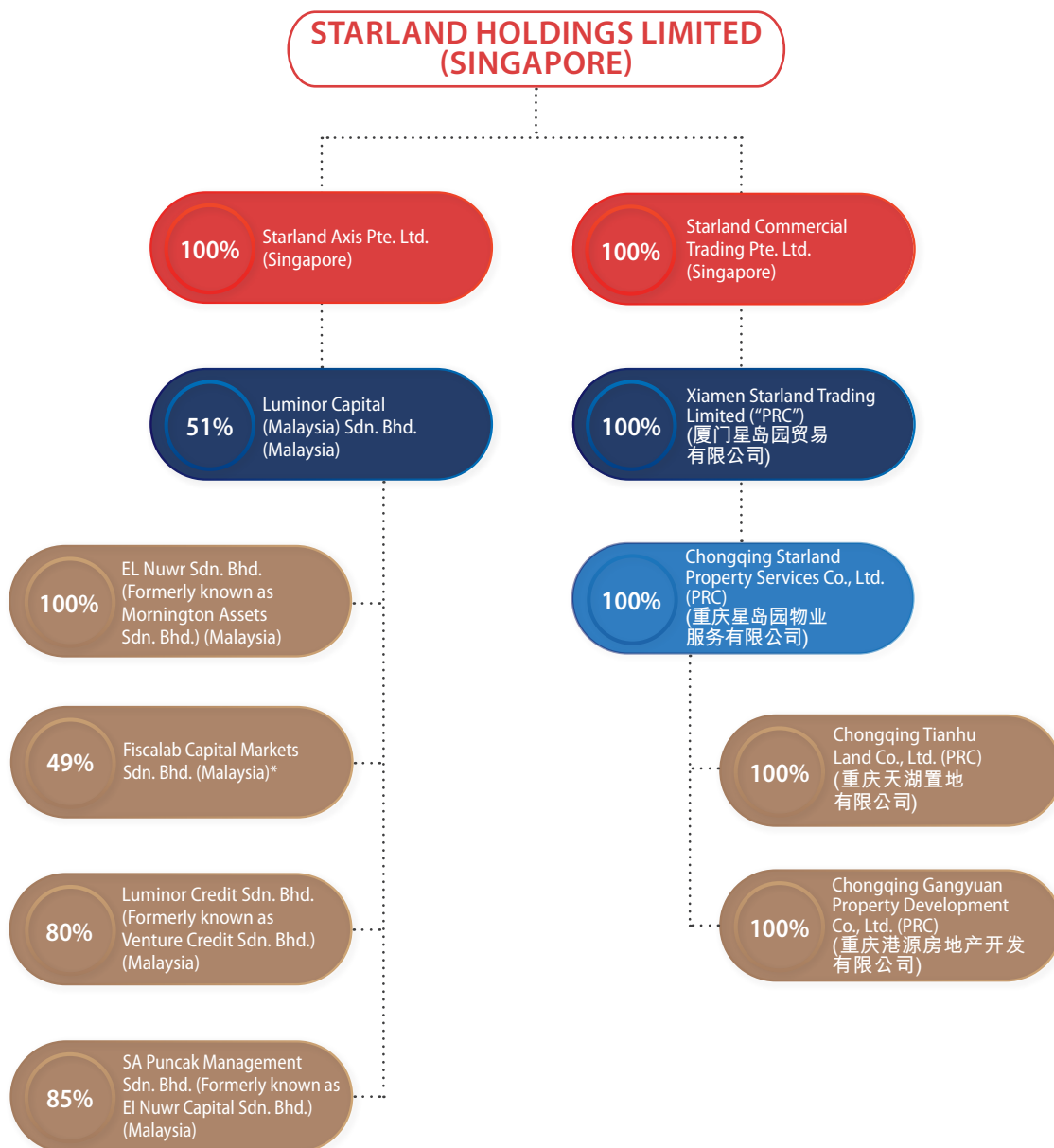
SHAREHOLDERS' EQUITY (RMB'000)



EARNINGS/(LOSS) PER SHARE (RMB CENTS)



CORPORATE STRUCTURE



* Fiscalab Capital Markets Sdn. Bhd. is an associate of the Group.

CORPORATE INFORMATION

FULL NAME OF COMPANY

Starland Holdings Limited

(Company registration number: 201131382E)

BOARD OF DIRECTORS

Foong Daw Ching

(Non-Executive Independent Chairman)

Kwan Chee Seng

(Non-Executive Director)

Kwan Yu Wen

(Executive Director)

Tan Chade Phang

(Independent Director)

Lim See Yong

(Independent Director)

COMPANY SECRETARY

Belinda Low Chou Yen

REGISTERED OFFICE

20 Collyer Quay

#01-02

Singapore 049319

TEL: (65) 6932 2760

FAX: (65) 6536 0688

SHARE REGISTRAR &**SHARE TRANSFER OFFICE**

Tricor Barbinder Share Registration Services

80 Robinson Road

#02-00 Singapore 068898

CATALIST SPONSOR

UOB Kay Hian Private Limited

8 Anthony Road #01-01

Singapore 229957

INDEPENDENT AUDITOR

Baker Tilly TFW LLP

**Public Accountants and Chartered Accountants,
Singapore**

600 North Bridge Road

#05-01 Parkview Square

Singapore 188778

Partner-in-charge:

Tay Guat Peng

(Appointed since financial year ended

31 December 2020)

PRINCIPAL BANKERS

United Overseas Bank

大华银行

OCBC Bank

华侨银行

Bank of China

中国银行

REPORT ON CORPORATE GOVERNANCE

DISCLOSURE TABLE FOR ANNUAL REPORT IN COMPLIANCE TO THE CODE OF CORPORATE GOVERNANCE 2018 AND CATALIST RULES

The Board of Directors (the “**Board**”) of Starland Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is committed to maintaining high standards of corporate governance and places importance on its corporate governance processes and systems so as to ensure greater transparency, accountability and maximisation of long-term shareholder value.

This corporate governance report, set out in tabular form, outlines the Company’s corporate governance structures and practices that were in place during the financial year ended 31 December 2020 (“**FY2020**”), with specific reference made to the principles and provision of the Code of Corporate Governance 2018 (the “**Code**”).

I. BOARD MATTERS																
The Board’s Conduct of Affairs																
Principle 1: The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.																
1.1	Principal Duties of the Board	<p>Currently, the Board has 5 members and comprises the following:</p> <table border="1"> <thead> <tr> <th colspan="2">Table 1.1 – Composition of the Board</th> </tr> <tr> <th>Name of Director</th> <th>Designation</th> </tr> </thead> <tbody> <tr> <td>Mr Kwan Chee Seng</td> <td>Non-Executive Director</td> </tr> <tr> <td>Ms Kwan Yu Wen</td> <td>Executive Director</td> </tr> <tr> <td>Mr Foong Daw Ching</td> <td>Non-Executive Independent Chairman</td> </tr> <tr> <td>Mr Tan Chade Phang</td> <td>Independent Director</td> </tr> <tr> <td>Mr Lim See Yong</td> <td>Independent Director</td> </tr> </tbody> </table> <p>The Board is entrusted to lead and oversee the Company, with the fundamental principle to act in the best interests of the Company. In addition to its statutory duties, the Board’s principle functions are:</p> <ul style="list-style-type: none"> to review and advise on overall strategic plans, key operational initiatives, performance of management of the Company; and to assume responsibility for overall corporate governance of the Group and to ensure that the Group’s strategies are in the interests of the Group. 	Table 1.1 – Composition of the Board		Name of Director	Designation	Mr Kwan Chee Seng	Non-Executive Director	Ms Kwan Yu Wen	Executive Director	Mr Foong Daw Ching	Non-Executive Independent Chairman	Mr Tan Chade Phang	Independent Director	Mr Lim See Yong	Independent Director
Table 1.1 – Composition of the Board																
Name of Director	Designation															
Mr Kwan Chee Seng	Non-Executive Director															
Ms Kwan Yu Wen	Executive Director															
Mr Foong Daw Ching	Non-Executive Independent Chairman															
Mr Tan Chade Phang	Independent Director															
Mr Lim See Yong	Independent Director															
	Independent Judgement	All Directors exercise due diligence and independent judgement in dealing with the business affairs of the Group and are obliged to act in good faith and to make objective decisions in the interest of the Group.														

REPORT ON CORPORATE GOVERNANCE

	Conflict of interest	Each Director is expected, in the course of carrying out his duties, to act in good faith to provide insights and objectively make decisions in the interest of the Company. Any Director facing a conflict of interests will recuse himself from discussions and decisions involving the issue of conflict.
1.2	Directors' Orientation and Training	<p>The Company ensures that incoming new Directors are given guidance and orientation program to get them familiarised with the Group's businesses, organisation structure, corporate strategies and policies and corporate governance practices upon their appointment and to facilitate the effective discharge of their duties.</p> <p>For new Directors who do not have prior experience as a Director of a public listed company in Singapore, they will have to undergo training programme, particularly courses conducted by the Singapore Institute of Directors ("SID"), to develop the requisite individual skills, such as knowledge on the Companies Act (Chapter 50) of Singapore and the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited.</p> <p>They will be given training appropriate to the level of their previous experience and will be provided with extensive background information about the Group's history and core values, its strategic direction and corporate governance practices as well as industry-specific knowledge. The Directors will also have the opportunity to visit the Group's operational facilities and meet with the Management to gain a better understanding of the Group's business operations.</p> <p>Ms Kwan Yu Wen was appointed as an Executive Director on 21 December 2020. Ms Kwan Yu Wen has been a Director of GRP Limited since 13 February 2019.</p> <p>In FY2020 Mr Lim See Yong attended the following course: LED 2 – Board Dynamics, LED 3 – Board Performance, LED 4 – Stakeholder Engagement, LED 5 – Audit Committee Essentials, LED 6 – Board Risk Committee Essentials, LED 7 – Nominating Committee Essentials and LED 8 – Remuneration Committee Essentials organised by SID.</p>
		<p>A formal letter of appointment is provided to every new Director, setting out his/her duties and obligations.</p> <p>All Directors are updated regularly on key accounting and regulatory changes. Where necessary, the Company will arrange for presentations by external professionals, consultants and advisers on topics that would have an impact on the regulations, accounting standards and the implications of certain regulatory changes that may affect the Group and responsibilities of the Directors.</p>

REPORT ON CORPORATE GOVERNANCE

1.3	Board Approval	<p>Matters that require the Board's approval include the following:</p> <ul style="list-style-type: none"> • strategic direction of the Group; • business practices and risk management of the Group; • annual budgets, major funding proposals, investment and divestment of proposals; • the Group's internal control, financial performance, compliance practices and resources allocation; • material acquisitions and disposal of assets; • convening of shareholders' meetings; • corporate or financial restructuring; • share issuance, dividends and other returns to shareholders; and • interested person transaction. 																														
1.4 4.2	Delegation by the Board	<p>Board committees, namely the Audit Committee (the "AC"), the Nominating Committee (the "NC"), the Remuneration Committee (the "RC"), the Risk Management Committee (the "RMC") (collectively the "Board Committees") have been constituted to assist the Board in the discharge of its responsibilities. The duties, authorities and responsibilities of each committee are set out in their respective terms of reference.</p> <table border="1" data-bbox="563 1116 1204 1591"> <thead> <tr> <th colspan="5" data-bbox="563 1116 1204 1160">Table 1.4 – The compositions of the Board Committees</th> </tr> <tr> <th data-bbox="563 1160 686 1204"></th> <th data-bbox="686 1160 821 1204">AC</th> <th data-bbox="821 1160 957 1204">NC</th> <th data-bbox="957 1160 1093 1204">RC</th> <th data-bbox="1093 1160 1204 1204">RMC</th> </tr> </thead> <tbody> <tr> <td data-bbox="563 1204 686 1308">Chairman</td> <td data-bbox="686 1204 821 1308">Mr Foong Daw Ching</td> <td data-bbox="821 1204 957 1308">Mr Tan Chade Phang</td> <td data-bbox="957 1204 1093 1308">Mr Tan Chade Phang</td> <td data-bbox="1093 1204 1204 1308">Mr Lim See Yong</td> </tr> <tr> <td data-bbox="563 1308 686 1411">Member</td> <td data-bbox="686 1308 821 1411">Mr Tan Chade Phang</td> <td data-bbox="821 1308 957 1411">Mr Foong Daw Ching</td> <td data-bbox="957 1308 1093 1411">Mr Foong Daw Ching</td> <td data-bbox="1093 1308 1204 1411">Mr Foong Daw Ching</td> </tr> <tr> <td data-bbox="563 1411 686 1515">Member</td> <td data-bbox="686 1411 821 1515">Mr Lim See Yong</td> <td data-bbox="821 1411 957 1515">Mr Lim See Yong</td> <td data-bbox="957 1411 1093 1515">Mr Lim See Yong</td> <td data-bbox="1093 1411 1204 1515">Mr Tan Chade Phang</td> </tr> <tr> <td data-bbox="563 1515 686 1591">Member</td> <td data-bbox="686 1515 821 1591">–</td> <td data-bbox="821 1515 957 1591">Mr Kwan Chee Seng</td> <td data-bbox="957 1515 1093 1591">–</td> <td data-bbox="1093 1515 1204 1591">–</td> </tr> </tbody> </table>	Table 1.4 – The compositions of the Board Committees						AC	NC	RC	RMC	Chairman	Mr Foong Daw Ching	Mr Tan Chade Phang	Mr Tan Chade Phang	Mr Lim See Yong	Member	Mr Tan Chade Phang	Mr Foong Daw Ching	Mr Foong Daw Ching	Mr Foong Daw Ching	Member	Mr Lim See Yong	Mr Lim See Yong	Mr Lim See Yong	Mr Tan Chade Phang	Member	–	Mr Kwan Chee Seng	–	–
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REPORT ON CORPORATE GOVERNANCE

1.5	Board Meetings and Attendance	<p>The Board meets at least twice yearly and additional meetings for particular matters are convened as and when they are deemed necessary. In FY2020, the number of Board and Board Committee meetings held and the attendance of each Board member are shown below:</p> <table border="1" data-bbox="563 463 1208 870"> <thead> <tr> <th colspan="5">Table 1.5 – Board and Board Committees Meeting in FY2020</th> </tr> <tr> <th>Name</th> <th>Board</th> <th>Audit Committee</th> <th>Nominating Committee</th> <th>Remuneration Committee</th> </tr> </thead> <tbody> <tr> <td>Number of meetings held</td> <td>4</td> <td>4</td> <td>3</td> <td>1</td> </tr> <tr> <td>Directors</td> <td colspan="4">No. of Meetings Attended</td> </tr> <tr> <td>Mr Kwan Chee Seng</td> <td>4</td> <td>3*</td> <td>3</td> <td>1*</td> </tr> <tr> <td>Ms Peng Peck Yen⁽¹⁾</td> <td>4</td> <td>3*</td> <td>3*</td> <td>1*</td> </tr> <tr> <td>Mr Foong Daw Ching</td> <td>4</td> <td>4</td> <td>3</td> <td>1</td> </tr> <tr> <td>Mr Tan Chade Phang</td> <td>4</td> <td>4</td> <td>3</td> <td>1</td> </tr> <tr> <td>Mr Lim See Yong</td> <td>4</td> <td>4</td> <td>3</td> <td>1</td> </tr> <tr> <td>Ms Kwan Yu Wen⁽²⁾</td> <td>4*</td> <td>3*</td> <td>3*</td> <td>1*</td> </tr> </tbody> </table> <p>* Attendance by invitation</p> <p>Notes:</p> <p>(1) Ms Peng Peck Yen resigned as an Executive Director on 21 December 2020</p> <p>(2) Ms Kwan Yu Wen was appointed as an Executive Director on 21 December 2020</p> <p>The Company's constitution (the "Constitution") allows for teleconferencing and videoconferencing meetings.</p>	Table 1.5 – Board and Board Committees Meeting in FY2020					Name	Board	Audit Committee	Nominating Committee	Remuneration Committee	Number of meetings held	4	4	3	1	Directors	No. of Meetings Attended				Mr Kwan Chee Seng	4	3*	3	1*	Ms Peng Peck Yen ⁽¹⁾	4	3*	3*	1*	Mr Foong Daw Ching	4	4	3	1	Mr Tan Chade Phang	4	4	3	1	Mr Lim See Yong	4	4	3	1	Ms Kwan Yu Wen ⁽²⁾	4*	3*	3*	1*
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REPORT ON CORPORATE GOVERNANCE

1.6	Access to Information	<p>The Company recognises that the flow of relevant, complete and accurate information on a timely basis is critical for the Board to discharge its duties effectively. The management provides the Board with half-yearly management accounts, as well as relevant background or explanatory information relating to the matters that would be discussed at the Board meetings, prior to the scheduled meetings. All Directors are also furnished with updates on the financial position and any material developments of the Group as and when necessary.</p> <table border="1" data-bbox="563 569 1204 1036"> <thead> <tr> <th colspan="3" data-bbox="563 569 1204 624">Table 1.6 – Types of information provided by key management personnel to Directors</th> </tr> <tr> <th data-bbox="563 624 614 661"></th> <th data-bbox="614 624 1030 661">Information</th> <th data-bbox="1030 624 1204 661">Frequency</th> </tr> </thead> <tbody> <tr> <td data-bbox="563 661 614 741">1.</td> <td data-bbox="614 661 1030 741">Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)</td> <td data-bbox="1030 661 1204 741">Half-yearly</td> </tr> <tr> <td data-bbox="563 741 614 802">2.</td> <td data-bbox="614 741 1030 802">Updates to the Group's operations and the markets in which the Group operates in</td> <td data-bbox="1030 741 1204 802">As and when relevant</td> </tr> <tr> <td data-bbox="563 802 614 881">3.</td> <td data-bbox="614 802 1030 881">Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis), and External Auditors' ("EA") report(s)</td> <td data-bbox="1030 802 1204 881">Half-yearly</td> </tr> <tr> <td data-bbox="563 881 614 940">4.</td> <td data-bbox="614 881 1030 940">Reports on on-going or planned corporate actions</td> <td data-bbox="1030 881 1204 940">As and when relevant</td> </tr> <tr> <td data-bbox="563 940 614 1001">5.</td> <td data-bbox="614 940 1030 1001">Enterprise risk framework and internal auditors' ("IA") report(s)</td> <td data-bbox="1030 940 1204 1001">Yearly</td> </tr> <tr> <td data-bbox="563 1001 614 1036">6.</td> <td data-bbox="614 1001 1030 1036">Shareholding statistics</td> <td data-bbox="1030 1001 1204 1036">Yearly</td> </tr> </tbody> </table> <p>Key management personnel will also provide any additional material or information that is requested by Directors or that is necessary to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects.</p>	Table 1.6 – Types of information provided by key management personnel to Directors				Information	Frequency	1.	Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)	Half-yearly	2.	Updates to the Group's operations and the markets in which the Group operates in	As and when relevant	3.	Budgets and/or forecasts (with variance analysis), management accounts (with financial ratios analysis), and External Auditors' ("EA") report(s)	Half-yearly	4.	Reports on on-going or planned corporate actions	As and when relevant	5.	Enterprise risk framework and internal auditors' ("IA") report(s)	Yearly	6.	Shareholding statistics	Yearly
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1.7	Access to Management and Company Secretary	<p>The Board, particularly the Independent Directors who are Non-Executive Directors, are kept well informed of the Group's business and are knowledgeable about the industry the Group operates in. To ensure that the Independent Directors are well supported by accurate, complete and timely information, they have unrestricted access to Management, and have sufficient time and resources to discharge their functions effectively.</p> <p>The Board has separate and independent access to the Company Secretary and the Management at all times through emails, telephone and face-to-face meetings. Any additional materials or information requested by the Directors to make informed decisions is promptly furnished.</p>																								

REPORT ON CORPORATE GOVERNANCE

		<p>The role of the Company Secretary is as follows:</p> <ul style="list-style-type: none"> • assists the Chairman and the Chairman of each Board Committee in the development of the agenda for the various Board and Board Committees' meetings; • administers and attends all Board and Board Committees' meetings and prepares minutes of meetings; • ensures that Board procedures are observed and that applicable rules are complied with; and • advises the Board in implementing and strengthening corporate governance practices and processes, with a view to enhance long-term shareholder value, as well as assisting the Chairman in ensuring good information flows within the Board and its Board Committees. <p>The appointment and the removal of the Company Secretary are subject to the approval of the Board.</p>
	Independent Professional Advice	<p>Where the Directors, whether individually or collectively, require independent professional advice in furtherance of their duties, the Company Secretary may assist in appointing a professional advisor to render the advice and keep the Board informed of such advice. The cost of obtaining such professional advice will be borne by the Company.</p>
<u>Board Composition and Guidance</u>		
Principle 2: The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.		
2.1 2.2	Board Independence	<p>Currently, the Board consists of five Directors, of whom three are considered independent by the Board, which complies with the Code's provisions whereby Independent Directors are to make up majority of the Board.</p> <p>The Board believes there is a strong element of independence in the Board as the Independent Directors constitute majority of the Board, and that no individual or small group of individuals dominates the Board's decision-making process. The Board exercises independent judgement on corporate affairs and provides Management with a diverse, professional and objective perspective on issues.</p> <p>The independence of each Director is assessed and reviewed annually by the NC.</p>

REPORT ON CORPORATE GOVERNANCE

		<p>The Independent Directors, Mr Foong Daw Ching, Mr Tan Chade Phang and Mr Lim See Yong had confirmed their independence during the Company's Nominating Committee meeting held on 9 February 2021.</p> <p>The Independent Directors do not have any relationship as stated in the Code that would otherwise deem him not to be independent.</p> <p>Apart from Mr Foong Daw Ching, none of the Independent Directors on the Board has served for a period exceeding nine years from the date of his first appointment. As of 26 March 2021, Mr Foong Daw Ching has served for more than nine years. In anticipation of Rule 406(3)(d)(iii) of the Catalyst Rules which will take effect from 1 January 2022 and provides that a director will not be independent if he has been a director for an aggregate period of more than nine years and his continued appointment as an independent director has not been sought and approved in separate resolutions by (a) all shareholders; and (b) shareholders excluding the directors and the CEO of the company, and their respective associates, the Company is proposing to seek the requisite approvals for his continued appointment as an Independent Director.</p> <p>The Board is of the view that the independence of the Independent Directors must be based on the substance of their professionalism, integrity and objectivity, and not merely based on form such as the number of years which they have served on the Board. The Board conducted rigorous review by examining any conflicts of interest, their review and scrutiny of matters and proposals put before the Board, their exercise of independent judgement, the effectiveness of their oversight role as a check and balance on the acts of the Executive Directors and the Management as well as their role in enhancing and safeguarding the interests of the Company and its shareholders. Upon review, the Board considers Mr Foong Daw Ching to remain independent.</p>
2.3	Proportion of Non- Executive Directors	The majority of the Board are Non-Executive Directors.
2.4	Board Composition	The profile of the Directors and key information are set out on pages 9 to 10 of this Annual Report.

REPORT ON CORPORATE GOVERNANCE

	Board Diversity	<p>The NC is responsible for examining the size and composition of the Board and Board Committees. Taking into account the nature and scope of the Group's business and the number of Board Committees, in concurrence with the NC, the Board believes that the current size and composition provide sufficient diversity without interfering with efficient decision making.</p> <p>The Board's primary consideration in identifying Director nominees is to have an appropriate mix of members with core competencies such as accounting or finance, business or management experience, industry knowledge, strategic planning experience, customer-based experience or knowledge.</p> <p>The current Board composition provides a diversity of skills, experience and knowledge to the Company as follows:</p> <table border="1" data-bbox="563 729 1207 1422"> <thead> <tr> <th colspan="3">Table 2.4 – Balance and Diversity of the Board</th> </tr> <tr> <th></th> <th><i>Number of Directors</i></th> <th><i>Proportion of Board (%)</i></th> </tr> </thead> <tbody> <tr> <td colspan="3">Core Competencies</td> </tr> <tr> <td>– Accounting or finance</td> <td>3</td> <td>60</td> </tr> <tr> <td>– Business management</td> <td>5</td> <td>100</td> </tr> <tr> <td>– Legal or corporate governance</td> <td>5</td> <td>100</td> </tr> <tr> <td>– Relevant industry knowledge or experience</td> <td>2</td> <td>40</td> </tr> <tr> <td>– Strategic planning experience</td> <td>5</td> <td>100</td> </tr> <tr> <td>– Customer based experience or knowledge</td> <td>5</td> <td>100</td> </tr> <tr> <td colspan="3">Gender</td> </tr> <tr> <td>– Male</td> <td>4</td> <td>80</td> </tr> <tr> <td>– Female</td> <td>1</td> <td>20</td> </tr> </tbody> </table>	Table 2.4 – Balance and Diversity of the Board				<i>Number of Directors</i>	<i>Proportion of Board (%)</i>	Core Competencies			– Accounting or finance	3	60	– Business management	5	100	– Legal or corporate governance	5	100	– Relevant industry knowledge or experience	2	40	– Strategic planning experience	5	100	– Customer based experience or knowledge	5	100	Gender			– Male	4	80	– Female	1	20
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REPORT ON CORPORATE GOVERNANCE

		<p>Whilst the Company has not adopted a formal board diversity policy, in practice the Board observes and applies the key tenets of diversity. The Board has taken the following steps to maintain or enhance its balance and diversity:</p> <ul style="list-style-type: none"> • Annual review by the NC to assess if the existing attributes and core competencies of the Board are complementary and enhance the efficacy of the Board; and • Annual evaluation by the Directors of the skill sets the other Directors possess, with a view to understand the range of expertise which is lacking by the Board. <p>The NC will consider the results of these exercises in its recommendation for the appointment of new Directors and/or the re-appointment of incumbent Directors. This ensures that collectively, the Board has an appropriate level of diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.</p>
2.5	Meeting of Independent Directors without Management	<p>The Independent Directors discuss and/or meet on a need-basis without the presence of the Management to discuss matters such as the Group's financial performance, corporate governance initiatives, board processes, succession planning as well as leadership development and the remuneration of the Executive Director.</p> <p>The Independent Directors have met without the presence of Management in FY2020 as required.</p>
Chairman and Chief Executive Officer		
Principle 3: There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.		
3.1 3.2 3.3	Separation of the Role of Chairman and the CEO	<p>The Board recognises the Code's recommendation that the Chairman and the Chief Executive Officer ("CEO") should be separate persons to ensure that there is an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making.</p> <p>Though the Company does not have a CEO in place, the responsibilities of the Group's business are undertaken by a collaborative effort between the Executive Director, Ms Kwan Yu Wen and the Management.</p>

REPORT ON CORPORATE GOVERNANCE

		<p>The Non-Executive Independent Chairman of the Company, Mr Foong Daw Ching, bears the responsibility for the effective conduct of the Board. The Chairman is not related to the Executive Director or the Management.</p> <p>The Chairman schedules Board meetings as and when required and sets the agenda for the Board meetings. He sets guidelines and ensures the quality, quantity, completeness, adequacy, and timeliness of information flow between the Board and Management of the Company.</p> <p>The Chairman also builds constructive relations within the Board and between the Board and the Management, and facilitates the effective participation of Non-Executive Directors by promoting a culture of openness and debate at the Board. The Chairman further ensures effective communication with shareholders and promotes high standards of corporate governance.</p>
Board Membership		
Principle 4: The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.		
4.1 4.2	NC Composition and Role	<p>The NC comprises four Directors, the majority of whom, including the Chairman of the NC are independent.</p> <p>Please refer to Provision 1.4 table above on the names of the members and the composition of the NC. The NC holds at least one (1) meeting in each financial year.</p> <p>The NC is guided by key terms of reference as follows:</p> <p>(1) To make recommendations to the Board on relevant matters relating to:</p> <p>(a) review of board succession plans for Directors;</p> <p>(b) development of a process for evaluation of the performance of the Board, the Board Committees and individual Director;</p> <p>(c) review of training and professional development programs for the Board;</p> <p>(d) review and approve any new employment of related persons and proposed terms of their employment;</p> <p>(e) decide whether or not a Director is able to and has been adequately carrying out his duties as a Director; and</p>

REPORT ON CORPORATE GOVERNANCE

		<p>(f) Board appointment and re-nominations of existing Directors for re-election in accordance with the Constitution (including alternate Directors, if applicable) after having considered important issues, as part of the process for the selection, appointment and re-appointment of Directors, as to composition and progressive renewal of the Board and each Director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation, candour) including, if applicable, as an Independent Director. All Directors submit themselves for re-nomination and re-appointment at regular intervals and at least once every three years.</p> <p>(2) To determine annually the independence of a Director;</p> <p>(3) To regularly review the Board's structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary;</p> <p>(4) In respect of a Director who has multiple Board representations on various companies, if any, to review and decide whether or not such Director is able to and has been adequately carrying out his duties as a Director, having regard to the competing time commitments that are faced by the Director when serving on multiple Boards and discharging his duties towards other principal commitments;</p> <p>(5) To recommend to the Board internal guidelines to address the competing time commitments faced by Directors who serve on multiple Boards;</p> <p>(6) To review and conclude that the person would similarly qualify as an Independent Director before his appointment as an alternate Director to an Independent Director;</p> <p>(7) To carry out a process for assessing:</p> <p>(a) the effectiveness of the Board as a whole and its Board Committees; and</p> <p>(b) the contribution by each Individual Director to the effectiveness of the Board; and</p> <p>(8) To decide how the Board's performance is to be evaluated and propose objective performance criteria, subject to the approval by the Board, which address how the Board has enhanced long term shareholders' value.</p>
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REPORT ON CORPORATE GOVERNANCE

4.1 4.3	Board Renewal & Succession Planning	The responsibilities of the NC are, among other things, to make recommendations to the Board on all Board appointments, re-appointments and oversee the Board and succession and leadership development plans to key management personnel (“KMP”). Succession planning is a crucial element to the Group’s corporate governance process. The NC will seek to refresh the Board membership progressively and in an orderly manner, to avoid losing institutional memory.														
	Process for Selection and Appointment of New Directors	<p>Table 4.1(a) – Process for the Selection and Appointment of New Directors</p> <table border="1" data-bbox="563 606 1204 1077"> <tr> <td data-bbox="563 606 625 741">1.</td> <td data-bbox="625 606 779 741">Determination of selection criteria</td> <td data-bbox="779 606 1204 741">The NC, in consultation with the Board, would identify the current needs of the Board in terms of expertise and skills that are required in the context of the strengths and weaknesses of the existing Board to complement and strengthen the Board.</td> </tr> <tr> <td data-bbox="563 741 625 851">2.</td> <td data-bbox="625 741 779 851">Search for suitable candidates</td> <td data-bbox="779 741 1204 851">The NC would tap on the Directors’ personal contacts and recommendations and/or through search companies in identifying suitable candidates for new appointment as Director.</td> </tr> <tr> <td data-bbox="563 851 625 1012">3.</td> <td data-bbox="625 851 779 1012">Assessment of shortlisted candidates</td> <td data-bbox="779 851 1204 1012">The NC would first assess and interview proposed candidates after taking into consideration the qualification and experience of each candidate, his/her ability to increase the effectiveness of the Board and to add value to the Group’s business in line with its strategic objectives.</td> </tr> <tr> <td data-bbox="563 1012 625 1077">4.</td> <td data-bbox="625 1012 779 1077">Appointment of Director</td> <td data-bbox="779 1012 1204 1077">The NC would recommend the selected candidate to the Board for consideration and approval.</td> </tr> </table> <p>The Board is also advised by the Sponsor on appointment of Directors as required under Catalist Rule 226(2)(d).</p>			1.	Determination of selection criteria	The NC, in consultation with the Board, would identify the current needs of the Board in terms of expertise and skills that are required in the context of the strengths and weaknesses of the existing Board to complement and strengthen the Board.	2.	Search for suitable candidates	The NC would tap on the Directors’ personal contacts and recommendations and/or through search companies in identifying suitable candidates for new appointment as Director.	3.	Assessment of shortlisted candidates	The NC would first assess and interview proposed candidates after taking into consideration the qualification and experience of each candidate, his/her ability to increase the effectiveness of the Board and to add value to the Group’s business in line with its strategic objectives.	4.	Appointment of Director	The NC would recommend the selected candidate to the Board for consideration and approval.
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3.	Assessment of shortlisted candidates	The NC would first assess and interview proposed candidates after taking into consideration the qualification and experience of each candidate, his/her ability to increase the effectiveness of the Board and to add value to the Group’s business in line with its strategic objectives.														
4.	Appointment of Director	The NC would recommend the selected candidate to the Board for consideration and approval.														
	Process for Re-appointment of Directors	<p>Table 4.1(b) – Process for the Re-electing Incumbent Directors</p> <table border="1" data-bbox="563 1212 1204 1594"> <thead> <tr> <th data-bbox="563 1212 625 1252"></th> <th data-bbox="625 1212 779 1252">Information</th> <th data-bbox="779 1212 1204 1252">Frequency</th> </tr> </thead> <tbody> <tr> <td data-bbox="563 1252 625 1483">1.</td> <td data-bbox="625 1252 779 1483">Assessment of Director</td> <td data-bbox="779 1252 1204 1483"> <ul style="list-style-type: none"> • The NC would assess performance of the Director in accordance with the performance criteria set by the Board, which included, inter-alia, commitment of time, knowledge and abilities, teamwork and overall effectiveness; and • Individual assessment of each Director is undertaken annually. </td> </tr> <tr> <td data-bbox="563 1483 625 1594">2.</td> <td data-bbox="625 1483 779 1594">Re-appointment of Director</td> <td data-bbox="779 1483 1204 1594"> <ul style="list-style-type: none"> • Subject to the NC’s satisfactory assessment, the NC would recommend the proposed re-appointment of the Director to the Board for its consideration and approval. </td> </tr> </tbody> </table>				Information	Frequency	1.	Assessment of Director	<ul style="list-style-type: none"> • The NC would assess performance of the Director in accordance with the performance criteria set by the Board, which included, inter-alia, commitment of time, knowledge and abilities, teamwork and overall effectiveness; and • Individual assessment of each Director is undertaken annually. 	2.	Re-appointment of Director	<ul style="list-style-type: none"> • Subject to the NC’s satisfactory assessment, the NC would recommend the proposed re-appointment of the Director to the Board for its consideration and approval. 			
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REPORT ON CORPORATE GOVERNANCE

All Directors submit themselves for re-nomination and re-appointment at regular intervals of at least once every three years. Article 89 of the Company's Constitution provides that one-third of the Directors (or, if their number is not a multiple of three, the number nearest to but not lesser than one-third) shall retire from office by rotation and be eligible for re-election at the Company's Annual General Meeting (the "AGM"). In addition, Article 88 of the Company's Constitution stipulates that a Director newly appointed by the Board during the financial year must retire and submit himself for re-appointment at the next AGM following his appointment. Thereafter, he is subject to be re-appointed at least once every three years at the Company's AGM.

The key information of the Directors, including their appointment dates and directorships held in the past 3 years, are set out as below:

Name of Director	Appointment	Date of initial appointment	Date of last re-election/ re-appointment	Directorship in other listed companies	
				Current	Past 3 Years
Kwan Chee Seng	Non-Executive Director	18 February 2016	5 June 2020	GRP Limited	Variscan Mines Limited
Kwan Yu Wen	Executive Director	21 December 2020	Not applicable	GRP Limited	Not applicable
Foong Daw Ching	Non-Executive Independent Chairman	26 March 2012	5 June 2020	(1) Travelite Holdings Ltd. (2) Suntar Eco-City Limited (3) Ayondo Ltd.	Not applicable
Tan Chade Phang	Independent Director	18 February 2016	26 April 2019	(1) OUE Lippo Healthcare Limited (formerly known as International Healthway Corporation Ltd) (2) TIH Limited (3) REVEZ Corporation Ltd (4) Camsing Healthcare Limited	(1) Transcorp Holdings Limited (2) Dapai International Holdings Co. Ltd. (3) TBK & Sons Holdings Limited
Lim See Yong	Independent Director	01 July 2019	5 June 2020	Not applicable	Western Plains Resources Ltd

Mr Tan Chade Phang and Mr Lim See Yong will retire and submit themselves for re-election at the forthcoming AGM pursuant to Article 89. Pursuant to Article 88, Ms Kwan Yu Wen will retire and submit herself for re-election at the forthcoming AGM. The retiring Directors have offered themselves for re-election. The Board has accepted the recommendation of the NC.

In making the recommendations, the NC had considered the Directors' overall contribution and performance.

Mr Tan Chade Phang will, upon re-election as a Director, remain as Chairman of NC and RC and member of the AC and RMC. Mr Lim See Yong will, upon re-election as a Director, remain as Chairman of RMC and member of the AC, NC and RC. Ms Kwan Yu Wen will, upon re-election remain as an Executive Director.

REPORT ON CORPORATE GOVERNANCE

		<p>The shareholdings of the individual Directors of the Company are set out on page 69. None of the Directors hold shares in the subsidiaries of the Company. Other information such as the experience and the professional qualifications of the Directors are set out on pages 9 and 10.</p> <p>Directors who are seeking re-appointment and continued appointment of Mr Foong Daw Ching as set out under Provision 2.1 above at the forthcoming AGM to be held by 27 April 2021 will be stated in the Notice of AGM.</p>
4.4	Continuous Review of Directors' Independence	<p>The NC is charged with determining the independence of the Directors as set out under Provision 2.1 above.</p> <p>The Board, after taking into consideration the views of the NC, is of the view that Mr Foong Daw Ching, Mr Tan Chade Phang and Mr Lim See Yong are independent and that, no individual or small group of individual dominates the Board's decision-making process.</p> <p>During FY2020, the Company did not have any alternate Directors.</p>
4.5	Directors' Time Commitments	<p>The NC ensures that new Directors are aware of their duties and obligations.</p> <p>The NC has reviewed the time spent and attention given by each of the Directors to the Company's affairs, and is satisfied that all Directors have discharged their duties adequately for FY2020.</p> <p>The NC has fixed a maximum limit of five (5) on the number of directorships a Director can hold in publicly listed companies.</p> <p>The considerations in assessing the capacity of Directors include the following:</p> <ul style="list-style-type: none"> • Expected and/or competing time commitments of Directors; • Geographical location of Directors; • Size and composition of the Board; and • Nature and scope of the Group's operations and size.

REPORT ON CORPORATE GOVERNANCE

Board Performance														
Principle 5: The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual Directors.														
5.1 5.2	Board Evaluation Process Chairman Evaluation Individual Director Evaluation	<p>The NC implements annual assessment for the evaluation of the effectiveness of the Board as a whole and its Board Committees and for assessing the contribution by the Chairman and each individual Director.</p> <p>During the financial year, all Directors are requested to complete a Board Evaluation Questionnaire designed to seek their view on the various aspects of the Board performance so as to assess the overall effectiveness of the Board. To ensure confidentiality, the completed evaluation forms were submitted to the Company Secretary for collation. The consolidated responses were presented to the NC for review before submitting to the Board for discussion and determining areas for improvement and enhancement of the Board effectiveness. Following the review in FY2020, the Board is of the view that the Board has met its performance objectives and the Board and its Board Committees operate effectively and each Director is contributing to the overall effectiveness of the Board.</p> <p>The Board has not engaged any external consultant to conduct an assessment of the performance of the Board, and its Board Committees and each individual Director. Where relevant and when the need arises, the NC will consider such an engagement.</p>												
	Board Evaluation Criteria	<p>Table 5 sets out the performance criteria, as recommended by the NC and approved by the Board, to be relied upon to evaluate the effectiveness of the Board as a whole and its Board Committees, and for assessing the contribution by each Director to the effectiveness of the Board:</p> <table border="1"> <thead> <tr> <th colspan="3">Table 5</th> </tr> <tr> <th>Performance Criteria</th> <th>Board and Board Committees</th> <th>Individual Directors</th> </tr> </thead> <tbody> <tr> <td>Qualitative</td> <td> <ol style="list-style-type: none"> 1. Size and composition 2. Information to the Board 3. Board procedures 4. Strategic planning and accountability 5. Attendance record at meetings </td> <td> <ol style="list-style-type: none"> 1. Commitment of time 2. Knowledge and abilities 3. Teamwork 4. Independence 5. Overall effectiveness </td> </tr> <tr> <td>Quantitative</td> <td> <ol style="list-style-type: none"> 1. Measuring and monitoring performance 2. Financial Reporting </td> <td> <ol style="list-style-type: none"> 1. Attendance at Board and Board Committee meetings </td> </tr> </tbody> </table>	Table 5			Performance Criteria	Board and Board Committees	Individual Directors	Qualitative	<ol style="list-style-type: none"> 1. Size and composition 2. Information to the Board 3. Board procedures 4. Strategic planning and accountability 5. Attendance record at meetings 	<ol style="list-style-type: none"> 1. Commitment of time 2. Knowledge and abilities 3. Teamwork 4. Independence 5. Overall effectiveness 	Quantitative	<ol style="list-style-type: none"> 1. Measuring and monitoring performance 2. Financial Reporting 	<ol style="list-style-type: none"> 1. Attendance at Board and Board Committee meetings
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REPORT ON CORPORATE GOVERNANCE

II. REMUNERATION MATTERS		
Procedures for Developing Remuneration Policies		
Principle 6: The Board has a formal and transparent procedure for developing policies on Director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No Director is involved in deciding his or her own remuneration.		
6.1 6.2 6.3 6.4	RC Composition and Role	<p>The RC comprises three Directors, all of whom including the Chairman of the RC, are independent.</p> <p>Please refer to Provision 1.4 table above on the names of the members and the composition of RC.</p> <p>The RC is guided by key terms of reference as follows:</p> <ul style="list-style-type: none"> (a) to review and recommend to the Board a general framework of remuneration for the Board and key management personnel, as well as specific remuneration packages for each Director and key management personnel of the Company; (b) to review annually the remuneration of the key management personnel and Director including the terms of renewal for their service agreements; (c) to consider, review and approve and/or to vary (if necessary) the entire remuneration package, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind; (d) to review the Company's obligations arising in the event of termination of the Executive Director and key management personnel's contracts of service and to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The RC should aim to be fair and avoid rewarding poor performance; (e) to review and ensure that the level and structure of remuneration should be aligned with the long-term interest and risk policies of the Company, and should be appropriate and commercially competitive to attract, retain and motivate <ul style="list-style-type: none"> (i) the Directors to provide good stewardship of the Company; and (ii) key management personnel to successfully manage the Company;

REPORT ON CORPORATE GOVERNANCE

		<p>(f) to review and consider whether Executive Director and key management personnel should be eligible for benefits under long-term incentive schemes. The costs and benefits of long-term incentive schemes should be carefully evaluated. In normal circumstances, offers of shares or grants of options or other forms of deferred remuneration should vest over a period of time. The use of vesting schedules, whereby only a portion of the benefits can be exercised each year, is also strongly encouraged. Executive Director and key management personnel should be encouraged to hold their shares beyond the vesting period, subject to the need to finance any cost of acquiring the shares and associated tax liability;</p> <p>(g) the RC's recommendations should be submitted for endorsement by the entire Board; and</p> <p>(h) to oversee the administration of Starland Performance Share Plan (the "Starland PSP") (or such other similar share plans as may be implemented by the Company from time to time) upon the terms of reference as defined in the said plan.</p> <p>The Board has not engaged any external remuneration consultant to advice on remuneration matters.</p>
Level and Mix of Remuneration		
Principle 7: The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.		
7.1 7.3	Remuneration of Executive Directors and KMPs	<p>In determining the level of remuneration, the RC shall ensure that performance-related remuneration system was implemented to ensure that the interests of the shareholders are aligned with the Board and Management in order to promote the long-term success of the Company.</p> <p>The Company has a staff remuneration policy which comprises a fixed component and a variable component. The fixed and variable components are in the form of as base salary and variable bonus that is linked to the performance of the Company and individual.</p> <p>Having reviewed and considered the variable components of the Executive Director and the key management personnel, which are moderate, the RC is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of their remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss.</p> <p>In addition, the Executive Director owes a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Director in the event of such breach of fiduciary duties.</p>

REPORT ON CORPORATE GOVERNANCE

7.2	Remuneration of Non- Executive Directors	<p>The Board concurred with the RC that the proposed Non-Executive Directors' fees are appropriate and that the Non- Executive Directors receive directors' fees in accordance with their level of contributions, taking into account factors such as effort and time spent for serving on the Board and Board Committees, as well as the responsibilities and obligations of the Directors. The Company recognises the need to pay competitive fees to attract, motivate and retain Directors without being excessive to the extent that their independence might be compromised.</p> <p>Non-Executive Directors' fees are recommended by the Board for approval by the shareholders at the AGM of the Company.</p>												
<p>Disclosure on Remuneration</p>														
<p>Principle 8: The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.</p>														
8.1 8.2 8.3	Remuneration Criteria	<p>The Company's remuneration policy comprises a fixed component and a variable component. The fixed and variable components are in the form of a base salary and variable bonus that is linked to the performance of the Company and individual.</p> <p>The remuneration received by the Executive Director and key management personnel takes into consideration his or her individual performance and contribution towards the overall performance of the Group for FY2020. Their remuneration is made up of fixed and variable compensations. The fixed compensation consists of base salary and variable bonus that is linked to the performance of the Company and individual.</p> <p>The following performance conditions were chosen for the Group to remain competitive and to motivate the Executive Director and key management personnel to work in alignment with the goals of all stakeholders:</p> <table border="1" data-bbox="563 1252 1208 1517"> <thead> <tr> <th colspan="3" data-bbox="563 1252 1208 1289">Table 8.1</th> </tr> <tr> <th data-bbox="563 1289 710 1345">Performance Conditions</th> <th data-bbox="710 1289 957 1345">Short-term Incentives (such as performance bonus)</th> <th data-bbox="957 1289 1208 1345">Long-term Incentives (such as the Starland PSP)</th> </tr> </thead> <tbody> <tr> <td data-bbox="563 1345 710 1437">Qualitative</td> <td data-bbox="710 1345 957 1437"> <ol style="list-style-type: none"> 1. Leadership 2. People development 3. Commitment 4. Teamwork </td> <td data-bbox="957 1345 1208 1437"> <ol style="list-style-type: none"> 1. Leadership 2. People development 3. Commitment 4. Teamwork </td> </tr> <tr> <td data-bbox="563 1437 710 1517">Quantitative</td> <td data-bbox="710 1437 957 1517"> <ol style="list-style-type: none"> 1. Relative financial performance of the Group to its industry peers. </td> <td data-bbox="957 1437 1208 1517"> <ol style="list-style-type: none"> 1. Relative financial performance of the Group to its industry peers. </td> </tr> </tbody> </table> <p>The RC has reviewed and is satisfied that the performance conditions were met in FY2020.</p>	Table 8.1			Performance Conditions	Short-term Incentives (such as performance bonus)	Long-term Incentives (such as the Starland PSP)	Qualitative	<ol style="list-style-type: none"> 1. Leadership 2. People development 3. Commitment 4. Teamwork 	<ol style="list-style-type: none"> 1. Leadership 2. People development 3. Commitment 4. Teamwork 	Quantitative	<ol style="list-style-type: none"> 1. Relative financial performance of the Group to its industry peers. 	<ol style="list-style-type: none"> 1. Relative financial performance of the Group to its industry peers.
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REPORT ON CORPORATE GOVERNANCE

	(a) Remuneration of Directors	<p>The breakdown for the remuneration of the Directors for FY2020 is as follows:</p> <table border="1" data-bbox="563 384 1208 713"> <thead> <tr> <th colspan="7">Table 8(a) – Directors’ Remuneration</th> </tr> <tr> <th>Name</th> <th>Remuneration (SGD)</th> <th>Salary (%)</th> <th>Bonus (%)</th> <th>Benefits-in-kind (%)</th> <th>Directors Fees (%)</th> <th>Total (%)</th> </tr> </thead> <tbody> <tr> <td>Kwan Chee Seng</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Ms Peng Peck Yen⁽¹⁾</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> <tr> <td>Foong Daw Ching</td> <td>39,652</td> <td>-</td> <td>-</td> <td>-</td> <td>100</td> <td>100</td> </tr> <tr> <td>Tan Chade Phang</td> <td>39,652</td> <td>-</td> <td>-</td> <td>-</td> <td>100</td> <td>100</td> </tr> <tr> <td>Lim See Yong</td> <td>34,696</td> <td>-</td> <td>-</td> <td>-</td> <td>100</td> <td>100</td> </tr> <tr> <td>Ms Kwan Yu Wen⁽²⁾</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> <td>-</td> </tr> </tbody> </table> <p>Notes:</p> <p>(1) Ms Peng Peck Yen resigned as an Executive Director on 21 December 2020.</p> <p>(2) Ms Kwan Yu Wen was appointed as an Executive Director on 21 December 2020.</p>	Table 8(a) – Directors’ Remuneration							Name	Remuneration (SGD)	Salary (%)	Bonus (%)	Benefits-in-kind (%)	Directors Fees (%)	Total (%)	Kwan Chee Seng	-	-	-	-	-	-	Ms Peng Peck Yen ⁽¹⁾	-	-	-	-	-	-	Foong Daw Ching	39,652	-	-	-	100	100	Tan Chade Phang	39,652	-	-	-	100	100	Lim See Yong	34,696	-	-	-	100	100	Ms Kwan Yu Wen ⁽²⁾	-	-	-	-	-	-
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REPORT ON CORPORATE GOVERNANCE

	(b) Remuneration of key management personnel	<p>The breakdown for the remuneration of the Company's key executive officers (who are not Directors or the CEO) for FY2020 is as follows:</p> <table border="1" data-bbox="565 410 1212 879"> <thead> <tr> <th colspan="5">Table 8.3 (b) – Remuneration of Key Management Personnel</th> </tr> <tr> <th>Name</th> <th>Salary⁽¹⁾ (%)</th> <th>Bonus</th> <th>Benefits-in-kind (%)</th> <th>Total (%)</th> </tr> </thead> <tbody> <tr> <td colspan="5">Less than S\$250,000</td> </tr> <tr> <td>Kelvin Kwan Chee Hong</td> <td>59</td> <td>12</td> <td>29</td> <td>100</td> </tr> <tr> <td>Annie Xiong Ying</td> <td>81</td> <td>14</td> <td>5</td> <td>100</td> </tr> <tr> <td>Luo Deng Xiao</td> <td>92</td> <td>8</td> <td>–</td> <td>100</td> </tr> <tr> <td>Paul Ow Peng Yong</td> <td>–</td> <td>–</td> <td>–</td> <td>–</td> </tr> <tr> <td>Wisun Soon</td> <td>–</td> <td>–</td> <td>–</td> <td>–</td> </tr> <tr> <td>Lim Aik Teong, Richard</td> <td>100</td> <td>–</td> <td>–</td> <td>100</td> </tr> <tr> <td>Loh Yook Mun, Ivanna</td> <td>100</td> <td>–</td> <td>–</td> <td>–</td> </tr> </tbody> </table> <p>Note: (1) The salary amounts shown are inclusive of Central Provident Fund contributions.</p> <p>There were no termination, retirement and post-employment benefits granted to the top 7 key management personnel in FY2020.</p>	Table 8.3 (b) – Remuneration of Key Management Personnel					Name	Salary ⁽¹⁾ (%)	Bonus	Benefits-in-kind (%)	Total (%)	Less than S\$250,000					Kelvin Kwan Chee Hong	59	12	29	100	Annie Xiong Ying	81	14	5	100	Luo Deng Xiao	92	8	–	100	Paul Ow Peng Yong	–	–	–	–	Wisun Soon	–	–	–	–	Lim Aik Teong, Richard	100	–	–	100	Loh Yook Mun, Ivanna	100	–	–	–
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		<p>The Company has 7 key management personnel in FY2020 as at the date of this Annual Report.</p> <p>For competitive reasons and in view of confidentiality of remuneration matters, the Board is of the opinion that it is in the best interest of the Group not to disclose the exact remuneration of key management personnel, in the Annual Report.</p> <p>The total remuneration paid to the top 7 key management personnel for FY2020 was S\$516,370.</p>																																																		

REPORT ON CORPORATE GOVERNANCE

	<p>(c) Remuneration of immediate family members of CEO and Executive Directors (remuneration amount exceed \$100,000 in FY2020)</p>	<p>Save as disclosed below, there was no other employee of the Group who was an immediate family member of a Director, the CEO or a substantial shareholder of the Company, and whose remuneration exceeded S\$100,000 in FY2020.</p> <p>Mr Kelvin Kwan Chee Hong, General Manager of the Company, is the brother of Mr Kwan Chee Seng, who is the Non-Executive Director of the Company and Executive Director and substantial shareholder of GRP Limited, the ultimate holding company. He is also the uncle of Ms Kwan Yu Wen, who is the Executive Director of the Company and Non-Executive Director of GRP Limited, the ultimate holding company. The remuneration of Kelvin Kwan Chee Hong was between S\$150,000 to S\$200,000 in FY2020.</p>
	<p>(d) Please provide details of the employee share scheme(s).</p>	<p>The Company has adopted the Starland PSP at the Company's extraordinary general meeting held on 11 April 2012, and the Starland PSP was last renewed at the Company's annual general meeting held on 5 June 2020. The details of the Starland PSP can be found in the offer document of the Company dated 19 April 2012.</p> <p>The objectives of Starland PSP are to:</p> <ul style="list-style-type: none"> (a) foster a culture of ownership within the Group which aligns the interests of employees and Directors with the interests of the shareholders; (b) motivate participants of the Starland PSP to achieve key financial and operational goals of the Group and/or their respective business units and encourage greater dedication and loyalty to the Group; and (c) make total employee remuneration sufficiently competitive to recruit new employees and/or retain existing employees whose contributions are important to the long term growth and profitability of our Group.
		<p>The Starland PSP is administered by the RC comprising 3 Directors, Mr Tan Chade Phang, Mr Foong Daw Ching and Mr Lim See Yong. The Chairman of the RC is Mr Tan Chade Phang.</p> <p>Since the commencement of the Starland PSP up to the date of this report, no shares have been awarded under the Starland PSP.</p>

REPORT ON CORPORATE GOVERNANCE

III. ACCOUNTABILITY AND AUDIT		
Risk Management and Internal Controls		
Principle 9: The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.		
9.1	Risks management and internal controls	<p>The Board is responsible for the governance of risk and sets the tone and direction for the Group in the way risks are managed in the Group's businesses. The Board has ultimate responsibility for approving the strategy of the Group in a manner which addresses stakeholders' expectations and does not expose the Group to an unacceptable level of operational, financial and compliance risks. The Board approves the key management policies and ensures a sound system of risk management and internal controls. In addition, the Board sets and instils the right risk-focused culture throughout the Group for effective risk management.</p> <p>The RMC comprises three Directors, all of whom including the Chairman of the RMC, are independent. Please refer to Provision 1.4 table above on the names of the members and the composition of RMC.</p> <p>The RMC reviewed and assessed the adequacy and effectiveness of the Group's internal controls that address the Group's financial, operational, compliance and information technology risks, with the assistance of the internal and external auditors and the Management.</p> <p>Management highlights and discusses (if any) salient risk management matters to the Board on a half-yearly basis. The Company's risk management framework and internal control system covers financial, operational, compliance and information technology risks and internal controls. Internal audit is outsourced to a third-party professional firm.</p>
9.2	Assurance from the CEO, CFO and KMPs	<p>The Board has received assurance from the Executive Director and Finance Manager ("FM") that the financial records have been properly maintained and the financial statements for FY2020 give a true and fair view of the Company's operations and finances and the Company's risk management and internal control systems are adequate and effective.</p> <p>In addition, based on the work performed by the IA and EA, the AC and the Board are of the opinion that the Group's internal controls and risk management systems, addressing financial, operational, compliance, and information technology risks, were adequate and effective for FY2020.</p>

REPORT ON CORPORATE GOVERNANCE

Audit Committee		
Principle 10: The Board has an Audit Committee ("AC") which discharges its duties objectively.		
10.1 10.2 10.3	AC Composition and Role	<p>The AC comprises three Non-Executive Directors, all of whom including the Chairman of the AC are independent.</p> <p>The AC has at least two members, including the AC Chairman, who have recent and relevant accounting and related financial management expertise and experience.</p> <p>In addition, the AC are continuously briefed and updated by the EA on the changes or amendments to the accounting standards which have a direct impact on the financial statements.</p> <p>None of the members of the AC (i) is a former partner or Director of the Company's existing auditing firm or auditing corporation within the previous two years and/or (ii) holds any financial interest in the auditing firm or auditing corporation.</p> <p>Please refer to Provision 1.4 above on the names of the members and the composition of AC.</p> <p>The duties and roles of the AC are guided by the following key terms of reference:</p> <ul style="list-style-type: none"> (a) to review the financial statements and results announcement before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risks areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with the Catalyst Rules and any other statutory/regulatory requirements; (b) to review with the EA their audit plan including the nature and scope of the audit, their evaluation of the system of internal controls, their audit report, their management letter and the management's response; (c) to review annually the scope and results of the audit and its cost effectiveness as well as the independence and objectivity of the EA. Where the EA also provide non-audit services to the Company, to review the nature and extent of such services in order to balance the maintenance of objectivity and value for money, and to ensure that the independence of the EA would not be affected;

REPORT ON **CORPORATE GOVERNANCE**

		<p>(d) to make recommendation to the Board on the proposals to the shareholder on the appointment or re-appointment of the EA and matters relating to resignation or removal of the EA, and approving the remuneration and terms of engagement of the EA;</p> <p>(e) to review with the IA their internal audit plan and their evaluation of the adequacy of the internal control and accounting system before submission of the results of such review to the Board for approval and its assessment in relation to the adequacy of internal controls prior to the incorporation of such results in the Annual Report;</p> <p>(f) to review the internal control and procedures and ensure co-ordination between the Management and each of the EA and IA, reviewing the assistance given by the Management to the auditors, and discuss problems and concerns, if any, arising from the interim and/or final audits, and any matters which the IA and EA may wish to discuss in the absence of Management where necessary;</p> <p>(g) to review and discuss with any professional, including the Company's sponsor, the EA and IA any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position with Management's response;</p> <p>(h) to review and approve transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules;</p> <p>(i) to review and ratify any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules as may be amended from time to time and such other rules and regulations under the Catalist Rules that may be applicable in relation to such matters from time to time;</p> <p>(j) to review potential conflicts of interest (if any) and to set out a framework to resolve or mitigate any potential conflicts of interests;</p> <p>(k) to conduct periodic review of hedging policies (if any) undertaken by the Group;</p> <p>(l) to review the Group's compliance with such functions and duties as may be required under the relevant statutes and regulations or the Catalist Rules, including such amendments made thereto from time to time;</p>
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REPORT ON CORPORATE GOVERNANCE

		<p>(m) to undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;</p> <p>(n) to review at least annually the Group's key financial risk areas, with a view to provide an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the Annual Report of the Company or, where the findings are material, to announce such material findings immediately via SGXNET;</p> <p>(o) to review and sight at least annually all resignation and authorisation letters of the legal representatives of the Company's subsidiaries in People's Republic of China which have been signed in advance and such letters shall be held in custody by the Company Secretaries;</p> <p>(p) to ensure effective co-ordination where more than one audit firm is involved;</p> <p>(q) to investigate any matter within its terms of reference, with full access to and co-operation by the Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;</p> <p>(r) to commission an annual internal controls audit until such time as the AC is satisfied that the Group's internal controls are robust and effective enough to mitigate the Group's internal control weaknesses (if any), and prior to the decommissioning of such annual internal controls audit, the Board is required to report to the SGX-ST and the Sponsor on how the key internal control weaknesses have been rectified, and the basis for the AC's decision to decommission the annual internal controls audit;</p> <p>(s) to review the adequacy and effectiveness of the internal audit function and to ensure that it is adequately resourced and has appropriate standing within the Company. The internal audit function should be staffed with persons with the relevant qualifications and experience. The IA should carry out its function according to the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The IA's primary line of reporting should be to the Chairman of the AC although he would also report administratively to the Executive Director;</p>
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REPORT ON **CORPORATE GOVERNANCE**

		<p>(t) to approve the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced. The IA should have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC;</p> <p>(u) to review and report to the Board at least annually the adequacy and effectiveness of the Group's material internal controls with the Head of Finance (or its equivalent rank), the IA and EA, including financial, operation, compliance and information technology controls via reviews carried out by the IA;</p> <p>(v) to review the whistle-blowing policy and procedures by which employees of the Group may, in confidence, report to the Chairman of the AC, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions thereto;</p> <p>(w) to ensure that if different auditors are appointed for its subsidiaries or significant associated companies, such appointment would not compromise the standard and effectiveness of the audit of the Company;</p> <p>(x) to review the policy and arrangement by which staff of the Company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The AC's objective should be to ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken;</p> <p>(y) to undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;</p> <p>(z) to undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time;</p> <p>(aa) to review with the EA the impact of any new or proposed changes in accounting policies or regulatory requirements on the financial statements of the Group;</p>
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REPORT ON CORPORATE GOVERNANCE

		<p>(bb) to assess whether the person to be appointed FM (or its equivalent rank) does have the competence, character and integrity expected of a FM (or its equivalent rank) of a listed issuer;</p> <p>(cc) to review the co-operation given by the management to the EA;</p> <p>(dd) to meet with the EA and IA without the presence of the Management at least once a year;</p> <p>(ee) to review the performance of Executive Director/FM on an annual basis to ensure satisfactory performance;</p> <p>(ff) to review filings with the SGX-ST or other regulatory bodies which contain the Group's financial statements and ensure proper disclosure; and</p> <p>(gg) to commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rules or regulations which have or is likely to have a material impact on the Group's operating results and/or financial position.</p>
		<p>The AC will also commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity or failure of internal controls or infringement of any Singapore law, rules or regulations which have or is likely to have a materials impact on the Group's operating results and/or financial position. In the event that a member of the AC is interested in any matter being considered by the AC, he will abstain from reviewing and deliberating on that particular transaction or voting on that particular resolution.</p>
10.1 10.4	Financial Reporting Matters	<p>The Board is accountable to shareholders and ensures that all material information is fully disclosed in a timely manner to shareholders in compliance with statutory and regulatory requirements. The Board strives to provide its shareholders a balanced and understandable assessment of the Group's performance, position and prospects.</p> <p>The Board takes steps to ensure compliance with legislative and regulatory requirements, including requirements under the SGX-ST Listing Manual Section B: Rules of Catalist (the "Catalist Rules"), where appropriate. The Independent Directors in consultation with management will request for management's consideration for the establishment of written policies for any particular matter that is deemed to be essential to form part of management control.</p>

REPORT ON CORPORATE GOVERNANCE

	<p>Management provides appropriately detailed management accounts of the Group's performance on a half-yearly basis to the Board to enable the Board to make a balanced and informed assessment of the Group's performance, position and prospects. As and when circumstances arise, the Board can request management to provide any necessary explanation and/or information on the management accounts of the Group.</p> <p><u>AC comments on the auditor's report</u></p> <p>The AC met with the EA to discuss the audit findings as well as their audit.</p> <p>The management has made significant judgements relating to significant estimates in the financial statements. These also required the making of assumptions regarding uncertain future events including those relating to the estimation of the net realisable value of development properties and properties held for sale. The financial reporting matters that required significant judgements and estimates are fully described in Note 3 to the accompanying financial statements.</p>
	<p>The AC also considered the key audit matters ("KAMs") reported by the EA. The EA have highlighted that there is no other key audit matters to communicate in their report except for their inability to obtain sufficient audit evidence on:</p> <ul style="list-style-type: none"> (i) whether the Group has the rights and ability to recover the bank balances in the PRC bank accounts; and (ii) whether the fund transfers as disclosed in Note 3.2 to the financial statements are in compliance with applicable laws and regulations in the PRC and Singapore. It is not practicable to estimate the potential financial impact, if any, to the Group in the event of any breach of applicable laws and regulations. <p>As announced on 25 January 2021, the Group had couriered the further requested documents confirming that the fund transfer requests were made by the holding company in Singapore to Officer-In-Charge ("OIC"). In the meantime, the Subsidiaries can continue to use the funds in the bank accounts for normal business operation. Management intends to co-operate fully with the OIC and expeditiously respond to the matters.</p> <p>At the date of this report, it remains premature to determine whether there would be any material financial impact on the Group relating to this matter. The Company will further update the shareholders via SGXNet announcement as and when there is any further development on this matter.</p> <p>The AC and the EA had discussed on the basis for qualified opinion and the approach they took in their audit of this matter. The AC concurs with the approach adopted by EA and the inclusions in the independent auditor's report with respect to the matter.</p>

REPORT ON CORPORATE GOVERNANCE

	Internal Controls & Regulatory Compliance	<p>The AC evaluates the findings of the EA and IA on the Group's internal controls annually.</p> <p>Although the Board acknowledges that it is responsible for the overall internal control framework, it also recognises that no cost-effective internal control system will preclude all errors and irregularities. A system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against material misstatement or loss.</p> <p>Based on the internal control established, and maintained by the Group, work performed by the IA and EA, assurance from the Executive Director and FM, as well as reviews performed by management and the various Board Committees, the AC and the Board are of the opinion that the Group's internal controls and risk management systems, addressing financial, operational, compliance, and information technology risks, were adequate for FY2020.</p>															
	External Audit	<p>The AC has reviewed the non-audit services provided by the EA and is satisfied that the nature and extent of such services would not prejudice the independence of the EA, and has recommended the re-appointment of the EA at the forthcoming AGM.</p> <table border="1" data-bbox="563 957 1208 1184"> <thead> <tr> <th colspan="3" data-bbox="563 957 1208 999">Table 10 – Fee Paid/Payable to the EA and its affiliates for FY2020</th> </tr> <tr> <th data-bbox="563 999 902 1045"></th> <th data-bbox="902 999 1057 1045">S\$</th> <th data-bbox="1057 999 1208 1045">% of total</th> </tr> </thead> <tbody> <tr> <td data-bbox="563 1045 902 1092">Audit Fees</td> <td data-bbox="902 1045 1057 1092">120,000</td> <td data-bbox="1057 1045 1208 1092">100</td> </tr> <tr> <td data-bbox="563 1092 902 1138">Non-audit fees</td> <td data-bbox="902 1092 1057 1138">–</td> <td data-bbox="1057 1092 1208 1138">–</td> </tr> <tr> <td data-bbox="563 1138 902 1184">Total</td> <td data-bbox="902 1138 1057 1184">120,000</td> <td data-bbox="1057 1138 1208 1184">100</td> </tr> </tbody> </table> <p>The AC reviews the independence of the EA annually and is satisfied with the independence of the EA. The EA has also provided confirmation on their independency.</p> <p>The Company has complied with Rules 712 and 715 of the Catalyst Rules in relation to its EA.</p>	Table 10 – Fee Paid/Payable to the EA and its affiliates for FY2020				S\$	% of total	Audit Fees	120,000	100	Non-audit fees	–	–	Total	120,000	100
Table 10 – Fee Paid/Payable to the EA and its affiliates for FY2020																	
	S\$	% of total															
Audit Fees	120,000	100															
Non-audit fees	–	–															
Total	120,000	100															

REPORT ON CORPORATE GOVERNANCE

	Internal Audit	<p>The Board recognises the importance of maintaining a system of internal controls to safeguard the shareholders' investments and the Company' assets. The Company has outsourced its internal audit functions of the Group to Yang Lee & Associates ("YLA") to perform the review and test of controls of its processes.</p> <p>YLA reports directly to the AC and responsible for assessing the reliability, adequacy and effectiveness of the system of internal controls are in place to protect the fund and assets of the Group to ensure control procedures are complied with, assessing the operations of the business processes under review are conducted efficiently and effectively and identifying and recommending improvements to internal control procedures, where required. The AC is responsible for the hiring, removal, evaluation and compensation of the accounting or auditing firm or corporation which the internal audit function of the Company is outsourced to.</p> <p>The AC would review and approve the internal audit plan on an annual basis and ensures that the internal audit function is adequately resourced and has appropriate standing within the Group given its involvement in certain AC meetings and its unfettered access to all the Group's documents, records, properties and personnel, including direct access to the AC.</p>				
		<p>The AC has reviewed the internal audit reports and its evaluation of the system of internal controls, their audit findings and the management's response to those findings for FY2020. The AC is satisfied that the internal audit functions have been adequately carried out.</p>				
	Whistle blowing Policy	<p>The Company has in place a whistle-blowing policy and arrangements by which staff may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters. To ensure independent investigation of such matters and for appropriate follow-up action, all whistle-blowing reports are to be sent to the AC Chairman.</p> <table border="1"> <thead> <tr> <th>Name</th> <th>Email Address</th> </tr> </thead> <tbody> <tr> <td>Foong Daw Ching</td> <td>dawching23@gmail.com</td> </tr> </tbody> </table> <p>Details of the whistle-blowing policy and arrangements are given to all staff for their easy reference. New staff are briefed on the policy during the orientation programme.</p>	Name	Email Address	Foong Daw Ching	dawching23@gmail.com
Name	Email Address					
Foong Daw Ching	dawching23@gmail.com					
10.5	Meeting Auditors without the Management	<p>The AC has met with the IA and the EA in the absence of key management personnel twice per year.</p>				

REPORT ON CORPORATE GOVERNANCE

IV. SHAREHOLDER RIGHTS AND ENGAGEMENT		
Shareholder Rights and Conduct of General Meetings		
<p>Principle 11: The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.</p>		
<p>11.1 11.2 11.3</p>	<p>Conduct of General Meeting</p>	<p>Due to the COVID-19 situation and in accordance with the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, the conduct of AGM FYE2020 would be different from past years' AGMs.</p> <p>Shareholders are usually informed of shareholders' meetings through notices contained in the Annual Reports or circulars sent to all shareholders. These notices would also be published in the Business Times and posted onto the SGXNET. Annual reports are usually also distributed to all shareholders 14 days before the scheduled AGM date.</p> <p>However, the notice and the accompanying Annual Report and Proxy Form for AGM FY2020 were made available to members solely by electronic means via publication on the Company's website and the SGXNET.</p> <p>Instead of being able to appoint one or two proxies to attend and vote on behalf of the themselves at general meetings as allowed by the Constitution, shareholders must appoint the Chairman of the AGM as their proxy to attend, speak and vote on their behalf at AGM FY2020 if such shareholders wish to exercise their voting rights at AGM FY2020.</p> <p>The Constitution allows for absentia voting (including but not limited to voting by mail, electronic email or facsimile). However, the Board does not implement absentia voting until issues on security and integrity are satisfactorily resolved.</p>

REPORT ON CORPORATE GOVERNANCE

		<p>At general meetings, separate resolutions are set out on distinct issues for approval by shareholders. Where the resolutions are “bundled”, the company explains the reasons and material implications in the notice of meeting. All resolutions at the Company’s general meetings will be voted on by way of poll, and their detailed results will be announced via SGXNET after the conclusion of the general meeting. The Company Secretary is present to brief the attendees on the rules governing the general meetings, including voting procedures, upon requested by the shareholder. The proceeding of the general meetings is properly recorded, including all comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and Management. All minutes of general meetings are available to shareholders upon request. The Company held two shareholders’ meeting in FY2020, where the entire board was present.</p> <p>For the Company’s AGM FY2020, shareholders are required to submit their questions relating to the resolutions set out in the notice of the AGM and in advance.</p> <p>The Company addressed the substantial and relevant questions from the Securities Investors Association (Singapore) and shareholders before the AGM by electronic means via publication on the Company’s website and the SGXNET.</p> <p>The Company is committed to maintaining high standards of corporate disclosure and transparency.</p>
		<p>Shareholders, the investment community, media and analysts are kept informed of the Group’s performance, progress and prospects and major developments of the Company on a timely basis through various means of communication as follows:</p> <ol style="list-style-type: none"> 1) Announcements including half-year and full-year announcements of financial results, price sensitive information, significant transactions or other announcements or press release through SGXNET; 2) Annual Reports and notices of AGM issued to all shareholders; 3) Company’s general meetings; and 4) Corporate website of the Company at http://www.starland.cc

REPORT ON CORPORATE GOVERNANCE

11.4	Shareholders' Participation	<p>The Company supports active shareholder participation at general meetings. Annual Reports are distributed to all shareholders 14 days before the scheduled AGM date. All shareholders are encouraged to attend the general meetings to ensure high level of accountability and to stay informed of the Group's strategies and visions.</p> <p>If shareholders are unable to attend the meetings, the Constitution of the Company allows for shareholders who are not more than two proxies to attend, speak and vote at general meetings in their absence, and shareholders who are relevant intermediaries to appoint more than two proxies to attend, speak and vote at general meetings. In order to have a valid registration of proxy, the proxy forms must be sent in advance to the place(s) as specified in the notice of the general meetings at least 72 hours before the time set for the general meetings.</p> <p>However, shareholders would only be allowed to view the live webcast for AGM FY2020. Shareholders must also appoint the Chairman of the AGM as their proxy and are required to submit questions in advance. For more information regarding appointment of proxy and submission of questions, please refer to the Notice of the AGM.</p> <p>The Board does not implement absentia-voting methods by mail, electronic mail or facsimile, until issues on security and integrity are satisfactorily resolved.</p>
11.5	Minutes of General Meetings	In FY2020, all minutes of general meetings are made available by electronic means via publication on the Company's website and the SGXNET.
11.6	Dividend Policy	<p>The Company does not have a formal dividend policy. The form, frequency and amount of future dividends on the shares will depend on the Company's level of cash and retained earnings, actual and projected financial performance, projected levels of capital expenditure and other investment plans and restrictions on payment of dividends imposed by financial arrangements (if any).</p> <p>The Group is not recommending any dividend for FY2020 in view of the weak market conditions and recent venture into financial solutions business, the Company will preserve its cash balances for investment into the financial solutions business in Malaysia.</p>
Engagement with shareholders		
Principle 12: The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.		
12.1 12.2 12.3	Disclosure of information on timely basis	The Company does not have a formalised investor relations policy at the moment due to the size of its business. As and when the need arises, the Company will implement the necessary investor relations policy.

REPORT ON CORPORATE GOVERNANCE

	Investor Relations Practices	<p>The Company's investor relations function is led by the Executive Director, who has the strategic management responsibility to integrate finance, accounting, corporate communication to enable effective communication between the Company and all shareholders, stakeholders, analysts and media.</p> <p>Apart from the SGXNET announcements and its Annual Report, the Company updates shareholders on its corporate developments through its corporate website. The Company has procedures in place for responding to investors' queries.</p>
V. MANAGING STAKEHOLDERS RELATIONSHIPS		
Engagement with Stakeholders		
Principle 13: The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.		
13.1 13.2	Stakeholders' Engagement	<p>The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are similarly able to impact the Company's business and operations. Six stakeholders' groups have been identified through an assessment of their significance to the business operations. They are namely, suppliers, customers, employees, community, investors and regulators.</p>
		<p>The Company has undertaken a process to determine the environmental, social and governance (ESG) issues which are important to these stakeholders. These issues form the materiality matrix upon which targets, performance and progress are reviewed and endorsed by the Board annually.</p> <p>More details on Company's approach to stakeholder engagement and materiality assessment are disclosed on pages 55 to 57 of this Annual Report.</p> <p>Having identified the stakeholders and the material issues, the Company has mapped out the key areas of focus in relation to the management of the respective stakeholder relationships.</p> <p>Please refer to the Sustainability Report on pages 53 to 67 of this Annual Report for further details.</p>
13.3	Corporate Website	<p>All material information on the performance and development of the Company is disclosed in a timely, accurate and comprehensive manner through SGXNET and the Company's website. The Company does not practice selective disclosure of material information. All materials on the half-yearly and full year financial results are available on the Company's website – www.starland.cc. The corporate website, which is updated regularly, contains various information on the Company which serves as an important resource for investors and all stakeholders.</p>

REPORT ON CORPORATE GOVERNANCE

VI. COMPLIANCE WITH APPLICABLE CATALIST RULES		
Catalist Rule	Rule Description	Company's Compliance or Explanation
711A and 711B	Sustainability Reporting	Our annual sustainability report is prepared in accordance with the Global Reporting Initiative Standards. More details and information can be seen on the page 53 to page 67.
712, 715 or 716	Appointment of Auditors	The Company confirms its compliance to the Catalist Rules 712 and 715 of the Catalist Rules in the appointment of its auditors.
1204(8)	Material Contracts	<p>Save as set out below, in Note 9 (Debt securities) of the notes to the financial statements, there were no material contracts entered into by the Group involving the interest of any Director, or controlling shareholder, which are either still subsisting at the end of FY2020 or if not then subsisting, entered into since the end of the previous financial year.</p> <p>On 22 July 2019, the Group had entered into the convertible loan agreement with Luminor Malaysia amounting to S\$2.3 million (approximately RM7.0 million) of which S\$1.3 million (approximately RM4.0 million) contains a convertible option to convert into 51% of the enlarged share capital of Luminor Malaysia.</p> <p>As at the date of the convertible loan agreement, Luminor Malaysia was 19.99% owned by Luminor Capital Pte Ltd. Luminor Capital Pte Ltd is 30% owned by Mr Kwan Chee Seng and 20% owned by Ms Kwan Yu Wen. Mr Kwan Chee Seng is the Non-Executive Director and substantial shareholder of the Company. Ms Kwan Yu Wen is the daughter of Mr Kwan Chee Seng. Both Mr Kwan Chee Seng and Ms Kwan Yu Wen are Directors of GRP Limited, the ultimate substantial shareholder of the Company.</p> <p>The convertible loan is unsecured, and bears interest at 5% per annum, repayable in 12 months from the date of drawdown and are to be settled in cash.</p> <p>On 4 February 2020, the Group exercised the option to convert RM2.0 million (approximately S\$0.7 million) of the convertible loan for 51% interest in the enlarged share capital of Luminor Malaysia. Following the exercise of the option, Luminor Malaysia became a 51% owned subsidiary of the Group as announced on 5 February 2020.</p>

REPORT ON CORPORATE GOVERNANCE

1204(10)	Confirmation of adequacy of internal controls	Based on the internal control established, and maintained by the Group, work performed by the IA and EA, assurance from the Executive Director and FM, as well as reviews performed by Management and the various Board Committees, the AC and the Board are of the opinion that the Group's internal controls and risk management systems, addressing financial, operational, compliance, and information technology risks, were adequate and effective for FY2020.
1204(10C)	AC's comment on Internal Audit Function	<p>The Company internal audit function is outsourced to Yang Lee & Associates ("YLA"). The internal audit function is independent of the external audit. YLA is a professional service firm that specialises in the provision of Internal Audit, Enterprise Risk Management and Sustainability Reporting advisory services. The firm was set up in the year 2005 and currently maintains an outsourced internal audit portfolio of more than 25 SGX-ST listed companies in distribution, manufacturing, services, food & beverage, retail and property development industries. The Engagement Team for this engagement comprises two Directors, a Manager and supported by an Associate. Each of the two Directors has more than 20 years of relevant experience whilst the Manager has more than 10 years of relevant experience. The AC reviews the internal audit function on an annual basis and is satisfied that YLA is adequately qualified, resourced, and being aligned to the International Standards for the professional practice of Internal Auditing issued by the Institute of Internal Auditors, has the appropriate standing in the Company to discharge its duties effectively.</p> <p>Every year, the AC reviews and approves the internal audit plan to ensure the adequacy of the scope of audit. An internal audit plan entails the review of selected functions of the Group and is developed and agreed by the AC. The internal audit plan has been advised in such a way that all the major functions would be audited within an internal-audit cycle. The AC met with the IA and reviewed the IA's reports, their audit findings and management's response to those findings for FY2020, the AC is satisfied that the internal audit functions are adequate and effective.</p>
1204(17)	Interested Persons Transaction ("IPT")	The AC is satisfied that the review procedures for IPTs and the reviews to be made periodically by the AC in relation thereto are adequate to ensure that the IPTs will be transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

REPORT ON CORPORATE GOVERNANCE

		<p>IPTs with value of S\$100,000 or more entered into during FY2020 are as follows:</p> <table border="1"> <thead> <tr> <th>Name of interested person</th> <th>Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)</th> <th>Aggregated value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)</th> </tr> </thead> <tbody> <tr> <td>GRP Limited – Management fee expense</td> <td>S\$378,000 (RMB1,917,282)</td> <td>–</td> </tr> </tbody> </table> <p>GRP Limited is the Company's ultimate holding company.</p> <p>The Group does not have a general mandate for IPT.</p>	Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregated value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	GRP Limited – Management fee expense	S\$378,000 (RMB1,917,282)	–
Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregated value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)						
GRP Limited – Management fee expense	S\$378,000 (RMB1,917,282)	–						
1204(19)	Dealing in Securities	In line with Rule 1204(19) of the Catalist Rules on dealing in securities, the Company has in place a policy prohibiting share dealings by the Company, Directors and employees of the Group during the period commencing one month before the announcement of the Company's half-year and full-year financial statements, as the case may be, and ending on the date of announcement of the relevant results. In addition, the Company, Directors and employees of the Group are discouraged from dealing in the Company's shares on short- term considerations. They are also reminded to observe the insider trading laws at all times even when dealing in securities within permitted trading period.						
1204(21)	Non-sponsor fees	No non-sponsor fees were paid to the Company's sponsor, UOB Kay Hian Private Limited for FY2020.						
1204(22)	Use of Proceeds	There were no outstanding proceeds arising from initial public offering and/or any offerings pursuant to Chapter 8 of the Catalist Rules.						

SUSTAINABILITY REPORT

BOARD STATEMENT

Starland Holdings Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) is into the fourth year of our sustainability report. In this report, we continue to present the progress of our sustainability efforts and the next phase of our journey towards achieving sustainable growth.

FY2020 has been a challenging year. The COVID-19 pandemic has adversely impacted all the business segments of the Group. This is attributed by the various social distancing and lockdown measures that were implemented by the authorities in all 3 countries where we operate, namely Singapore, People’s Republic of China (“**PRC**”) and Malaysia.

In FY2020, the Group has two operating segments and they are in the financial solutions and property segment.

The Group diversified into the financial solutions business. Our main focus is to provide factoring & loan facilities namely to the underserved small and medium enterprises (“**SME**”) lending, consumer loan markets and to offer various corporate advisory services.

In the property related segment, the Group sold its last unit of semi-detached house in Singapore in July 2020 and continues to sell the remaining residential units, commercial units and carpark spaces in the PRC. Our main focus is to ensure that we deliver quality products to our customers at all times.

We are committed to deliver value, sustain growth in all areas of our businesses, empower our staff and nurture the communities where we operate.

The Board is pleased to share in this report our sustainability approach, in relation to Environmental, Social and Governance (“**ESG**”) matters, as well as updates on our sustainability efforts and practices in FY2020.

ABOUT THIS REPORT

Description	Notes and Reference
Reporting period	1 January 2020 to 31 December 2020
Reporting cycle	Annual
Reporting framework and source of reference	This report is prepared with reference to the Global Reporting Initiative (“ GRI ”) Standards, and includes the “Core” reporting requirements. The report covers all primary components as stipulated in SGX-ST Listing Rules 711B.
Report boundary	Unless otherwise stated, the information provided in this Report focuses on the sustainability performance of the Company and our subsidiaries in FY2020
External assurance	We have not sought external assurance for FY2020, but may consider doing so in the future

SUSTAINABILITY REPORT

OUR APPROACH AND STRATEGY

Sustainability Commitment

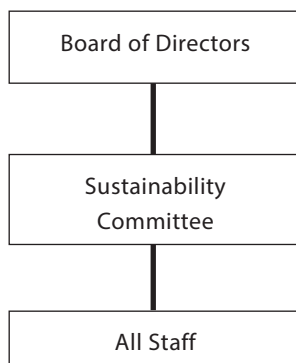
We recognise that sustainability is a key consideration in strategy formulation for the Company and aim to cover a comprehensive range of sustainability disclosures. We are confident that our commitment to sustainability will create both short and long-term value through growth and return on capital, both of which we believe will undoubtedly aid us in achieving our objectives of (i) enhancing our shareholder's returns; (ii) rewarding our employees; and (iii) ultimately contributing to the business continuity of the Group.

This report discusses the Group's achievements and performance towards ESG issues throughout the financial year.

This report has been included in our annual report which is available at Starland's website at www.starland.cc

Management and Staff involvement in implementing sustainability strategy

The Company has a dedicated sustainability committee, comprising the Executive Director, the General Manager and the Finance Manager ("**Sustainability Committee**"). The Sustainability Committee has open and frequent communication with the Board and staff on sustainability issues. Sustainability and risk management are emphasized in the evaluation of all projects and investment opportunities.



The Board, through the Sustainability Committee, has identified the material ESG factors for the Company and are reflected in our materiality matrix as disclosed below.

SUSTAINABILITY REPORT

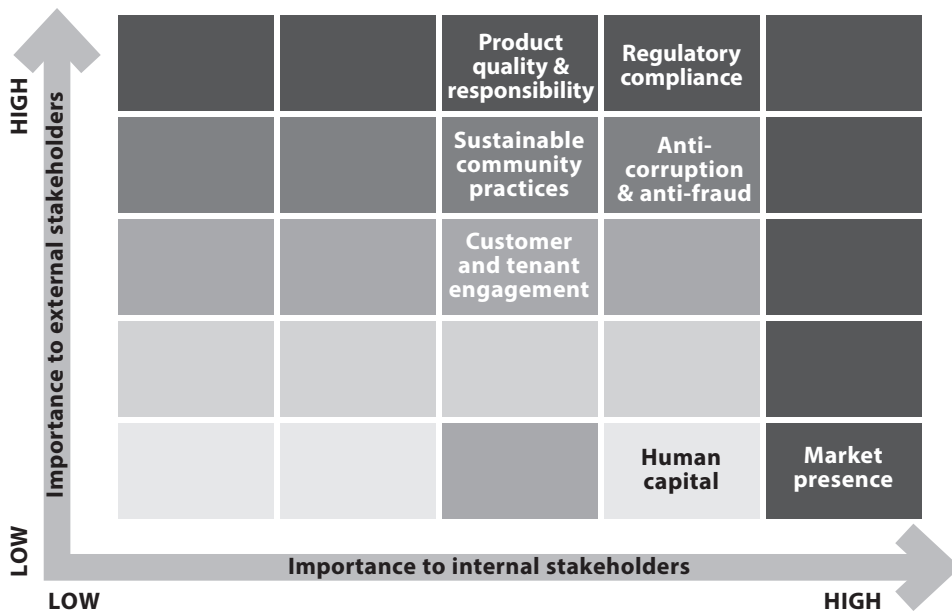
Materiality considerations

In FY2020, we assessed the ESG issues previously identified in FY2019 and concluded that they are still relevant to our business and stakeholders.

We continue to base on a Group-wide materiality assessment, and outline our strategic sustainability priorities through the following steps:

1. Define key issues which have impact on the execution of our business strategy
2. Identify critical areas that affect our businesses and stakeholders
3. Prioritise these critical factors and validate their importance internally
4. Embed these validated critical factors within our business operational processes, where applicable

The Sustainability Committee identified the specific ESG factors which are material to the Group based on their knowledge in their respective business areas, the challenges faced by the industry and the corresponding implications on our business and operations.



The Committee members also considered the insights that they have gained from their day-to-day engagement with various stakeholders, to establish the direction for our sustainability reporting. The Committee members engaged in regular dialogue and feedback sessions with the stakeholders. In addition, the Company has regular management and board meetings where business, operational and financial issues and performance were discussed.

SUSTAINABILITY REPORT

The Sustainability Committee examined and ranked the identified ESG factors in accordance to the interests of the stakeholders. The following materiality matrix presents the identified material ESG factors for FY2020. The Board of Directors have review and endorsed the materiality assessment and priorities on a yearly basis.

Our findings and assessment are based on data and information collected for the period from 1 January 2020 to 31 December 2020.

Engaging Stakeholders

In order to ensure that our business interests are aligned with those of our stakeholders, we regularly communicate with them through various channels. This helps us understand and address their concerns, while improving our own services and product standards and business operations for long-term growth and sustainability.

Our stakeholders have been identified as those who are impacted by our business and operations and those who similarly are able to impact our business and operations. Six of these stakeholder groups have been assessed and identified according to their significance to our operations, namely, suppliers, customers, employees, community, investors and regulators.

Our stakeholder issues and engagement platforms are summarised in the Table 1 below.

Table 1

STAKEHOLDERS	KEY ISSUES	ENGAGEMENT PLATFORMS
Suppliers	<ul style="list-style-type: none"> • Product quality assurance • Completion of project on time • Supply chain management • Environmental compliance 	<ul style="list-style-type: none"> • Supplier's Code of Conduct • Weekly visit/meeting with suppliers when there is on-going construction project
Customers – residents, shop tenants and borrowers	<ul style="list-style-type: none"> • Customer satisfaction • Quality products and services • Available feedback platforms 	<ul style="list-style-type: none"> • Regular dialogue and feedback sessions with Customers • Policies and process in place to ensure customers' information security and data privacy
Employees	<ul style="list-style-type: none"> • Employee engagement • Talent retention and attraction • Employee safety and well-being • Work-life balance 	<ul style="list-style-type: none"> • Regular dialogue sessions with staff • Training and development programmes • Whistle-blowing policy
Community	<ul style="list-style-type: none"> • Doing our part as a corporate citizen 	<ul style="list-style-type: none"> • Organise work and feedback sessions to ensure proper disposal of renovation waste for property segment

SUSTAINABILITY REPORT

STAKEHOLDERS	KEY ISSUES	ENGAGEMENT PLATFORMS
Investors	<ul style="list-style-type: none"> Operational efficiency and monetary savings Financial stability Risk management Corporate governance Sustainability efforts 	<ul style="list-style-type: none"> Investor relations website Half-yearly financial results announcements via SGXNet Annual General Meeting Annual report
Regulators	<ul style="list-style-type: none"> Compliance with laws and regulations Anti-corruption and bribery 	<ul style="list-style-type: none"> Maintain relationships and communication channels with the relevant government agencies and regulators

* Due to the ongoing safe management measures amidst the COVID-19 situation, all engagement activities will only be carried out under appropriate regulatory guidelines.

OUR FOCUSES, COMMITMENTS AND TARGETS

Following the identification of our material factors and key stakeholders, we have mapped out our sustainability priorities and their boundaries, impact to stakeholders, current performance and commitments and targets in the table 2 below.

Table 2

FOCUSES	IMPACT TO STAKEHOLDERS	2020 PERFORMANCE	COMMITMENTS AND TARGETS
Supply Chain Management <ul style="list-style-type: none"> Engaging our Suppliers Customer satisfaction 	Property purchase is a significant investment to most individuals. Being a significant investment, quality of the property is of paramount importance to our Customers.	Under the property segment, we hold regular dialogue and feedback sessions with Customers and potential Customers to address their concerns and seek areas for improvement. We do regular upgrade of our Singapore Garden project so as to maintain the quality of the property project.	Continue to enhance Customer satisfaction level with improved product quality and service.

SUSTAINABILITY REPORT

FOCUSES	IMPACT TO STAKEHOLDERS	2020 PERFORMANCE	COMMITMENTS AND TARGETS
	In the financial solutions business, we strive to provide products suited to the needs of our customers and commit to respond promptly to our customers' needs. Structuring products that meet the customers' needs and affordability are also of paramount importance.	Under the financial solutions business segment, we meet up with our customers on a regular basis to be assured of the financial position and repayment ability. We also restructured loans to meet the customers' cashflow requirements to ensure they have the ability to run their operation while servicing the loan.	
Corporate Governance <ul style="list-style-type: none"> • Corporate Governance • Risk Management 	Compliance with legislation as well as corporate governance, anti-corruption, risk management, environmental, safety, product, and social responsibility.	Results released on 14 August 2020 (First Half FY2020) and 10 February 2021 (Full Year FY2020)	Ensure compliance of all legislation and corporate governance requirements at all times.

SUPPLY CHAIN MANAGEMENT

Product quality and responsibility

The Group has reached the tail end of its property projects and there is no ongoing construction project. In FY2020 the Group has expanded its business activities to include financial solutions business.

We hold regular meetings with key suppliers to understand their needs and challenges. We take on their feedback and formulate action plans wherever possible to enhance the sustainability of our partnership.

Our suppliers are carefully selected based on track record. In addition, our suppliers are assessed on their ability to complement our commitment to deliver quality products and services, and adhere to high standards of environmental and social practices in line with the Company's governance principles.

SUSTAINABILITY REPORT

In the property related segment, we continue to focus on managing and selling our completed mixed development projects in Fuling, Chongqing of PRC.

Customer and tenant engagement

In the property related segment, for the Singapore Garden development, the General Manager, Deputy General Manager and his team (“**Fuling management team**”) are in constant engagement with the tenants and residents of Singapore Garden. The Company handed over the service and management of the Singapore Garden project to the Residents’ Committee and also signed a service and management contract with a third-party company to manage the car parks of the Singapore Garden project since FY2018. In FY2020, the Fuling management team, the Residents’ Committee, the outsourced third-party company, the tenants and the residents continue to hold regular meetings so as to resolve issues and enhance the environment of Singapore Garden.

With the slowdown in the China economy, the Fuling management team continues to hold regular dialogue sessions with tenants on how their businesses may be promoted.

The Fuling management team and the Residents’ Committee of the Singapore Garden project have committed to provide assurance to the residents of the Singapore Garden to create and maintain a pleasant living environment.

In the financial solutions related segment, we hold regular meetings with customers to perform on-going monitoring of their financial position, repayment ability as well as to understand the challenges faced by them, if any. We restructure products to meet the cashflow requirements of customers so that they can continue to run their operations and service the loans. Customers with a healthy repayment ability will contribute to our sustainability. We are committed to keep our customers data safe as a critical priority for us, so that our customers entrust us with sensitive and confidential information. Safeguarding our customer privacy secures their confidence in our products and services, leading to customer loyalty. We will consistently put in place appropriate policies on the protection of personal data, which are to be reviewed on an annual basis and updated as and when necessary.

Market presence

In the property related segment, property purchase is a significant investment to most individuals. Being a significant investment, quality of the property is of ultimate importance to our customers. The failure to meet customers’ demand on product quality will have significant impact on our reputation and future property sales. The Company is committed to provide quality property projects. The Fuling management team has been responsive to feedback from residents and tenants on product quality with regards to the Singapore Garden project.

SUSTAINABILITY REPORT

In the financial solutions related segment, we aim to provide financial solutions to the SME, being the underserved clients in this sector. Our financial products are in line with customers' expectations, beliefs and preferences.

ENVIRONMENTAL INITIATIVES

We strongly believe that environmental conservation will ultimately lead to the sustainability of our Company's success. We consistently review and update our policies and guidelines to ensure efficient usage of energy and water, and safe disposal of waste within the Company.

Sustainable community practices

In the property related segment, the Fuling management team has provided sustainable community practices to the Singapore Garden project in the PRC and the team continues to ensure that renovation waste materials are properly disposed of in designated areas.

In general as a Group, we have taken the initiative to stop serving plastic bottle drinks since September 2019. This is in support of green movement so as to reduce the use of plastics, in the upcoming year, we will continue to this practice.

LABOUR PRACTICES & CONDUCIVE WORKPLACE

Human capital

The Company has a human capital strategy to recruit, develop and motivate employees. As part of our human rights policy, we treat employees with respect, dignity and fairly, irrespective of nationality, race or religion. We abide by labour laws and guidelines to promote fair employment practices, and we embrace the principles of fair employment. There is strictly no discrimination in the career advancement and recruitment practices. Our recruitment process is based on the Group's Human Resources policies. There are no preferences for any particular religion, age, ethnicity, race, physical disability or gender. We promote healthy competition and a performance-driven environment where employees are rewarded based on merit, competence and experience. We also believe in the benefits of re-employing older workers to retain and tap their wealth of experience.

We have a corporate Code of Business Conduct and Ethics Policy in place, which establishes acceptable standards of behaviour and outlines the Group's values for all employees. The key objective is to promote responsible workplace behaviour and maintain a strong ethical climate among all employees. Employees are required to observe all relevant Group policies and practices.

SUSTAINABILITY REPORT

Anti-corruption and anti-fraud

The Company maintains a zero-tolerance stance towards any unethical and corrupt practices, so as to protect the interests of our stakeholders and prevent reputational damage.

The management has put in place effective monitoring and management control systems to detect bribery or fraud directly at the source. We have established a direct whistleblowing channel through email for employees and any other concerned stakeholders such as residents of our completed projects, suppliers, competitors and contractors to lodge any complaints and grievances to our Audit Committee Chairman.

By doing so, our stakeholders can be assured that all reports or suspicions of potential breaches of our Code of Ethics are taken seriously by the Company. Our stakeholders can reach our Audit Committee Chairman Mr Foong Daw Ching via his email address at dawching23@gmail.com.

Over the reporting period, there was no reported incident of corruption or fraud. We aim to achieve zero incidents of corruption in the future as well.

Workplace Safety

Since FY2020, in view of the ongoing COVID-19 situation, we have activated the business continuity plan and have established appropriate measures at all our offices, including the followings:

- Arrangement for staff to work from home. The staff are organised into 2 teams so as to have minimal staff contact between the 2 teams;
- Use of "Safe Entry" system for all staff for contact tracing purposes;
- Daily temperature check for staff who work in office;
- Safe distancing (1 metre) rules enforced at all times, minimising face-to-face meetings or staff gatherings; and
- Meeting between staff, customers or service providers, are conducted via conference calls whenever possible.

SUSTAINABILITY REPORT

Regulatory Compliance

The Management recognises that a material breach of any law or regulation could have significant impact and result in irreversible reputational damage or lead to other costly liabilities. We adhere to the highest standards of corporate governance practices which ensure compliance to all applicable laws and regulations.

The Group has always ensured that we only deal with authorised/regulated agents, suppliers, customers and other service providers. In line with this policy, the Group has engaged a remittance agent in Singapore, who is licensed by Monetary Authority of Singapore (“**MAS**”), to manage any transfer of funds from China subsidiaries to Singapore subsidiaries.

In the property related segment, the Group has put in place policies and procedures to ensure compliance with the relevant laws and regulations. This includes those relating to Singapore Land Authority (“**SLA**”) in Singapore and Real Estate Management Bureau of Fuling, Chongqing (重庆市涪陵区房地产业管理局) in the PRC. At the corporate level, we also ensure that we are in compliance with the Listing Rules of SGX-ST, Securities and Futures Act and Singapore Companies Act.

In the financial solutions related segment, the Group has realised that strong governance is crucial for effective decision making and oversight to ensure long-term success. We will update our policies and procedures relating to personal data protection. In FY2020, there were no legal proceedings taken against the Group in respect of any data privacy breach on the Group by the Malaysia data protection laws.

In FY2020, to the best knowledge of the Group, there was no material breach of relevant local laws and regulations.

SUSTAINABILITY REPORT

GRI Content Index

General Standard Disclosure		Page, Reference and reasons for omission, if applicable
GENERAL DISCLOSURE		
Organisational Profile		
102-1	Name of Organisation	Corporate Profile
102-2	Activities, brands, products, and services	Corporate Profile
102-3	Location of headquarters	Corporate Information [Page 87]
102-4	Location of operations	Corporate Information [Page 87]
102-5	Ownership and legal form	Corporate Information [Page 87]
102-6	Markets served	Corporate Profile
102-7	Scale of the organisation	Human capital [Page 60] Financial Statements [Page 68-176]
102-8	Information on employees and other workers	Page 60
102-9	Supply chain	Page 57-59
102-10	Significant changes to the organisation and its supply chain	Page 57-58
102-11	Precautionary principle or approach	N.A.
102-12	External initiatives	Starland has not adopted any external initiatives.
102-13	Membership of associations	N.A.
Strategy		
102-14	Statement from senior decision-maker	Board Statement [Page 53]
102-15	Key impacts, risks, and opportunities	Page 54-56
Ethics and Integrity		
102-16	Values, principles, standards and norms of behaviour.	Page 53
102-17	Mechanisms for advice and concerns about ethics	Page 59-62

SUSTAINABILITY REPORT

General Standard Disclosure		Page, Reference and reasons for omission, if applicable
Governance		
102-18	Governance structure	Page 16-52
102-19	Delegating authority	Page 54
102-20	Executive-level responsibility for economic, environmental	Page 54
102-21	Consulting stakeholders on economic, environmental, and social topics	Page 55
102-22	Composition of the highest governance body and its committees	Page 18
102-23	Chair of the highest governance body	Page 16
102-24	Nominating and selecting the highest governance body	Page 18
102-25	Conflicts of interest	N.A.
102-26	Role of highest governance body in setting purpose, values, and strategy	Page 18
102-27	Collective knowledge of highest governance body	Page 23
102-28	Evaluating the highest governance body's performance	Page 25-29
102-29	Identifying and managing economic, environmental, and social impacts	Page 54-55
102-30	Effectiveness of risk management processes	Page 37
102-31	Review of economic, environmental, and social topics	Page 53-67
102-32	Highest governance body's role in sustainability reporting	Page 54
102-33	Communicating critical concerns	N.A.
102-34	Nature and total number of critical concerns	N.A.
102-35	Remuneration policies	Page 33-36

SUSTAINABILITY REPORT

General Standard Disclosure		Page, Reference and reasons for omission, if applicable
102-36	Process for determining remuneration	Page 33
102-37	Stakeholders' involvement in remuneration	N.A.
102-38	Annual total compensation ratio	Not disclosed due to commercial sensitivity given the highly competitive human resource environment.
102-39	Percentage increase in annual total compensation ratio	Not disclosed due to commercial sensitivity given the highly competitive human resource environment.
Stakeholder Engagement		
102-40	List of stakeholder groups	Page 56-57
102-41	Collective bargaining agreements	Starland has not adopted any collective bargaining agreement
102-42	Identifying and selecting stakeholders	Page 55
102-43	Approach to stakeholder engagement	Page 55
102-44	Key topics and concerns raised	Page 56-57
102-45	Entities included in the consolidated financial statements	Page 14
102-46	Defining report content and topic boundaries	Page 53
102-47	List of material topics	Page 53
102-48	Restatements of information	Page 79, 80, 82, 83, 85, 86, 174
102-49	Changes in reporting	N.A.
102-50	Reporting period	Page 53
102-51	Date of most recent report	Page 53
102-52	Reporting cycle	Page 53

SUSTAINABILITY REPORT

General Standard Disclosure		Page, Reference and reasons for omission, if applicable
102-53	Contact point for questions	Page 15
102-54	Claims for reporting in accordance with the GRI standards	Page 53
102-55	GRI content index	Page 63-67
102-56	External assurance	N.A.
Management approach		
103-1	Explanation of the material topic and its boundary	Page 54-55
103-2	The management approach and its components	Page 54-55
103-3	Evaluation of the management approach	N.A.
MATERIAL FACTORS AND PERFORMANCE DATA		
Category: Economic		
Topic: Economic Performance		
201-1	Direct economic value generated and distributed	N.A.
201-2	Financial implications and other risks and opportunities due to climate change	N.A.
201-3	Defined benefit plan obligations and other retirement plans	Page 102-103, 132, 165
201-4	Financial assistance received from government	N.A.
Topic: Market Presence		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	N.A.
202-2	Proportion of senior management hired from the local community	Most senior managers are hired from the local community

SUSTAINABILITY REPORT

General Standard Disclosure		Page, Reference and reasons for omission, if applicable
Topic: Procurement Practices		
204-1	Proportion of spending on local suppliers	Starland's major supplier is currently an outsourced security and cleaning contractor responsible for the cleanliness of the Singapore Garden project.
Topic: Anti-corruption		
205-1	Operations assessed for risks related to corruption	Page 61
205-2	Communication and training about anti-corruption policies and procedures.	Page 61
205-3	Confirmed incidents of corruption and actions taken	N.A.
Topic: Effluents and Waste		
306-2	Waste by type and disposal method	Page 59
Topic: Supplier Environmental Assessment		
308-1	New suppliers that were screened using environmental criteria	Page 57-58
Aspect: Customer Privacy		
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data.	There are no known incidents of complaints from our customers concerning breaches of privacy and loss of data

Note:

Starland takes a phased approach to the adoption of the GRI indicators and will review annually for their relevance/applicability indicators marked "NA".

DIRECTORS' STATEMENT

The directors hereby present their statement to the members together with the audited consolidated financial statements of Starland Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statement of changes in equity of the Company for the financial year ended 31 December 2020.

Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date; and
- (ii) at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors

The directors of the Company in office at the date of this statement are:

Foong Daw Ching
Kwan Chee Seng
Tan Chade Phang
Lim See Yong
Kwan Yu Wen (Appointed on 21 December 2020)

In accordance with Article 88 of the Company's Constitution, Kwan Yu Wen retires and, being eligible, offers herself for re-election.

In accordance with Article 89 of the Company's Constitution, Tan Chade Phang and Lim See Yong retire and, being eligible, offer themselves for re-election.

Arrangements to enable directors to acquire shares and debentures

Except as described in this statement, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

DIRECTORS' STATEMENT

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50, an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of director	Direct interest		Deemed interest	
	At the beginning of financial year/ date of appointment	At the end of financial year	At the beginning of financial year/ date of appointment	At the end of financial year
<u>Ultimate Holding Company</u>				
GRP Limited (Ordinary shares)				
Kwan Chee Seng ⁽¹⁾	64,064,440	64,064,440	–	–
Lim See Yong	3,530,600	3,530,600	–	–
<u>The Company</u> (Ordinary shares)				
Kwan Chee Seng ⁽¹⁾	6,921,713	6,921,713	120,376,155	120,376,155
Lim See Yong	466,304	466,304	65	65
<u>Subsidiary – Luminor Capital (Malaysia) Sdn Bhd</u> (Ordinary shares)				
Kwan Chee Seng ⁽²⁾	–	–	–	97,951
Kwan Yu Wen ⁽²⁾	–	–	–	97,951

(1) Mr Kwan Chee Seng has a shareholding interest of 35.5% in GRP Limited. By virtue of Section 7 of the Companies Act, Chapter 50, Mr Kwan Chee Seng is deemed to be interested in the ordinary shares of the Company held by GRP Chongqing Land Pte. Ltd., a wholly owned subsidiary of GRP Limited.

(2) Mr Kwan Chee Seng and Ms Kwan Yu Wen have a shareholding interest of 30% and 20% in Luminor Capital Pte. Ltd.. By virtue of Section 7 of the Companies Act, Chapter 50, Mr Kwan Chee Seng and Ms Kwan Yu Wen are deemed to be interested in 97,951 ordinary shares representing 9.8% of Luminor Capital (Malaysia) Sdn. Bhd. ("Luminor Malaysia") held by Luminor Capital Pte. Ltd. On 25 January 2021, Luminor Capital Pte. Ltd. divested its entire shareholding interest in Luminor Malaysia and Mr Kwan Chee Seng and Ms Kwan Yu Wen ceased to have any deemed interest in the 97,951 ordinary shares of Luminor Malaysia.

There was no change in any of the above-mentioned interests in the Company between the end of the financial year end and 21 January 2021.

DIRECTORS' STATEMENT

Share options

(a) *Options to take up unissued shares*

During the financial year, no options to take up unissued shares of the Company or any corporation in the Group were granted.

(b) *Options exercised*

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) *Unissued shares under option*

At the end of financial year, there were no unissued shares of the Company or any corporation in the Group under option.

Share awards

Starland Performance Share Plan

The Company has adopted the Starland Performance Share Plan (the "Starland PSP") which was approved at the Company's extraordinary general meeting held on 11 April 2012 and was last renewed at the Company's annual general meeting held on 5 June 2020. The Starland PSP provides for the grant of fully-paid shares free-of-charge to employees and directors, when and after pre-determined performance or service conditions are accomplished.

The directors of the Company are allowed to allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be issued pursuant to the vesting of the awards granted under the Starland PSP, provided always that the aggregate number of Shares to be allotted and issued pursuant to the Plan, shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the date preceding the date of the relevant grant.

The Starland PSP is administered by the Remuneration Committee comprising Tan Chade Phang (Chairman), Foong Daw Ching and Lim See Yong.

Since the commencement of the Starland PSP up to the date of this report, no shares have been awarded under the Starland PSP.

DIRECTORS' STATEMENT

Audit committee

The members of the Audit Committee ("AC") at the end of the financial year were as follows:

- Foong Daw Ching (AC Chairman)
- Tan Chade Phang (Member)
- Lim See Yong (Member)

The AC carried out its functions in accordance with section 201B (5) of the Singapore Companies Act, Chapter 50, including the following:

- Reviewed the audit plans of the internal and independent auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the internal and independent auditors.
- Reviewed the half-yearly and annual financial statements and the independent auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors.
- Reviewed effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management via reviews carried out by the internal auditor.
- Met with the independent auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC.
- Reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators.
- Reviewed the cost effectiveness and the independence and objectivity of the independent auditor.
- Reviewed the nature and extent of non-audit services provided by the independent auditor.
- Recommended to the board of directors the independent auditor to be nominated, approved the compensation of the independent auditor, and reviewed the scope and results of the audit.

DIRECTORS' STATEMENT

Audit committee (Continued)

- Reported actions and minutes of the AC to the board of directors with such recommendations as the AC considered appropriate.
- Reviewed interested person transactions in accordance with the requirements of the Singapore Exchange Securities Trading Limited's Listing Manual.

The AC has also met with internal and independent auditors, without the presence of the Company's management, at least once a year.

The AC is satisfied with the independence and objectivity of the independent auditor and has recommended to the Board that Baker Tilly TFW LLP be nominated for re-appointment as independent auditor of the Company at the forthcoming Annual General Meeting.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

Auditor

The independent auditor, Baker Tilly TFW LLP, has expressed its willingness to accept re-appointment.

On behalf of the board of directors:

Foong Daw Ching
Director

Kwan Yu Wen
Director

Singapore
5 April 2021

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2020
Independent Auditor's Report to the Members of Starland Holdings Limited

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Starland Holdings Limited (the "Company") and its subsidiaries (the "Group") as set out on pages 79 to 176 which comprise the balance sheets of the Group and of the Company as at 31 December 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement of the Group and the statement of changes in equity of the Company for the financial year ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion section* of our report, the accompanying consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

Basis for Qualified Opinion

Bank accounts and fund transfers relating to certain subsidiaries in the People's Republic of China ("PRC")

As disclosed in Note 3.2 to the financial statements, on 19 June 2020, the Company became aware that certain People's Republic of China ("PRC") banks had frozen certain PRC bank accounts of Chongqing Tianhu Land Co., Ltd. ("Tianhu") and Chongqing Gangyuan Property Development Co., Ltd. ("Gangyuan").

Management has appointed legal counsel in the PRC to pursue resolution of the matter. The legal counsel has since initiated communication with the banks and was referred to an officer-in-charge ("OIC") of the case.

These PRC bank accounts had been unfrozen on 24 November 2020. Management had obtained verbal confirmation from the OIC that these PRC bank accounts may be used for normal business operations. The affected PRC bank accounts balance as at 31 December 2020 is disclosed in Note 6 to the financial statements. Status of the matter is disclosed in Note 3.2 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2020
Independent Auditor's Report to the Members of Starland Holdings Limited

Report on the Audit of the Financial Statements (Continued)

Basis for Qualified Opinion (Continued)

Bank accounts and fund transfers relating to certain subsidiaries in the People's Republic of China ("PRC")

Further disclosed in Note 3.2 to the financial statements, there were certain fund transfers from these bank accounts made by the abovementioned PRC subsidiaries to unrelated third-party entities during the financial year ended 31 December 2019.

The auditor's report on the Group's financial statements for the financial year ended 31 December 2019 included a qualification due to the auditor's inability to obtain sufficient audit evidence on whether the fund transfers are in compliance with applicable laws and regulations in the PRC and Singapore. The extract for the basis for qualified opinion is disclosed in Note 31 to the financial statements.

As a result of the matters highlighted above, we are unable to obtain sufficient audit evidence on:

- (i) whether the Group has the rights and ability to recover the bank balances in the PRC bank accounts; and
- (ii) whether the fund transfers as disclosed in Note 3.2 to the financial statements are in compliance with applicable laws and regulations in the PRC and Singapore. It is not practicable to estimate the potential financial impact, if any, to the Group in the event of any breach of applicable laws and regulations.

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Other Matter

The financial statements for the financial year ended 31 December 2019 were audited by another independent auditor whose report dated 15 April 2020 expressed a qualified opinion on the consolidated financial statements of the Group as disclosed in Note 31 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2020
Independent Auditor's Report to the Members of Starland Holdings Limited

Report on the Audit of the Financial Statements (Continued)

Other Information

Management is responsible for other information. The other information comprises the information included in the Annual Report 2020, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. As described in the *Basis for Qualified Opinion* section of our report, we are unable to obtain sufficient appropriate audit evidence on (i) whether the Group has the rights and ability to recover the bank balances in the PRC bank accounts; and (ii) whether the abovementioned fund transfers are in compliance with applicable laws and regulations in the PRC and Singapore. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Except for the matter described in the *Basis for Qualified Opinion* section, we have determined that there are no other key audit matters to communicate in our report.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2020
Independent Auditor's Report to the Members of Starland Holdings Limited

Report on the Audit of the Financial Statements (Continued)

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I), and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2020
Independent Auditor's Report to the Members of Starland Holdings Limited

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 31 December 2020
Independent Auditor's Report to the Members of Starland Holdings Limited

Report on the Audit of the Financial Statements (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provision of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Tay Guat Peng.

Baker Tilly TFW LLP
Public Accountants and
Chartered Accountants
Singapore

5 April 2021

BALANCE SHEETS

As at 31 December 2020

	Note	Group (Restated)		Company	
		2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000
ASSETS					
Current assets					
Cash and cash equivalents	6	105,198	125,199	44,644	82,288
Trade and other receivables	7	17,853	1,812	51,105	29,502
Held for trading equity securities	8	–	–	–	–
Debt securities	9	–	12,080	–	–
Properties held for sale	10	26,344	45,856	–	–
Development properties	11	8,413	8,642	–	–
Total current assets		<u>157,808</u>	<u>193,589</u>	<u>95,749</u>	<u>111,790</u>
Non-current assets					
Trade and other receivables	7	1,972	–	–	–
Property, plant and equipment	12	3,576	68	19	6
Goodwill	14	976	–	–	–
Intangible assets		1	–	–	–
Investment in subsidiaries	15	–	–	–*	–*
Investment in associate	16	697	–	–	–
Deferred tax assets	17	937	931	–	–
Total non-current assets		<u>8,159</u>	<u>999</u>	<u>19</u>	<u>6</u>
Total assets		<u>165,967</u>	<u>194,588</u>	<u>95,768</u>	<u>111,796</u>
LIABILITIES AND EQUITY					
Current liabilities					
Lease liabilities	13	618	–	–	–
Trade and other payables	18	9,004	9,682	57,914	43,867
Contract liabilities	18	656	1,906	–	–
Income tax payables		32,948	33,390	–	–
Total current liabilities		<u>43,226</u>	<u>44,978</u>	<u>57,914</u>	<u>43,867</u>
Non-current liabilities					
Trade and other payables	18	2,114	–	–	–
Lease liabilities	13	649	–	–	–
Deferred tax liabilities	17	3,376	3,175	–	–
Provision for restoration		475	–	–	–
Total non-current liabilities		<u>6,614</u>	<u>3,175</u>	<u>–</u>	<u>–</u>
Total liabilities		<u>49,840</u>	<u>48,153</u>	<u>57,914</u>	<u>43,867</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

BALANCE SHEETS

As at 31 December 2020

	Note	Group (Restated)		Company	
		2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000
Equity					
Share capital	19	24,471	24,471	24,471	24,471
Other reserves	20	53,190	57,687	787	4,268
Retained earnings		<u>38,765</u>	<u>64,277</u>	<u>12,596</u>	<u>39,190</u>
Equity attributable to owners of the Company, total		116,426	146,435	37,854	67,929
Non-controlling interests		<u>(299)</u>	<u>–</u>	<u>–</u>	<u>–</u>
Total equity		<u>116,127</u>	<u>146,435</u>	<u>37,854</u>	<u>67,929</u>
Total liabilities and equity		<u><u>165,967</u></u>	<u><u>194,588</u></u>	<u><u>95,768</u></u>	<u><u>111,796</u></u>

* Denotes amounts less than RMB1,000

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

For the financial year ended 31 December 2020

	Note	Group	
		2020 RMB'000	2019 RMB'000
Revenue	21	37,377	29,638
Cost of sales		(29,169)	(13,811)
Gross profit		8,208	15,827
Other income		613	557
Interest income	22	2,195	2,867
Other expenses	23	(2,099)	(2,450)
Finance costs	24	(492)	(127)
Selling expenses		(21)	(741)
Administrative expenses		(12,521)	(8,405)
Share of associate		(43)	–
(Loss)/profit before tax	25	(4,160)	7,528
Income tax expense	26	(821)	(5,988)
(Loss)/profit for the year		(4,981)	1,540
Other comprehensive loss, net of tax:			
<u>Item that may be reclassified subsequently to profit or loss</u>			
Foreign currency translation		(4,497)	(175)
Total comprehensive (loss)/income for the year		(9,478)	1,365
(Loss)/profit attributable to:			
Owners of the Company		(3,571)	1,540
Non-controlling interests		(1,410)	–
		(4,981)	1,540
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(8,068)	1,365
Non-controlling interests		(1,410)	–
		(9,478)	1,365
Basic and diluted (loss)/earnings per share (RMB cents)	27	(2.47)	1.06

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2020

Group	Share capital RMB'000	Capital reserve RMB'000	Merger reserve RMB'000	Statutory reserve RMB'000	Translation reserve RMB'000	Retained earnings RMB'000	Attributable	Non-	Total RMB'000
							to owners of the company RMB'000	controlling interests RMB'000	
At 1 January 2019	24,471	99,027	628	8,568	144	33,847	166,685	-	166,685
Profit for the year	-	-	-	-	-	1,540	1,540	-	1,540
Other comprehensive loss									
Foreign currency translation	-	-	-	-	(175)	-	(175)	-	(175)
Total comprehensive income for the year	-	-	-	-	(175)	1,540	1,365	-	1,365
Contributions by and distributions to owners									
Dividends paid on ordinary shares (Note 28)	-	-	-	-	-	(21,615)	(21,615)	-	(21,615)
Others									
Transfer to retained earnings	-	(99,027)	-	-	-	99,027	-	-	-
At 31 December 2019 as previously stated	24,471	-	628	8,568	(31)	112,799	146,435	-	146,435
Prior year adjustments (Note 30)	-	48,522	-	-	-	(48,522)	-	-	-
At 31 December 2019, as restated	<u>24,471</u>	<u>48,522</u>	<u>628</u>	<u>8,568</u>	<u>(31)</u>	<u>64,277</u>	<u>146,435</u>	<u>-</u>	<u>146,435</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2020

Group	Share capital RMB'000	Capital reserve RMB'000	Merger reserve RMB'000	Statutory reserve RMB'000	Translation reserve RMB'000	Retained earnings RMB'000	Attributable		Total RMB'000
							to owners of the company RMB'000	Non- controlling interests RMB'000	
At 31 December 2019, as previously stated	24,471	-	628	8,568	(31)	112,799	146,435	-	146,435
Prior year adjustments (Note 30)	-	48,522	-	-	-	(48,522)	-	-	-
At 31 December 2019, as restated	24,471	48,522	628	8,568	(31)	64,277	146,435	-	146,435
Loss for the year	-	-	-	-	-	(3,571)	(3,571)	(1,410)	(4,981)
<u>Other comprehensive loss</u>									
Foreign currency translation	-	-	-	-	(4,497)	-	(4,497)	-	(4,497)
Total comprehensive loss for the year	-	-	-	-	(4,497)	(3,571)	(8,068)	(1,410)	(9,478)
Acquisition of subsidiaries	-	-	-	-	-	-	-	1,111	1,111
<u>Contributions by and distributions to owners</u>									
Dividends paid on ordinary shares (Note 28)	-	-	-	-	-	(21,941)	(21,941)	-	(21,941)
At 31 December 2020	<u>24,471</u>	<u>48,522</u>	<u>628</u>	<u>8,568</u>	<u>(4,528)</u>	<u>38,765</u>	<u>116,426</u>	<u>(299)</u>	<u>116,127</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2020

Company	Share capital RMB'000	Merger reserve RMB'000	Translation reserve RMB'000	Retained earnings RMB'000	Total RMB'000
At 1 January 2019	24,471	628	1,706	27,043	53,848
Profit for the year	-	-	-	33,762	33,762
<u>Other comprehensive income</u>					
Foreign currency translation	-	-	1,934	-	1,934
Total comprehensive income for the year	-	-	1,934	33,762	35,696
<u>Contributions by and distributions to owners</u>					
Dividends paid on ordinary shares (Note 28)	-	-	-	(21,615)	(21,615)
At 31 December 2019	24,471	628	3,640	39,190	67,929
Loss for the year	-	-	-	(4,653)	(4,653)
<u>Other comprehensive loss</u>					
Foreign currency translation	-	-	(3,481)	-	(3,481)
Total comprehensive loss for the year	-	-	(3,481)	(4,653)	(8,134)
<u>Contributions by and distributions to owners</u>					
Dividends paid on ordinary shares (Note 28)	-	-	-	(21,941)	(21,941)
At 31 December 2020	24,471	628	159	12,596	37,854

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2020

	Note	Group	
		2020	(Restated) 2019
		RMB'000	RMB'000
Operating activities			
(Loss)/profit before tax		(4,160)	7,528
Adjustments for:			
Impairment of goodwill	14	2,099	–
Depreciation of property, plant and equipment	12	1,241	13
Amortisation of land use right	25	306	301
Fair value loss on held for trading equity securities		–	2,357
Interest income	22	(2,195)	(2,867)
Interest expense on other liabilities	24	422	127
Interest expense on lease liabilities	24	70	–
Share of result of associates		43	–
Gain on disposal of property, plant and equipment		–	(193)
Unrealised foreign exchange differences		(858)	(3,161)
Operating cash flows before changes in working capital		(3,032)	4,105
Decrease in properties held for sale		19,281	13,435
Increase in development properties		(77)	(77)
(Increase)/decrease in trade and other receivables		(7,519)	2,852
Decrease in trade and other payables		(4,131)	(41)
Decrease in contract liabilities		(1,250)	(1,463)
Cash flows generated from operations		3,272	18,811
Interest received		1,914	2,792
Interest paid on other liabilities		(422)	(127)
Interest paid on lease liabilities		(70)	–
Income tax paid		(1,171)	(6,220)
Net cash flows generated from operating activities		3,523	15,256

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2020

		Group	
	Note	2020	(Restated)
		RMB'000	2019
		RMB'000	RMB'000
Investing activities			
Purchase of intangible asset		(1)	–
Purchase of property, plant and equipment	12	(1,729)	(1)
Proceeds from disposal of property, plant and equipment		–	220
Acquisition of subsidiaries	15	4,069	–
Advances to associate		–	–
Purchase of debt securities	9	–	(11,727)
Net cash flows generated from/(used in) investing activities		2,339	(11,508)
Financing activities			
Decrease in bank deposits pledged		4,048	12,377
Dividends paid	28	(21,941)	(21,615)
Due to/(repayment to) ultimate holding company		(162)	33
Due to non-controlling interests		579	–
Repayment of loans and borrowings		–	(10,183)
Repayment of lease liabilities	13	(539)	–
Net cash flows used in financing activities		(18,015)	(19,388)
Effect of foreign exchange rate changes		(3,800)	2,240
Net decrease in cash and cash equivalents		(12,153)	(15,640)
Cash and cash equivalents at beginning of financial year		121,151	134,551
Cash and cash equivalents at end of financial year	6	105,198	121,151

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

1. CORPORATE INFORMATION

Starland Holdings Limited (the “Company”) is a limited liability company incorporated and domiciled in the Republic of Singapore with its registered office at 20 Collyer Quay, #01-02, Singapore 049319 and principal place of business at 8 Marina Boulevard, Marina Bay Financial Centre Tower 1, #13-02 Singapore 018981. On 27 April 2012, the Company was listed on Catalist, the sponsor-supervised board of the Singapore Exchange Securities Trading Limited.

The principal activity of the Company is that of an investment holding company.

The principal activities of the subsidiaries are disclosed in Note 15.

The Company’s immediate holding company is GRP Chongqing Land Pte. Ltd. (“GRP Chongqing”), a company incorporated in Singapore. GRP Chongqing’s ultimate holding company is GRP Limited (“GRP”), a company incorporated in Singapore.

As at 31 December 2020, GRP Chongqing owns 83.17% of the issued and paid-up ordinary shares in the share capital of the Company.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 *Basis of preparation*

The financial statements are presented in Renminbi (“RMB”) and all values are rounded to the nearest thousand (“RMB’000”) except when otherwise indicated. The financial statements have been prepared in accordance with the provisions of the Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International) (“SFRS(I)"). The financial statements have been prepared under the historical cost convention except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with SFRS(I) requires the use of estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management’s best knowledge of current events and actions and historical experiences and various other factors that are believed to be reasonable under the circumstances, actual results may ultimately differ from those estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 *Basis of preparation (Continued)*

The areas involving a higher degree of judgement in applying accounting policies, or areas where assumptions and estimates have a significant risk of resulting in material adjustment within the next financial year are disclosed in Note 3.

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables approximate their respective fair values due to the relatively short-term maturity of these financial instruments.

2.2 *Changes in accounting policies*

In the current financial year, the Group has adopted all the new and revised SFRS(I) and SFRS(I) Interpretations ("SFRS(I) INT") that are relevant to its operations and effective for the current financial year. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I) and SFRS(I) INT.

The adoption of these new/revised SFRS(I) and SFRS(I) INT did not have any material effect on the financial results or position of the Group and the Company.

During the financial year, the Group has elected to early adopt the amendment to SFRS(I) 16: COVID-19 – Related Rent Concessions which provided practical relief for lessees in accounting for rent concessions. Under the practical expedient, the lessees are not required to assess whether a rent concession is a lease modification and instead are permitted to account for them as if they were not lease modifications, if all of the following conditions are met:

- (i) the change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
- (ii) any reduction in lease payments affects only payments originally due on or before 30 June 2021; and
- (iii) there is no substantive change to other terms and conditions of the lease.

The Group has elected to apply this practical expedient to property leases. As a result of applying the practical expedient, rent concessions of RMB50,000 was recognised as negative variable lease payments (ie. increase in other income) in the profit or loss during the current financial year. The amendment has no impact on retained earnings at 1 January 2020.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 *New and revised standards not yet effective*

New standards, amendments to standards and interpretations that have been issued at the reporting date but are not yet effective for the financial year ended 31 December 2020 have not been applied in preparing these financial statements. None of these are expected to have a significant effect on the financial statements of the Group and the Company.

2.4 *Basis of consolidation and business combinations*

(a) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the reporting date. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full. Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date that such control ceases.

(b) *Business combinations and goodwill*

Business combinations are accounted for using the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses as incurred.

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is an asset or liability, will be recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 *Basis of consolidation and business combinations (Continued)*

(b) *Business combinations and goodwill (Continued)*

Non-controlling interest in the acquiree, that are present ownership interests and entitle their holders to a proportionate share of net assets of the acquiree are recognised on the acquisition date at either fair value, or the non-controlling interest's proportionate share of the acquiree's identifiable net assets.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to the Group's cash-generating units that are expected to benefit from the synergies of the combination.

The cash-generating units to which goodwill have been allocated is tested for impairment annually and whenever there is an indication that the cash-generating unit may be impaired. Impairment is determined for goodwill by assessing the recoverable amount of each cash-generating unit (or group of cash-generating units) to which the goodwill relates.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 *Associated companies*

An associated company is an entity over which the Group has significant influence but not control or joint control, over the financial and operating policies of the entity. Significant influence is presumed to exist generally when the Group holds 20% or more of the voting power of another entity.

Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting, less impairment losses, if any.

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

Subsequent to initial recognition, the consolidated financial statements include the Group's share of the post-acquisition profit or loss and other comprehensive income of equity-accounted investees, after adjustments to align the accounting policies with those of the Group, from the date that significant influence or joint control commences until the date that significant influence or joint control ceases.

Distributions received from associated companies are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately as income in the Group's profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 *Foreign currencies*

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of the Company is Singapore Dollars (“SGD”). The financial statements are presented in Renminbi as the Group’s operations are mainly in the People’s Republic of China (“PRC”).

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured. Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group’s net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) *Translation of Group entities’ financial statements*

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the Group’s presentation currency are translated into Renminbi as follows:

- (i) Assets and liabilities are translated at the closing rates at the date of the balance sheet;
- (ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Foreign currencies (Continued)

(b) Translation of Group entities' financial statements (Continued)

- (iii) All resulting exchange differences are recognised in the currency translation reserve within equity.

On consolidation, exchange differences arising from the translation of the net investment in foreign operations (including monetary items that, in substance, form part of the net investment in foreign entities) are taken to the foreign currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

On disposal of a foreign group entity, the cumulative amount of the currency translation reserve relating to that particular foreign entity is reclassified from equity and recognised in profit or loss when the gain or loss on disposal is recognised.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, equipment is measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated on a straight-line basis to write off the cost or revalued amount of property, plant and equipment over their expected useful lives. The estimated useful lives are as follows:

Office premises	–	3 years
Motor vehicles	–	3 to 4 years
Renovation, furniture, fixtures and equipment	–	3 to 5 years

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the period the asset is de-recognised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

When a Group entity is the lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct cost incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease.

When a Group entity is the lessee

The Group applies a single recognition and measurement approach for all contracts that are, or contain, a lease, except for short-term leases (i.e. for leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option) and leases of low-value assets (e.g. leases of tablet and personal computers, small items of office equipment and telephones). For these exempted leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

Lease liabilities

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate.

Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group and payments of penalties for terminating the lease, if the lease term reflects the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 *Leases (Continued)*

When a Group entity is the lessee (Continued)

Lease liabilities (Continued)

The lease liability is presented as a separate line in the balance sheets.

The lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability using the effective interest method, and reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

Right-of-use assets

The Group recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement date, initial direct cost, less any lease incentive received.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I)1-37 *Provisions, Contingent Liabilities and Contingent Assets*. To the extent that the cost relates to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are subsequently measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. Right-of-use assets are depreciated on a straight-line basis over the shorter period of the lease term and useful life of the underlying asset. If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The depreciation starts at the commencement date of the lease.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 *Leases (Continued)*

When a Group entity is the lessee (Continued)

Right-of-use assets (Continued)

The right-of-use assets are presented within property, plant and equipment, and development properties in the balance sheets.

The Group applies SFRS(I) 1-36 *Impairment of Assets* to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in note 2.12.

As a practical expedient, SFRS(I) 16 *Leases* permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease component as a single arrangement. The Group has not used this practical expedient.

2.9 *Land use rights*

Land use rights are initially measured at cost. Following initial recognition, land use rights are measured at cost less accumulated amortisation. The land use rights are amortised on a straight-line basis over the lease term of 40 years.

2.10 *Development properties*

Development properties are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Group's own use, rental or capital appreciation.

Development properties are held as inventories and are measured at the lower of cost and net realisable value.

Net realisable value of development properties is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of development properties recognised in the profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.11 *Properties held for sale*

Completed properties held for sale are stated at lower of cost or net realisable value. Cost is determined by apportionment of the total land cost, development costs and borrowing costs capitalised to the unsold properties with such apportionment based on floor area.

Net realisable value of properties held for sales is the estimated selling price in the ordinary course of business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs necessary to make the sale.

2.12 *Impairment of non-financial assets*

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses are recognised in profit or loss.

A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss. Impairment losses relating to goodwill cannot be reversed in future periods.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 *Subsidiaries*

Subsidiaries are entities controlled by the Group. The Group controls an investee when the Group is exposed to, or has rights to, variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's balance sheet, investments in subsidiaries are accounted for at cost less accumulated impairment losses, if any. On disposal of the investment, the difference between disposal proceeds and the carrying amounts of the investments is recognised in profit or loss.

2.14 *Financial instruments*

(a) *Financial assets*

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

At initial recognition, the Group measures a financial asset at amortised cost based on its fair value plus transaction costs that are directly attributable to the acquisition of the financial asset after deducting significant fees received that are an integral part of the effective interest rate of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of a third party, if the trade receivables do not contain a significant financing component at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 *Financial instruments (Continued)*

(a) *Financial assets (Continued)*

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset.

The three measurement categories for classification of debt instruments are amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit or loss ("FVTPL"). The Group has debt instruments at amortised cost and FVTPL.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are de-recognised or impaired, and through amortisation process.

Debt instruments that are held for trading as well as those that do not meet the criteria for classification as amortised cost or FVOCI are classified as FVTPL. Movements in fair values and interest income are recognised in profit or loss in the period in which it arises and presented in "other income".

Investments in equity instruments

For investments in equity instruments which the Group has not elected to present subsequent changes in fair value in other comprehensive income, changes in fair value are recognised in profit or loss. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

De-recognition

A financial asset is de-recognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 *Financial instruments (Continued)*

(b) **Financial liabilities**

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities at amortised cost are recognised initially at fair value plus directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities at amortised cost are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. On de-recognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

(c) **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 *Impairment of financial assets*

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets that do not have a significant financing component, the Group applies a simplified approach to recognise a loss allowance based on lifetime ECLs at each reporting date. The Group provides for lifetime ECLs for all trade receivables for each of the debtors, taking into consideration the historical loss rates and, where applicable, incorporating forward-looking information specific to the individual debtors and the economic environment.

The Group recognises an impairment gain or loss in profit or loss for all financial assets with a corresponding adjustment to their carrying amount through a loss allowance account.

2.16 *Cash and cash equivalents in the consolidated cash flow statement*

For the purpose of presentation in the consolidated cash flow statement, cash and cash equivalents comprise cash on hand, deposits with financial institutions which are subject to an insignificant risk of change in value and excludes pledged deposits.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past event, and it is probable that an outflow of economic resources will be required to settle that obligation and the amount can be estimated reliably. Provisions are measured at management's best estimate of the expenditure required to settle the obligation at the reporting date. Where the effect of the time value of money is material, the amount of the provision shall be discounted to present value using a pre-tax discount rate that reflects the current market assessment of the time value of money and risks specific to the obligation.

When discounting is used, the increase in the provision due to passage of time is recognised as a finance cost in profit or loss.

2.18 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.19 Employee benefits

(a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies and Malaysia companies in the Group make contributions to the Central Provident Fund scheme in Singapore and Employee Provident Fund in Malaysia, both being defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 *Employee benefits (Continued)*

(a) *Defined contribution plans (Continued)*

Pursuant to the relevant regulations of the PRC government, the PRC entities of the Group (“PRC subsidiaries”) have participated in central pension schemes (the “Schemes”) operated by local municipal governments whereby the PRC subsidiaries are required to contribute a certain percentage of the basic salaries of their employees to the Schemes to fund their retirement benefits. The local municipal governments undertake to assume the retirement benefit obligations of all existing and future retired employees of the PRC subsidiaries. The only obligation of the PRC subsidiaries with respect to the Schemes is to pay the ongoing required contributions under the Schemes mentioned above. Contributions under the Schemes are recognised as an expense in the period in which the related service is performed.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

2.20 *Segment reporting*

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the group of executive directors and the chief executive officer who make strategic decisions.

2.21 *Revenue*

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.21 Revenue (Continued)

(a) **Sale of properties held for sale and development properties**

Revenue is recognised when control over the property has been transferred to the customer at a point in time based on the contractual terms and the practices in the legal jurisdictions.

(b) **Rental income**

Rental income arising from properties held for sale is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

(c) **Income from financial solutions**

The Group earns fee income from a diverse range of products and services provided to its customers. The Group generally satisfies its performance obligation and recognises the fee income on the following basis:

- Transaction-based fee is recognised on the completion of the transaction. Such fees include fees earned for issuance of support letter;
- For a service that is provided over a period of time, fee income is generally recognised over the period during which the related service is provided is undertaken. This basis of recognition most appropriately reflects the nature and pattern of provision of these services to the customers over time. Such fees include arranger fee and advisory fee.
- Interest income from financial solutions is recognised using the effective interest method.

(d) **Interest income**

Interest income is recognised using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Taxes

(a) **Current income tax**

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) **Deferred tax**

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Taxes (Continued)

(b) *Deferred tax (Continued)*

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Taxes (Continued)

(b) *Deferred tax (Continued)*

The Group offsets deferred tax assets and deferred tax liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheets.

2.23 *Share capital and share issuance expenses*

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.24 *Contingencies*

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.25 *Intangible assets*

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software. Direct expenditure, which enhances or extends the performance of computer software beyond its original specifications and which can be reliably measured, is recognised as a capital improvement and added to the original cost of the software. Costs associated with maintaining computer software are recognised as an expense as incurred.

Acquired computer software licences are stated at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised using the straight-line method over their estimated useful lives of 3 years.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.26 *Dividend*

Interim dividends are recorded during the financial year in which they are declared payable.

Final dividends are recorded in the Group's financial statements in the period in which they are approved by the Company's shareholders.

2.27 *Government grants*

Government grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. When the grant relates to an expense item, it is recognised in profit or loss over the period necessary to match them on a systematic basis to the costs that it is intended to compensate.

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 *Judgements made in applying accounting policies*

In the process of applying the Group's accounting policies, management has made the following judgement that have the most significant effect on the amounts recognised in the financial statements.

Determination of functional currency

SFRS(I) 1-21 *The Effects of Changes in Foreign Exchange Rates* requires the Company and each of the entities in the Group to determine its functional currency in preparing the financial statements. When determining its functional currency, the Company and the entities in the Group consider the primary economic environment in which each of them operates i.e. the one in which it primarily generates and expends cash. The Company and the entities in the Group may also consider where the funds from financing activities are generated. Management applied its judgement and determined that the functional currency of the Company is Singapore Dollars on the basis that its funding is denominated in Singapore Dollars and its transactions are mainly in Singapore Dollars.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 *Key sources of estimation uncertainty*

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Bank accounts and fund transfers relating to certain subsidiaries in the PRC

On 19 June 2020, the Company became aware that certain People's Republic of China ("PRC") banks had frozen certain PRC bank accounts of Chongqing Tianhu Land Co., Ltd. ("Tianhu") and Chongqing Gangyuan Property Development Co., Ltd. ("Gangyuan").

Legal counsel in the PRC has been appointed to pursue the resolution of the matter. The legal counsel has since initiated communications with the banks and has been referred to an officer-in-charge ("OIC") of the case in Yan Ta police station, Shanxi Province Xi'an City, PRC. The OIC had requested documents from the Group for their investigation.

These PRC bank accounts had been unfrozen on 24 November 2020. Management had obtained verbal confirmation from the OIC that these PRC bank accounts may be used for normal business operations.

These bank accounts were used for normal business operations and fund transfers from these bank accounts were made by the abovementioned PRC subsidiaries aggregating RMB68,025,000 to unrelated third-party PRC entities as designated by the Singapore licensed remittance agent ("Agent") during the financial year ended 31 December 2019. A Singapore subsidiary of the Company had also received fund transfers aggregating SGD12,946,000 from the Agent during the financial year ended 31 December 2019. The receipts of these funds in Singapore were related to the fund transfers made by the abovementioned PRC subsidiaries to these designated third-party PRC entities by the Agent.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 *Key sources of estimation uncertainty (Continued)*

Bank accounts and fund transfers relating to certain subsidiaries in the PRC (Continued)

The Company had obtained a legal opinion from a firm of PRC legal counsel to confirm that the fund transfers from these bank accounts made by the abovementioned PRC subsidiaries aggregating RMB68,025,000 to unrelated third-party PRC entities did not contravene any PRC laws or regulations. Furthermore, the Company had obtained a legal opinion from a firm of Singapore legal counsel to confirm that the Agent held a remittance license issued by the Monetary Authority of Singapore in accordance with the Money-Changing and Remittance Business Act (Chapter 187 of Singapore). The Agent's license was valid for the period commencing 1 January 2017 to 31 December 2019 (both dates inclusive) when the fund transfers took place.

As at 31 December 2020, the amounts included in the affected PRC bank accounts which had been unfrozen amounted to RMB22,830,000.

As at the date of authorisation of these financial statements, all documents requested by the OIC have been submitted by 25 January 2021, and no further requests for documents or for information have been received from the OIC.

Management is of the view that at this juncture it remains premature to determine whether there would be any material financial impact on the Group relating to this matter.

Estimation of net realisable value of development properties and properties held for sale

Development properties and properties held for sale are stated at the lower of cost and estimated net realisable value ("NRV") in accordance with the accounting policies in Notes 2.10 and 2.11. The continually evolving situation due to COVID-19 pandemic has resulted in inherent uncertainty in the estimated net realisable value of the Group's properties. A slowdown in economic activity in the PRC might exert downward pressure on transaction volumes as well as property prices. This could lead to future trends in the market departing from known trends based on past experience.

The carrying amounts of the development properties and properties held for sale stated at the lower of cost and estimated net realisable value as at 31 December 2020 were RMB8,413,000 (2019: RMB8,642,000) and RMB26,344,000 (2019: RMB45,856,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 *Key sources of estimation uncertainty (Continued)*

Business combination

During the financial year, the Group acquired subsidiaries as disclosed in Note 15. The initial accounting of the acquisition of subsidiary involves the fair valuation of the consideration transferred, the identification of the acquired assets and liabilities and their respective fair values ("purchase price allocation exercise"). Management had engaged independent valuers to assist with the purchase price allocation exercise. The fair value of financial assets and financial liabilities acquired were derived based on the present value of expected net cash flows. The fair value of property, plant and equipment (including right-of-use assets) was determined by reference to comparable market information and investment in associate using market approach. Any changes in the assumptions used and estimates made in determining the fair values will impact the carrying amount of the assets, liabilities and goodwill acquired.

Impairment of goodwill

Goodwill is tested for impairment annually. An impairment exists when the carrying value of the cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use.

Management performs an annual impairment assessment of goodwill. Discounted cash flow analysis of the cash-generating unit ("CGU") is used by management to determine the value-in-use for the purpose of the impairment assessment. Management has appointed external expert to assist in the preparation of the impairment assessment of SA Puncak Management Sdn. Bhd. ("**SA Puncak**"). In preparing the discounted cash flow analysis, management is required to estimate the expected future cash flows from the asset or CGU, terminal growth rate and a suitable discount rate. Further details of the key assumptions applied in the impairment assessment of goodwill and the carrying amount of the goodwill, are given in Note 14.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

3.2 *Key sources of estimation uncertainty (Continued)*

Calculation of loss allowance

When measuring ECL, the Group uses reasonable and supportable forward-looking information, which is based on assumptions and forecasts of future economic conditions with consideration on the impact of COVID-19 pandemic and how these conditions will affect the Group's ECL assessment. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

As the calculation of loss allowance on loan advances and factoring receivables is subject to assumptions and forecasts, any changes to these estimations will affect the amounts of loss allowance recognised and the carrying amounts of loan advances and factoring receivables. Details of ECL measurement and carrying values of loan advances and factoring receivables at reporting date are disclosed in Note 4(b)(iii) and Note 7.

Income taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, the amount and timing of future taxable income and deductibility of certain expenditure. Accordingly, there are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issues based on reasonable estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made. The carrying amounts of the Group's deferred tax assets, income tax payables and deferred tax liabilities at the reporting date are RMB937,000 (2019: RMB931,000), RMB32,948,000 (2019: RMB33,390,000) and RMB3,376,000 (RMB3,175,000) respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT

(a) *Categories of financial instruments*

Financial instruments at their carrying amounts at the reporting date are as follows:

	Group		Company	
	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000
Financial assets				
Financial assets carried at amortised cost	124,918	127,009	95,749	111,790
Financial assets carried at fair value through profit or loss	–	12,080	–	–
	124,918	139,089	95,749	111,790
Financial liabilities carried at amortised cost	10,783	3,782	57,914	43,867

(b) *Financial risk management*

Management of the Group monitors and manages the financial risks relating to the operations of the Group to ensure appropriate measures are implemented in a timely and effective manner. These risks include market risk (foreign currency risk and interest rate risk), credit risk and liquidity risk.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risks.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) *Financial risk management (Continued)*

(i) Foreign currency risk

The Group's transactions are largely denominated in RMB, Singapore Dollars ("SGD") and Malaysia Ringgit ("RM"). The Group does not enter into derivative foreign exchange contracts and foreign currency borrowings to hedge its foreign exchange risk.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the respective functional currency of the Group entities are as follows:

	Assets		Liabilities	
	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000
Group				
RMB	9,000	9,000	-	-
USD	122	463	-	-
SGD	492	-	25,120	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) *Financial risk management (Continued)*

(i) Foreign currency risk (Continued)

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's loss/profit before tax to a reasonably possible change in the RMB, SGD, United State Dollars ("USD") exchange rate against the respective functional currencies of the Group entities, with all other variables held constant.

		2020	2019
		RMB'000	RMB'000
		Loss	Profit
		<u>before tax</u>	<u>before tax</u>
Increase/(decrease):			
RMB/SGD	– strengthened 5%	450	450
	– weakened 5%	(450)	(450)
RMB/USD	– strengthened 5%	6	(23)
	– weakened 5%	(6)	23
SGD/RMB	– strengthened 5%	(1,231)	–
	– weakened 5%	1,231	–

The sensitivity rate used when reporting foreign currency risk to key management personnel is 5%, which is the change in foreign exchange rate that management deems reasonably possible which will affect outstanding foreign currency denominated monetary items at period end.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. Interest rate risk arises primarily from the fact that financial assets and financial liabilities typically reprice at different points in time.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) *Financial risk management (Continued)*

(ii) Interest rate risk (Continued)

Exposure to interest rate risk

The Group and the Company do not hold a trading portfolio. The principal risk to which its non-trading portfolio is exposed arises from the risk of fluctuations in the future cash flows or fair values of financial instruments because of changes in market interest rates.

Interest rate risk is managed principally through having pre-approved limits for issuance of facilities to its customers.

The Group and the Company do not have variable interest rate instruments and the fixed rate instruments typically mature within 3 months to 32 months from the issuance date.

At the reporting date, the interest rate profile of the interest-bearing financial assets, as reported to the management, was as follows:

	Group	
	2020	2019
	RMB'000	RMB'000
Fixed rate instruments		
Financial assets	64,575	72,836
Financial liabilities	(6,659)	–
Net financial assets	57,916	72,836

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) *Financial risk management (Continued)*

(ii) Interest rate risk (Continued)

Interest rate sensitivity analysis

As at 31 December 2020, a 100-basis point increase/(decrease) in the interest rate at the end of the reporting period would (decrease)/increase loss before tax by RMB570,000 (2019: increase/(decrease) profit before tax by RMB728,000).

The sensitivity rate used when reporting interest rate risk to key management personnel is 100 basis point, which is the change in interest rate that management deems reasonably possible which will affect outstanding interest-bearing financial assets at period end.

(iii) Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk arises primarily from trade and other receivables. For other financial assets (including cash and cash equivalents), the Group and the Company minimise credit risk by dealing with high credit rating counter parties.

The Group objective is to seek continual revenue growth while minimising losses incurred due to increased credit risk exposure. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults.

For sales of properties, sales proceeds are generally fully settled concurrent with delivery of properties.

For its financial solutions business which provides factoring and loan services, credit evaluations are carried out for all customers through analysis of financial information and credit checks using independent sources of information prior to onboarding as client. All credit evaluations and credit limits must be approved by a committee consisting of several management in Luminor Capital (Malaysia) Sdn. Bhd. ("**Luminor Malaysia**") and its subsidiaries prior to issuance of the facility to the client.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) *Financial risk management (Continued)*

(iii) Credit risk (Continued)

The following sets out the Group's internal credit evaluation practices and basis for recognition and measurement of expected credit losses ("ECL"):

Description of evaluation of financial assets	Basis for recognition and measurement of ECL
Counterparty has a low risk of default and does not have any past due amounts	12-month ECL
Contractual payments are more than 30 days past due or where there has been a significant increase in credit risk since initial recognition	Lifetime ECL – not credit-impaired
Contractual payments are more than 120 days past due or there is evidence of credit impairment	Lifetime ECL – credit-impaired
There is evidence indicating that the Group has no reasonable expectation of recovery of payments such as when the debtor has been placed under liquidation or has entered into bankruptcy proceedings	Write-off

Significant increase in credit risk

In assessing whether the credit risk on a financial asset has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial asset as at the reporting date with the risk of a default occurring on the financial asset as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information, such as future economic and industry outlook that is available without undue cost or effort.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) *Financial risk management (Continued)*

(iii) Credit risk (Continued)

Significant increase in credit risk (Continued)

In particular, the Group considers the following information when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the operating results/ key financial performance ratios of the debtor; and
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Regardless of the evaluation of the above factors, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

The Group also assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if it has an internal or external credit rating of "investment grade" as per globally understood definition, or the financial asset has a low risk of default; the borrower has a strong capacity to meet its contractual cash flow obligations in the near term; and adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) *Financial risk management (Continued)*

(iii) Credit risk (Continued)

Definition of default

The Group has determined the default events on a financial asset to be when there is evidence that the borrower is experiencing liquidity issues or when there is a breach of contract, such as a default of payment.

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 120 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred such as evidence that the borrower is in significant financial difficulty, there is a breach of contract such as default or past due event; there is information that it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for that financial asset because of financial difficulties; or the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

Estimation techniques and significant assumptions

There has been no change in the estimation techniques or significant assumptions made during the current financial year for recognition and measurement of credit loss allowances.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) *Financial risk management (Continued)*

(iii) Credit risk (Continued)

Trade receivables

Trade receivables relate mainly to the Group's customers who purchase its property units and fees due from customers of its financial solutions business. The Group provides for lifetime expected credit losses based on the simplified approach for all trade receivables for each of the debtors, taking into consideration the historical loss rates and, where applicable, incorporating forward-looking information specific to the individual debtors and the economic environment. During the assessment, the Group reviewed the recent payments received, ongoing business relationship, any other relevant information concerning the creditworthiness of each individual debtors and their ability to repay, and considered the impact of COVID-19 on the ECL assessment.

Trade receivables are written off when there is no reasonable expectation of recovery and legal means of recovery has been considered. The Group writes off the financial asset when a debtor has known credit issues or defaults on instalment plans. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

There were no trade receivables past due and the allowance for expected credit loss on the Group's trade receivables is not material as at 31 December 2020 and 2019.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) *Financial risk management (Continued)*

(iii) Credit risk (Continued)

Loan advances and factoring receivables

The table below details the credit quality of the Group's loan advances and factoring receivables.

2020	12-month or lifetime ECL	Gross carrying amount <u>RMB'000</u>	Loss allowance <u>RMB'000</u>	Net carrying amount <u>RMB'000</u>
Loan advances	12-month ECL	5,458	–	5,458
Loan advances	Lifetime ECL – not credit – impaired	5,495	–	5,495
Factoring receivables	12-month ECL	1,249	–	1,249
Factoring receivables	Lifetime ECL – not credit – impaired	1,014	–	1,014

Management expects that the allowance for expected credit loss on loan advances and factoring receivables to be immaterial after considering the value of collaterals mortgaged by the borrowers for loan advances and the historical default experience and the credit information obtained during the periodic review of customer file adjusted for factors that are specific to the debtors and general economic conditions of the industry in which the debtors operate.

As of 31 December 2020, the Group has loan advances of RMB3,127,000 of which the repayment and interest rate have been renegotiated. No gain or loss had been recognised for the renegotiated loan advance and management expects that the allowance for expected credit loss to be immaterial after considering the value of collaterals mortgaged by the borrower.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) *Financial risk management (Continued)*

(iii) Credit risk (Continued)

Other receivables and deposits

Other receivables and deposits mainly comprise non-trade receivables from third parties, and subsidiaries, advances to third party and deposits with third parties. The credit risk exposure for the Group's and Company's financial assets at amortised costs have been assessed to be insignificant and accordingly, these are at 12-month ECL and no credit loss allowances are required at 31 December 2020 and 2019.

Exposure to credit risk

The Group's maximum exposure to credit risk without taking into account any collateral held, comprises the sum of the carrying amounts of financial assets recorded in the financial statements.

The Group hold collateral against loans advances to clients in the form of mortgage interests over property. Estimates of the fair value are based on the value of collateral at the time of lending and generally are not updated except when the loan is individually assessed as impaired.

An estimate fair value of collateral held against financial assets is shown below:

	Group 2020 RMB'000
Against neither past due nor impaired loan advances	
Properties	21,097

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) *Financial risk management (Continued)*

(iii) Credit risk (Continued)

Credit risk concentration profile

Trade receivables from two (2019: one) major debtors accounted for 100% (2019: 74%) of the Group's total trade receivables of RMB71,000 (2019: RMB337,000).

Loan advances to three major debtors accounted for 100% of the Group's total loan advances.

Factoring receivables from three debtors accounted for 91% of the Group's total factoring receivables.

(iv) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows, and having adequate amounts of committed credit facilities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) *Financial risk management (Continued)*

(iv) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Group	2020			2019	
	Within one year RMB'000	Within two to five years RMB'000	Total RMB'000	Within one year RMB'000	Total RMB'000
Financial assets:					
Cash and cash equivalents	105,198	-	105,198	125,199	125,199
Trade and other receivables	18,676	2,474	21,150	1,810	1,810
Debt securities	-	-	-	12,080	12,080
Total undiscounted financial assets	<u>123,874</u>	<u>2,474</u>	<u>126,348</u>	<u>139,089</u>	<u>139,089</u>
Financial liabilities:					
Trade and other payables	7,402	2,537	9,939	3,782	3,782
Lease liabilities	664	664	1,328	-	-
Total undiscounted financial liabilities	<u>8,066</u>	<u>3,201</u>	<u>11,267</u>	<u>3,782</u>	<u>3,782</u>
Total net undiscounted financial assets/(liabilities)	<u>115,808</u>	<u>(727)</u>	<u>115,081</u>	<u>135,307</u>	<u>135,307</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) *Financial risk management (Continued)*

(iv) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

Company	2020		2019	
	Within one year RMB'000	Total RMB'000	Within one year RMB'000	Total RMB'000
Financial assets:				
Cash and cash equivalents	44,644	44,644	82,288	82,288
Trade and other receivables	51,105	51,105	29,502	29,502
Total undiscounted financial assets	95,749	95,749	111,790	111,790
Financial liabilities:				
Trade and other payables	57,914	57,914	43,867	43,867
Total net undiscounted financial assets	37,835	37,835	67,384	67,384

(v) Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices (other than interest or exchange rates). The Group is exposed to equity price risk arising from its investment in quoted equity securities. These securities are quoted on Catalyst, the sponsor-supervised board of the Singapore Exchange Securities Trading Limited in Singapore and are classified as financial assets, carried at fair value through profit or loss.

The Group does not have exposure to the market price risk at the end of the reporting period as the fair value of the Group investment in unquoted equity securities was determined to be Nil as at 31 December 2020 and 31 December 2019.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) *Financial risk management (Continued)*

(vi) Fair value of financial instruments

Fair value hierarchy

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

- Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date,
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly, and
- Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) *Financial risk management (Continued)*

(vi) Fair value of financial instruments (Continued)

Fair value hierarchy (Continued)

The following table shows an analysis of financial assets measured at fair value at the end of the reporting period:

	Fair value measurements at the end of the reporting period using Significant unobservable input (Level 3) RMB'000		Total RMB'000
	<u> </u>	<u> </u>	<u> </u>
2020			
Group and Company			
Financial assets measured at fair value:			
Held for trading equity securities (unquoted)	-		-
Call option (Note 15(c))	-		-
	<u> </u>		<u> </u>
2019			
Group			
Financial assets measured at fair value:			
Held for trading equity securities (unquoted)	-		-
Debt securities (unquoted)	12,080		-
	<u> </u>		<u> </u>
Company			
Financial assets measured at fair value:			
Held for trading equity securities (unquoted)	-		-
	<u> </u>		<u> </u>

The fair value of the unquoted equity securities is determined to be Nil as trading of the equity securities on SGX has been suspended and the investee latest available financial information shows a net liability position of Swiss franc 2,489,000 as at 31 December 2020 (2019: Net liability of Swiss franc 3,157,000 as at 31 December 2019).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(b) **Financial risk management (Continued)**

(vi) Fair value of financial instruments (Continued)

Fair value hierarchy (Continued)

The fair value of debt securities is determined based on the fair values of the underlying assets and liabilities of the investee.

Cash and cash equivalents (Note 6), trade and other receivables (Note 7), and trade and other payables (Note 18)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or because the market lending rate at the end of the reporting period was not significantly different from the market interest rate when the non-current loan advances were made to the customer and the non-current payables to non-controlling interests were received.

(c) **Capital management**

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity structure.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, trade and other payables and loans and borrowings, less cash and cash equivalents. Capital includes equity attributable to owners of the Company less the above-mentioned restricted statutory reserve fund.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

4. FINANCIAL INSTRUMENTS, FINANCIAL RISKS AND CAPITAL MANAGEMENT (CONTINUED)

(c) *Capital management (Continued)*

	Group	
	2020 RMB'000	2019 RMB'000
Trade and other payables (Note 18)	11,118	9,682
Lease liabilities (Note 13)	1,267	-
Less: Cash and cash equivalents (Note 6)	(105,198)	(125,199)
	(92,813)	(115,517)
Equity attributable to owners of the Company	116,426	146,435
Less: Statutory reserve	(8,568)	(8,568)
Total capital	107,858	137,867
Capital and net debt	15,045	22,350
Gearing ratio	N/A	N/A

The Group reviews the capital structure on an annual basis. As part of this review, the Group considers the cost of capital and the risks associated with each class of capital. The Group's overall strategy remains unchanged from the prior period.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

5. RELATED PARTY TRANSACTIONS

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	2020 RMB'000	2019 RMB'000
Rental income received from a fellow subsidiary	108	108
Management fee expenses paid to the ultimate holding company	<u>1,917</u>	<u>2,105</u>
<i>Compensation of key management personnel</i>		
Salaries and other short-term benefits	2,963	2,314
Defined contribution plans	<u>203</u>	<u>110</u>
	<u>3,166</u>	<u>2,424</u>
<i>Comprise amounts paid to:</i>		
Directors of the Company	578	606
Other key management personnel	<u>2,588</u>	<u>1,818</u>
	<u>3,166</u>	<u>2,424</u>

6. CASH AND CASH EQUIVALENTS

	Group		Company	
	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000
Cash on hand	44	11	-	-
Cash at bank	105,154	121,140	44,644	82,288
Deposits pledged	-	4,048	-	-
Cash and cash equivalents	<u>105,198</u>	<u>125,199</u>	<u>44,644</u>	<u>82,288</u>

As at 31 December 2020, affected PRC bank accounts balances which had been unfrozen amounted to RMB22,830,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

6. CASH AND CASH EQUIVALENTS (CONTINUED)

In addition, as at 31 December 2020, 2 PRC bank accounts with balance of RMB893,000 were restricted. The restriction resulted from an administrative procedure not performed by a PRC subsidiary. The bank balances were unrestricted subsequent to year end.

Cash and cash equivalents of RMB42,886,771 (2019: RMB34,193,920) are held in the PRC and are subject to local exchange control regulations. These regulations place restrictions on the amount of currency being exported from the country, other than through dividends.

As at 31 December 2019, fixed deposits of SGD782,000 (RMB4,048,000) was pledged with a bank in Singapore to secure bank guarantees.

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise the following at the end of the reporting period:

	Group	
	2020	2019
	RMB'000	RMB'000
Cash and cash equivalents per balance sheet	105,198	125,199
Less: Deposits pledged	–	(4,048)
Cash and cash equivalents per consolidated cash flow statements	105,198	121,151

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

7. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2020	2019	2020	2019
	RMB'000	RMB'000	RMB'000	RMB'000
<u>Current</u>				
Trade receivables	71	337	-	-
Loan advances	8,981	-	-	-
Factoring receivables	2,263	-	-	-
Other receivables from third parties	1,200	1,259	-	82
Other receivables from subsidiaries	-	-	51,056	29,393
Other receivables from associate	173	-	-	-
Other receivables from non-controlling interests	176	-	-	-
Deposits	424	27	49	27
Interest receivable from fixed deposit	69	187	-	-
Prepayments	103	-	-	-
Advance to a third party	4,391	-	-	-
Advances to suppliers	2	2	-	-
	17,853	1,812	51,105	29,502
<u>Non-current</u>				
Loan advances	1,972	-	-	-
Total trade and other receivables	19,825	1,812	51,105	29,502

Trade receivables from third parties

Trade receivables are unsecured, interest-free, repayable on demand and unsecured.

Loan advances

Loan advances are interest bearing at 10.35% to 12.00% per annum and are generally on 1 to 32 months terms.

Factoring receivables

Factoring receivables are interest bearing at 12% per annum and are generally due within 3 months from disbursement date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

7. TRADE AND OTHER RECEIVABLES (CONTINUED)

Other receivables from third parties, subsidiaries, associate and non-controlling interests

Other receivables are non-trade, unsecured, interest-free, repayable on demand and are to be settled in cash.

Advance to a third party

Advance to a third party is unsecured, interest bearing at 14% (2019: Nil) per annum and repayable within 12 months in cash. The advance was acquired by the Group during the acquisition of Luminor Malaysia as part of the assets of Luminor Malaysia. The advance was made by Luminor Malaysia to finance a third party's factoring business.

8. HELD FOR TRADING EQUITY SECURITIES

	Group		Company	
	2020	2019	2020	2019
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
At fair value through profit and loss				
– Equity securities	–	–	–	–

Held for trading equity securities relate to 6,547,324 shares (2019: 6,547,324 shares) in ayondo Ltd (“ayondo”) which the Group and Company acquired in the previous financial years pursuant to its involvement in the Initial Public Offering exercise of ayondo on the Singapore Exchange (“SGX”).

As the trading of ayondo is suspended on the SGX since the previous financial year, the fair value of the held for trading equity securities was determined to be Nil. In addition, ayondo latest available financial information show a net liability position of Swiss franc 2,489,000 as at 31 December 2020 (2019: Net liability of Swiss franc 3,157,000 as at 31 December 2019).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

9. DEBT SECURITIES

	Group	
	2020	2019
	RMB'000	RMB'000
At fair value through profit and loss		
– Debt securities (unquoted)	–	12,080

The Group's wholly-owned subsidiary, Starland Axis Pte. Ltd. had entered into a convertible loan agreement with Luminor Malaysia on 22 July 2019 amounting to SGD2,333,333 (approximately RMB12,080,000 or the equivalent of RM7,000,000), of which SGD1,333,333 (approximately RMB6,903,000 or the equivalent of RM4,000,000) contains a convertible option to convert into 51% of the enlarged share capital of Luminor Malaysia. The debt securities were unsecured, bore interest at 5% per annum, repayable in 12 months from the date of drawdown and are to be settled in cash. As at 31 December 2019, the conversion rights of the convertible loan were determined to be not substantive.

On 4 February 2020, the Company re-negotiated the terms of the acquisition to convert RM1,960,032 (approximately RMB3,309,000) of the convertible loan for 51% interest in Luminor Malaysia. Following the exercise of the option, Luminor Malaysia became a subsidiary of the Company.

10. PROPERTIES HELD FOR SALE

	Group	
	2020	2019
	RMB'000	RMB'000
At cost or net realisable value	26,344	45,856

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

10. PROPERTIES HELD FOR SALE (CONTINUED)

Properties held for sale as at 31 December 2020 are as follows:

<u>Location</u>	<u>Description</u>	<u>Gross floor area (sq. meters)</u>	<u>Group's effective interest</u>
89 Julong Avenue, Lidu, Fuling District, Chongqing, PRC	Commercial units and carpark units	4,650	100%
8 Wubao Road, Fuling District, Chongqing, PRC	Residential units, commercial units and carpark units	<u>5,663</u>	<u>100%</u>

Properties held for sale as at 31 December 2019 are as follows:

<u>Location</u>	<u>Description</u>	<u>Gross floor area (sq. meters)</u>	<u>Group's effective interest</u>
89 Julong Avenue, Lidu, Fuling District Chongqing, PRC	Commercial units and carpark units	4,650	100%
8 Wubao Road, Fuling District Chongqing, PRC	Residential units, commercial units and carpark units	8,041	100%
10 Jalan Nipah, Singapore	Semi-detached unit	<u>388</u>	<u>100%</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

11. DEVELOPMENT PROPERTIES

	Group	
	2020 RMB'000	2019 RMB'000
Land use rights	9,143	9,143
Amortisation of land use right	<u>(2,179)</u>	<u>(1,873)</u>
Net land use rights	6,964	7,270
Development cost	<u>1,449</u>	<u>1,372</u>
	<u>8,413</u>	<u>8,642</u>

The Group's development properties comprise a 25,560 square meter land parcel located at Zone 5, Dianyi Residential Committee, Jiangbei Office, Fuling District, Chongqing, PRC.

During the financial year ended 31 December 2019, the Group received an offer from the local authority to repossess the land. The repossession value of the land offered by the local authority is above the carrying value of RMB8,413,000 (2019: RMB8,642,000). The repossession was not completed as at 31 December 2020.

Subsequent to the financial year end, the Group was notified by the local authority to return the land related documents and to re-commence negotiation. Management is of the view that the repossession offer has immaterial impact on the consolidated financial statements of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

12. PROPERTY, PLANT AND EQUIPMENT

Group	Office	Renovation	Motor	Furniture,	Total
	premises		vehicles	and	
	RMB'000	RMB'000	RMB'000	equipment	RMB'000
				RMB'000	
Cost					
At 1 January 2019	-	-	1,350	313	1,663
Additions	-	-	-	1	1
Less: Disposal	-	-	(529)	(8)	(537)
At 31 December 2019	-	-	821	306	1,127
Additions	-	1,340	-	389	1,729
Acquisition of subsidiaries (Note 15(b))	2,159	617	-	-	2,776
Translation difference	260	(33)	-	-	227
At 31 December 2020	2,419	1,924	821	695	5,859
Accumulated depreciation					
At 1 January 2019	-	-	1,282	274	1,556
Depreciation for the year	-	-	-	13	13
Less: Disposal	-	-	(502)	(8)	(510)
At 31 December 2019	-	-	780	279	1,059
Depreciation for the year	701	496	-	44	1,241
Translation difference	(10)	(7)	-	-	(17)
At 31 December 2020	691	489	780	323	2,283
Carrying amount					
At 31 December 2019	-	-	41	27	68
At 31 December 2020	1,728	1,435	41	372	3,576

(a) Included in property, plant and equipment are right-of-use assets of RMB1,728,000 (2019: Nil).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Company	Furniture, fixtures and equipment RMB'000
Cost	
At 1 January 2019, 31 December 2019 and 1 January 2020	20
Additions	20
At 31 December 2020	40
Accumulated depreciation	
At 1 January 2019	11
Depreciation for the year	3
At 31 December 2019	14
Depreciation for the year	7
At 31 December 2020	21
Carrying amount	
At 31 December 2019	6
At 31 December 2020	19

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

13. LEASE LIABILITIES AND LEASES

(a) *The Group as a lessee*

Nature of the Group's leasing activities

The Group lease office units from non-related parties. The lease has a tenure of 3 years and includes option to extend the lease for another 3 years.

The maturity analysis of the lease liabilities is disclosed in Note 4(b)(iv).

Information about leases for which the Group is a lessee is presented below:

Amounts recognised in the balance sheets

	Group	
	2020	2019
	RMB'000	RMB'000
<u>Carrying amount of right-of-use assets</u>		
Development property – net land use rights	6,964	7,270
Property, plant and equipment – office premises	1,728	–
	8,692	7,270
<u>Carrying amount of lease liabilities</u>		
Non-current	649	–
Current	618	–
	1,267	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

13. LEASE LIABILITIES AND LEASES (CONTINUED)

(a) *The Group as a lessee (Continued)*

Information about leases for which the Group is a lessee is presented below (Continued):

Amounts recognised in profit or loss

	Group	
	2020 RMB'000	2019 RMB'000
Charge/(credit):		
Depreciation charged for the year		
– Office premises	701	–
– Land use rights	306	301
	<u>1,007</u>	<u>301</u>
Interest expense on lease liabilities (Note 24)	70	–
Rent concessions from lessors due to COVID-19	(50)	–
Lease expense – short-term leases	9	–
Lease expense – low value assets leases	7	–

Total cash flows for leases amounted to RMB625,000.

As at 31 December 2020 and 31 December 2019, the Group has no short-term lease commitment.

Reconciliation of movements of liabilities to cash flows arising from financing activities:

	Group 2020 RMB'000
Balance as at 1 January 2020	–
Acquisition of subsidiaries (Note 15(b))	1,806
Changes from financing cash flows:	
– Repayments	(539)
Balance as at 31 December 2020	<u>1,267</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

13. LEASE LIABILITIES AND LEASES (CONTINUED)

(a) *The Group as a lessee (Continued)*

Future cash outflow which are not capitalised in lease liabilities

Extension options

The leases of office units contain extension options, for which the related lease payments of RMB1,993,000 had not been included in the lease liabilities as the Group is not reasonably certain to extend the lease. These are used to maximise operational flexibility in terms of managing the assets used in the Group's operations. The extension option held are exercisable only by the Group (additional 3 years).

(b) *The Group as a lessor*

The Group rents out its properties held for sale and a motor vehicle in the PRC under operating leases. The leases are negotiated for terms between 1 to 5 years (2019: 1 to 5 years) and rentals are fixed during the term of the lease. Property rental income earned during the year was RMB1,245,000 (2019: RMB2,066,000). Rental income from the motor vehicle was RMB108,000 (2019: RMB108,000).

Future minimum lease receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2020	2019
	RMB'000	RMB'000
Within one year	120	1,568
In the second to fifth years inclusive	73	4,672
	193	6,240

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

14. GOODWILL

	Group 2020 RMB'000
Cost	
At beginning of financial year	–
Acquisition of subsidiaries (Note 15(b))	<u>3,075</u>
At 31 December	<u>3,075</u>
Accumulated impairment	
At beginning of financial year	–
Impairment charge (Note 23)	<u>(2,099)</u>
At 31 December	<u>(2,099)</u>
Net carrying value at end of financial year	<u><u>976</u></u>

Impairment test for goodwill

Goodwill acquired in a business combination is allocated, to the cash generating units (CGUs) that are expected to benefit from that business combination. Before recognition of impairment losses, the carrying amount of goodwill had been allocated as follows:

	2020 RMB'000
Luminor Malaysia and its subsidiaries (excluding SA Puncak)	2,099
SA Puncak	<u><u>976</u></u>

At the end of the reporting period, management has fully impaired the goodwill arising from the acquisition of Luminor Malaysia and its subsidiaries (excluding SA Puncak) as the Malaysia Movement Control Order causes challenges as the development of the business requires face-to-face discussion with business partners, government agencies, customers and potential customers.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

14. GOODWILL (CONTINUED)

Impairment test for goodwill (Continued)

Key assumptions used in value in use calculation of Luminor Malaysia and its subsidiaries (excluding SA Puncak) and SA Puncak

The recoverable amount is determined from value in use calculations derived from the most recent financial budgets approved by management covering a five-year period. Revenue growth for the next five years was projected taking into account the increased efforts and capital that will be channelled into the financial solutions business, and the market demand for financial solutions (including the impact arising from COVID-19 pandemic) for the next five years.

Luminor Malaysia and its subsidiaries (excluding SA Puncak)

Cash flows beyond the five-year period were based on the 5th year cash flow and the pre-tax rate used to discount the forecast cash flows is 10.7%.

SA Puncak

Cash flows beyond the five-year period were extrapolated using an estimated terminal value growth rate of 1.92% which does not exceed the average long-term inflation rate of Malaysia. The pre-tax rate used to discount the forecast cash flows from SA Puncak is 8.5%.

Sensitivity to changes in assumptions

With regards to the assessment of value in use, management believes that the change in the estimated recoverable amount from any reasonably possible changes in any of the above key assumptions would not cause the recoverable amount to be materially lower than the carrying value of goodwill allocated to SA Puncak.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

15. INVESTMENT IN SUBSIDIARIES

	Company	
	2020 RMB'000	2019 RMB'000
Unquoted equity shares, at cost	9,773	9,773
Impairment loss	(9,773)	(9,773)
Total	—*	—*

* Denotes amounts less than RMB1,000

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation and operations	Principal activity	Attributable equity interest of the Group		Proportion of voting power held	
			2020	2019	2020	2019
			%	%	%	%
Starland Axis Pte. Ltd. ⁽¹⁾	Singapore	Investment holding	100	100	100	100
Starland Commercial Trading Pte. Ltd. ⁽¹⁾	Singapore	Investment holding	100	100	100	100
<u>Subsidiary of Starland Commercial Trading Pte. Ltd.</u>						
Xiamen Starland Trading Limited ⁽³⁾	People's Republic of China	Wholesale, import and export of chemical product, office furniture and clothing; consultancy on the enterprise management and business information	100	100	100	100

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (Continued):

Name of subsidiary	Country of incorporation and operations	Principal activity	Attributable equity interest of the Group		Proportion of voting power held	
			2020	2019	2020	2019
			%	%	%	%
<u>Subsidiary of Xiamen Starland Trading Limited</u>						
Chongqing Starland Property Services Co., Ltd. ⁽⁴⁾	People's Republic of China	Property management service	100	100	100	100
<u>Subsidiaries of Chongqing Starland Property Services Co., Ltd.</u>						
Chongqing Gangyuan Property Development Co., Ltd. ⁽⁴⁾	People's Republic of China	Property development, marketing planning of property; sales of construction material, decoration material and low voltage electronic apparatus	100	100	100	100
Chongqing Tianhu Land Co., Ltd. ⁽⁴⁾	People's Republic of China	Property development, marketing planning of property; sales of construction material, decoration material and low voltage electronic apparatus	100	100	100	100
<u>Subsidiary of Starland Axis Pte. Ltd.</u>						
Luminor Malaysia ^{(2)*}	Malaysia	Investment holding and provision of financial solution	51	-	51	-

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

Details of the subsidiaries are as follows (Continued):

Name of subsidiary	Country of incorporation and operations	Principal activity	Attributable equity interest of the Group		Proportion of voting power held	
			2020	2019	2020	2019
			%	%	%	%
<u>Subsidiaries of Luminor Malaysia</u>						
EL Nuwr Sdn. Bhd. (formerly known as Mornington Assets Sdn Bhd) ^{(2)*}	Malaysia	Financial solution – Asset management	51	–	100	–
Luminor Credit Sdn Bhd (formerly known as Venture Capital Sdn Bhd) ^{(2)*}	Malaysia	Financial solution – Loan advances business	40	–	80	–
SA Puncak (formerly known as El Nuwr Capital Sdn. Bhd.) ^{(2)*}	Malaysia	Financial solution – Factoring business	43	–	85	–

(1) Audited by Baker Tilly TFW LLP.

(2) Audited by BDO Malaysia.

(3) Not required to be audited in country of incorporation.

(4) Audited by member firm of Baker Tilly International in the PRC for group consolidation purposes.

* Acquired during the financial year.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Summarised financial information of subsidiaries with material non-controlling interests ("NCI")

The Group has the following subsidiary that has NCI that is considered by management to be material to the Group:

Name of subsidiary	Principal place of business/ Country of incorporation	Ownership interests held by NCI 2020 %
Luminor Malaysia subgroup	Malaysia	<u>49</u>

The following is the summarised financial information of the Group's subsidiary with NCI that is considered by management to be material to the Group. These financial information include consolidation adjustments but before inter-company eliminations.

Summarised Balance Sheet

	Luminor Malaysia subgroup 2020 RMB'000
Non-current assets	7,271
Current assets	24,866
Non-current liabilities	(2,797)
Current liabilities	(29,997)
Net liabilities	(657)
Net liabilities attributable to NCI	(299)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(a) Summarised financial information of subsidiaries with material non-controlling interests ("NCI") (Continued)

Summarised Statement of Comprehensive Income

	Luminor Malaysia subgroup 2020 RMB'000
	<hr/>
Revenue	2,378
Loss before tax	(4,351)
Income tax expenses	(226)
Loss after tax and total comprehensive loss	<hr/> (4,577) <hr/>
Loss allocated to NCI	<hr/> (1,410) <hr/>

Summarised Cash Flows

	Luminor Malaysia subgroup 2020 RMB'000
	<hr/>
Cash flows from operating activities	(9,360)
Cash flows from investing activities	(2,616)
Cash flows from financing activities	15,416
Net increase in cash and cash equivalents	<hr/> 3,440 <hr/>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Acquisition of subsidiaries

Acquisition of Luminor Malaysia

On 22 July 2019, the Group's wholly-owned subsidiary, Starland Axis Pte. Ltd., entered into a convertible loan agreement with Luminor Malaysia amounting to RM7,000,000 (approximately RMB12,080,000), of which RM4,000,000 (approximately RMB6,903,000) contains a convertible option to convert into 51% of the enlarged share capital of Luminor Malaysia.

On 4 February 2020, the Group re-negotiated the terms of the acquisition to convert RM1,960,032 (approximately RMB3,309,000) of the convertible loan for 51% interest in Luminor Malaysia. Following the exercise of the option, Luminor Malaysia became a subsidiary of the Company.

The acquisition of Luminor Malaysia is part of the Group's plan to diversify into the Financial Solutions Business and present new growth opportunities for the Group.

i) Acquisition-date consideration transferred

	<u>RMB'000</u>
Conversion of debt securities representing consideration transferred	<u>3,309</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Acquisition of subsidiaries (Continued)

Acquisition of Luminor Malaysia (Continued)

ii) Fair values of identifiable assets and liabilities of subsidiary at acquisition date

	<u>RMB'000</u>
Property, plant and equipment	2,776
Deferred tax assets	4
Investment in associate	751
Loan receivables	4,283
Other receivables	636
Trade receivables	338
Advance to a third party	4,953
Cash and cash equivalents	4,801
Other payables	(566)
Lease liabilities	(1,806)
Income tax payable	(150)
Due to holding company	(8,815)
Due to non-controlling interests	(4,884)
Total identifiable net assets	<u>2,321</u>
Less: Non-controlling interest measured at the non-controlling's proportionate share of subsidiary's net assets	<u>(1,111)</u>
Net identifiable net assets acquired	1,210
Goodwill (Note 14)	<u>2,099</u>
Total consideration transferred	<u><u>3,309</u></u>

The contractual amount receivables for acquired receivables (loan receivables, other receivables, trade receivables and advance to a third party) approximate the fair value as the receivables are current and expected to be received within 1 year from the acquisition date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Acquisition of subsidiaries (Continued)

Acquisition of Luminor Malaysia (Continued)

iii) Effect on cash flows of the Group

	<u>RMB'000</u>
Cash and cash equivalents in subsidiary acquired representing net cash inflow from acquisition of subsidiary	<u>4,801</u>

iv) Goodwill

The acquired subsidiaries are involved in providing financial solutions. The goodwill of RMB2,099,000 is attributable to the assembled workforce of Luminor Malaysia which consists of largely ex-bankers with experience in the financial solutions business in Malaysia. The goodwill acquired is not expected to be deductible for tax purposes.

v) Revenue and profit contribution

The acquired subsidiaries contributed revenues of RMB1,766,000 and net losses of RMB2,779,000 to the Group for the period from 4 February 2020 to 31 December 2020. If the acquisition had occurred on 1 January 2020, the Group revenue would have been RMB37,771,000 and total loss would have been RMB4,940,000.

Acquisition of SA Puncak

On 4 September 2020, the Group, through its subsidiary, Luminor Malaysia, completed the acquisition of the 85% of issued and paid-up share capital of SA Puncak for a total consideration of RM600,000 (approximately RMB976,000).

The acquisition of SA Puncak is part of the Group's plan to diversify into the Financial Solutions Business and present new growth opportunities for the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Acquisition of subsidiaries (Continued)

Acquisition of SA Puncak (Continued)

i) Acquisition-date consideration transferred

	<u>RMB'000</u>
Cash paid	732
Consideration payable on 4 September 2021	<u>244</u>
Total consideration transferred	<u><u>976</u></u>

ii) Fair values of identifiable assets and liabilities of subsidiary at acquisition date

	<u>RMB'000</u>
Net identifiable net assets acquired	_*
Goodwill (Note 14)	<u>976</u>
Total consideration transferred	<u><u>976</u></u>

* Denotes amounts less than RMB1,000

iii) Effect on cash flows of the Group

	<u>RMB'000</u>
Cash paid (as per (i) above) representing net cash outflow from acquisition of subsidiary	<u><u>(732)</u></u>

iv) Goodwill

The acquired subsidiary is involved in financial solutions. The goodwill of RMB976,000 is attributable to the infrastructure put in place to facilitate factoring services in Malaysia. The goodwill acquired is not expected to be deductible for tax purposes.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

15. INVESTMENT IN SUBSIDIARIES (CONTINUED)

(b) Acquisition of subsidiaries (Continued)

Acquisition of SA Puncak (Continued)

v) Revenue and profit contribution

The acquired subsidiary contributed revenue of RMB607,000 and net loss of RMB369,000 to the Group for the period from 4 September 2020 to 31 December 2020. If the acquisition had occurred on 1 January 2020, the Group revenue and total loss would not be materially changed as SA Puncak's revenue and loss prior to the acquisition were negligible.

(c) Call option

In accordance with the call option agreement, the non-controlling shareholder of SA Puncak granted Luminor Malaysia a call option over the remaining 15% interest in SA Puncak.

The call option expires on 6 July 2022 and Luminor Malaysia can exercise the option at an option price of RM1,000,000. As at 31 December 2020, the fair value of the call option was determined to be immaterial.

16. INVESTMENT IN ASSOCIATE

Fiscalab Capital Markets Sdn Bhd

**Group
2020
RMB'000**

697

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

16. INVESTMENT IN ASSOCIATE (CONTINUED)

Details of the Group's associate is as below:

Name of associate	Country of incorporation and operations	Principal activity	Attributable equity interest of the Group 2020 %
<u>Associate of Luminor Malaysia</u>			
Fiscalab Capital Markets Sdn Bhd ⁽¹⁾	Malaysia	Financial solutions	49

⁽¹⁾ Audited by BDO Malaysia.

Summarised financial information for Fiscalab Capital Markets Sdn Bhd based on its SFRS(I) financial statements (not adjusted for the Group's share of those amounts) and a reconciliation to the carrying amounts of the investment in the consolidated financial statements is as follows:

	Fiscalab Capital Markets Sdn Bhd 2020 RMB'000
Revenue	33
Loss before tax	(88)
Income tax expenses	-
Loss and total comprehensive loss	(88)
Current assets	329
Current liabilities	(182)
Net assets	147
Group's share of net assets based on proportion of ownership interest	72
Goodwill on acquisition	625
Carrying amount of investment	697

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

17. DEFERRED TAX

	Group	
	2020 RMB'000	2019 RMB'000
Deferred tax assets	937	931
Deferred tax liabilities	<u>(3,376)</u>	<u>(3,175)</u>

The deferred tax assets and liabilities recognised by the Group and movements thereon during the years ended 31 December 2020 and 31 December 2019 are as follows:

	Deferred tax liabilities			Deferred tax assets		
	Undistributed retained profits RMB'000	Pre-levied Land Appreciation Tax ("LAT") RMB'000	Subtotal RMB'000	Tax credits RMB'000	Subtotal RMB'000	Total RMB'000
At 1 January 2019	(2,236)	(147)	(2,383)	836	836	(1,547)
(Charged)/credited to profit or loss for the year	<u>(865)</u>	<u>73</u>	<u>(792)</u>	<u>95</u>	<u>95</u>	<u>(697)</u>
At 31 December 2019	(3,101)	(74)	(3,175)	931	931	(2,244)
Acquisition of Luminor Malaysia	-	-	-	4	4	4
(Charged)/credited to profit or loss for the year	<u>(199)</u>	<u>(2)</u>	<u>(201)</u>	<u>2</u>	<u>2</u>	<u>(199)</u>
At 31 December 2020	<u>(3,300)</u>	<u>(76)</u>	<u>(3,376)</u>	<u>937</u>	<u>937</u>	<u>(2,439)</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

17. DEFERRED TAX (CONTINUED)

Temporary differences relating to investment in subsidiaries

In accordance with the PRC tax circular (Guoshuihan [2008] 112) effective from January 2008, the PRC withholding income tax at the rate of 10% is applicable to dividends payable by the PRC subsidiaries based on their profits generated from 1 January 2008 onwards to its “non-resident” investors who do not have an establishment or place of business in the PRC. A preferential withholding income tax rate of 5% is applicable to the PRC subsidiaries which fulfil the requirements under the Tax Treaty between Singapore and PRC and the PRC Announcement of the State Administration of Taxation [2012] No.30.

In accordance with the Tax Treaty between Singapore and PRC and the PRC Announcement of the State Administration of Taxation [2012] No.30, the Group completed the declaration in the PRC during the financial year ended 31 December 2018, on its eligibility to enjoy the preferential withholding tax rate of 5%.

Temporary differences relating to pre-levied LAT

In PRC, LAT is pre-levied based on certain percentage of pre-sale proceeds, which is stipulated by the local taxation bureau. According to “Notice on Adjustment of Pre-levying Rate of LAT” issued by Chongqing local tax bureau in 2011, LAT pre-levying rate for ordinary residential properties is 2% while the rate for non-ordinary residential properties is 3.5%.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

18. TRADE AND OTHER PAYABLES CONTRACT LIABILITIES

	Group		Company	
	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000
<u>Current</u>				
Trade payables	1	1	-	-
Deposits from contractors	733	1,045	-	-
Deposits from tenants	323	436	-	-
Accrued expenses	1,517	1,391	681	692
Other payables due to subsidiaries	-	-	56,928	42,734
Other payables due to ultimate holding company	279	439	279	439
Payables to non-controlling interests	3,034	-	-	-
Payables to associate	33	-	-	-
Consideration payable for acquisition of SA Puncak	244	-	-	-
Other payables due to third parties	1,238	470	26	2
Advance receipt from customers	-	4,194	-	-
Other tax payables	1,602	1,706	-	-
	9,004	9,682	57,914	43,867
<u>Non-current</u>				
Payables to non-controlling interests	2,114	-	-	-
Total trade and other payables	11,118	9,682	57,914	43,867

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

18. TRADE AND OTHER PAYABLES (CONTINUED) CONTRACT LIABILITIES

	Group			Company		
	2020	2019	1.1.2019	2020	2019	1.1.2019
	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>	<u>RMB'000</u>
Contract liabilities	<u>656</u>	<u>1,906</u>	<u>3,369</u>	<u>-</u>	<u>-</u>	<u>-</u>

Other payables due to subsidiaries, ultimate holding company and associate are non-trade, unsecured, interest-free, repayable on demand and are to be settled in cash.

Payables to non-controlling interests are unsecured, interest bearing at 10% (2019: Nil) per annum, and repayable within the next 2 to 24 months. Included in the current and non-current balances are amounts of RMB1,828,000 and RMB2,114,000 respectively which are due to a director of the Company who is a non-controlling interest of Luminor Malaysia.

For the financial year ended 31 December 2019, advance receipt of SGD810,000 (approximately RMB4,194,000) related to advances received in relation to a joint development agreement. The amount was fully settled during the financial year ended 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

18. TRADE AND OTHER PAYABLES (CONTINUED) CONTRACT LIABILITIES

Contract liabilities pertains to advances from customers for the sale of its properties which are recognised as revenue when control of the property has been transferred to the customer.

A reconciliation of contract liabilities is as follows:

	Group	
	2020 RMB'000	2019 RMB'000
At 1 January	1,906	3,369
Revenue recognised included in opening balance	(1,861)	(2,447)
New contracts	611	984
At 31 December	<u>656</u>	<u>1,906</u>

A reconciliation of liabilities arising from financing activities is as follows:

	Group				
	At beginning of financial year RMB'000	Cash flows RMB'000	Acquisition RMB'000	Effects of translation RMB'000	At end of financial year RMB'000
2020					
Other payables due to ultimate holding company	439	(162)	-	2	279
Payable to non-controlling interests	-	579	4,884	(71)	5,392
Total	<u>439</u>	<u>417</u>	<u>4,884</u>	<u>(69)</u>	<u>5,671</u>
2019					
Loans and borrowings	10,134	(10,183)	-	49	-
Other payables due to ultimate holding company	443	33	-	(37)	439
Total	<u>10,577</u>	<u>(10,150)</u>	<u>-</u>	<u>12</u>	<u>439</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

19. SHARE CAPITAL

	Group and Company			
	2020		2019	
	No. of shares		No. of shares	
	'000	RMB'000	'000	RMB'000
Issued and fully paid ordinary shares				
At the beginning and the end of financial year	<u>144,733</u>	<u>24,471</u>	<u>144,733</u>	<u>24,471</u>

The holder of ordinary shares is entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

20. OTHER RESERVES

Capital reserve

Arising from the restructuring exercise in financial year 2012, advances from ex-shareholders amounted to RMB132,036,000 less tax of RMB33,009,000 that were waived by the ex-shareholders are included as capital reserve. During the financial year ended 31 December 2019, capital reserve of RMB99,027,000 was transferred to retained earnings. During the financial year ended 31 December 2020, a prior year adjustment was made to adjust the amount transferred from capital reserve to retained earnings to RMB50,505,000 (Note 30).

Merger reserve

Arising from the restructuring exercise in financial year 2012, the merger reserve is the difference between the nominal amount of the share capital of the subsidiaries at the date on which the subsidiaries were acquired by the Company and the nominal amount of the share capital issued as consideration for the acquisition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

20. OTHER RESERVES (CONTINUED)

Statutory reserve

In accordance with the Foreign Enterprise Law applicable to the subsidiary in the PRC, the subsidiary is required to make appropriation to a Statutory Reserve Fund (SRF). At least 10% of the statutory profits after tax as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

Translation reserve

The translation reserve represents exchange differences arising from the translation of the financial statements of entities whose functional currencies are different from that of the Group's presentation currency.

21. REVENUE

		Group	
		2020	2019
Timing of transfer		RMB'000	RMB'000
Income from sale of properties	At a point in time	33,755	27,572
Rental income	Over time	1,245	2,066
Interest income from financial solutions	Over time	2,140	-
Fee income from financial solutions	At a point in time	38	-
Fee income from financial solutions	Overtime	199	-
		37,377	29,638

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

22. INTEREST INCOME

	Group	
	2020 RMB'000	2019 RMB'000
Interest income from fixed deposits	2,195	2,616
Arranger fee from Luminor Malaysia	-	251
	2,195	2,867

23. OTHER EXPENSES

	Group	
	2020 RMB'000	2019 RMB'000
Impairment loss on goodwill	2,099	-
Fair value loss on held for trading equity securities	-	2,357
Others	-	93
	2,099	2,450

24. FINANCE COSTS

	Group	
	2020 RMB'000	2019 RMB'000
Interest expense on lease liabilities	70	-
Interest expense on unwinding of provision for restoration	23	-
Interest expense on bank loans	-	127
Interest expense on advances from non-controlling interests	399	-
	492	127

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

25. (LOSS)/PROFIT BEFORE TAX

(Loss)/profit before tax has been arrived at after charging/(crediting):

	Group	
	2020 RMB'000	2019 RMB'000
Depreciation of property, plant and equipment	1,241	13
Amortisation of land use right	306	301
Net foreign exchange gain	(251)	(6)
Employee benefits expense (including directors' remuneration):		
Salaries and other short-term benefits	4,295	2,926
Defined contribution plans	420	272
Total employee benefits expense	4,715	3,198
Audit fees:		
– auditors of the Company	370	375
– affiliates of auditors of the Company	230	300
– other auditors	198	150
Non-audit fees:		
– auditors of the Company	–	50
– other auditors	–	49
Cost of properties held for sale recognised as expenses	29,037	13,811

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

26. INCOME TAX EXPENSE

	Group	
	2020 RMB'000	2019 RMB'000
Current tax:		
PRC enterprise income tax	138	2,279
PRC land appreciation tax	204	2,864
Singapore corporate income tax	85	148
Malaysia corporate income tax	195	–
	622	5,291
Deferred tax:		
Origination of temporary differences	199	697
Total income tax expense	821	5,988

The Group is subject to income tax on an entity basis on profits from the jurisdictions in which members of the Group are domiciled and operate. Singapore income tax is calculated at 17% (2019: 17%) of the assessable profit for the period.

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax (“New Law”) by Order No.63 of the President of the PRC, with an effective date of 1 January 2008. On 28 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. Due to the New Law and Implementation Regulations, the PRC subsidiaries will be subject to 25% Enterprise Income Tax, commencing 1 January 2008. Accordingly, taxation arising in the PRC is calculated at the prevailing rate of 25% (2019: 25%) for subsidiaries in the PRC.

The Group is subject to Land Appreciation Tax (“LAT”) in the PRC which has been included in the income tax expense of the Group. The PRC LAT is levied at progressive rates ranging on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including sales charges, borrowing costs and all property development expenditures in accordance with the PRC tax laws and regulations.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

26. INCOME TAX EXPENSE (CONTINUED)

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December are as follows:

	Group	
	2020	2019
	RMB'000	RMB'000
Profit before tax	(4,160)	7,528
Income tax expense at statutory rate of the respective entities	(246)	2,418
Non-deductible items	967	1,211
Income not subjected to tax	(447)	(19)
Effect of land appreciation tax	116	2,148
Withholding tax on undistributed profits	199	865
Deferred tax assets not recognised	321	-
Reversal of loans between subsidiaries	-	(635)
Others	(89)	-
Income tax expense recognised in profit or loss	821	5,988

The Group has unutilised tax losses of approximately RMB2,230,000 (2019: Nil) that are available for offset against future taxable profits of the companies in which these arose for which no deferred tax asset is recognised due to the uncertainty of its recoverability. The use of these tax losses are subject to agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. The tax losses amounting to RMB384,000 and RMB1,846,000 will expire by 2025 and 2027 respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

27. (LOSS)/EARNINGS PER SHARE

The calculation of the basic and diluted (loss)/earnings per share attributable to the ordinary equity holders of the Company is based on the following data:

	Group	
	2020	2019
Net (loss)/profit attributable to owners of the Company (RMB'000)	<u>(3,571)</u>	<u>1,540</u>
Weighted average number of ordinary shares outstanding basic and diluted earnings per share ('000)	<u>144,733</u>	<u>144,733</u>
Basic and diluted (loss)/earnings per share (RMB cents)	<u>(2.47)</u>	<u>1.06</u>

There was no difference between the basic and diluted (loss)/earnings per share as the effect of all potentially dilutive shares outstanding was anti-dilutive for the financial years ended 31 December 2020 and 31 December 2019.

28. DIVIDENDS

	Group and Company	
	2020	2019
	RMB'000	RMB'000
Declared and paid during the financial year:		
Dividends on ordinary shares:		
– Final exempt (one-tier) dividend for 2019: SGD0.03 (2018: SGD0.03) per share	<u>21,941</u>	<u>21,615</u>
Proposed but not recognised as a liability as at 31 December:		
Dividends on ordinary shares, subject to shareholders' approval at the Annual General Meeting:		
– Final exempt (one-tier) dividend for 2019: SGD0.03 per share	<u>-</u>	<u>21,941</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

29. SEGMENT INFORMATION

The Group's reportable operating segments comprise of property segment and financial solutions.

Accordingly, the above are the Group's reportable segments under SFRS(I) 8 *Operating Segments*. Information regarding the Group's reportable segments is presented below.

Operating segments are aggregated into a single reportable operating segment if they have similar economic characteristics and are similar in respect of nature of services and processes and/or their reported revenue.

Segment	Principal activities
(a) Property segment	Development of residential, commercial and other properties and leasing of properties held for sale to generate rental income
(b) Financial solutions	Interest income and fees from financial solutions business in Malaysia

Information regarding the Group's reportable segments is presented in the tables below.

The Group's reportable operating segments comprise property and financial solutions. Property covers development of residential, commercial and other properties and rental income from leasing of properties held for sale to generate rental income. Financial solutions business cover interest income and fees from financial solutions business in Malaysia.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

29. SEGMENT INFORMATION (CONTINUED)

- (i) Below are the Group's reportable segments as required under SFRS(I) 8 *Operating Segments*

	Property		Financial solutions		Group	
	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000	2020 RMB'000	2019 RMB'000
Revenue						
External sales	<u>35,000</u>	<u>29,638</u>	<u>2,377</u>	<u>-</u>	<u>37,377</u>	<u>29,638</u>
Result						
Segment gross contribution	5,866	15,827	2,342	-	8,208	15,827
Other income	492	557	121	-	613	557
Interest income	1,375	2,867	820	-	2,195	2,867
Other expenses	-	(2,450)	(2,099)	-	(2,099)	(2,450)
Direct expenses	(1,767)	(3,115)	(5,492)	-	(7,259)	(3,115)
Share of associate loss	-	-	(43)	-	(43)	-
Segment net contribution	<u>5,966</u>	<u>13,686</u>	<u>(4,351)</u>	<u>-</u>	<u>1,615</u>	<u>13,686</u>
Corporate expenses					(5,775)	(6,158)
(Loss)/profit before income tax					(4,160)	7,528
Income tax expenses					(821)	(5,988)
(Loss)/profit for the year					<u>(4,981)</u>	<u>1,540</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

29. SEGMENT INFORMATION (CONTINUED)

- (i) Below are the Group's reportable segments as required under SFRS(I) 8 *Operating Segments* (Continued)

	Property		Financial solutions		Group	
	2020	2019	2020	2019	2020	2019
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Depreciation and amortisation	(322)	(314)	(1,225)	-	(1,547)	(314)
Impairment loss on goodwill	-	-	(2,099)	-	(2,099)	-
Fair value loss on held for trading equity securities	-	(2,357)	-	-	-	(2,357)
Share of result of associate	-	-	(43)	-	(43)	-
Segment assets	<u>89,204</u>	<u>112,185</u>	<u>32,511</u>	<u>-</u>	<u>121,715</u>	<u>112,185</u>
Unallocated assets					<u>44,252</u>	<u>82,403</u>
Total assets					<u>165,967</u>	<u>194,588</u>
Segment assets includes:						
Investment in associated company	-	-	697	-	697	-
Additions to non-current assets*	<u>20</u>	<u>1</u>	<u>1,709</u>	<u>-</u>	<u>1,729</u>	<u>1</u>
Segment liabilities	<u>41,180</u>	<u>47,020</u>	<u>8,132</u>	<u>-</u>	<u>49,312</u>	<u>47,020</u>
Unallocated liabilities					<u>528</u>	<u>1,133</u>
Total liabilities					<u>49,840</u>	<u>48,153</u>

* Non-current assets additions other than financial instruments and deferred tax assets.

Segment results

Performance of each segment is evaluated based on segment profit or loss which is measured differently from the net profit or loss before tax in the consolidated financial statements. Expenses of the Company is not allocated to segments as the holding company provide administrative support on a group basis.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

29. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities

The amounts provided to the Management with respect to total assets and total liabilities are measured in a manner consistent with that of the financial statements. Management monitors the assets and liabilities attributable to each segment for the purposes of monitoring segment performance and for allocating resources between segments. All assets and liabilities are allocated to reportable segments other than of the Company which are classified as unallocated assets and liabilities.

Below are the geographical segments by location of customers.

Segment revenue: Segment revenue is analysed based on the location of customers.

Segment assets: Segment assets (non-current assets) are analysed based on the location of these assets.

	Revenue	
	2020	2019
	RMB'000	RMB'000
Singapore	23,244	-
People's Republic of China	11,756	29,638
Malaysia	2,377	-
Total	37,377	29,638

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

29. SEGMENT INFORMATION (CONTINUED)

Segment assets and liabilities (Continued)

	Non-current assets*	
	2020 RMB'000	2019 RMB'000
Singapore	19	6
People's Republic of China	53	62
Malaysia	5,178	-
Total	5,250	68

* Non-current assets information presented above are non-current assets as presented on the consolidated balance sheet excluding financial instruments and deferred tax assets.

30. PRIOR YEAR ADJUSTMENTS

Certain reclassifications have been made to the previous year's financial statements:

- i. Prior year adjustment is made to adjust the amount transferred from capital reserve to retained earnings to RMB50,505,000 as this represents the amount which is distributable by the Group. Arising from the adjustment, capital reserve balance of RMB48,522,000 is retained as at 31 December 2019.
- ii. Reclassification of RMB2,698,000 from unrealised foreign exchange differences in operating activities cash flow to the effects of foreign exchange rate changes in the cashflow statements were made to reflect the effect of foreign currency translation on the Group's cash and cash equivalents not maintained in RMB as at 31 December 2019.

These reclassifications did not have any effect on the balance sheet as at 1 January 2019.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

30. PRIOR YEAR ADJUSTMENTS (CONTINUED)

	As previously reported RMB'000	Amount reclassified RMB'000	As restated RMB'000
As at 31 December 2019			
<i>Balance sheet</i>			
Retained earnings	112,799	(48,522)	64,277
Capital reserve	–	48,522	48,522
For the financial year ended 31 December 2019			
<i>Statement of Cash flows</i>			
<i>Operating activities</i>			
Unrealised foreign exchange differences	(463)	(2,698)	(3,161)
Operating cash flows before changes in working capital	6,803	(2,698)	4,105
Cash flows generated from operations	21,509	(2,698)	18,811
Net cash flows generated from operating activities	17,954	(2,698)	15,256
Effects of foreign exchange rate changes	(458)	2,698	2,240

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

31. BASIS FOR QUALIFIED OPINION ON THE FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2019

The independent auditor's report dated 15 April 2020 contained a qualified opinion on the financial statements for the financial year ended 31 December 2019. The extract of the basis for qualified opinion is as follows:

Basis for qualified opinion

During the financial year ended 31 December 2019, certain of the Group's subsidiaries in the PRC made various fund transfers aggregating RMB68.0 million to unrelated third-party PRC entities. A Singapore subsidiary of the Company had also received fund transfers aggregating SGD12.9 million from a Singapore licensed remittance agent during the financial year. Management has represented that the receipt of the funds in Singapore is related to the transfer made by the Group's PRC subsidiaries to the unrelated third-party PRC entities. Due to insufficient audit evidence available to us, we are unable to conclude whether these transactions are in compliance with applicable laws and regulations in the PRC and Singapore. It is not practicable to estimate the potential financial impact, if any, to the Group in the event of any breach of applicable laws and regulations.

32. CORONAVIRUS DISEASE 2019 (COVID-19)

The COVID-19 outbreak is an event that occurred during the financial reporting period and the impact of COVID-19 outbreak on the Group and the Company's assets and liabilities have been assessed and recognised in the consolidated financial statements as at 31 December 2020 and for the reporting period ended.

The COVID-19 outbreak and the measures taken to contain the spread of the pandemic have created a high level of uncertainty to global economic prospects and this has impacted the Group's operations and its financial performance during the year and subsequent to the financial year end. Governments around the world has since taken strict measures and imposed social restrictions to contain the spread of COVID-19. The Group's operations have been disrupted as a result but has progressively resumed its operations as these measures and restrictions were gradually lifted in certain countries.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2020

32. CORONAVIRUS DISEASE 2019 (COVID-19) (CONTINUED)

The COVID-19 pandemic has adversely impacted all the business segments of the Group, the residential property market where the Singapore Garden project and University Town project are located in Fuling district of Chongqing, PRC and the financial solutions market in Malaysia for the next 12 months are expected to continue to be challenging.

Notwithstanding this, management has assessed that the Group and the Company can continue to be going concerns and believes that the Group is well placed to manage its business risks and able to continue in operational existence for the foreseeable future in face of the challenges posed by COVID-19 outbreak.

33. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the Directors on 5 April 2021.

STATISTICS OF SHAREHOLDINGS

As at 23 March 2021

Number of Shares in Issue	:	144,733,000
Class of shares	:	Ordinary shares
Voting rights	:	On a Poll: 1 vote for each ordinary share
Number of treasury shares	:	Nil
Number of Subsidiary Holdings	:	Nil

DISTRIBUTION OF SHAREHOLDERS BY SIZE OF SHAREHOLDINGS AS AT 23 MARCH 2021

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	502	18.71	20,134	0.01
100 – 1,000	1,317	49.09	472,946	0.33
1,001 – 10,000	697	25.98	2,152,325	1.49
10,001 – 1,000,000	162	6.04	11,337,557	7.83
1,000,001 and above	5	0.18	130,750,038	90.34
	<u>2,683</u>	<u>100.00</u>	<u>144,733,000</u>	<u>100.00</u>

TOP TWENTY HOLDERS OF SHARES AS AT 23 MARCH 2021

	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	GRP CHONGQING LAND PTE LTD	120,376,155	83.17
2	CITIBANK NOMINEES SINGAPORE PTE LTD	6,922,523	4.78
3	STF INVESTMENTS LTD	1,179,008	0.81
4	UNITED OVERSEAS BANK NOMINEES PTE LTD	1,148,363	0.79
5	CHENG LIM KONG	1,123,989	0.78
6	HASSAN ISSA YAUNIS	952,000	0.66
7	ANG CHENG LAM	645,415	0.45
8	RAFFLES NOMINEES (PTE) LIMITED	628,673	0.43
9	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	535,296	0.37
10	MAYBANK KIM ENG SECURITIES PTE. LTD.	491,360	0.34
11	OCBC SECURITIES PRIVATE LTD	456,609	0.32
12	SIM SIEW TIN CAROL (SHEN XIUZHEN CAROL)	367,200	0.25
13	NG GIOK BENG	310,600	0.21
14	LIM POH YAN (LIN BAOYAN)	286,300	0.20
15	DBS NOMINEES PTE LTD	282,194	0.19
16	LOW YAN SWAN	254,515	0.18
17	LIM SEE YONG	209,236	0.14
18	TAN KAY TOH	200,783	0.14
19	TAN KEE SIANG ROBERT	200,740	0.14
20	LAI CHONG MENG	196,000	0.14
	TOTAL:	136,766,959	94.49

Note: The percentages are computed based on 144,733,000 ordinary shares as at 23 March 2021.

STATISTICS OF SHAREHOLDINGS

As at 23 March 2021

SUBSTANTIAL SHAREHOLDERS AS AT 23 MARCH 2021

Name of substantial shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of shares	%
GRP CHONGQING LAND PTE LTD ("GRP CHQ")	120,376,155	83.17	–	–
GRP LAND PTE LTD ⁽¹⁾	–	–	120,376,155	83.17
GRP LIMITED ⁽²⁾	–	–	120,376,155	83.17
KWAN CHEE SENG ⁽³⁾	6,921,713	4.78	120,376,155	83.17

Notes:

- (1) By virtue of Section 7 of the Companies Act, Cap. 50, GRP Land Pte Ltd is deemed interested in 120,376,155 Shares held through GRP CHQ, whereby GRP CHQ is wholly-owned by GRP Land Pte Ltd.
- (2) By virtue of Section 7 of the Companies Act, Cap. 50, GRP Limited is deemed interested in 120,376,155 Shares through GRP Land Pte Ltd, its wholly-owned subsidiary.
- (3) Mr Kwan Chee Seng has a shareholding interest of 35.52% in GRP Limited. By virtue of Section 7 of the Companies Act, Cap. 50, Mr Kwan Chee Seng is deemed to be interested in 120,376,155 Shares through deemed interest of GRP CHQ.

SHARES HELD BY PUBLIC

Based on the information available to the Company as at 23 March 2021, approximately 11.73% of the issued shares of the Company was held in the hands of the public as defined in the Rules of Catalist. Therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting (“AGM”) of **STARLAND HOLDINGS LIMITED** (the “Company”) will be held by way of electronic means on Tuesday, 27 April 2021 at 10.30 a.m., for the following purposes:

(A) AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Statement and Audited Financial Statements for the financial year ended 31 December 2020 together with the Independent Auditor’s Report thereon. **(Resolution 1)**
2. To re-elect Ms Kwan Yu Wen, who is retiring pursuant to Article 88 of the Company’s Constitution and who, being eligible, offer herself for re-election as Director of the Company. *(see explanatory note 1)* **(Resolution 2)**
3. To re-elect the following Directors, who will be retiring by rotation pursuant to Article 89 of the Company’s Constitution and who, being eligible, offer themselves for re-election as Directors of the Company:
 - a. Mr Tan Chade Phang *(see explanatory note 2)* **(Resolution 3)**
 - b. Mr Lim See Yong *(see explanatory note 3)* **(Resolution 4)**
 - c. Mr Foong Daw Ching *(see explanatory note 4)* **(Resolution 5)**
4. To approve the payment of Directors’ fees amounting to S\$120,000 for the financial year ending 31 December 2021 payable half yearly in arrears. **(Resolution 6)**
5. To re-appoint Messrs Baker Tilly TFW LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 7)**

(B) AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions (with or without amendments) as Ordinary Resolutions:

NOTICE OF ANNUAL GENERAL MEETING

6. Authority to Allot and Issue Shares

(Resolution 8)

That pursuant to Section 161 of the Companies Act, Chapter 50 (“**Companies Act**”) and Rule 806 of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Directors be authorised and empowered to:

- (a) (i) allot and issue shares in the share capital of the Company (“**Shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may at their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue Shares in pursuance of any Instruments made or granted by the Directors while this Resolution was in force,

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued pursuant to this Resolution does not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) to be issued other than on a *pro rata* basis to shareholders of the Company does not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) (as calculated in accordance with sub-paragraph (2) below);

NOTICE OF ANNUAL GENERAL MEETING

- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) at the time this Resolution is passed, after adjusting for:
- (a) new Shares arising from the conversion or exercise of convertible securities;
 - (b) new Shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
 - (c) any subsequent bonus issue, consolidation or subdivision of Shares;

Adjustments in accordance with sub-paragraphs (2)(a) and (2)(b) above are only to be made in respect of new Shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), the Companies Act and the Constitution for the time being of the Company; and
- (4) (unless revoked or varied by the Company at a general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.

(see explanatory note 5)

NOTICE OF ANNUAL GENERAL MEETING

7. **Authority to allot and issue shares pursuant to the Starland Performance Share Plan (the “Plan”) (Resolution 9)**

THAT pursuant to Section 161 of the Act, authority be and is hereby given to the Directors to allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be issued pursuant to the vesting of the awards granted under the Plan, provided always that the aggregate number of Shares to be allotted and issued pursuant to the Plan, shall not exceed 15% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) on the date preceding the date of the relevant grant.

(see explanatory note 6)

8. **That, subject to and contingent upon the passing of Resolution 5 by shareholders of the Company by appointing the Chairman of the AGM as proxy to vote at the AGM and the passing of Resolution 11 by shareholders of the Company by appointing the Chairman of AGM as proxy to vote at the AGM, excluding the Directors and the Chief Executive Officer of the Company, and their respective associates (as defined in the Catalist Rules): (Resolution 10)**

- (a) the continued appointment of Mr Foong Daw Ching as an independent Director, for purposes of Rule 406(3)(d)(iii)(A) of the Catalist Rules (which will take effect from 1 January 2022) be approved; and
- (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Foong Daw Ching as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution.

(see explanatory note 4)

NOTICE OF ANNUAL GENERAL MEETING

9. That, subject to and contingent upon the passing of Resolution 5: **(Resolution 11)**

- (a) To approve the continued appointment of Mr Foong Daw Ching as an independent Director, for purposes of Rule 406(3)(d)(iii)(B) of the Catalist Rules (which will take effect from 1 January 2022); and
- (b) the authority conferred by this Resolution shall continue in force until the earlier of the following: (i) the retirement or resignation of Mr Foong Daw Ching as a Director; or (ii) the conclusion of the third AGM of the Company following the passing of this Resolution,

provided that this Resolution shall only be proposed and voted upon if Resolution 9 is passed by shareholders of the Company by appointing the Chairman of the AGM as proxy to vote at the AGM.

(see explanatory note 4)

10. To transact any other business that may be properly transacted at an AGM.

BY ORDER OF THE BOARD

Belinda Low
Company Secretary

12 April 2021
Singapore

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

1. Ms Kwan Yu Wen will, upon re-election as a Director, remain as Executive Director of the Company. Please refer to the "Information on Directors seeking Re-election" section of the Annual Report of the Company for the detailed information required pursuant to Rule 720(5) of the Catalist Rules.
2. Mr Tan Chade Phang will, upon re-election continue to hold office as Independent Director of the Company and remains as the Chairman of Nominating and Remuneration Committees; and member of the Audit and Risk Management Committees respectively. The Board of Directors has considered him to be independent for the purposes of Rule 704(7) of the Catalist Rules. Please refer to the "Information on Directors seeking Re-election" section of the Annual Report of the Company for the detailed information required pursuant to Rule 720(5) of the Catalist Rules.
3. Mr Lim See Yong will, upon re-election continue to hold office as Independent Director of the Company and remains as the Chairman of Risk Management Committee; and member of the Audit, Nominating and Remuneration Committees respectively. The Board of Directors has considered him to be independent for the purposes of Rule 704(7) of the Catalist Rules. Please refer to the "Information on Directors seeking Re-election" section of the Annual Report of the Company for the detailed information required pursuant to Rule 720(5) of the Catalist Rules.
4. Ordinary Resolutions 5, 10 and 11 proposed in items 3c, 8 and 9 respectively above are in anticipation of Rule 406(3)(d)(iii) of the Catalist Rules which will take effect from 1 January 2022 and provide that a director will not be independent if he has been a director for an aggregate period of more than nine years and his continued appointment as an independent director has not been sought and approved in separate resolutions by (a) all shareholders; and (b) shareholders excluding the directors and the chief executive officer of the company, and their respective associates.

As Mr Foong Daw Ching is an Independent Director who will serve for more than nine years from 26 March 2021, in anticipation of Rule 406(3)(d)(iii) of the Catalist Rules, the Company is proposing to seek the requisite approvals from shareholders for his continued appointment as an independent Director.

In the event Ordinary Resolutions 5, 10 and 11 are passed, Mr Foong Daw Ching will continue to hold office as Independent Director of the Company and remains as the Chairman of Audit Committee; and member of the Nominating, Remuneration and Risk Management Committees respectively.

In the event Ordinary Resolution 5 is duly approved, but Ordinary Resolution(s) 10 and/or 11 is/are not approved, Mr Foong Daw Ching will, upon re-election, continue to hold office as Independent Director of the Company until 1 January 2022 when Rule 406(3)(d)(iii) of the Catalist Rules takes effect.

Please refer to the "Report of Corporate Governance" section of the Annual Report of the Company for the Board's review of the independence of Mr Foong Daw Ching.

5. Ordinary Resolution 8 proposed in item 6 above, if passed, will empower the Directors, effective until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, or such authority is varied or revoked by the Company at a general meeting, whichever is earliest, to allot and issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to 50% may be issued other than on a pro rata basis to shareholders of the Company.
6. This is to authorise the Directors to allot and issue Shares under the Plan up to an amount not exceeding 15% of the Company's total number of issued Shares (excluding treasury shares and subsidiary holdings) on the date preceding the date of the relevant grant.

NOTICE OF ANNUAL GENERAL MEETING

Notes:

To minimise physical interactions and COVID-19 transmission risks, members will not be able to attend the AGM in person. The AGM is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.

Printed copies of this notice and the accompanying Annual Report and Proxy Form will NOT be sent to members. Instead, these documents will be made available to members solely by electronic means via publication on the Company's website at www.starland.cc and the SGXNET at the URL <https://www.sgx.com/securities/company-announcements?value=STARLAND%20HOLDINGS%20LIMITED&type=company>.

Alternative arrangements relating to members' participation at the AGM are:

- (a) observing and/or listening to the AGM proceedings contemporaneously via a live webcast and live audio feed of the AGM proceedings ("**Live AGM Webcast**" and "**Live AGM Audio Feed**", respectively);
- (b) submitting questions in advance in relation of the resolutions set out in the notice of AGM; and
- (c) appointing the Chairman of the AGM as proxy to attend, speak and vote on their behalf at the AGM.

Members will be able to participate in the AGM in the manner set out in the paragraphs below.

Live AGM Webcast and Live AGM Audio Feed:

In light of the above developments, the Company is arranging for the Live AGM Webcast and the Live AGM Audio Feed which will take place on 27 April 2021 at 10.30 a.m. in place of the physical AGM. Members will be able to watch or listen to the AGM proceedings through the Live AGM Webcast or the Live AGM Audio Feed via mobile phone, tablet, computer or any such electronic device. The Company will not accept any physical attendance by members. Any member seeking to attend the AGM physically in person will be turned away.

In order to do so, members must pre-register online at the URL <https://globalmeeting.bigbangdesign.co/starland/> by 11.00 a.m. on 25 April 2021 (the "**Registration Deadline**"), being not less than 48 hours before the time appointed for holding the AGM, to enable the Company to verify their members' status.

Following the verification and upon the closure of pre-registration, authenticated members will receive email instructions to access the Live AGM Webcast and the Live AGM Audio Feed of the AGM proceedings by 10.30 a.m. on 26 April 2021 (being 24 hours before the time appointed for holding the AGM).

Members are reminded that the AGM proceedings are private. Accordingly, members must not forward the abovementioned email instructions to other persons who are not members and who are not entitled to attend the AGM. This is also to avoid any technical disruptions or overload to the Live AGM Webcast and the Live AGM Audio Feed.

Members who register by the Registration Deadline but do not receive the abovementioned email instructions by 10.30 a.m. on 26 April 2021 may contact the Company's technical support by email at webcast@bigbangdesign.co for assistance.

Persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act, including investors who buy Shares using SRS monies, and who wish to participate in the AGM should, in addition to pre-registering online, contact their respective relevant intermediaries (which would include SRS Operators) through which they hold such Shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM.

NOTICE OF ANNUAL GENERAL MEETING

Submission of Questions in Advance:

Please note that members will not be able to raise questions at the AGM during the Live AGM Webcast or the Live AGM Audio Feed, and therefore it is important for members to pre-register their participation in order to be able to submit their questions in advance of the AGM.

Members may submit questions relating to the resolutions set out in the notice of AGM in advance at <https://globalmeeting.bigbangdesign.co/starland/> or via email to StarlandShareholderQueries@grp.com.sg. All questions must be submitted by 10.30 a.m. on 23 April 2021.

Persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including SRS investors, can also submit their questions related to the resolutions to be tabled for approval at the AGM based on the abovementioned instructions.

The Company will endeavour to address the substantial and relevant questions before or during the AGM. The responses to questions from members will be posted on the SGXNET and the Company's website soonest possible before the AGM, or if answered during the AGM, to be included in the minutes of the AGM which will be published on the SGXNET and the Company's website within one month after the date of the AGM.

Submission of Proxy Forms to Vote:

Members will not be able to vote online or through the Live AGM Webcast or the Live AGM Audio Feed on the resolutions to be tabled for approval at the AGM. Members who wish to exercise their votes must submit a Proxy Form to appoint the Chairman of the AGM to cast votes on their behalf.

Members (whether individual or corporate) appointing the Chairman of the AGM as proxy must give specific instructions as to their manner of voting, or abstentions from voting, in the Proxy Form, failing which the appointment will be treated as invalid.

The Chairman of the AGM, as proxy, need not be a member of the Company.

The Proxy Form must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.

The Proxy Form, duly executed together with the power of attorney or other authority, if any, under which the Proxy Form is signed or a notarially certified copy of that power of attorney or other authority (failing previous registration with the Company), must be submitted:

- (a) to the Company's Share Registrar address, Tricor Barbinder Share Registration Services, either by hand at 80 Robinson Road, #11-02, Singapore 068898 or by post at 80 Robinson Road, #02-00, Singapore 068898; or
- (b) by email to StarlandProxyFormSubmission@grp.com.sg

in each case, not less than 48 hours before the time appointed for holding the AGM, i.e. by 10.30 a.m. on 25 April 2021. A member who wishes to submit the Proxy Form must first download, complete and sign the Proxy Form, before submitting it by post to the address provided above, or before scanning and sending it by email to the email address provided above.

NOTICE OF ANNUAL GENERAL MEETING

In view of the current COVID-19 situation, members are strongly encouraged to submit completed Proxy Forms electronically via email.

Persons who hold Shares through relevant intermediaries (as defined in Section 181 of the Companies Act), including SRS investors, who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries (which would include SRS Operators) through which they hold such Shares in order to submit their voting instructions at least seven working days before the AGM (i.e. by 10.30 a.m. on 15 April 2021) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a Proxy Form to appoint the Chairman of the AGM to vote on their behalf by 10.30 a.m. on 25 April 2021.

The Company shall be entitled to reject the Proxy Form appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the Proxy Form appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one Proxy Form).

A Depositor's name must appear on the Depository Register maintained by The Central Depository (Pte) Limited as at 72 hours before the time appointed for holding the AGM in order for the Depositor to be entitled to attend and vote at the AGM.

IMPORTANT NOTICE: Due to the evolving COVID-19 situation in Singapore, the Company may change the AGM arrangements at short notice. The Company will announce any changes to the holding or conduct of the AGM via the SGXNET. Members are advised to check the SGXNET regularly for updates on the AGM.

Personal Data Privacy:

By (a) submitting a form appointing the Chairman of the AGM as proxy to attend, speak and vote at the AGM and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the AGM via the Live AGM Webcast or the Live AGM Audio Feed, or (c) submitting any question prior to the AGM in accordance with this notice, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

- (i) processing and administration by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the AGM (including any adjournment thereof);
- (ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to observe the proceedings of the AGM and providing them with any technical assistance where necessary;
- (iii) addressing relevant and substantial questions from members received before the AGM and if necessary, following up with the relevant members in relation to such questions; and
- (iv) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines by the relevant authorities.

The member's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the abovementioned purposes, and retained for such period as may be necessary for the Company's verification and record purposes.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Foong Daw Ching, Mr Tan Chade Phang, Mr Lim See Yong and Ms Kwan Yu Wen are the Directors seeking re-election at the forthcoming Annual General Meeting of the Company to be convened on 27 April 2021 (“AGM”) (collectively, the “Retiring Directors” and each a “Retiring Director”).

Pursuant to Rule 720(5) of the SGX-ST Catalist Rules, the information as set out in Appendix 7F relating to the above Directors to be put forward for re-election at the forthcoming Annual General Meeting is disclosed below:

	MR FOONG DAW CHING	MR TAN CHADE PHANG	MR LIM SEE YONG	MS KWAN YU WEN
Date of Appointment	26 March 2012	18 February 2016	01 July 2019	21 December 2020
Date of last re-appointment	5 June 2020	26 April 2019	5 June 2020	Not applicable
Age	70	44	52	29
Country of principal residence	Singapore	Singapore	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The Board of Directors of the Company has considered, among others, the recommendation of NC and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Foong Daw Ching for re-appointment as Non-executive Independent Chairman of the Company. The Board has reviewed and concluded that Mr Foong Daw Ching possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of NC and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Tan Chade Phang for re-appointment as Non-executive Independent Director of the Company. The Board has reviewed and concluded that Mr Tan Chade Phang possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of NC and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Mr Lim See Yong for re-appointment as Non-executive Independent Director of the Company. The Board has reviewed and concluded that Mr Lim See Yong possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.	The Board of Directors of the Company has considered, among others, the recommendation of NC and has reviewed and considered the contribution and performance, attendance, preparedness, participation, candour and suitability of Ms Kwan Yu Wen for re-appointment as Executive Director of the Company. The Board has reviewed and concluded that Ms Kwan Yu Wen possess the experience, expertise, knowledge and skills to contribute towards the core competencies of the Board.

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR FOONG DAW CHING	MR TAN CHADE PHANG	MR LIM SEE YONG	MS KWAN YU WEN
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive	Non-Executive	Executive
Job Title (e.g.) Lead ID, AC Chairman, AC Member etc.)	Independent Chairman of the Board of Directors Chairman of the AC Member of the NC RC and RMC	Independent Director Chairman of the NC and RC Member of the AC and RMC	Independent Director Chairman of the RMC Member of the AC NC and RC	Executive Director Ms Kwan Yu Wen will be responsible for the overall business and general management of the Group.
Professional qualifications	Institute of Chartered Accountants in England and Wales Institute of Singapore Chartered Accountants Certified Practising Accountants (CPA) Australia Malaysian Institute of Accountants	Bachelor of Business in Accountancy Degree and Master of Finance from RMIT University	Bachelor of Business Administration from National University of Singapore	Bachelor of Science (Economics) Degree from Singapore Management University
Working experience and occupation(s) during the past 10 years	<ul style="list-style-type: none"> • 2009 to 2016: Regional Chairman of Baker Tilly International Asia Pacific Region • 1985 to 2010: Managing Partner of Baker Tilly TFW LLP 	<ul style="list-style-type: none"> • 2009 to present: CEO and founder of Voyage Research Pte Ltd • 2015 to present: President of the Small and Middle Capitalisation Companies Association (SMCCA) 	<ul style="list-style-type: none"> • 2007 to 2019: Independent Director and Chairman of Corporate Governance Committee of Western Plains Resources Ltd • 2006 to 2018: Managing Director and minority shareholder of Xin Sheng International Pte Ltd 	<ul style="list-style-type: none"> • 2019 to current: Director of GRP Limited • 2017 to 2019: Assistant Director, Operations and Business Development of Luminor Capital Pte Ltd and Consultant of GRP Limited • 2015 to 2016: Management Associate of GRP Limited

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR FOONG DAW CHING	MR TAN CHADE PHANG	MR LIM SEE YONG	MS KWAN YU WEN
Shareholding interest in the listed issuer and its subsidiaries	None	None	Direct Interest: – 209,236 shares (CDP) – 257,068 shares (Nominee) Total = 466,304 ordinary shares Deemed Interest: 65 ordinary shares	None
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries.	No	No	No	Yes Ms Kwan Yu Wen is the daughter of Mr Kwan Chee Seng, Non-executive Director of the Company. Mr Kwan Chee Seng also holds 6,921,713 shares in the Company (4.78% direct interest) and owns 83.17% indirect interest of the Company through GRP Limited. Mr Kelvin Kwan Chee Hong, General Manager of the Company, is the uncle of Ms Kwan Yu Wen.
Conflict of Interest (including any competing business)	No	No	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes	Yes
Other Principal Commitments including Directorships				

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR FOONG DAW CHING	MR TAN CHADE PHANG	MR LIM SEE YONG	MS KWAN YU WEN
Past (for the last 5 years)	<p>Directorships:</p> <ul style="list-style-type: none"> • Baker Tilly International Limited (UK) • National University Health Services Group Pte. Ltd. (formerly known as Jurong Health Services Pte Ltd) • Medi-Flex Pte Ltd • St Luke's Eldercare Ltd • NUH Health Research Endowment Fund Board • NUHS Fund Limited <p>Other Principal Commitments: None</p>	<p>Directorships:</p> <ul style="list-style-type: none"> • Transcorp Holdings Limited • Dapai International Holdings Co. Ltd • TBK & Sons Holdings Limited • Bodhi Tree Network Pte. Ltd. <p>Other Principal Commitments: None</p>	<p>Directorships:</p> <ul style="list-style-type: none"> • Western Plains Resources Ltd • Xin Sheng International Pte Ltd • Confier Investment Pte Ltd (struck off in February 2016) <p>Other Principal Commitments: None</p>	<p>Directorships: Not applicable</p> <p>Other Principal Commitments: None</p>
Present	<p>Directorships:</p> <ul style="list-style-type: none"> • Church of Singapore • St Luke's Hospital Ltd • St Luke's Eldercare Ltd • Suntar Eco-City Limited • Travelite Holdings Ltd • ayondo Ltd • Tung Ling Student Care Centre • Tung Ling Community Services 	<p>Directorships:</p> <ul style="list-style-type: none"> • OUE Lippo Healthcare Limited (formerly known as International Healthway Corporation Ltd) • Voyage Research Pte Ltd (formerly known as SIAS Research Pte. Ltd.) • TIH Limited • REVEZ Corporation Ltd. • Camsing Healthcare Limited 	Nil	<p>Directorships:</p> <ul style="list-style-type: none"> • GRP Limited • VDH Land Sdn Bhd • Multiple Lodge Sdn Bhd • Amira Properties Sdn Bhd • Accenvest Sdn Bhd • Rumah Kami Sdn Bhd • GRP Project Management Sdn Bhd • Venture Credit Sdn Bhd • Ratus Nautika Sdn Bhd • Fiscalab Capital Markets Sdn Bhd • Luminor Capital (Malaysia) Sdn Bhd

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR FOONG DAW CHING	MR TAN CHADE PHANG	MR LIM SEE YONG	MS KWAN YU WEN
	Other Principal Commitments: None	Other Principal Commitments: None	Other Principal Commitments: None	<ul style="list-style-type: none"> • Nakhoda Fishery (Sarawak) Sdn Bhd • GRP Hua Kai Sdn Bhd • VDH Tower (Ipoh) Sdn Bhd • GRP Energiser Sdn Bhd Other Principal Commitments: None
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.				
a) Whether at any time during the last 10 years, an application or petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or any time within 2 years from the date he ceased to be a partner?	No	No	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR FOONG DAW CHING	MR TAN CHADE PHANG	MR LIM SEE YONG	MS KWAN YU WEN
b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or whether that entity is the trustee of a business trust, that business trust, on the group of insolvency?	No	No	Yes Western Plains Resources Ltd currently is in the process of executing Deed of Company Arrangement.	No
c) Whether there is any unsatisfied judgement against him?	No	No	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR FOONG DAW CHING	MR TAN CHADE PHANG	MR LIM SEE YONG	MS KWAN YU WEN
d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No	No
e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR FOONG DAW CHING	MR TAN CHADE PHANG	MR LIM SEE YONG	MS KWAN YU WEN
f) Whether at any time during the last 10 years, judgement has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law of regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No	No
g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR FOONG DAW CHING	MR TAN CHADE PHANG	MR LIM SEE YONG	MS KWAN YU WEN
h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No	No
i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR FOONG DAW CHING	MR TAN CHADE PHANG	MR LIM SEE YONG	MS KWAN YU WEN
<p>j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:-</p> <p>i. any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>ii. any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>iii. any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p>	Yes, see paragraph (k)	<p>Yes</p> <p>Mr Tan Chade Phang was appointed as Independent Director of Dapai International Holdings Co. Ltd. in March 2016 and was subsequently appointed as Audit Committee Chairman to oversee the agreed upon procedures (conducted by BDO LLP) and special audit (conducted by KordaMentha) in consultation with SGX on matters prior to his appointment. The findings of the special audit report was released on SGXNET on 7 July 2017.</p>	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR FOONG DAW CHING	MR TAN CHADE PHANG	MR LIM SEE YONG	MS KWAN YU WEN
<p>iv. any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>				
<p>k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?</p>	<p>Mr Foong is an independent director of ayondo Ltd. ayondo Ltd. and some of its existing and former directors including Mr Foong received a private show-cause letter ("Letter") from the Singapore Exchange Regulation ("SGX Regco") to make representations for potential breaches of listing rules. At the date of this Annual Report, there is no outcome on this matter.</p>	No	No	No

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR FOONG DAW CHING	MR TAN CHADE PHANG	MR LIM SEE YONG	MS KWAN YU WEN
	<p>In September 2020, Mr Foong in the capacity as an independent director of ayondo Ltd. attended an interview conducted by the Market Conduct Investigations (Enforcement Department) of Monetary Authority of Singapore in conjunction with the Commercial Affairs Department in relation to an investigation into a possible offence under the Securities and Futures Act. As at the date of this Annual Report, the investigation is still ongoing. There were no restrictions or conditions imposed on Mr Foong and he has not attended any further interviews.</p> <p>With reference to the guidance provided in Practice Note 7.1 of the Listing Manual, the Board and NC have assessed the matter and are of the view that Mr Foong remains suitable as a Director of the Company despite the receipt of this Letter and the investigation.</p>			

DISCLOSURE OF INFORMATION ON DIRECTORS SEEKING RE-ELECTION

	MR FOONG DAW CHING	MR TAN CHADE PHANG	MR LIM SEE YONG	MS KWAN YU WEN
	The Board and NC will re-assess the suitability of Mr Foong when there is an outcome from SGX Regco and MAS on this matter.			
Disclosure applicable to the appointment of Director only.				
Any prior experience as a director of an issuer listed on the Exchange? (Yes/No)	This relates to re-appointment of Director.	This relates to re-appointment of Director.	This relates to re-appointment of Director.	This relates to re-appointment of Director.
If yes, please provide details of prior experience.	Not applicable	Not applicable	Not applicable	Not applicable
If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	Not applicable	Not applicable	Not applicable	Not applicable
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable)	Not applicable	Not applicable	Not applicable	Not applicable

STARLAND HOLDINGS LIMITED

(Company Registration Number 201131382E)
(Incorporated in the Republic of Singapore)

PROXY FORM

IMPORTANT

- (a) To minimise physical interactions and COVID-19 transmission risks, members will not be able to attend the AGM in person. Members (whether individual or corporate) must appoint the Chairman of the AGM as their proxy to attend, speak and vote on their behalf at the AGM if such members wish to exercise their voting rights at the AGM.
- (b) Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live webcast or live audio feed), submission of questions in advance of the AGM, addressing of substantial and relevant questions before or at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the notice of AGM dated 12 April 2021.
- (c) SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective SRS Operators to submit their votes by 10.30 a.m. on 15 April 2021.

I/We*, _____ (Name) (NRIC/Passport/Registration number* _____)

of _____ (Address) being a Member/members* of **STARLAND HOLDINGS LIMITED** (the "**Company**"), hereby appoint the Chairman of the Annual General Meeting ("**AGM**") of the Company as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf at the AGM of the Company to be held by electronic means on Tuesday, 27 April 2021 at 10.30 a.m. and at any adjournment thereof to vote for, against or abstain from the resolutions to be proposed at the AGM as indicated hereunder. **In the absence of specific directions in respect of a resolution, the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.**

NO.	RESOLUTIONS	FOR**	AGAINST**	ABSTAIN**
	ORDINARY BUSINESS			
1.	To receive and adopt the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2020 together with the Independent Auditor's Report thereon			
2.	To re-elect Ms Kwan Yu Wen as a Director of the Company			
3.	To re-elect Mr Tan Chade Phang as a Director of the Company			
4.	To re-elect Mr Lim See Yong as a Director of the Company			
5.	To re-elect Mr Foong Daw Ching as a Director of the Company			
6.	To approve the payment of Directors' fees amounting to S\$120,000 for the financial year ending 31 December 2021 payable half yearly in arrears			
7.	To re-appoint Baker Tilly TFW LLP as auditor of the Company and to authorise the Directors to fix its remuneration			
	SPECIAL BUSINESS			
8.	To authorise the Directors to allot and issue shares and convertible securities			
9.	To authorise the Directors to grant awards and to allot and issue shares in accordance with the provisions of the Starland Performance Share Plan			
10.	To approve the continued appointment of Mr Foong Daw Ching as an independent Director, for purposes of Rule 406(3)(d)(iii)(A) of the Catalist Rules (which will take effect from 1 January 2022)			
11.	To approve the continued appointment of Mr Foong Daw Ching as an independent Director, for purposes of Rule 406(3)(d)(iii)(B) of the Catalist Rules (which will take effect from 1 January 2022)			

* Delete accordingly

** If you wish to exercise all your votes "For", "Against" or "Abstain", please indicate with a tick [✓] within the boxes provided. Alternatively, please indicate the number of votes as appropriate.

Dated this _____ day of _____ 2021

Total number of Shares in	Number of Shares
(a) Depository Register	
(b) Register of Members	

Signature(s) or Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. If the member has shares entered against his name in the Depository Register, he should insert that number of shares. If the member has shares registered in his name in the Register of Members, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this instrument of proxy will be deemed to relate to all the shares held by the member.
2. To minimise physical interactions and COVID-19 transmission risks, members will not be able to attend the AGM in person. Members (whether individual or corporate) must appoint the Chairman of the AGM as their proxy to attend, speak and vote on their behalf at the AGM if such members wish to exercise their voting rights at the AGM. Where the members (whether individual or corporate) appoint the Chairman of the AGM as their proxy, they must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the form of proxy, failing which the appointment of the Chairman of the AGM as proxy for that resolution will be treated as invalid.
3. The Chairman of the AGM, being a proxy, need not be a member of the Company.
4. This instrument appointing a proxy, duly executed, must be submitted to the Company's Share Registrar address, Tricor Barbinder Share Registration Services, either (a) by hand at 80 Robinson Road, #11-02, Singapore 068898 or (b) by post at 80 Robinson Road, #02-00, Singapore 068898; (c) by email to StarlandProxyFormSubmission@grp.com.sg, not less than 48 hours before the time appointed for holding the AGM. In view of the current COVID-19 situation, members are strongly encouraged to submit completed proxy forms electronically via email.
5. This instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing or, if the appointor is a corporation, it must be executed either under its common seal or signed by its attorney or officer duly authorised.
6. Where this instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney or a notarially certified copy thereof (failing previous registration with the Company) must be lodged with this instrument of proxy, failing which this instrument of proxy may be treated as invalid.
7. Investors who hold shares through relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50, including investors who buy shares using SRS monies, and who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective relevant intermediaries, including SRS Operators, to submit their voting instructions at least seven working days before the AGM (i.e. by 10.30 a.m. on 15 April 2021) in order to allow sufficient time for their respective relevant intermediaries to in turn submit a proxy form to appoint the Chairman of the AGM to vote on their behalf by the cut-off date.
8. A corporation which is a member may authorise by a resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM in accordance with Section 179 of the Companies Act, Chapter 50.
9. The Company shall be entitled to reject this instrument appointing a proxy if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this instrument appointing a proxy (including any related attachment). In addition, in the case of a member whose shares are entered in the Depository Register, the Company may reject any instrument appointing a proxy lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this instrument appointing a proxy, the member is deemed to have accepted and agreed to the personal data privacy terms set out in the notice of AGM of the Company dated 12 April 2021.



STARLAND HOLDINGS LIMITED

20 COLLYER QUAY #01-02 SINGAPORE 049319

WEBSITE: WWW.STARLAND.CC