

STARLAND HOLDINGS LIMITED



Company No. 201131382E

Unaudited Financial Statements And Dividend Announcement for the Financial Year Ended 31/12/2017

This announcement 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 Catalist. The Sponsor has not verified the contents of this announcement.

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

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PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Group		
	Year ended 31 December		
	2017	2016	+ / (-)
	RMB'000	RMB'000	%
Revenue	101,071	57,819	74.8
Cost of sales	(69,834)	(34,841)	100.4
Gross profit	31,237	22,978	35.9
Other income	376	483	(22.2)
Interest income	1,514	1,184	27.9
Other operating expenses	(6,422)	(20,848)	(69.2)
Interest expense	(1,192)	(1,178)	1.2
Selling expenses	(819)	(883)	(7.2)
Administrative expenses	(11,477)	(14,674)	(21.8)
Profit/(loss) before income tax	13,217	(12,938)	NM
Income tax expenses	(8,158)	(9,547)	(14.5)
Net profit/(loss) after tax for the financial year	5,059	(22,485)	NM
Other Comprehensive Income <i>-Items that are or may be reclassified subsequently to profit or loss</i>			
Foreign currency translation differences (at nil tax)	(144)	(951)	NM
Total comprehensive income for the financial year	4,915	(23,436)	NM

- 1(a)(ii) Notes to consolidated statement of comprehensive income.**

Profit/(loss) for the financial year is arrived at after (charging) / crediting the following:

	Group		
	Year ended 31 December		
	2017	2016	+ / (-)
	RMB'000	RMB'000	%
Interest income	1,514	1,184	27.9
Interest expense	(1,192)	(1,178)	1.2
Rental income	1,486	1,366	8.8
Equipment written off	-	(49)	(100.0)
Impairment loss on development property	-	(8,300)	(100.0)
Properties held for sale written down	(117)	-	100.0
Additional buyer stamp duty on a land under development	-	(6,181)	(100.0)
Depreciation and amortisation	(441)	(745)	(40.8)
Expenses relating to the Ayondo Acquisition (refer to note 10)	(6,277)	(6,153)	2.0

NM = Not Meaningful

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2017 AND 31 DECEMBER 2016

	Group		Company	
	As at		As at	
	31/12/2017	30/12/2016	31/12/2017	31/12/2016
	RMB'000	RMB'000	RMB'000	RMB'000
<i>Non-current assets</i>				
Equipment	138	274	13	17
Investment in subsidiaries	-	-	9,773	9,773
Deferred tax assets	846	891	-	-
Total non-current assets	984	1,165	9,786	9,790
<i>Current assets</i>				
Cash and bank balances	139,134	100,711	291	322
Trade receivables	4,964	-	-	-
Other receivables and deposits	2,646	3,974	25	743
Due from subsidiaries	-	-	15,186	14,543
Properties held for sale	65,200	134,159	-	-
Development properties	37,337	37,174	-	-
Total current assets	249,281	276,018	15,502	15,608
<i>Current liabilities</i>				
Trade payables	10	4	-	-
Due to subsidiaries	-	-	36,610	24,268
Due to ultimate holding company	18,776	2,580	18,776	2,580
Other payables and accruals	6,351	10,605	1,876	5,195
Advance receipt from sale of properties	11,189	13,503	-	-
Short-term loans	20,749	38,206	-	13,422
Income tax payable	22,989	48,201	-	-
Total current liabilities	80,064	113,099	57,262	45,465
Net current assets/(liabilities)	169,217	162,919	(41,760)	(29,857)
<i>Non-current liabilities</i>				
Deferred tax liabilities	9,498	8,296	-	-
Total non-current liabilities	9,498	8,296	-	-
Net assets/(liabilities)	160,703	155,788	(31,974)	(20,067)
<i>Capital and reserves</i>				
Share capital	24,471	24,471	24,471	24,471
Capital reserve	99,027	99,027	-	-
Merger reserve	628	628	628	628
Statutory reserve	7,930	7,742	-	-
Translation reserve	(1,087)	(943)	(195)	(184)
Retained earnings/(accumulated losses)	29,734	24,863	(56,878)	(44,982)
Total capital and reserves	160,703	155,788	(31,974)	(20,067)

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

Group			
As at 31/12/2017		As at 31/12/2016	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
20,749	-	38,206	-

Amount repayable after one year

Group			
As at 31/12/2017		As at 30/12/2016	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
-	-	-	-

Details of any collateral

Land Loan Facility

The Group has obtained a land loan facility (the "**Facility**") of S\$4,128,000 for a property development project in Singapore. The deadline for the repayment of the Facility has been extended to 31 May 2018. As at 31 December 2017, the Group has an outstanding land loan of S\$3,360,000 (RMB16,365,000).

The Facility is secured and guaranteed by the following:-

- a) First legal mortgage over the acquired property in Singapore and the proposed development to be erected thereon;
- b) Fixed deposit of S\$778,000 (RMB3,798,000) pledged with the bank;
- c) Existing legal assignment of all rights, title and interests in the construction contract, insurance policies, performance bonds (if any), tenancy agreements and sales and purchase agreements in respect of the proposed development;
- d) A corporate guarantee for S\$4,128,000 (RMB20,106,000) by the Company.

Money Market Loan

The Group has also obtained a Money Market Loan (the “MML”) of S\$1,800,000 from the United Overseas Bank for general working capital purposes. The Group has an outstanding balance of S\$900,000 (approximately RMB4,384,000) as at 31 December 2017.

The MML is secured and guaranteed by the following:-

- a) Standby Letter of Credit for not less than RMB10,000,000 issued by the United Overseas Bank (China) Limited, Chengdu Branch; and
- b) A corporate guarantee for S\$1,800,000 (approximately RMB8,767,000) by the Company; and
- c) Fixed deposits of RMB10,839,000 pledged with the bank.

- 1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2017

	Group	
	Year ended 31 December	
	2017	2016
	RMB'000	RMB'000
Operating activities		
Profit/(loss) before income tax	13,217	(12,938)
Adjustments for:		
Equipment written off	-	49
Depreciation and amortisation	441	745
Impairment loss provision for development property	-	8,300
Properties held for sale written down	117	-
Interest income	(1,514)	(1,184)
Interest expense	1,192	1,178
Operating cash flows before movements in working capital	13,453	(3,850)
Decrease in properties held for sale	68,841	33,884
(Increase)/decrease in development properties	(76)	693
Increase in trade and other receivables and deposits	(4,847)	(1,574)
Increase/(decrease) in trade payables	6	(366)
(Decrease)/increase in other payables	(5,358)	2,833
Cash flows generated from operations	72,019	31,620
Interest received	1,514	1,184
Interest paid	(1,192)	(1,178)
Income tax paid	(32,122)	(1,234)
Net cash generated from operating activities	40,219	30,392
Investing activities		
Purchase of equipment	-	(28)
Net cash used in investing activities	-	(28)
Financing activities		
Decrease/(increase) in bank deposits pledged	25,074	(9,076)
Proceeds from drawdown of bank borrowings	10,144	13,653
Due to ultimate holding company	16,134	2,580
Repayment of bank borrowing	(28,305)	(23,624)
Net cash generated from/(used in) financing activities	23,047	(16,467)
Net increase in cash and cash equivalents	63,266	13,897
Effects of foreign exchange rate changes	231	(946)
Cash and cash equivalents at beginning of financial year	61,000	48,049
Cash and cash equivalents at end of financial year*	124,497	61,000
* Note to consolidated statement of cash flows		
Cash and bank balances	139,134	100,711
Less deposits pledged	(14,637)	(39,711)
	124,497	61,000

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Equity attributable to owners of the parent						
	Share capital	Capital reserve	Merger reserve	Statutory reserve	Translation reserve	Retained earnings/(accumulated losses)	Total
12 months ended 31 December 2016	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2016	24,471	99,027	628	7,363	8	47,727	179,224
Total comprehensive income for the financial year	-	-	-	-	(951)	(22,485)	(23,436)
Transfer to statutory reserve	-	-	-	379	-	(379)	-
Balance as at 31 December 2016	24,471	99,027	628	7,742	(943)	24,863	155,788
12 months ended 31 December 2017							
Balance at 1 January 2017	24,471	99,027	628	7,742	(943)	24,863	155,788
Total comprehensive income for the financial year	-	-	-	-	(144)	5,059	4,915
Transfer to statutory reserve	-	-	-	188	-	(188)	-
Balance as at 31 December 2017	24,471	99,027	628	7,930	(1,087)	29,734	160,703
Company	Share capital	Capital reserve	Merger reserve	Statutory reserve	Translation reserve	Accumulated losses	Total
12 months ended 31 December 2016	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2016	24,471	-	628	-	285	(31,275)	(5,891)
Total comprehensive income for the financial year	-	-	-	-	(469)	(13,707)	(14,176)
Balance as at 31 December 2016	24,471	-	628	-	(184)	(44,982)	(20,067)
12 months ended 31 December 2017							
Balance at 1 January 2017	24,471	-	628	-	(184)	(44,982)	(20,067)
Total comprehensive income for the financial year	-	-	-	-	(11)	(11,896)	(11,907)
Balance as at 31 December 2017	24,471	-	628	-	(195)	(56,878)	(31,974)

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

The Company's share capital remained unchanged at RMB24,471,000 comprising 144,733,000 shares as at 31 December 2017 and 30 June 2017.

The Company did not have any outstanding convertibles as at 31 December 2017 and 31 December 2016.

The Company did not have any treasury shares and subsidiary holdings as at 31 December 2017 and 31 December 2016.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	Company	
	31/12/2017	31/12/2016
Total number of issued shares	144,733,000	144,733,000

The Company did not have any treasury shares as at 31 December 2017 and 31 December 2016.

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported thereon.**

Not applicable. The Company did not have treasury shares during or as at the end of the current financial year reported on.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial year reported on.

- 2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).**

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Except for the adoption of Singapore Financial Reporting Standards (“FRS”) that is effective for the current financial period/year as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as in the most recent audited financial statements for the financial year ended 31 December 2016.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The adoption of the new standards and interpretations beginning or after 1 January 2017 has no material impact on the financial statements in the current reporting period.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group	
	Year ended 31 December	
Earnings/(loss) per share (RMB)	2017	2016
- Based on weighted average number of shares in issue	0.03	(0.16)
- Based on fully diluted basis ⁽¹⁾	0.03	(0.16)
Weighted average number of shares during the financial period applicable to basic and diluted earnings/(loss) per share ('000)	144,733	144,733

Note:-

- 1) The basic and diluted earnings/(loss) per share for the respective financial year under review were the same as the Company did not have potentially dilutive ordinary shares as at 31 December 2017 and as at 31 December 2016 respectively.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-

- (a) current financial period reported on; and
(b) immediately preceding financial year.**

	Group	
	31/12/2017	31/12/2016
Net Asset Value Per Ordinary Share		
- Based on issued share capital at the end of financial year (RMB)	1.11	1.08
- Number of ordinary shares at the end of financial year ('000)	144,733	144,733
	Company	
	31/12/2017	31/12/2016
Net Asset Value Per Ordinary Share		
- Based on issued share capital at the end of financial year (RMB)	(0.22)	(0.14)
- Number of ordinary shares at the end of financial year ('000)	144,733	144,733

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

(a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**

STATEMENT OF COMPREHENSIVE INCOME

Financial year ended 31 December 2017 ("FY2017") vs. Financial year ended 31 December 2016 ("FY2016")

Revenue

Our revenue is derived from the sale of properties, sale of carpark space, property management income, and rental income from leasing of our properties.

Revenue of RMB101.07 million generated in FY2017 was RMB43.25 million higher than FY2016. This was attributable primarily to an increase in revenue recognition from the sale of units from the Singapore Garden project at Fuling, Chongqing.

	FY2017	FY 2016
	RMB'000	RMB'000
Sales of properties	97,827	55,206
Property management income	1,758	1,247
Rental income	1,486	1,366
	101,071	57,819

Sales of properties

The Group sold 182 residential units and 45 carpark spaces for the Singapore Garden project, 3 commercial units and 2 carpark spaces for the University Town project in FY2017 as compared to 65 residential units and 45 carpark spaces for the Singapore Garden project, 12 commercial units and 17 carpark spaces for the University Town project in FY2016.

The revenue from the sale of properties was RMB97.83 million and accounted for 96.79% of the Group's total revenue for FY2017 compared to revenue amounting to RMB55.21 million which accounted for 95.5% in FY2016.

Additionally, the Group has written down the value of 3 carpark spaces to nil for the Singapore Garden project due to its unsuitability for sale.

With the sales and write down in FY2017, the Group has 3 commercial units and 37 carpark spaces left for the University Town project and 70 residential units, 28 commercial units and 177 carpark spaces left for the Singapore Garden project as at 31 December 2017.

Property management income and rental income

Property management income and carpark fee for FY2017 was RMB1.76 million and this was RMB0.51 million higher than FY2016. This income was derived from the Singapore Garden project, which was completed in second half FY2015. With the increase in the occupancy rate at the Singapore Garden project, the amount of property management income and carpark fee increased from year to year.

Rental income of RMB1.49 million accounted for 1.47% of our total revenue for FY2017 and was RMB0.12 million higher than FY2016, where it accounted for 2.36% of the total revenue

in FY2016. The Group's rental income is derived from the leasing of commercial units at the University Town project. The increase was attributable to the increase in leasing activities in FY2017.

Cost of sales

Cost of sales mainly comprises costs incurred directly for our property development activities. Cost of sales is determined by apportionment of the total land costs and development costs during the development period with such apportionment based on the Gross Floor Area ("GFA") of which the properties have been successfully delivered to the customers.

Cost of sales for FY2017 amounted to RMB69.83 million, was RMB34.99 million higher than in FY2016. This was in line with the higher revenue recorded in FY2017.

Gross Profit and Profit Margin

Gross profit of RMB31.24 million in FY2017 was RMB8.26 million higher than in FY2016, mainly due to the increase in revenue. Gross profit margin in FY2017 of 30.91% was 8.83% lower than in FY2016. This was mainly due to lower proportion of commercial unit sales in FY2017 (3 units) as compared to FY2016 (12 units).

Other operating expenses

Other operating expenses of RMB6.42 million in FY2017 was RMB14.43 million lower than in FY2016. This was mainly due to non-recurring impairment loss amounting to RMB8.30 million and Additional Buyer's Stamp Duty amounting to RMB6.18 million for the Singapore development property that were recorded in FY2016.

The Group's operating expenses comprise selling expenses and administrative expenses. The Group's total operating expenses of RMB12.30 million in FY2017 was RMB3.26 million lower than in FY2016.

The Group's selling expenses comprise mainly sales and marketing staff costs, advertisement and promotional expenses and documentation charges for property transfers. Selling expenses accounted for 6.7% and 5.7% of total operating expenses for FY2017 and FY2016, respectively. The Group's selling expenses of RMB0.82 million in FY2017 was RMB0.06 million lower than in FY2016. The decrease in selling expenses was mainly attributable to less marketing activities and promotional expenses for the Singapore Garden project in FY2017.

Administrative expenses comprise mainly staff costs, depreciation, management fee payable to ultimate holding company, travelling and transport, and professional expenses. Administrative expenses accounted for 93.3% and 94.3% of total operating expenses for FY2017 and FY2016, respectively. Administrative expenses of RMB11.48 million in FY2017 was RMB3.20 million lower than in FY2016. The decrease was mainly attributable to an ex-director's remuneration which was incurred in FY2016 but absent in FY2017.

Income tax expenses

Income tax expenses relate to enterprise income tax and land appreciation tax in the People's Republic of China (the "PRC") as well as withholding tax on undistributed profits of the PRC subsidiaries. Income tax expenses of RMB8.16 million in FY2017 was RMB1.39 million lower than in FY2016. This was attributable to lesser withholding tax provisions on undistributed profits of the PRC subsidiaries for FY2017 as compared to FY2016. Out of the RMB8.16 million income tax expenses for FY2017, RMB0.99 million relates to the withholding tax provisions on undistributed profits.

Balance Sheet

Non-current assets

As at 31 December 2017, non-current assets of RMB0.98 million consist of equipment and deferred tax assets.

As at 31 December 2017, the carrying amount of equipment decreased by RMB0.14 million to RMB0.14 million as a result of depreciation charge amounting to RMB0.13 million.

Current assets

As at 31 December 2017, current assets amounted to RMB249.28 million mainly consist of cash and cash equivalents, trade receivables, other receivables and deposits, properties held for sale and development properties.

The presence of trade receivables of RMB4.96 million as at 31 December 2017 relate to sale of residential units of the Singapore Garden project where the handing over of the keys to certain buyers has been completed, pending the loan release from these buyers' bankers. To date, trade receivables of RMB2.37 million have been received.

Properties held for sale relate to completed but unsold units at the University Town project and Singapore Garden project, which amounted to RMB8.96 million and RMB56.24 million respectively as at 31 December 2017. This is a decrease of RMB68.96 million from RMB134.16 million as at 31 December 2016. The decline was due to the sale of properties in the Singapore Garden project and University Town project in FY2017.

Other receivables and deposits decreased by RMB1.33 million to RMB2.65 million is mainly attributable to the capitalised prepayments of the Ayondo Acquisition expenses which was written off in FY2017.

Development properties increased by RMB0.16 million to RMB37.34 million due to an appreciation of Singapore dollars against RMB as at 31 December 2017 as compared to 31 December 2016.

Current liabilities

Group

As at 31 December 2017, current liabilities of RMB80.06 million consist of trade and other payables and accruals, amount due to ultimate holding company, advance receipt from sale of properties, short-term loans and income tax payable.

Amount due to ultimate holding company increased by RMB16.2 million to RMB18.78 million as at 31 December 2017. This is mainly due to short term working capital funding from ultimate holding company.

Other payables and accruals, which mainly comprise deposits from tenants, advance rental and accrued expenses, decreased by RMB4.25 million to RMB6.35 million as at 31 December 2017 from RMB10.61 million as at 31 December 2016. This is mainly attributable to lesser expenses accruals and other payables incurred in relation to the Ayondo Acquisition as compared to FY2016.

Advance receipt from sale of properties at the Singapore Garden project amounted to RMB11.19 million as at 31 December 2017, representing a decrease of RMB2.31 million from RMB13.50 million as at 31 December 2016.

Short-term loans amounted to RMB20.75 million and RMB38.21 million as at 31 December 2017 and 31 December 2016, respectively. The decrease is mainly due to repayment of the revolving credit facility loan in FY2017.

Income tax payable amounted to RMB22.99 million as at 31 December 2017, a decrease of RMB25.21 million as at 31 December 2016 due to payment of income tax during FY2017.

Company

Current liabilities at the Company level increased by RMB11.80 million from RMB45.47 million as at 31 December 2016 to RMB57.26 million as at 31 December 2017. The increase is mainly due to RMB12.34 million increase in amount due to subsidiaries, increase in advance from ultimate holding company by RMB16.20 million, set-off by a decrease in short-term loans of RMB13.42 million and decrease in other payables and accruals of RMB3.33 million.

Non-Current Liabilities

As at 31 December 2017, non-current liabilities of RMB9.50 million consist of deferred tax liabilities.

Shareholders' equity

Shareholders' equity consists of issued share capital, capital reserve, merger reserve, statutory reserve and retained earnings. As at 31 December 2017, our shareholders' equity amounted to RMB160.70 million.

Cash Flow

For FY2017, the Group generated a positive net cash from operating activities of RMB40.22 million mainly attributable to the following:

- (a) Continual sales of Singapore Garden Project resulting in a decrease in properties held for sale of RMB68.84 million; and off-set by
- (b) Decrease in other payables of RMB5.36 million; and
- (c) Increase in trade and other receivables and deposits of RMB4.85 million

Net cash flow generated from financing activities amounted to RMB23.05 million in FY2017, which was mainly due to decrease in bank deposits pledged, proceeds from drawdown of bank borrowings and advances from ultimate holding company, partially offset by the repayment of bank borrowings.

As at 31 December 2017, our cash and cash equivalents were at RMB124.50 million.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable as no forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group has launched for sale all blocks of residential units at the Singapore Garden project. The Group will continue to sell the residual residential and commercial units and carpark spaces of the project as well as the commercial units and carpark spaces at the University Town project.

In the Fuling District of Chongqing, where our completed property projects are located, the demand for properties remained challenging.

The Company had announced on 25 September 2017 that the Sale and Purchase Agreement (“SPA”) regarding the proposed acquisition of the equity interest of ayondo Holding AG (“ayondo”) (the “Ayondo Acquisition”) was ceased on 30 September 2017. Accordingly, the related subscription agreement and the disposal SPA had also lapsed and ceased to have further effect on 30 September 2017. Additionally, on 30 October 2017, the Company announced that the Company and ayondo had agreed to convert S\$0.992 million (RMB 4.86 million) in expenses incurred by ayondo which was paid by the Company on its behalf plus interest of S\$0.035 million (RMB0.17 million) into a redeemable convertible loan (“RCL”) amounting to S\$1.027 million (RMB5.03 million).

The Company and ayondo had also agreed to issue new ordinary shares of ayondo, at an agreed conversion price of 33% discount to the IPO price, as reimbursement of S\$1.141 million (RMB5.59 million) of expenses (“Acquisition Expenses”) incurred by the Group in connection with the Proposed Acquisition (“Conversion Settlement”). Upon the conversion of the Acquisition Expenses into new ordinary shares, ayondo shall be released and discharged from any and all further payment obligations in respect of the Acquisition Expenses.

In the event that the IPO does not occur prior to 30 September 2018, the Conversion Settlement shall cease and ayondo will not be required to reimburse the Company for the Acquisition Expenses.

To date, the Company has not recognised any receivables arising from the above agreements on the balance sheet due to uncertainty in their recoverability. In the event that the IPO of ayondo is achieved, the Company will recognise the receivables accordingly.

11. Dividend

If a decision regarding dividend has been made:-

(a) Whether an interim (final) dividend has been declared (recommended); and

The directors intend to pay a final dividend to the shareholders for FY2017, subject to the relevant requirements under the Catalist Rules. The amount of final dividend to be paid to shareholders will be announced at a later date.

(b) Amount per share (cents) and previous corresponding period (cents).

Not applicable. No dividend has been declared for FY2016.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

To be announced at a later date

(e) The date on which Registrable Transfer receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

To be announced at a later date

12. If no dividend has been declared/recommended, a statement to that effect.

The directors intend to pay a final dividend to the shareholders for FY2017, subject to the relevant requirements under the Catalist Rules. The amount of final dividend to be paid to shareholders will be announced at a later date.

13. Confirmation by the issuer pursuant to Rule 720(1)

The Company has procured the undertakings from all its Directors and executive officers (in the format set out in Appendix 7H) as required under Rule 720(1) of the Catalist Rules.

14. If the Group has obtained a general mandate from shareholders for interested persons transactions (“IPT”) the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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\$420,000 (RMB2,058,840)	-

The Group does not have a general mandate for IPT.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Result)**

15. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for immediately preceding year.

The Group’s reportable operating segments comprise property development, property management and rental income. Property development covers development of residential, commercial and other properties.

Below are the Group's reportable segments as required under FRS 108 Operating Segments.

(RMB'000)	Revenue		Profit/(Loss)	
	12 months ended 31 Dec 2017	12 months ended 31 Dec 2016	12 months ended 31 Dec 2017	12 months ended 31 Dec 2016
Property development	97,827	55,206	28,698	20,891
Rental income	1,486	1,247	1,486	1,247
Property management income	1,758	1,366	1,053	840
	101,071	57,819	31,237	22,978
Unallocated expenses			(13,257)	(22,647)
Impairment loss on development property			-	(8,300)
Expenses relating to the Ayondo Acquisition			(6,277)	(6,153)
Interest Income			1,514	1,184
Profit/(loss) before income tax			13,217	(12,938)
Income tax expenses			(8,158)	(9,547)
Combined profit/(loss) after tax			5,059	(22,485)
Other comprehensive income			(144)	(951)
Total comprehensive income for the financial year			4,915	(23,436)

Revenue reported above represents revenue generated from external parties and there were no inter-segment sales during FY2017 (FY2016: NIL).

The Group's operations are mainly located in the PRC, hence no analysis by geographical area is provided. The Group's assets were mainly related to property development, hence, no analysis of segmented assets is provided.

The Group has a large number of customers and does not have any significant revenue arising from sales of properties to any major customers which individually accounted for over 10% of the Group's total revenue.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to Section 8 – Review of performance – for further details.

17. A breakdown of sales.

	Group	
	12 months ended 31 Dec 2017	12 months ended 31 Dec 2016
	RMB'000	RMB'000
Sales reported for first half year	56,457	33,042
Loss after tax reported for first half year	(564)	(18,406)
Sales reported for second half year	44,614	24,777
Profit/(loss) after tax reported for second half year	5,623	(4,079)

18. **A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.**

Not applicable.

19. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with the CEO, any director, and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any during the year
Kelvin Kwan Chee Hong	64	Brother of Mr Kwan Chee Seng, non-executive director of the Company and executive director and substantial shareholder of GRP Limited, ultimate holding company.	General Manager Date of appointment: 18 Feb 2016	NA

BY ORDER OF THE BOARD

**Peng Peck Yen
Executive Director
8 February 2018**