

CHINA GREAT LAND HOLDINGS LTD.
(Company registration number: 200312792W)

Half Year Financial Statements Announcement for the Period Ended 30 June 2018

PART I INFORMATION REQUIRED FOR QUARTERLY (Q1,Q2 & Q3), HALF YEAR AND FULL YEAR ANNOUNCEMENT

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 CORESSPONDING PERIOD OF THE IMMEDIATELY PRECEDING FINANCIAL YEAR

	<u>The Group</u>		<u>Increase/ (Decrease)</u> RMB'000	<u>Increase/ (Decrease)</u> %
	<u>6 month ended</u> 30-Jun-18 RMB'000	30-Jun-17 RMB'000		
Continuing Operations				
Revenue	-	-	-	-
Cost of sales	-	-	-	-
Gross profit	-	-	-	-
Other operating income	263	59	204	346
Selling and distribution expenses	-	(82)	(82)	(100)
General and administrative expenses	(2,283)	(2,623)	(340)	(13)
Loss before tax	(2,020)	(2,646)	(626)	(24)
Income tax	-	-	-	-
Loss for the financial period	(2,020)	(2,646)	(626)	(24)
Other comprehensive income for the financial period, net of tax	-	-	-	-
Total comprehensive loss for the financial period	(2,020)	(2,646)	(626)	(24)
Loss for the year attributable to:				
Equity holders of the parent	(2,020)	(2,646)	(626)	(24)
Non-controlling interests	-	-	-	-
Loss for the period	(2,020)	(2,646)	(626)	(24)
Total comprehensive loss for the period attributable to:				
Equity holders of the parent	(2,020)	(2,646)	(626)	(24)
Non-controlling interests	-	-	-	-
Total comprehensive loss for the period	(2,020)	(2,646)	(626)	(24)

1(a) (ii) Items which if significant must be included in the income statement

Other operating income include the following

	Group		Change %
	1H2018 RMB'000	1H2017 RMB'000	
Reversal of impairment loss on trade receivables	248	44	464

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.

	<u>The Group</u>		<u>The Company</u>	
	<u>Year ended</u>		<u>Year ended</u>	
	30-Jun-18	31-Dec-17	30-Jun-18	31-Dec-17
	RMB'000	RMB'000	RMB'000	RMB'000
ASSETS				
Non-current assets				
Plant and equipment	41	50	41	50
Finance lease receivables	240	303	-	-
Total non-current assets	281	353	41	50
Current assets				
Finance lease receivables	125	156	-	-
Trade and other receivables	625	19,340	28	28
Cash and cash equivalents	721	49	49	40
	1,471	19,545	77	68
TOTAL ASSETS	1,752	19,898	118	118
EQUITY AND LIABILITIES				
Capital and Reserves				
Share capital	89,862	89,862	89,862	89,862
Accumulated loss	(122,920)	(120,900)	(96,786)	(94,736)
Equity attributable to equity holders of the Company	(33,058)	(31,038)	(6,924)	(4,874)
Non-controlling interests	(487)	(487)	-	-
Total equity	(33,545)	(31,525)	(6,924)	(4,874)
Current liabilities				
Trade and other payables	35,297	51,423	7,042	4,992
Total liabilities	35,297	51,423	7,042	4,992
TOTAL EQUITY AND LIABILITIES	1,752	19,898	118	118

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

There were no borrowings and debt securities incurred during the financial period.

- (c) **A statement of cashflows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial period**

Consolidated Statement of Cash Flows

	<u>Period</u> <u>Ended</u> <u>30-Jun-18</u> RMB'000	<u>Period</u> <u>Ended</u> <u>30-Jun-17</u> RMB'000
Cash flows from operating activities		
Loss before taxation	(2,020)	(2,646)
Adjustments for:		
Depreciation of plant and equipment	9	-
Reversal of impairment loss on trade receivables	(248)	(44)
Finance lease interest income	(13)	(13)
Operating loss before working capital changes	<u>(2,272)</u>	<u>(2,703)</u>
Changes in working capital:		
Trade and other receivables	19,070	350
Trade and other payables	(17,715)	1,191
Net cash from used in operating activities	<u>(917)</u>	<u>(1,162)</u>
Cash flows from investing activities		
Net cash from investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities		
Loan from shareholders	1,589	1,000
Net cash used in financing activities	<u>1,589</u>	<u>1,000</u>
Net increase / (decrease) in cash and cash equivalents	672	(162)
Cash and cash equivalents at beginning of the financial period	49	1,061
Cash and cash equivalents at end of the financial period	<u><u>721</u></u>	<u><u>899</u></u>

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.

	Share capital	Accumulated losses	Total Attributable to Equity Holders of the parent	Non- Controlling interests	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
At 1 January 2017	89,862	(114,873)	(25,011)	(487)	(25,498)
Total comprehensive loss for the year	-	(6,027)	(6,027)	-	(6,027)
Balance at 31 December 2017	89,862	(120,900)	(31,038)	(487)	(31,525)
Total comprehensive income for the financial period	-	(2,020)	(2,020)	-	(2,020)
Balance at 30 June 2018	89,862	(122,920)	(33,058)	(487)	(33,545)

**Statements of Changes in Equity
For the period ended 30 June 2018**

	Share <u>capital</u>	Accumulated <u>losses</u>	<u>Total</u>
	RMB'000	RMB'000	RMB'000
Balance at 1 January 2017	89,862	(89,896)	(34)
Total comprehensive income loss for the year	-	(4,840)	(4,840)
Balance at 31 December 2017	89,862	(94,736)	(4,874)
Total comprehensive income for the financial period	-	(2,050)	(2,050)
Balance at 30 June 2018	89,862	(96,786)	(6,924)

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 also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares

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.

	<u>30-Jun-18</u> RMB'000	<u>31-Dec-17</u> RMB'000
Issued and paid-up capital		
At the end of the period /year	<u>89,862</u>	<u>89,862</u>

As at 30 June 2018 and 31 December 2017, there were no treasury shares.

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.

	<u>30-Jun-18</u>	<u>31-Dec-17</u>
Issued and paid-up capital	Number of ordinary share ('000)	
At the end of the period / year	<u>270,000</u>	<u>270,000</u>

As at 30 June 2018 and 31 December 2017, there were no treasury shares.

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 on.

As at 30 June 2018, there were no treasury shares.

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

The figures have not been reviewed or audited 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).

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

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

The Group and Company have applied the same accounting policies and methods of computations

in the financial statements for the current financial period and is consistent with those of the most recent audited financial statements for the financial year ended 31 December 2017.

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.**

There are no changes in the accounting policies and methods of computation.

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.**

	For 6 month ended	
	30-Jun-18	30-Jun-17
	RMB	RMB
<u>Loss per Share</u>		
-On a weighted average number of shares	(0.007)	(0.011)

As at 30 June 2018 and 31 December 2017, the Group did not have equity instruments which were dilutive in nature. Accordingly, there were no potential dilution of ordinary shares as at 30 June 2018 and 31 December 2017.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-**
(a) current financial period reported on; and
(b) immediately preceding financial year.

	The Group		The Company	
	30-Jun-18	31-Dec-17	30-Jun-18	31-Dec-17
Net asset value (RMB'000)	(33,545)	(31,525)	(6,474)	(4,874)
Number of issued shares ('000)	270,000	270,000	270,000	270,000
Net asset value per share (RMB)	(0.1242)	(0.12)	(0.02398)	(0.018)

The calculation of net asset value per ordinary share of the Group and the Company is based on 270,000,000 (31 December 2017: 270,000,000) number of ordinary shares.

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
(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

1H2018 vs 1H2017

Revenue

There was no revenue generated for the period ended 30 June 2018 (“1H2018”) as compared to the period ended 30 June 2017 (“1H2017”). This was attributable to no project secured during the financial period in view of global economic downturn and intense competition with our competitors.

Other Operating Income

Operating income increased from RMB59,000 in 1H2017 to RMB263,000 in 1H2018. This was mainly due to a higher reversal of impairment of trade receivables of RMB248,000 in 1H2018 compared to RMB44,000 recorded in the corresponding period.

Selling and Distribution Expenses

There was no selling and distribution expenses incurred in the current financial period as compared in 1H2017.

General and Admin Expenses

	<u>1H2018</u>	<u>1H2017</u>
	RMB	RMB
Staff salaries + related costs	623,000	990,000
Directors’ remuneration	713,000	840,000
Telecommunication and utilities	17,000	5,000
Travelling	24,000	11,000
Entertainment	13,000	3,000
Audit fee	150,000	225,000
Professional fee	143,000	80,000
SGX listing fee	93,000	93,000
Printing expense	54,000	50,000
Directors’ fee	245,000	275,000
Rental	84,000	-
Vehicles expenses	24,000	-
Others	100,000	51,000
	<u>2,283,000</u>	<u>2,623,000</u>

General and administrative expenses decreased by RMB0.34 million from RMB2.62 million in 1H2017 to RMB2.28 million in 1H2018. This was mainly attributable to decrease in directors’ remuneration of RMB0.13 million and staff salaries of RMB0.36 million as compared to 1H2017.

The decrease in directors’ remuneration was mainly due to the resignation of the executive director cum CEO in May 2018.

The decrease in staff salaries was mainly because the company had 2 CFOs in employment from January to March 2017 as the outgoing CFO remained in the company until 31 March 2017 to complete the audit for FY2016 and it amounted to approximately RMB0.21 million.

The subsidiary's salaries also decreased about RMB0.22 million from RMB0.38 million in 1H2017 to RMB0.16 million in 1H2018 due to the reduce for headcount from 9 in 1H2017 to 4 in 1H2018.

General and Admin Expenses (Cont'd)

The decrease was offset by payment to an operation manager who was employed in May 2017 amounting to RMB0.67 million during the financial period.

The net decrease in salaries is offset by increased in professional fees of about RMB0.04 million mainly due to the fee incurred for the proposed acquisitions when had been lapsed in the current financial period.

Loss before tax

The Group reported a net loss of RMB2.27 million in 1H2018 as compared to a loss of RMB2.65 million in 1H2017 in tandem to the above.

REVIEW OF FINANCIAL POSITION

Non-Current Assets

The Group's non-current assets consist of finance lease receivables.

Current Assets

The decrease in trade and other receivables was mainly due to a former subsidiary, Sanya Pearl River Pile Co Ltd ("Sanya Pearl") had repaid RMB18.73 million during the financial period as a results of debt restructuring negotiation with Lionview Global Investments Ltd ("Lionview"), the holding Company of Sanya Pearl. The debt restructuring was to reduce amount due to another former subsidiary, Hainan Pearl River Pile Co Ltd ("Hainan Pearl"), which Lionview is also the holding company.

Current Liabilities

The decrease in trade and other payables was mainly due to repayment of amount due to a former subsidiary, Hainan Pearl, of RMB18.21 million due to the debt restructuring mention above.

The decrease was offset by increase in loan from controlling shareholders of RMB1.59 million received during the financial period and amount due to directors of approximately RMB0.45 million.

Consolidated Cash flow statement

The Group's cash and cash equivalents increased by RMB0.67 million from RMB0.05 million as at 31 December 2017 to RMB0.72 million as at 30 June 2018. This was due to net cash used in operating activities amounting to RMB0.92 million which was offset by cash generated from financing activities of RMB1.59 million as a result of loans received from controlling shareholders.

A summary of cash flows is as follows:

	<u>Period</u> <u>Ended</u> <u>30-Jun-18</u> RMB'000	<u>Period</u> <u>Ended</u> <u>30-Jun-17</u> RMB'000
Net cash used in operating activities	(917)	(1,162)
Net cash from investing activities	-	-
Net cash from financing activities	1,589	1,000
Net increase / (decrease) in cash and cash equivalents	672	(162)
Cash and cash equivalents at beginning of the financial period	49	1,061
Cash and cash equivalents at end of the financial period	721	899

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

Not applicable. No forecast or prospect statement had been previously disclosed to shareholders for the current reporting period.

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.

As announced by the Company on 13 July 2018, the SGX-ST has deemed the Company to be a cash company under Rule 1018 of the Listing Manual.

Pursuant to Rule 1018 of the Listing Manual, the securities of the Company, being a cash Company, has been suspended and the Company is given 12 months to satisfy the SGX-ST's requirements for a new listing, failing which, the SGX-ST will proceed to remove the issuer from the Official List.

The Company is still in the process identifying an escrow agent as it is getting very high fees from banks to place 90% of its cash in an escrow account. The company will provide quarterly updates of milestones in obtaining new business to the market.

There was no revenue generated for the period ended 30 June 2018 ("1H2018") as compared to the period ended 30 June 2017 ("1H2017"). This was attributable to no project secured during the financial period in view of global economic downturn and intense competition with our competitors. The company plans to stop the operations of the subsidiary with effect from 1 October 2018 to cut losses.

The Group will seek shareholders' loan from its controlling shareholders to operate as a going concern.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

The Company does not propose to declare any dividends for the current financial period reported on.

(b) Corresponding Period of the Immediately Preceding Financial Year

Not applicable

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable

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

No dividends have been declared/recommended for the financial period ended 30 June 2018.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule920(1)(a)(ii). If no IPT mandate has been obtained, a statement to the effect.

There were no interested person transactions between the Company or its subsidiaries and any of its interested persons during or subsisting at the end of the financial period ended 30 June 2018.

14. Negative Assurance Confirmation by the Board

On behalf of the Board of Directors of the Company, we, the undersigned, confirm that to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the half year financial results to be false or misleading in any material aspect.

Xing Fei
Executive Chairman and interim CEO

Kunalan s/o Sivapuniam
Lead Independent Director

15. Confirmation pursuant to Rule 720(1)

The Company has procured undertakings from all its directors and executive officers under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Xing Fei
Executive Chairman and interim CEO
14 August 2018