

# STARLAND HOLDINGS LIMITED



Company No. 201131382E

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## Unaudited Financial Statements And Dividend Announcement for the Six-Month Financial Period Ended 30/06/2017

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*This announcement has been prepared by the 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.*

*The contact persons for the Sponsor are Mr Alvin Soh, Head of Catalist Operations, Senior Vice President, and Mr Lan Kangming, Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.*

**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 PERIOD ENDED 30 JUNE 2017**

	<b>6 Months ended 30 June 2017</b>	<b>6 Months ended 30 June 2016</b>	<b>Change</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>%</b>
<b>Revenue</b>	56,457	33,042	70.9
Cost of sales	(40,168)	(19,002)	111.4
<b>Gross profit</b>	<b>16,289</b>	<b>14,040</b>	<b>16.0</b>
Other operating income	179	437	-59.0
Interest income	698	807	-13.5
Other operating expenses	(6,570)	(14,550)	-54.8
Interest expense	(628)	(659)	-4.7
Selling expenses	(521)	(473)	10.1
Administrative expenses	(5,788)	(7,330)	-21.0
Profit/(Loss) before income tax	<b>3,659</b>	<b>(7,728)</b>	<b>147.3</b>
Income tax expenses	(4,223)	(10,678)	-60.5
Net loss after tax for the financial period	<b>(564)</b>	<b>(18,406)</b>	<b>-96.9</b>
Other Comprehensive Income <i>-Items that are or may be reclassified subsequently to profit or loss</i>			
Foreign currency translation differences (at nil tax)	(601)	(1,400)	-57.0
Total comprehensive income for the financial period	<b>(1,165)</b>	<b>(19,806)</b>	<b>-94.1</b>

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

Loss for the financial period is arrived at after (charging)/crediting the following:

	<b>6 Months ended 30 June 2017</b>	<b>6 Months ended 30 June 2016</b>	<b>Change</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>%</b>
Interest income	697	807	-13.6
Interest expense	(628)	(659)	-4.7
Rental income	729	632	15.3
Depreciation and amortisation	(218)	(425)	-48.7
Impairment loss on development property	-	(8,300)	-100.0
Additional buyer stamp duty on a land under development	-	(6,181)	-100.0
Expenses relating to the ayondo acquisition (Refer to Note 10)	(6,435)	-	100

**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 2016 AND 30 JUNE 2017**

	Group		Company	
	As at		As at	
	30/06/2017	31/12/2016	30/06/2017	31/12/2016
	RMB'000	RMB'000	RMB'000	RMB'000
<i>Non-current assets</i>				
Equipment	206	274	15	17
Investment in subsidiaries	-	-	9,773	9,773
Deferred tax assets	729	891	-	-
<b>Total non-current assets</b>	<b>935</b>	<b>1,165</b>	<b>9,788</b>	<b>9,790</b>
<i>Current assets</i>				
Cash and bank balances	105,276	100,711	288	322
Trade receivables	5,750	-	-	-
Other receivables and deposits	4,090	3,974	1,084	743
Due from subsidiaries	-	-	15,136	14,543
Properties held for sale	94,636	134,159	-	-
Development properties	37,773	37,174	-	-
<b>Total current assets</b>	<b>247,525</b>	<b>276,018</b>	<b>16,508</b>	<b>15,608</b>
<i>Current liabilities</i>				
Trade payables	4	4	-	-
Due to subsidiaries	-	-	32,252	24,268
Due to ultimate holding company	-	2,580	-	2,580
Other payables and accruals	9,084	10,605	4,040	5,195
Advance receipt from sale of properties	12,557	13,503	-	-
Short-term loans	40,569	38,206	19,586	13,422
Income tax payable	22,671	48,201	-	-
<b>Total current liabilities</b>	<b>84,885</b>	<b>113,099</b>	<b>55,878</b>	<b>45,465</b>
<b>Net current assets/(liabilities)</b>	<b>162,640</b>	<b>162,919</b>	<b>(39,370)</b>	<b>(29,857)</b>
<i>Non-current liabilities</i>				
Deferred tax liabilities	8,952	8,296	-	-
<b>Total non-current liabilities</b>	<b>8,952</b>	<b>8,296</b>	<b>-</b>	<b>-</b>
<b>Net assets/(liabilities)</b>	<b>154,623</b>	<b>155,788</b>	<b>(29,582)</b>	<b>(20,067)</b>
<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	7,823	7,742	-	-
Translation reserve	(1,544)	(943)	(412)	(184)
Retained earnings/(accumulated losses)	24,218	24,863	(54,269)	(44,982)
<b>Total capital and reserves</b>	<b>154,623</b>	<b>155,788</b>	<b>(29,582)</b>	<b>(20,067)</b>

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

**Amount repayable in one year or less, or on demand**

<b>Group</b>			
<b>As at 30/06/2017</b>		<b>As at 31/12/2016</b>	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
40,569	-	38,206	-

**Amount repayable after one year**

<b>Group</b>			
<b>As at 30/06/2017</b>		<b>As at 30/12/2016</b>	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
-	-	-	-

**Details of any collateral**

The Group has obtained a land loan facility (the "**Land Loan Facility**") of S\$4,128,000 for a property development project in Singapore. The deadline for the repayment of the Land Loan Facility has been further extended to 30 November 2017. As at 30 June 2017, the Group has an outstanding land loan of S\$3,360,000 (RMB16,550,000).

The Land Loan 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 (RMB3,832,000) pledge 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 (RMB20,333,000) by the Company.

### Revolving Credit Facility

The Group and the Company had obtained a Revolving Credit Facility (the “**RCF**”) of S\$4,050,000 from United Overseas Bank for general working capital purposes. The Group and the Company has an outstanding balance of S\$3,976,000 (RMB 19,586,000) as at 30 June 2017.

The RCF is secured and guaranteed by the following:-

- a) Standby Letter of Credit (“**SBLC**”) for not less than RMB25,000,000 issued by the United Overseas Bank (China) Limited, Chengdu Branch; and
- b) Fixed deposits of RMB25,225,000 pledged with the bank.

### 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 (RMB4,433,000) as at 30 June 2017.

The MML is secured and guaranteed by the following:-

- a) Standby Letter of Credit (“**SBLC**”) for not less than RMB10,000,000 issued by the United Overseas Bank (China) Limited, Chengdu Branch;
- b) A corporate guarantee for S\$1,800,000 (RMB8,866,000) by the Company; and
- c) Fixed deposits of RMB10,838,000 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 PERIOD ENDED 30 JUNE 2017**

	<b>6 months ended 30 Jun 2017</b>	<b>6 months ended 30 Jun 2016</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Operating activities</b>		
Profit/(loss) before income tax	3,659	(7,728)
<b>Adjustments for:</b>		
Equipment written off	-	47
Depreciation of equipment	68	200
Amortisation of land use right	150	225
Impairment loss on a development property	-	8,300
Interest income	(697)	(807)
Interest expense	628	659
<b>Operating cash flows before movements in working capital</b>	<b>3,808</b>	<b>896</b>
Decrease in properties held for sale	39,522	18,428
(Increase)/decrease in development properties	(38)	732
Increase in trade and other receivables and deposits	(5,866)	(2,293)
Decrease in trade payables	-	(325)
(Decrease)/increase in other payables and accruals	(2,467)	3,589
<b>Cash flows generated from operations</b>	<b>34,959</b>	<b>21,027</b>
Interest received	697	807
Interest paid	(628)	(659)
Income tax paid	(28,935)	(373)
<b>Net cash generated from operating activities</b>	<b>6,093</b>	<b>20,802</b>
<b>Investing activities</b>		
Purchase of equipment	-	(20)
<b>Net cash used in investing activities</b>	<b>-</b>	<b>(20)</b>
<b>Financing activities</b>		
(Increase)/decrease in bank deposits pledged	(184)	16,750
(Repayment to)/due to ultimate holding company	(2,580)	1,371
Proceeds from drawdown of bank borrowings	5,760	-
Repayment of bank borrowing	(4,433)	(14,116)
<b>Net cash (used in)/generated from financing activities</b>	<b>(1,437)</b>	<b>4,005</b>
Effects of foreign exchange rate changes	(275)	(504)
Net increase in cash and cash equivalents	4,381	24,283
Cash and cash equivalents at beginning of financial period	61,000	48,049
<b>Cash and cash equivalents at end of financial period*</b>	<b>65,381</b>	<b>72,332</b>
* Note to consolidated statement of cash flows		
Cash and bank balances as per statements of financial position	105,276	86,217
Less deposits pledged	(39,895)	(13,885)
	<b>65,381</b>	<b>72,332</b>

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 parents**

	Share capital RMB'000	Capital reserve RMB'000	Merger reserve RMB'000	Statutory reserve RMB'000	Translation reserve RMB'000	Retained earnings /(accumulated losses) RMB'000	Total RMB'000
<b>6 months ended 30 June 2016</b>							
Balance at 1 January 2016	24,471	99,027	628	7,363	8	47,727	179,224
Total comprehensive income for the financial period	-	-	-	-	(1,400)	(18,406)	(19,806)
Transfer to statutory reserve	-	-	-	242	-	(242)	-
Balance at 30 June 2016	24,471	99,027	628	7,605	(1,392)	29,079	159,418

**6 months ended 30 June 2017**

Balance at 1 January 2017	24,471	99,027	628	7,742	(943)	24,863	155,788
Total comprehensive income for the financial period	-	-	-	-	(601)	(564)	(1,165)
Transfer to statutory reserve	-	-	-	81	-	(81)	-
Balance at 30 June 2017	24,471	99,027	628	7,823	(1,544)	24,218	154,623

**COMPANY**

	Share capital RMB'000	Capital reserve RMB'000	Merger reserve RMB'000	Statutory reserve RMB'000	Translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
<b>6 months ended 30 June 2016</b>							
Balance at 1 January 2016	24,471	-	628	-	285	(31,275)	(5,891)
Total comprehensive income for the financial period	-	-	-	-	(567)	(3,739)	(4,306)
Balance at 30 June 2016	24,471	-	628	-	(282)	(35,014)	(10,197)

**6 months ended 30 June 2017**

Balance at 1 January 2017	24,471	-	628	-	(184)	(44,982)	(20,067)
Total comprehensive income for the financial period	-	-	-	-	(228)	(9,287)	(9,515)
Balance at 30 June 2017	24,471	-	628	-	(412)	(54,269)	(29,582)

- 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 30 June 2017 and 31 December 2016.

The Company did not have any outstanding convertibles as at 30 June 2017 and 30 June 2016.

The Company did not have any treasury shares and subsidiary holdings as at 30 June 2017 and 30 June 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.**

	<b>Company</b>	
	30 June 2017	31 December 2016
Total number of issued shares	144,733,000	144,733,000

The Company did not have any treasury shares as at 30 June 2017 and 31 December 2016.

- 1(d)(iv) A statement showing all sales, transfers, 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 period 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 period 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 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 period 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 on 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	
	6 months ended 30 Jun 2017	6 months ended 30 Jun 2016
(Loss)/earnings per share (RMB)		
- Based on weighted average number of shares in issue	(0.00) <sup>(1)</sup>	(0.13)
- Based on fully diluted basis	0.00 <sup>(1)</sup>	(0.13)
Weighted average number of shares during the financial period applicable to basic and diluted (loss)/earning per share ('000)	144,733	144,733

**Note:-**

- 1) The basic and diluted earnings and loss per share for the respective financial period under review were the same as the Company did not have potentially dilutive ordinary shares as at 30 June 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.**

<b>Group</b>		
	30/06/2017	31/12/2016
<b>Net Asset Value Per Ordinary Share</b>		
- Based on issued share capital at the end of financial period (RMB)	1.07	1.08
- Number of ordinary shares at the end of financial period ('000)	144,733	144,733
	<b>Company</b>	
	30/06/2017	31/12/2016
<b>Net Asset Value Per Ordinary Share</b>		
- Based on issued share capital at the end of financial period (RMB)	(0.20)	(0.14)
- Number of ordinary shares at the end of financial period ('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**

**Six months ended 30 June 2017 ("1HY2017") vs. Six months ended 30 June 2016 ("1HY2016")**

##### **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 increased by RMB23.42 million from RMB33.04 million in 1HY2016 to RMB56.46 million in 1HY2017 mainly due to an increase in revenue recognition from the sale of property units from Singapore Garden Project at Chongqing, Fuling.

	1HY2017	1HY2016
	RMB'000	RMB'000
Sales of properties	55,004	31,809
Property management income	805	604
Rental income	648	629
	56,457	33,042

##### ***Sales of properties***

The Group sold 107 residential units and 6 carpark spaces for the Singapore Garden project, 1 commercial unit and 2 carpark spaces for University Town project for 1HY2017 as compared to the sale of 45 residential units and 20 carpark spaces for Singapore Garden project, 8 commercial units and 9 carpark spaces for University Town project in 1HY2016.

The revenue from the sale of properties was RMB55.00 million and accounted for 97.43% of the Group's total revenue for 1HY2017 as compared to revenue amounting to RMB31.81 million which accounted for 96.27% in 1HY2016.

With the sales in 1HY2017, the Group has 6 commercial units and 37 carpark spaces left for University Town project and 145 residential units, 28 commercial units and 219 carpark spaces left for Singapore Garden project.

##### ***Property management income and rental income***

Property management income and carpark fee increased by RMB0.20 million was due to the increase in the property management income collected from the residents of the newly sold units from the Singapore Garden project, which was completed in September 2015.

Rental income for 1HY2017 was RMB0.65 million and accounted for 1.15% of our total revenue for 1HY2017, as compared to RMB0.63 million for 1HY2016 which accounted for 1.9% of the total revenue for 1HY2016. The Group's rental income is derived from the leasing of the Group's commercial units of the University Town Project. The increase in rental income for 1HY2017 as compared to 1HY2016 was due to the increase in rental rates of the existing tenants of the 6 commercial units of the University Town project in 1HY2017 as compared to 1HY2016.

### **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 of which the properties have been successfully delivered to the customers.

Costs of sales increased by RMB21.17 million due to higher revenue recorded in 1HY2017.

### **Gross Profit and Profit Margin**

Gross profit increased from RMB14.04 million in 1HY2016 to RMB16.29 million in 1HY2017 mainly due to the increase in revenue. However, gross profit margin decreased from 42.49% in 1HY2016 to 28.85% in 1HY2017, due to higher proportion of commercial unit sales (where commercial unit sale commands higher profit margin as compared to residential unit sale) in 1HY2016 as compared to 1HY2017.

### **Operating expenses**

Other operating expenses decreased by RMB7.98 million mainly due to an absence of impairment loss on a development property amounting to RMB8.3 million and an additional buyer's stamp duty amounting to RMB6.18 million, offset by expenses relating to the ayondo acquisition amounting to RMB6.44 million.

The Group's operating expenses comprise selling expenses and administrative expenses. The Group's total operating expenses decreased by RMB1.49 million or 19.15% from RMB7.80 million in 1HY2016 to RMB6.31 million in 1HY2017.

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 8.26% and 6.06% of total operating expenses for 1HY2017 and 1HY2016, respectively. The Group's selling expenses increased by RMB0.48 million was mainly attributable to marketing activities and promotional expenses for the increase in sales of residential units of the Singapore Garden Project in 1HY2017.

Administrative expenses comprise mainly staff costs, depreciation, management fee payable to ultimate holding company, travelling and transport, and professional expenses. Administrative expenses accounted for 91.74% and 93.94% of total operating expenses for 1HY2017 and 1HY2016, respectively. Administrative expenses decreased by RMB1.54 million, or 21.04% mainly attributable to an absence of remuneration paid to an ex-director and offset by management fee payable to ultimate holding company.

### **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 provision of withholding tax on undistributed profits of the PRC subsidiaries. Out of the RMB4.22 million for 1HY2017, a tax expense of RMB3.37 million relates to corporate income tax, a provision of withholding tax on undistributed profits of RMB0.50 million and land appreciation tax of RMB0.35 million. The decrease in income tax expense of RMB6.45 million was mainly attributable to an absence of withholding tax provisions for prior years undistributed profits for a PRC subsidiary which was accounted for in 1HY2016.

## **Balance Sheet**

### ***Non-current assets***

As at 30 June 2017, non-current assets of RMB0.94 million consist of equipment and deferred tax assets.

Carrying amount of equipment decreased by RMB0.07 million to RMB0.21 million as a result of depreciation charge amounting to RMB0.07 million.

Deferred tax assets decreased by RMB0.16 million to RMB0.73 million mainly due to tax credits provided for and the amortisation of land use rights of a property development project in the PRC and land appreciation tax being provided for the University Town Project but not paid.

### ***Current assets***

As at 30 June 2017, current assets amounted to RMB247.53 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 RMB5.8 million as at 30 June 2017 was the amount to be collected from the sale of the residential property units of the Singapore Garden Project which the buyers have taken the possession of these units.

Properties held for sale are completed but unsold units of Singapore Garden Project and University Town Project, which amounted to RMB85.40 million and RMB9.24 million respectively as at 30 June 2017. The decrease of RMB39.52 million in properties held for sale was due to the sale of properties in the Singapore Garden Project and University Town Project in 1HY2017.

Development properties decreased by RMB0.6 million to RMB37.78 million due to a change in value of a development property located in Singapore arising from an appreciation of Singapore dollars against renminbi as at 30 June 2017 as compared to 31 December 2016.

### ***Current liabilities***

#### **Company**

The increase in the current liabilities at Company level by RMB10.41 million from RMB45.47 million as at 31 December 2016 to RMB55.88 million as at 30 June 2017 was mainly due to an increase of RMB7.98 million advance from a PRC subsidiary to the Company and an increase of RMB6.16 million loan facility obtained for working capital and to finance the professional fees relating to the ayondo acquisition, set off by a decrease in amount due to ultimate holding company of RMB2.58 million and a decrease of RMB1.15 million in other payables and accruals in relation to the profession fees incurred for the ayondo acquisition.

## Group

As at 30 June 2017, current liabilities of RMB84.89 million consisted of trade payables, other payables and accruals, advance receipt from sale of properties, short-term loans and income tax payable.

The decrease in amount due to ultimate holding company of RMB2.58 million was mainly due to the full repayment of RMB2.58 million.

Other payables and accruals, which mainly comprise deposits from tenants, advance rental and accrued expenses, decreased by RMB1.52 million mainly attributable to the decrease in other payables such as professional fees incurred in relation to the ayondo acquisition.

Advance receipt from sale of properties for the Singapore Garden Project amounted to RMB12.56 million, resulted in a decrease of RMB0.94 million from RMB13.50 million as at 31 December 2016. The decrease was due to the recognition of revenue from the sale of properties in the Singapore Garden Project.

Short-term loans amounted to RMB40.57 million and RMB38.21 million as at 30 June 2017 and 31 December 2016, respectively. The increase is mainly due to additional short term loans taken up by the Company.

Income tax payable decreased by RMB25.53 million due to a decrease in enterprise income tax payable in 1HY2017 which was paid in 1HY2017.

## ***Non-Current Liabilities***

As at 30 June 2017, non-current liabilities of RMB8.95 million consisted of deferred tax liabilities.

## **Shareholders' equity**

Shareholders' equity consists of issued share capital, capital reserve, merger reserve, statutory reserve and retained earnings. As at 30 June 2017, shareholders' equity amounted to RMB154.62 million.

## **Cash Flow**

For 1HY2017, the net cash generated from operating activities of RMB6.1 million was mainly attributable to the following:

- (a) Continual sales of Singapore Garden Project resulting in a decrease in properties held for sale of RMB39.52 million; partially offset by
- (b) Increase in income tax paid amounting to RMB28.94 million; and
- (c) Increase in trade and other receivables of RMB5.87 million.

Net cash used in financing activities amounted to RMB1.44 million in 1HY2017 was mainly due to increase in bank deposits pledged, repayment to ultimate holding company and repayment of bank loan, partially offset by proceeds from drawdown of bank borrowings.

As at 30 June 2017, cash and cash equivalents were at RMB65.38 million.

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

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 all blocks of residential units of Singapore Garden Project. The Group will continue to sell the residual residential, commercial units and carpark spaces of Singapore Garden Project as well as the commercial units and carpark spaces of the University Town Project.

In the Fuling District of Chongqing, where our completed property projects are located, the demand side remains challenging.

In addition to the above, the Company has announced on 20 June 2016 that it has entered into a conditional sale and purchase agreement with the holders of equity interest in ayondo Holding AG ("**ayondo**") to acquire their equity interest in ayondo ("**Proposed Acquisition**").

On 23 September 2016, the Company announced that it has entered into a sale and purchase agreement with its ultimate holding company, GRP Limited ("**GRP**") for the proposed disposal of the entire issued and paid up share capital of the Company's wholly-owned subsidiaries, Starland Axis Pte. Ltd. And Starland Commercial Trading Pte. Ltd ("**Proposed Disposal**"). The proposed disposal will require the approval from Shareholders.

On 23 September 2016, the Company has also announced that it has entered into a Subscription Agreement with GRP and other subscribers for the allotment and issuance of 134,943,181 new ordinary shares by the Company at a subscription price of \$0.1408 for each Subscription Share and the issuance of 101,225,359 share options by the Company conferring the right to subscribe for 101,225,359 new ordinary shares in the capital of the Company at an exercise price of S\$0.1877 for each New Share.

On 19 June 2017, the Company entered into a supplemental agreement (the "**Supplemental Agreement**") to vary the terms and conditions of the Conditional Sale and Purchase Agreement date 20 June 2016 ("**SPA**"), which is to substitute the entire existing definition of Long Stop Date" under Clause 1.1 of the SPA with the following new definition of "Long Stop Date:

"**Long Stop Date**" means 30 September 2017 or such other date as the Parties may agree".

Although the SPA has been entered into, and the Long Stop Date extended, the completion of the Proposed Acquisition is subject to conditions precedent being fulfilled and there is no certainty or assurance as at the date of this announcement, that the Proposed Acquisition will be completed or that no changes will be made to the terms thereof.

11. **Dividend**

**If a decision regarding dividend has been made:-**

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

No dividend has been declared for 1HY2017.

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

Not applicable. No dividend has been declared for 1HY2016.

**(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.**

Not applicable.

**(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.**

Not applicable.

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

No dividend has been declared for 1HY2017.

**13. Confirmation pursuant to Rule 720(1) of the Catalist Rules**

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\$210,000 (RMB1,035,000)	-

The Group does not have a general mandate for IPT.

**15. Confirmation pursuant to Rule 705(5) of the Catalist Rules**

The Board of Directors of the Company confirms that, to the best of their knowledge, nothing has come to the attention of the Board of Directors that may render the unaudited financial statements for the six months ended 30 June 2017 to be false or misleading in any material aspect.



**BY ORDER OF THE BOARD**

**Peng Peck Yen  
Executive Director  
11 August 2017**