

# STARLAND HOLDINGS LIMITED



Company No. 201131382E

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## Unaudited Financial Statements And Dividend Announcement for the Financial Year Ended 31/12/2020

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*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 Catalyst. This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes 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**

	Group		
	Year ended 31 December		
	2020	2019	+ / (-)
	RMB'000	RMB'000	%
<b>Revenue</b>	37,377	29,638	26.1
Cost of sales	(29,169)	(13,811)	NM
<b>Gross profit</b>	<b>8,208</b>	<b>15,827</b>	<b>(48.1)</b>
Other income	613	557	10.1
Interest income	2,195	2,867	(23.4)
Other expenses	(2,099)	(2,450)	(14.3)
Finance costs	(492)	(127)	NM
Selling expenses	(21)	(741)	(97.2)
Administrative expenses	(12,521)	(8,405)	49.0
<b>(Loss)/profit before share of result of associate and income tax</b>	<b>(4,117)</b>	<b>7,528</b>	<b>NM</b>
Share of result of associate	(43)	-	NM
<b>(Loss)/profit before income tax</b>	<b>(4,160)</b>	<b>7,528</b>	<b>NM</b>
Income tax expenses	(821)	(5,988)	(86.3)
<b>(Loss)/profit after tax for the financial year</b>	<b>(4,981)</b>	<b>1,540</b>	<b>NM</b>
Other comprehensive loss <i>- Items that are or may be reclassified subsequently to profit or loss</i>			
Foreign currency translation differences (at nil tax)	(4,497)	(175)	NM
<b>Total comprehensive (loss)/income for the financial year</b>	<b>(9,478)</b>	<b>1,365</b>	<b>NM</b>
<b>(Loss)/profit attributable to:</b>			
Owners of the Company	(3,571)	1,540	NM
Non-controlling interests	(1,410)	-	NM
	<b>(4,981)</b>	<b>1,540</b>	<b>NM</b>
<b>Total comprehensive (loss)/income attributable to:</b>			
Owners of the Company	(8,068)	1,365	NM
Non-controlling interests	(1,410)	-	NM
	<b>(9,478)</b>	<b>1,365</b>	<b>NM</b>

**NM = Not Meaningful**

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

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

	<b>Group</b>		
	<b>Year ended 31 December</b>		
	<b>2020</b>	<b>2019</b>	<b>+ / (-)</b>
	<b>RMB'000</b>	<b>RMB'000</b>	<b>%</b>
Interest income	2,195	2,867	(23.4)
Finance costs	(492)	(127)	NM
Rental income	1,242	2,066	(39.9)
Depreciation and amortisation	(846)	(314)	NM
Depreciation of right-of-use assets	(701)	-	NM
Fair value loss on held for trading equity securities	-	(2,357)	(100.0)
Share of result of associate	(43)	-	NM
Gain on disposal of equipment	-	(193)	(100.0)
Net foreign exchange loss	251	(6)	NM
Impairment of goodwill	2,099	-	NM
Adjustments for overprovision of value added tax ("VAT")	-	334	NM

**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.**

**STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2020 AND 31 DECEMBER 2019**

	Group		Company	
	As at		As at	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
		(Restated)		
	RMB'000	RMB'000	RMB'000	RMB'000
<i>Non-current assets</i>				
Property, plant and equipment	1,848	68	19	6
Investment in associate	697	-	-	-
Investment in subsidiaries	-	-	-*	-*
Deferred tax assets	937	931	-	-
Goodwill arising on acquisition	976	-	-	-
Intangible assets	1	-	-	-
Right-of-use assets	1,728	-	-	-
<b>Total non-current assets</b>	<b>6,187</b>	<b>999</b>	<b>19</b>	<b>6</b>
<i>Current assets</i>				
Cash and bank balances	105,198	125,199	44,644	82,288
Trade receivables	3,296	337	-	-
Other receivables and deposits	2,147	1,475	49	109
Due from subsidiaries	-	-	51,056	29,393
Loan advance	14,382	-	-	-
Debt securities	-	12,080	-	-
Properties held for sale	26,344	45,856	-	-
Development properties	8,413	8,642	-	-
<b>Total current assets</b>	<b>159,780</b>	<b>193,589</b>	<b>95,749</b>	<b>111,790</b>
<i>Current liabilities</i>				
Trade payables	1	1	-	-
Due to subsidiaries	-	-	56,927	42,734
Due to ultimate holding company	279	439	279	439
Other payables and accruals	4,899	5,048	708	694
Advance receipt from sale of properties	1,203	6,100	-	-
Due to minority shareholders	5,392	-	-	-
Lease liabilities	618	-	-	-
Income tax payable	32,948	33,390	-	-
<b>Total current liabilities</b>	<b>45,340</b>	<b>44,978</b>	<b>57,914</b>	<b>43,867</b>
<b>Net current assets</b>	<b>114,440</b>	<b>148,611</b>	<b>37,835</b>	<b>67,923</b>
<i>Non-current liabilities</i>				
Provision for restoration	475	-	-	-
Lease liabilities	649	-	-	-
Deferred tax liabilities	3,376	3,175	-	-
<b>Total non-current liabilities</b>	<b>4,500</b>	<b>3,175</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>	<b>116,127</b>	<b>146,435</b>	<b>37,854</b>	<b>67,929</b>

	Group		Company	
	As at		As at	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019
		(Restated)		
	RMB'000	RMB'000	RMB'000	RMB'000
<i>Capital and reserves</i>				
Share capital	24,471	24,471	24,471	24,471
Capital reserve	48,522	48,522**	-	-
Merger reserve	628	628	628	628
Statutory reserve	8,568	8,568	-	-
Translation reserve	(4,528)	(31)	159	3,640
Retained earnings	38,765	64,277**	12,596	39,190
<b>Equity attributable to owners of the Company</b>	<b>116,426</b>	<b>146,435</b>	<b>37,854</b>	<b>67,929</b>
Non-controlling interests	(299)	-	-	-
<b>Total equity</b>	<b>116,127</b>	<b>146,435</b>	<b>37,854</b>	<b>67,929</b>

\* Denotes amounts less than RMB1,000

\*\* Restatement was made for transfer of RMB48,522,000 from retained earnings to capital reserve to reflect non-distributable reserve

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

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

<b>Group</b>			
<b>As at 31/12/2020</b>		<b>As at 31/12/2019</b>	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
618	-	-	-

**Amount repayable after one year**

<b>Group</b>			
<b>As at 31/12/2020</b>		<b>As at 31/12/2019</b>	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
649	-	-	-

Lease liabilities of the Group amounting to RMB1.3 million (approximately RM0.8 million) as at 31 December 2020 (31 December 2019: Nil) is secured by the right to the leased offices in Malaysia.

- 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 2020**

	<b>Group</b>	
	<b>Year ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b>RMB'000</b>	<b>RMB'000</b>
		(Restated)
<b>Operating activities</b>		
(Loss)/profit before income tax	(4,160)	7,528
<b>Adjustments for:</b>		
Impairment of goodwill	2,099	-
Depreciation of equipment	540	13
Depreciation of right-of-use assets	701	-
Amortisation of land use right	306	301
Fair value loss on held for trading equity securities	-	2,357
Interest income	(2,195)	(2,867)
Interest expense	492	127
Share of result of associates	43	-
Gain on disposal of equipment	-	(193)
Unrealised foreign exchange differences	(858)	(3,161)*
<b>Operating cash flows before changes in working capital</b>	<b>(3,032)</b>	<b>4,105</b>
Decrease in properties held for sale	19,281	13,435
Increase in development properties	(77)	(77)
(Increase)/decrease in trade and other receivables, deposits	(2,373)	2,852
Decrease in trade and other payables	(5,381)	(1,504)
Increase in loan advance	(5,146)	-
<b>Cash flows generated from operations</b>	<b>3,272</b>	<b>18,811</b>
Interest received	1,914	2,792
Interest paid	(492)	(127)
Income tax paid	(1,171)	(6,220)
<b>Net cash flows generated from operating activities</b>	<b>3,523</b>	<b>15,256</b>
<b>Investing activities</b>		
Purchase of intangible asset	(1)	-
Purchase of equipment	(1,729)	(1)
Proceeds from disposal of equipment	-	220
Purchase of debt securities	-	(11,727)
Net cash inflow from acquisition of subsidiaries (Note A)	4,801	-
Net cash outflow from acquisition of subsidiaries (Note B)	(732)	-
<b>Net cash flows generated from/(used in) investing activities</b>	<b>2,339</b>	<b>(11,508)</b>

	<b>Group</b>	
	<b>Year ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b>RMB'000</b>	<b>RMB'000</b>
		(Restated)
<b>Financing activities</b>		
Decrease in bank deposits pledged	4,048	12,377
Dividends paid	(21,941)	(21,615)
(Repayment to)/due to ultimate holding company	(162)	33
Increase in drawdown from minority shareholders	579	-
Repayment of bank borrowings	-	(10,183)
Repayment of lease liabilities	(539)	-
<b>Net cash flows used in financing activities</b>	<b>(18,015)</b>	<b>(19,388)</b>
Net decrease in cash and cash equivalents	(12,153)	(15,640)
Effects of foreign exchange rate changes	(3,800)	2,240*
Cash and cash equivalents at beginning of financial year	121,151	134,551
<b>Cash and cash equivalents at end of financial year</b>	<b>105,198</b>	<b>121,151</b>

\* Restatement to effect of foreign exchange rate changes were made to reflect the foreign currency impact to the Group's cash and cash equivalents not maintained in RMB.

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

	<b>Group</b>	
	<b>Year ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Cash and bank balances	105,198	125,199
Less deposits pledged	-	(4,048)
<b>Cash and cash equivalents per cashflow statement</b>	<b>105,198</b>	<b>121,151</b>

Note A - Effect on cash flows of the Group arising from acquisition of Luminor Capital (Malaysia) Sdn. Bhd. ("Luminor Malaysia"):

	<b>RMB'000</b>
Consideration transferred	(3,235)
Less: Conversion of debt securities purchased in FY2019	3,235
Add: Cash and bank balances of subsidiaries acquired	4,801
<b>Net cash inflow from acquisition of subsidiaries</b>	<b>4,801</b>

Note B - Effect on cash flows of the Group arising from acquisition of EI Nuwr Capital Sdn.Bhd. (formerly known as SA Puncak Management Sdn Bhd.) ("EI Nuwr")

	<b>RMB'000</b>
Consideration transferred	(976)
Less: Outstanding consideration payable on 4 September 2021	244
<b>Net cash outflow from acquisition of subsidiaries</b>	<b>(732)</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.

<b>Group</b>	Share capital	Capital reserve	Merger reserve	Statutory reserve	Translation reserve	Retained earnings	Attributable to owners of the company	Non-controlling Interest	Total
<b>12 months ended 31 December 2019</b>	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2019	24,471	99,027	628	8,568	144	33,847	166,685	-	166,685
Dividends paid on ordinary shares	-	-	-	-	-	(21,615)	(21,615)	-	(21,615)
Total comprehensive income for the financial year	-	-	-	-	(175)	1,540	1,365	-	1,365
Transfer to retained earnings	-	(99,027)	-	-	-	99,027	-	-	-
<b>Balance as at 31 December 2019</b>	<b>24,471</b>	<b>-</b>	<b>628</b>	<b>8,568</b>	<b>(31)</b>	<b>112,799</b>	<b>146,435</b>	<b>-</b>	<b>146,435</b>
<b>Restated: Transfer back to Capital reserve</b>	<b>-</b>	<b>48,522*</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(48,522)*</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Restated: Balance as at 31 December 2019</b>	<b>24,471</b>	<b>48,522</b>	<b>628</b>	<b>8,568</b>	<b>(31)</b>	<b>64,277</b>	<b>146,435</b>	<b>-</b>	<b>146,435</b>

\* Restatement was made for transfer of RMB48,522,000 from retained earnings to capital reserve to reflect non-distributable reserve.

<b>Group</b>	Share capital	Capital reserve	Merger reserve	Statutory reserve	Translation reserve	Retained earnings	Attributable to owners of the company	Non-controlling Interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>12 months ended 31 December 2020</b>									
Balance at 1 January 2020	24,471	48,522	628	8,568	(31)	64,277	146,435	-	146,435
Dividends paid on ordinary shares	-	-	-	-	-	(21,941)	(21,941)	-	(21,941)
Total comprehensive loss for the financial year	-	-	-	-	(4,497)	(3,571)	(8,068)	(1,410)	(9,478)
Acquisition of subsidiary	-	-	-	-	-	-	-	1,111	1,111
<b>Balance as at 31 December 2020</b>	<b>24,471</b>	<b>48,522</b>	<b>628</b>	<b>8,568</b>	<b>(4,528)</b>	<b>38,765</b>	<b>116,426</b>	<b>(299)</b>	<b>116,127</b>

Company	Share capital	Capital reserve	Merger reserve	Statutory reserve	Translation reserve	Retained earnings	Attributable to owners of the company	Non-controlling interest	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>12 months ended 31 December 2019</b>									
Balance at 1 January 2019	24,471	-	628	-	1,706	27,043	53,848	-	<b>53,848</b>
Dividends paid on ordinary shares	-	-	-	-	-	(21,615)	(21,615)	-	<b>(21,615)</b>
Total comprehensive income for the financial year	-	-	-	-	1,934	33,762	35,696	-	<b>35,696</b>
<b>Balance as at 31 December 2019</b>	<b>24,471</b>	<b>-</b>	<b>628</b>	<b>-</b>	<b>3,640</b>	<b>39,190</b>	<b>67,929</b>	<b>-</b>	<b>67,929</b>
<b>12 months ended 31 December 2020</b>									
Balance at 1 January 2020	24,471	-	628	-	3,640	39,190	67,929	-	67,929
Dividends paid on ordinary shares	-	-	-	-	-	(21,941)	(21,941)	-	(21,941)
Total comprehensive loss for the financial year	-	-	-	-	(3,481)	(4,653)	(8,134)	-	(8,134)
<b>Balance as at 31 December 2020</b>	<b>24,471</b>	<b>-</b>	<b>628</b>	<b>-</b>	<b>159</b>	<b>12,596</b>	<b>37,854</b>	<b>-</b>	<b>37,854</b>

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 2020 and 30 June 2020.

The Company did not have any outstanding convertibles as at 31 December 2020 and 31 December 2019.

The Company did not have any treasury shares and subsidiary holdings as at 31 December 2020 and 31 December 2019.

- 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>	
	<b>31/12/2020</b>	<b>31/12/2019</b>
Total number of issued shares	144,733,000	144,733,000

The Company did not have any treasury shares as at 31 December 2020 and 31 December 2019.

- 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.

- 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.

- 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.

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.**
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

For the financial year ended 31 December 2019, the Company's auditors, Messrs Ernst & Young LLP have issued their Independent Auditor's Report with an "except for" qualified opinion. The basis for the qualified opinion is in relation to the various fund transfer payments made by certain Group subsidiaries in PRC to unrelated third-party PRC entities and also fund transfers received by Singapore subsidiary of the Company from a Singapore licensed remittance agent.

In relation to the matters, the Board and the management of the Company provide their comments and updates as follows:

- 1) The Company had obtained a legal opinion from a firm of PRC legal counsel, which has confirmed that the transfer of RMB funds from the Group's subsidiaries in PRC to certain unrelated PRC entities did not contravene any PRC laws or regulations. Further, the arrangement relating to the transfer of the SGD funds was done via a Singapore remittance agent licensed by the Monetary Authority of Singapore ("**MAS**"). Subsequently, the Company also obtained a legal opinion from a Singapore lawyer and they have opined that the transactions complied with all regulations issued by the MAS.
- 2) On 19 June 2020, the Company became aware that the Bank of China and the Industrial and Commercial Bank of China, had frozen the bank accounts of Chongqing Tianhu Land Co., Ltd and Chongqing Gangyuan Property Development Co., Ltd ("**Subsidiaries**") two of the wholly owned subsidiaries in PRC. The Subsidiaries had appointed a Legal Counsel ("**Counsel**") in the PRC to pursue a resolution of the matter. The Counsel had initiated communications with the banks and was referred to an officer-in-charge ("**OIC**") of the case in Yan Ta police station, Shanxi Province, Xi'an City, PRC. The Counsel then approached the OIC who requested for supporting documents relating to certain payments made in the PRC.
- 3) As announced by the Company on 24 November 2020, the Company has noted that the affected bank accounts had been "unfrozen", and the Company has obtained verbal confirmation from the OIC that the bank accounts had been "unfrozen" and that the PRC Subsidiaries can continue to use the funds in the affected bank accounts for normal business operations. The PRC subsidiaries have submitted all the required documents to the OIC as last announced by the Company on 25 January 2021, and the Company intends to co-operate fully with the OIC on the matters.

Based on current available information, the Board confirms that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

**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 has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those adopted in the most recently audited financial statements for the financial year ended 31 December 2019, except that the Group has adopted all new and revised standards of Singapore Financial Reporting Standards

(International) ("SFRS(I)") which are effective for annual financial periods beginning on 1 January 2020 as shown in Section 5 below.

**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.**

On 1 January 2020, the Group has no material right-of-use asset. The right-of-use assets recorded by the Group as at 31 December 2020 arose from the conversion of loan for 51% interest in Luminor Malaysia on 4 February 2020. The newly acquired subsidiaries had complied with SFRS(I) 16 Leases is its accounting of leases.

Prior year adjustments were made for the following: -

- 1) Transfer of RMB48,522,000 from retained earnings to capital reserve to reflect non-distributable reserve.
- 2) 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 foreign currency impact to the Group's cash and cash equivalents not maintained in RMB.

	<b>Group</b>	
	<b>Year ended 31 December</b>	
	<b>2019 (As originally stated)</b>	<b>2019 (Restated)</b>
	RMB'000	RMB'000
<b>Consolidated Statement of Financial Position</b>		
Retained earnings	-	64,277
Capital reserve	112,799	48,522
<b>Consolidated Statement of Cash Flows</b>		
Operating activities		
Unrealised foreign exchange differences	(463)	(3,161)
Operating cash flows before changes in working capital	6,803	4,105
Cash flows generated from operations	21,509	18,811
Net cash flows generated from operating activities	17,954	15,256
<b>Effects of foreign exchange rate changes</b>	<b>(458)</b>	<b>2,240</b>

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.**

	<b>Group</b>	
	<b>Year ended 31 December</b>	
	<b>2020</b>	<b>2019</b>
(Loss)/earnings per share (RMB)		
- Based on weighted average number of shares in issue	(0.03)	0.01
- Based on fully diluted basis <sup>(1)</sup>	(0.03)	0.01
Weighted average number of shares during the financial year applicable to basic and diluted earnings per share ('000)	144,733	144,733

**Note:-**

- 1) The basic and diluted earnings 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 2020 and as at 31 December 2019 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>	
	<b>31/12/2020</b>	<b>31/12/2019</b>
Net Asset Value Per Ordinary Share		
- Based on issued share capital at the end of financial year (RMB)	0.80	1.01
- Number of ordinary shares at the end of financial year ('000)	144,733	144,733

	<b>Company</b>	
	<b>31/12/2020</b>	<b>31/12/2019</b>
Net Asset Value Per Ordinary Share		
- Based on issued share capital at the end of financial year (RMB)	0.26	0.47
- 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 2020 ("FY2020") vs. Financial year ended 31 December 2019 ("FY2019")**

**Revenue**

Our revenue is derived from the sale of properties, rental income from leasing of our properties in the People's Republic of China (the "PRC"), interest income and fees from loans and invoice factoring derived from the newly acquired 51% interest in Luminor Capital

(Malaysia) Sdn.Bhd.(“**Luminor Malaysia**” and together with its subsidiaries, collectively the “**Luminor group**”).

The following table shows the breakdown of the revenue:

	<b>FY2020</b>	<b>FY 2019</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Sales of properties	33,755	27,572
Rental income	1,245	2,066
Interest income and fees from loans and invoice factoring	2,377	-
	<b>37,377</b>	<b>29,638</b>

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

The Group sold 7 residential units, 42 carpark spaces for the Singapore Garden project in PRC, and 1 unit of the semi-detached house for Jalan Nipah project in Singapore in FY2020. In comparison, the Group sold 12 residential units, 43 carpark spaces and 1 commercial unit for the Singapore Garden project, 3 carpark spaces and 1 commercial unit for the University Town project in the PRC in FY2019.

The increase in revenue of sales of properties was due to sale of 1 unit of semi-detached house for the Jalan Nipah project in Singapore in FY2020.

Fewer units were sold in FY2020 in the PRC as compared to FY2019 due to COVID-19 pandemic since January 2020, weak China economy and also, we are at the tail end of the projects as there were only 19 residential units, 25 commercial units and 115 carpark spaces remaining unsold at the beginning of FY2020.

After taking into account of the sales in FY2020, the remaining unsold units as at 31 December 2020 are 11 residential units, 23 commercial units and 41 carpark spaces for Singapore Garden Project, 2 commercial units and 32 carpark spaces for University Town project in the PRC.

The revenue from the sale of properties was RMB33.8 million and accounted for 90.3% of the Group's total revenue for FY2020 as compared to revenue amounting to RMB27.6 million which accounted for 93.0% of the Group's total revenue in FY2019.

### ***Rental income***

Rental income for FY2020 was RMB1.2 million and accounted for 3.3% of the Group's total revenue for FY2020, as compared to RMB2.1 million in FY2019 which accounted for 7.0% of the Group's total revenue for FY2019. The Group's rental income is derived from leasing of the Group's commercial units at both University Town and Singapore Garden projects in the PRC.

We leased out 4 commercial units for Singapore Garden project and 1 commercial unit for the University Town project as at 31 December 2020 as compared to 5 commercial units for Singapore Garden project and 1 commercial unit for the University Town project as at 31 December 2019, which resulted in the decrease in rental income for FY2020 as compared to FY2019.

### ***Interest income and fees from loans and invoice factoring***

The revenue from the newly acquired financial solutions business - Luminor group was RMB2.4 million and accounted for 6.4% of the Group's total revenue for FY2020. On 4



February 2020, Starland Axis Pte Ltd, a wholly owned subsidiary of the Company converted RMB3.2 million of the debt security for 51% interest in the enlarged share capital of Luminor Malaysia.

### **Cost of sales**

Cost of sales for the property mainly comprises costs incurred directly for our property development activities. It 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 the newly acquired Luminor group mainly comprise commission paid to sale staff and interest cost.

Cost of sales increased by RMB15.4 million in FY2020 as compared to FY2019 due to higher revenue in FY2020.

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

Gross profit decreased from RMB15.8 million in FY2019 to RMB8.2 million in FY2020. Gross profit margin was 22.0% in FY2020 as compared to 53.4% in FY2019.

Gross profit margin for property business is 13.7% for FY2020 and 50.0% for FY2019. This is because of the sale of 1 unit of semi-detached house for the Jalan Nipah project in Singapore in FY2020 for which only land cost of that unit was recovered and no gross profit was recognised.

Gross profit margin from financial solutions business contributed positively to the Group gross margin as the source of financing for the loans and invoice factoring is from the Company and its minority shareholder.

### **Other income**

Other income increased by RMB0.1 million in FY2020 as compared to FY2019. The increase is mainly due to the government job support scheme amounting to RMB0.2 million received from Singapore government in FY2020 due to the COVID-19 pandemic.

### **Interest income**

Interest income decreased by RMB0.7 million in FY2020 as compared to FY2019. This is due to decreased interest income of RMB0.6 million on the reduced bank balance during FY2020 and decreased interest income of RMB0.1 million under the joint development arrangement of the Jalan Nipah project in Singapore as the sales was completed in July 2020.

### **Other expenses**

Other expenses of RMB2.1 million in FY2020 was due to impairment charge of RMB2.1 million for goodwill arising from the acquisition of Luminor Malaysia. The other expenses of RMB2.5 million in FY2019 was due to the fair value loss recognised on the 6.5 million Ayondo shares held by the Company.

### **Finance costs**

Finance costs related to the interest on loans and borrowings and lease liabilities. The amount increased from RMB0.1 million in FY2019 to RMB0.5 million in FY2020 mainly due to the additional lease interest on the lease liabilities from Luminor Malaysia. The lease liabilities arise from the adoption of SFRS(I) 16 Leases during FY2020.

### **Selling expenses**

The Group's selling expenses comprise mainly sales and marketing staff cost, advertisement and promotional expenses and documentation charges for property transfers. The decrease of selling expenses by RMB0.7 million in FY2020 as compared to FY2019 was in line with the decrease in sales in PRC during FY2020.

### **Administrative expenses**

Administrative expenses comprise mainly staff costs, depreciation, management fee payable to the ultimate holding company, travelling and transport, professional expenses and VAT payable to the PRC tax authorities. Administrative expenses increased by RMB4.1 million. This is mainly due to additional staff cost, professional expenses and depreciation cost incurred by the newly acquired Luminor group during FY2020.

### **Income tax expenses**

Income tax expenses related to enterprise income tax and land appreciation tax ("**LAT**") in the PRC as well as provision of withholding tax on undistributed profits of the PRC subsidiaries.

The decrease in income tax expense of RMB5.2 million was mainly due to decrease in corporate tax of RMB2.2 million and decrease in LAT of RMB3.1 million in PRC which was partially offset by increased corporate tax of RMB0.2 million of the newly acquired Luminor group during FY2020. The decrease in tax expense in PRC was in line with the lower sales in PRC.

## **STATEMENT OF FINANCIAL POSITION**

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

As at 31 December 2020, non-current assets of RMB6.2 million consist of property, plant and equipment, investment in associate, deferred tax assets, goodwill on acquisition of subsidiaries, intangible assets and right-of-use assets.

(i) Property, plant and equipment

The RMB1.8 million increase in property, plant and equipment is due to acquisition of Luminor Malaysia during FY2020 and additions of RMB1.8 million by Luminor group since the acquisition.

(ii) Investment in associate

The balance of RMB0.7 million relate to investment cost of RMB0.7 million and 49% equity accounting of the investment amounting to RMB0.07million in Fiscalab Capital Market Sdn. Bhd. ("**Fiscalab**"). Fiscalab is in the business of providing corporate advisory services.

(iii) Deferred tax assets

The RMB0.01 million increase in deferred tax assets arose from the acquisition of Luminor group.

(iv) Goodwill arising on acquisition

Goodwill arising on acquisition relates to acquisition of El Nuwr by Luminor Group during FY2020. El Nuwr is in the business of providing factoring facilities, leasing and building credit.

(v) Right-of-use assets

Right-of-use assets of RMB1.7 million pertain to the recognition of operating leases as right-of-use assets which resulted from the application of SFRS(I) 16 *Leases* in FY2020. These leases pertain to office rental by Luminor Malaysia.

### **Current assets**

As at 31 December 2020, current assets amounted to RMB159.8 million mainly consisted of cash and bank balances, trade receivables, other receivables and deposits, loan advances, properties held for sale and development properties.

Trade receivables increased by RMB3.0 million to RMB3.3 million as at 31 December 2020. This is mainly due to trade receivables of the newly acquired Luminor group in FY2020.

Other receivables and deposits increased by RMB0.7 million to RMB2.1 million as at 31 December 2020. The increase is due to office rental deposit of RMB0.6 million placed by Luminor group, other receivables of RMB0.1 million and amount due from associate of RMB0.2 million are in relation to the receivable from Fiscalab of Luminor group which was partially offset by the decrease in interest receivables of RMB0.2 million due to the reduced bank balances in FY2020.

Loan advances of RMB14.4 million related to loans granted by Luminor group to third party customers in Malaysia.

Debt securities of RMB12.1 million related to the convertible loan granted to Luminor Malaysia as announced by the Company on 22 July 2019. With the conversion of RMB3.2 million (approximately RM2.0 million) for 51% interest in Luminor Malaysia on 4 February 2020, Luminor Malaysia has been consolidated as part of the Group during FY2020 and the debt securities was refinanced through a shareholder loan from the Group.

Properties held for sale comprise the completed but unsold units of Singapore Garden and University Town projects in the PRC, which amounted to RMB18.0 million and RMB8.4 million respectively as at 31 December 2020. The decrease of RMB19.5 million is due to the continual sale of properties in the Singapore Garden project and the property in Jalan Nipah in FY2020.

Development properties amounting to RMB8.4 million relate to the Royal Waterhouse land in the PRC.

### **Current liabilities**

As at 31 December 2020, current liabilities of RMB45.3 million consisted of trade payables, due to ultimate holding company, other payables and accruals, advance receipt from sale of properties, due to minority interest, lease liabilities and income tax payable.

Amount due to ultimate holding company decreased by RMB0.2 million as at 31 December 2020 as compared to 31 December 2019. This is due to repayment made during the year.

Other payables and accruals mainly comprise deposits from tenants, advance rental and accrued expenses, amount due to clients, and amount due to associate. The decrease of RMB0.2 million is due to the refund of rental deposits to shop tenants in PRC.

Advance receipt from sale of properties decreased by RMB5.0 million to RMB1.2 million as at 31 December 2020. This is mainly due to recognition of sales from Singapore Garden project in the PRC and Jalan Nipah project in Singapore during FY2020.

Amount due to minority shareholders of RMB5.4 million relates to amount due to the non-controlling interest of Luminor group.

Lease liabilities increased by RMB0.6 million in FY2020. This is due to the recognition of lease liabilities resulting from the adoption of SFRS(I) 16 Leases in FY2020 for leases in the Luminor group.

Income tax payable decreased by RMB0.4 million in FY2020 as compared to FY2019. The decrease is mainly due to decrease in income tax payable in PRC of RMB0.3 million and a decrease LAT payable of RMB0.2 million in PRC due to lower sales of property in PRC for FY2020.

### ***Non-current Liabilities***

As at 31 December 2020, non-current liabilities of RMB4.5 million consist of provision for restoration, deferred tax liabilities and lease liabilities.

Provision for restoration of RMB0.5million has been recorded by Luminor group for reinstatement of the office premises when the lease end.

Deferred tax liabilities increased by RMB0.2 million in FY2020 as compared to FY2019. This is mainly due to an additional RMB0.2 million withholding tax provision on the undistributed profit from PRC subsidiaries.

Lease liabilities of RMB0.6 million related to the rental of premises at Luminor Malaysia.

### ***Equity***

Equity consists of issued share capital, other reserves, retained earnings and non-controlling interests. As at 31 December 2020, total equity amounted to RMB116.1 million.

Restatement was made for transfer of RMB48.5 million from retained earnings to capital reserve to reflect non-distributable reserves.

## **STATEMENT OF CASH FLOWS**

For FY2020, net cash generated from operating activities of RMB3.5 million was mainly attributable to the following:

- (a) Decrease in properties held for sale of RMB19.3 million due to continual sale of Singapore Garden project in the PRC and sale of the remaining unit of semi-detached house for Jalan Nipah project in Singapore.
- (b) Increase in trade and other receivables and deposits of RMB2.4 million.
- (c) Decrease in trade and other payables of RMB5.4 million.
- (d) Increase in loan advances of RMB5.1 million.
- (e) RMB1.9 million interest received.
- (f) Income tax paid of RMB1.2 million.

Net cash flow generated from investing activities amounted to RMB2.3 million in FY2020, which was mainly attributed to the net cash inflow from acquisition of Luminor group of RMB4.1 million partially offset by the purchase of property, plant and equipment of RMB1.7 million.

Net cash flow used in financing activities amounted to RMB18.0 million in FY2020, which was mainly due to the following:

- (a) The pledged bank deposits of RMB4.0 million was discharged as a result of the sale of the last unit of semi-detached house in Jalan Nipah project in Singapore.
- (b) Dividend paid of RMB21.9 million.
- (c) Repayment to ultimate holding company of RMB0.2 million.
- (d) Increased in drawdown from minority shareholders of RMB0.6 million.
- (e) Repayment of lease liabilities of RMB0.5 million

As at 31 December 2020, cash and cash equivalents are at RMB105.2 million.

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

The Company had on 5 February 2021 issued a profit guidance announcement and the results for the full year financial results ended 31 December 2020 is generally consistent with the guidance issued.

**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 will continue to sell the remaining residential units (11 units), commercial units (25 units) and carpark spaces (73 lots) for the Singapore Garden project and University Town project in Fuling District of Chongqing, PRC.

The COVID-19 pandemic since January 2020 has adversely impacted all the business segments of the Group. The residential property market in Fuling district of Chongqing, PRC where the Singapore Garden project and University Town project are located and the financial solutions market in Malaysia for the next 12 months are expected to continue to be challenging.

**11. Dividend**

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

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

No dividend has been declared for FY2020.

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

No dividend has been declared for FY2020.

Details of the dividend declared for FY2019 is as follow:

Name of Dividend	Final Dividend
Dividend Type	Cash
Dividend Rate	SGD 0.03 per share
Tax Rate	Tax exempt

**(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).**

No dividend has been declared for FY2020.

**(d) The date the dividend is payable.**

No dividend has been declared for FY2020.

**(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.**

No dividend has been declared for FY2020.

**12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.**

No dividend has been declared for FY2020.

The Company does not have a formal dividend policy. 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.

**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\$378,000 (RMB1,917,282)	-

GRP Limited (“GRP”) is the Company’s ultimate holding company.

The Group does not have a general mandate for IPT.

**15. Disclosure of Acquisition (including incorporations) and sale of shares under Catalist Rule 706A.**

On 4 February 2020, Starland Axis Pte Ltd, a wholly owned subsidiary exercised the option to convert RM1,960,032 of the total convertible loan for 51% interest in the enlarged share capital of Luminor Malaysia. The details were announced by the Company on 5 February 2020.

On 14 July 2020, Luminor Malaysia had entered into an agreement to acquire 85% interest in SA Puncak Management Sdn.Bhd. (“Puncak”). On 4 September 2020, the proposed acquisition has been completed. Following the completion, Puncak is now an indirect 85%-owned subsidiary of the Company. Puncak has changed its name to El Nuwr.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

(This part is not applicable to Q1, Q2, Q3 or Half Year Result)

**16. 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 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 loans and invoice factoring business in Malaysia.

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

	Property		Financial Solutions		Group	
	12 months ended	12 months ended	12 months ended	12 months ended	12 months ended	12 months ended
<i>(RMB'000)</i>	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
<b>Revenue</b>						
External sales	35,000	29,638	2,377	-	37,377	29,638
<b>Result</b>						
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)	-
<b>Segment net contribution</b>	<b>5,966</b>	<b>13,686</b>	<b>(4,351)</b>	<b>-</b>	<b>1,615</b>	<b>13,686</b>
Corporate expenses					(5,775)	(6,158)
(Loss)/profit before income tax					(4,160)	7,528
Income tax expenses					(821)	(5,988)
<b>(Loss)/profit for the year</b>					<b>(4,981)</b>	<b>1,540</b>



	Property		Financial Solutions		Group	
	12 months ended	12 months ended	12 months ended	12 months ended	12 months ended	12 months ended
<i>(RMB'000)</i>	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
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)	-

	Property		Financial Solutions		Group	
	As at	As at	As at	As at	As at	As at
<i>(RMB'000)</i>	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Segment assets	89,204	112,185	32,511	-	121,715	112,185
Unallocated assets					44,252	82,403
<b>Total assets</b>					<b>165,967</b>	<b>194,588</b>
Segment assets includes:						
Investment in associated company	-	-	697	-	697	-
Additions to non-current assets*	20	1	1,709	-	1,729	1
Segment liabilities	41,180	47,020	8,132	-	49,312	47,020
Unallocated liabilities					528	1,133
<b>Total liabilities</b>					<b>49,840</b>	<b>48,153</b>
* Non-current assets additions other than financial instruments and deferred tax assets.						

II) 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 analyzed based on the location of these assets.

	Revenue	
	12 months ended	12 months ended
<b>(RMB'000)</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
Singapore	23,244	-
People's Republic of China	11,756	29,638
Malaysia	2,377	-
<b>Total</b>	<b>37,377</b>	<b>29,638</b>

	Non-current assets*	
	As at	As at
<b>(RMB'000)</b>	<b>31/12/2020</b>	<b>31/12/2019</b>
Singapore	19	6
People's Republic of China	53	62
Malaysia	5,178	-
<b>Total</b>	<b>5,250</b>	<b>68</b>

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

**17. 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.

**18. A breakdown of sales.**

	Group	
	12 months ended	12 months ended
	<b>31/12/2020</b>	<b>31/12/2019</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Sales reported for first half year	9,587	23,125
(Loss)/profit after tax reported for first half year	(293)	594
Sales reported for second half year	27,790	6,513
(Loss)/profit after tax reported for second half year	(4,688)	946

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

<b>(RMB'000)</b>	<b>2020</b>	<b>2019</b>
Proposed final dividend	-	21,941

20. 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	67	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**

**Kwan Yu Wen**  
**Executive Director**  
**10 February 2021**