

**CIRCULAR DATED 16 FEBRUARY 2016**

**THIS CIRCULAR IS IMPORTANT AS IT CONTAINS THE RECOMMENDATIONS OF THE INDEPENDENT DIRECTORS (AS DEFINED HEREIN) OF STARLAND HOLDINGS LIMITED AND THE ADVICE AND RECOMMENDATIONS OF CANACCORD GENUITY SINGAPORE PTE. LTD. TO THE INDEPENDENT DIRECTORS. THIS CIRCULAR REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.**

This Circular is issued by Starland Holdings Limited ("Starland" or the "Company"). **If you are in any doubt in relation to this Circular or as to the action you should take, you should consult your stockbroker, bank manager, accountant, solicitor, tax adviser or other professional adviser immediately.**

If you have sold or transferred all your shares in the capital of the Company represented by physical shares certificate(s), you should immediately forward this Circular to the purchaser or transferee or to the bank, stockbroker or other agent through whom the sale or transfer was effected for onward transmission to the purchaser or transferee. If you have sold or transferred all your shares in the capital of the Company held through The Central Depository (Pte) Limited ("CDP"), you need not forward this Circular to the purchaser or the transferee.

*This Circular has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of the Catalist. The Sponsor has not verified the contents of this Circular.*

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

*The contact person for the Sponsor is Mr Lance Tan, Director, Continuing Sponsorship, at 16 Collyer Quay, #10-00 Income at Raffles, Singapore 049318, telephone (65) 6229 8088.*



**STARLAND HOLDINGS LIMITED**

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

**CIRCULAR TO SHAREHOLDERS**

In relation to the

**MANDATORY UNCONDITIONAL GENERAL CASH OFFER**

by

**UOB KayHian**

**UOB KAY HIAN PRIVATE LIMITED**

(Company Registration Number 197000447W)  
(Incorporated in the Republic of Singapore)

for and on behalf of

**GRP CHONGQING LAND PTE. LTD.**

(Company Registration Number: 201535286N)  
(Incorporated in the Republic of Singapore)

a wholly-owned indirect subsidiary of



**GRP LIMITED**

(Company Registration Number: 197701449C)  
(Incorporated in the Republic of Singapore)

to acquire all the issued and paid-up ordinary shares in the capital of the Company other than those already owned, controlled or agreed to be acquired by GRP Chongqing Land Pte. Ltd. and parties acting or deemed to be acting in concert with it

*Independent Financial Adviser to the Independent Directors in respect of the Offer (as defined herein)*

**CANACCORD Genuity**

**CANACCORD GENUITY SINGAPORE PTE. LTD.**

(Company Registration Number: 200713620D)  
(Incorporated in the Republic of Singapore)

**SHAREHOLDERS SHOULD NOTE THAT THE OFFER DOCUMENT STATES THAT THE OFFER WILL CLOSE AT 5.30 P.M. ON 1 MARCH 2016 OR SUCH LATER DATE(S) AS MAY BE ANNOUNCED FROM TIME TO TIME BY OR ON BEHALF OF THE OFFEROR**



---

## TABLE OF CONTENTS

---

	<b>Page</b>
<b>DEFINITIONS</b> .....	2
<b>CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS</b> .....	8
<b>SUMMARY TIMETABLE</b> .....	9
<b>LETTER TO SHAREHOLDERS</b> .....	10
<b>1. INTRODUCTION</b> .....	10
<b>2. THE OFFER</b> .....	11
<b>3. NO IRREVOCABLE UNDERTAKINGS</b> .....	15
<b>4. INFORMATION ON THE OFFEROR, GRP LAND AND GRP</b> .....	15
<b>5. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTION RELATING TO THE COMPANY</b> .....	17
<b>6. LISTING STATUS AND COMPULSORY ACQUISITION</b> .....	18
<b>7. ADVICE AND RECOMMENDATIONS</b> .....	19
<b>8. ACTION TO BE TAKEN BY SHAREHOLDERS</b> .....	22
<b>9. OVERSEAS SHAREHOLDERS</b> .....	22
<b>10. DIRECTORS' RESPONSIBILITY STATEMENT</b> .....	23
<b>11. ADDITIONAL GENERAL INFORMATION</b> .....	24
<b>APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER</b> .....	25
<b>APPENDIX 2: ADDITIONAL GENERAL INFORMATION ON THE COMPANY</b> .....	51
<b>APPENDIX 3: EXTRACTS FROM THE EXISTING CONSTITUTION OF THE COMPANY</b> .....	60
<b>APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015</b> .....	81
<b>APPENDIX 5: VALUATION CERTIFICATES</b> .....	135

---

## DEFINITIONS

---

In this Circular, the following definitions apply throughout unless the context otherwise requires:

- “Acquisition”** : The acquisition of 120,000,000 Shares, representing approximately 82.91% of the total issued share capital of the Company, by the Offeror from the Vendors, on the terms and subject to the conditions set out in the SPA
- “Beneficial Owners”** : Tan Hoe San, Fan Yi Ru, Chen Hui Bin and Zhong Jia Feng, collectively, being the respective shareholders of Super Vantage Investment Limited, Able Lead International Limited, Billion Light Investment Limited and Zhongli Investment Limited
- “Catalist Rules”** : SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, varied or supplemented from time to time
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 16 February 2016 in relation to the Offer
- “Closing Date”** : 1 March 2016, or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last day for the lodgement of acceptances of the Offer
- “Code”** : The Singapore Code on Take-overs and Mergers, as may be amended, varied or supplemented from time to time
- “Companies Act”** : The Companies Act, Chapter 50 of Singapore, as may be amended, varied or supplemented from time to time
- “Company” or “Starland”** : Starland Holdings Limited
- “Company Directors”** : The directors of the Company as at the Latest Practicable Date
- “Company Securities”** : Shall have the meaning ascribed to it in paragraph 5 of **Appendix 2** of this Circular
- “Concert Parties”** : The parties acting or presumed to be acting in concert with the Offeror in connection with the Offer
- “Existing Constitution”** : The memorandum and articles of association of the Company which were in force immediately before the Companies (Amendment) Act 2014 took effect in phases on 1 July 2015 and 3 January 2016, respectively
- “FAA”** : Form of Acceptance and Authorisation, which forms part of the Offer Document and which is issued to Shareholders whose Shares are deposited with CDP

---

## DEFINITIONS

---

<b>“FAT”</b>	:	Form of Acceptance and Transfer, which forms part of the Offer Document and which is issued to Shareholders whose Shares are not deposited with CDP
<b>“FY”</b>	:	Financial year ended or ending, as the case may be, on 30 September
<b>“Group”</b>	:	The Company and its subsidiaries
<b>“GRP”</b>	:	GRP Limited, a company incorporated in Singapore
<b>“GRP Land”</b>	:	GRP Land Pte. Ltd.
<b>“IFA” or “Canaccord Genuity”</b>	:	Canaccord Genuity Singapore Pte. Ltd., the independent financial adviser to the Independent Directors in respect of the Offer
<b>“IFA Letter”</b>	:	The letter dated 16 February 2016 from the IFA to the Independent Directors in respect of the Offer, as set out in <b>Appendix 1</b> to this Circular
<b>“Independent Directors”</b>	:	The Company Directors who are considered independent for the purpose of making a recommendation to the Shareholders in respect of the Offer. All the Company Directors, namely Tan Hoe San, Fan Yi Ru, Foong Daw Ching and Low Wai Cheong, are considered to be independent for this purpose
<b>“Independent Valuers”</b>	:	Jones Lang LaSalle Corporate Appraisal and Advisory Limited and GB Global Pte Ltd, collectively
<b>“Interested Person”</b>	:	As defined in the Note on Rule 23.12 of the Code, an interested person is: <ul style="list-style-type: none"><li>(a) a director, chief executive officer, or substantial shareholder of the company;</li><li>(b) the immediate family of a director, the chief executive officer, or a substantial shareholder (being an individual) of the company;</li><li>(c) the trustees, acting in their capacity as such trustees, of any trust of which a director, the chief executive officer or a substantial shareholder (being an individual) and his immediate family is a beneficiary;</li><li>(d) any company in which a director, the chief executive officer or a substantial shareholder (being an individual) together and his immediate family together (directly or indirectly) have an interest of 30% or more;</li></ul>

---

## DEFINITIONS

---

- (e) any company that is the subsidiary, holding company or fellow subsidiary of the substantial shareholder (being a company); or
  - (f) any company in which a substantial shareholder (being a company) and any of the companies listed in (e) above together (directly or indirectly) have an interest of 30% or more
- “Jalan Nipah”** : A Subject Property located at 8 Jalan Nipah, Bedok Ria, Singapore 488814
- “Latest Practicable Date”** : 3 February 2016, being the latest practicable date prior to the printing of this Circular
- “Market Day”** : A day on which the SGX-ST is open for trading of securities
- “Offer”** : The mandatory unconditional general cash offer made by UOBKH, for and on behalf of the Offeror, to acquire the Offer Shares on the terms and subject to the conditions set out in the Offer Document, the FAA and the FAT, as such offer may be amended, extended and revised from time to time by or on behalf of the Offeror
- “Offer Announcement”** : The announcement in relation to the Offer released by UOBKH, for and on behalf of the Offeror, on the Offer Announcement Date
- “Offer Announcement Date”** : 13 January 2016, being the date of the Offer Announcement
- “Offer Document”** : The offer document dated 2 February 2016 issued by UOBKH, for and on behalf of the Offeror and any other document(s) which may be issued by or on behalf of the Offeror to amend, revise, supplement or update such offer document from time to time
- “Offer Period”** : The period commencing from the Pre-conditional Offer Announcement Date and expiring on the date the Offer is declared to have closed or lapsed
- “Offer Price”** : S\$0.236 in cash for each Offer Share
- “Offer Shares”** : All Shares to which the Offer relates, as more particularly defined in section 2.3 of the Offer Document
- “Offeror”** : GRP Chongqing Land Pte. Ltd., a company incorporated in Singapore, and a wholly-owned indirect subsidiary of GRP as at the Latest Practicable Date

---

## DEFINITIONS

---

<b>“Offeror Securities”</b>	:	Shall have the meaning ascribed to it in paragraph 5 of <b>Appendix 2</b> to this Circular
<b>“Overseas Shareholders”</b>	:	The Shareholders whose addresses are outside Singapore as shown in the Register of Members of the Company or, as the case may be, in the records of CDP
<b>“PRC”</b>	:	The People’s Republic of China
<b>“Pre-conditional Offer Announcement”</b>	:	The announcement in relation to the possible mandatory unconditional cash offer for the Offer Shares, released by UOBKH, for and on behalf of the Offeror, on the Pre-conditional Offer Announcement Date
<b>“Pre-conditional Offer Announcement Date”</b>	:	14 October 2015, being the date of the Pre-conditional Offer Announcement
<b>“Register”</b>	:	The register of holders of the Shares, as maintained by the Share Registrar
<b>“RMB”</b>	:	Renminbi, being the lawful currency of the PRC
<b>“Royal Waterhouse” or “江畔豪庭”</b>	:	A Subject Property located at Dianyi Residential Committee, Fuling District, Chongqing, PRC
<b>“S\$” and “cents”</b>	:	Singapore dollars and cents, respectively, being the lawful currency of Singapore
<b>“Sale Shares”</b>	:	Shall have the meaning given to it in paragraph 1.1 of this Circular
<b>“SFA”</b>	:	The Securities and Futures Act, Chapter 289 of Singapore, as may be amended, varied or supplemented from time to time
<b>“SGX-NET”</b>	:	Singapore Exchange Network, a system network used by listed companies to send information and announcements to SGX-ST
<b>“SGX-ST”</b>	:	Singapore Exchange Securities Trading Limited
<b>“Shareholders”</b>	:	The registered holders of issued Shares, including Depositors whose Shares are deposited with CDP or who have purchased the Shares on the SGX-ST, and <b>“Shareholder”</b> shall be construed accordingly
<b>“Shares”</b>	:	The issued ordinary shares in the capital of the Company
<b>“Singapore Garden” or “新加坡花苑”</b>	:	A Subject Property located at 8 Wubao Road, Fuling District, Chongqing, PRC

---

## DEFINITIONS

---

“SPA”	:	Shall have the meaning ascribed to it in paragraph 1.1 of this Circular
“Share Registrar”	:	Tricor Barbinder Share Registration Services, in its capacity as the share registrar of the Company
“Subject Properties”	:	The properties held by the Company as at the Latest Practicable Date, as set out in <b>Appendix 5</b> to this Circular, and each a “Subject Property”
“Substantial Shareholder”	:	A person (including a corporation) who has an interest in not less than 5 per cent. of the issued voting Shares
“SIC”	:	Securities Industry Council of Singapore
“University Town” or “学府新城”	:	A Subject Property located at 89 Julong Road, Fuling District, Chongqing, PRC
“UOBKH”	:	UOB Kay Hian Private Limited
“Valuation Certificates”	:	Shall have the meaning ascribed to it in paragraph 10 of <b>Appendix 2</b> to this Circular. The Valuation Certificates are set out in <b>Appendix 5</b> to this Circular
“Vendors”	:	Super Vantage Investment Limited, Able Lead International Limited, Billion Light Investment Limited and Zhongli Investment Limited, collectively
“VWAP”	:	Volume-weighted average price
“%” or “per cent.”	:	Per centum or percentage

**Acting in concert.** The expression “acting in concert” shall have the meaning ascribed to it in the Code.

**Announcements and Notices.** References to the making of an announcement or the giving of notice by the Offeror shall include the release of an announcement by UOBKH or advertising agents, for and on behalf of the Offeror, to the press or the delivery of or transmission by telephone, telex, facsimile, SGX-NET or otherwise of an announcement to the SGX-ST. An announcement made otherwise than to the SGX-ST shall be notified simultaneously to the SGX-ST.

**Depositors.** The expression “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the same meaning as ascribed to it in Section 81SF of the SFA.

**Genders.** Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations.

**Headings.** The headings in this Circular are inserted for convenience only and shall be ignored in construing the Circular.

---

## DEFINITIONS

---

**Rounding.** Any discrepancies in figures included in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown in totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

**Shareholders.** References to “**you**”, “**your**” and “**yours**” in this Circular are, as the context so determines, to the Shareholders (including persons whose Offer Shares are deposited with CDP or who have purchased Offer Shares on the SGX-ST).

**Statutes.** Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act, the SFA, the Code, the Listing Manual or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to that word under the Companies Act, the SFA, the Code, the Listing Manual or that modification, as the case may be, unless the context otherwise requires.

**Time and Date.** Any reference to a time of the day and date in this Circular shall be a reference to Singapore time and date, respectively, unless otherwise specified.

**Statements which are reproduced in their entirety from the Offer Document and the IFA Letter are set out in this Circular within quotes and in *italics*, and capitalised terms within these reproduced statements shall bear the meanings ascribed to them in the Offer Document and the IFA Letter respectively.**

---

## CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

---

*All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements, and the Company assumes no obligation to update publicly or revise any forward-looking statements.*

---

## SUMMARY TIMETABLE

---

Date of despatch of Offer Document	:	2 February 2016
Date of despatch of Circular	:	16 February 2016
Closing Date <sup>(1)</sup>	:	<b>5.30 p.m. on 1 March 2016, or such later date(s) as may be announced from time to time by or on behalf of the Offeror, being the last date and time for the lodgement of acceptances of the Offer</b>
Date of settlement of consideration for valid acceptances of the Offer <sup>(2)</sup>	:	Within 10 days after the date of receipt of acceptances which are complete and valid in all respects, in accordance with the instructions and requirements stated in the Offer Document and the FAA and/or FAT (as the case may be)

**Notes:**

- (1) Please refer to paragraph 1 of Appendix 1 to the Offer Document for further details.
- (2) Please refer to paragraph 2 of Appendix 1 to the Offer Document for further details.

---

## LETTER TO SHAREHOLDERS

---

### STARLAND HOLDINGS LIMITED

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

**Directors:**

Tan Hoe San, Executive Chairman/Managing Director  
Fan Yi Ru, Non-Executive Director  
Foong Daw Ching, Lead Independent Director  
Low Wai Cheong, Independent Director

**Registered Office:**

80 Robinson Road  
#02-00  
Singapore 068898

16 February 2016

**To: The Shareholders of Starland Holdings Limited**

Dear Sir/Madam

#### **MANDATORY UNCONDITIONAL GENERAL CASH OFFER BY UOBKH, FOR AND ON BEHALF OF THE OFFEROR, FOR THE OFFER SHARES**

#### **1. INTRODUCTION**

##### **1.1 Pre-conditional Offer Announcement**

On 14 October 2015, UOBKH announced, for and on behalf of the Offeror, *inter alia*, that:

- (a) the Offeror had entered into a conditional sale and purchase agreement (the “**SPA**”) with the Vendors and the Beneficial Owners, pursuant to which the Vendors had agreed to sell, and the Offeror had agreed to purchase, an aggregate of 120,000,000 Shares (the “**Sale Shares**”) or such other number of shares, representing approximately 82.91% of the total issued Shares, at a price of approximately S\$0.236 per Sale Share;
- (b) completion of the Acquisition (the “**Completion**”) was subject to the approval of the shareholders of GRP in an extraordinary general meeting having been obtained for the transactions contemplated in the SPA upon the terms and conditions set out in the SPA (the “**Condition Precedent**”); and
- (c) the Offeror was required and intended to, upon satisfaction of the Condition Precedent, in accordance with Section 139 of the SFA and Rule 14 of the Code, make the Offer for the Offer Shares.

A copy of the Pre-conditional Offer Announcement dated 14 October 2015 is available on the SGX-NET on [www.sgx.com](http://www.sgx.com).

##### **1.2 Offer Announcement**

On the Offer Announcement Date, UOBKH announced, for and on behalf of the Offeror, *inter alia*:

- (a) that on 13 January 2016, the shareholders of GRP had approved, *inter alia*, the Acquisition and the making of the Offer, at an extraordinary general meeting; and

---

## LETTER TO SHAREHOLDERS

---

(b) the Offeror's firm intention to make the Offer.

A copy of the Offer Announcement dated 13 January 2016 is available on the SGX-NET on [www.sgx.com](http://www.sgx.com).

### 1.3 Offer Document

Shareholders should have, as at the date of this Circular, received a copy of the Offer Document, as announced by UOBKH, for and on behalf of the Offeror, to have been despatched on 2 February 2016, setting out, *inter alia*, the terms and conditions of the Offer. The principal terms and conditions of the Offer are set out in Section 2 of the Offer Document. **Shareholders are urged to read the terms and conditions of the Offer set out in the Offer Document carefully.**

A copy of the Offer Document is available on the SGX-NET at [www.sgx.com](http://www.sgx.com).

### 1.4 Purpose of this Circular

The purpose of this Circular is to provide Shareholders with relevant information pertaining to the Offer and to set out the recommendations of the Independent Directors and the advice and recommendations of the IFA to the Independent Directors in respect of the Offer.

Canaccord Genuity has been appointed as the IFA to the Independent Directors in respect of the Offer.

**Shareholders should read the Offer Document, this Circular and the IFA Letter (set out in Appendix 1 to this Circular) carefully and consider the recommendations of the Independent Directors and the advice and recommendations of the IFA to the Independent Directors before deciding whether or not to accept the Offer.**

**If you are in any doubt about the Offer, you should consult your stockbroker, bank manager, accountant, solicitor, tax adviser or other professional adviser immediately.**

## 2. THE OFFER

Based on the information set out in the Offer Document, UOBKH has, for and on behalf of the Offeror, made the Offer to acquire all the Offer Shares on the terms and subject to the conditions set out in the Offer Document, the FAA and FAT on the following basis:

### 2.1 Offer Price

**For each Offer Share: S\$0.236 in cash (the "Offer Price")**

### 2.2 No Revisions to the Offer Price

The Offeror has given notice that it does not intend to revise the Offer Price, except that the Offeror reserves the right to do so in a competitive situation.

---

## LETTER TO SHAREHOLDERS

---

### 2.3 Offer Shares

Section 2.3 of the Offer Document states, *inter alia*, the following:

*“The Offer will be extended, on the same terms and conditions, to all the issued Shares other than those already owned, controlled or agreed to be acquired by the Offeror and its Concert Parties.”*

### 2.4 No Encumbrances

Section 2.3 of the Offer Document states, *inter alia*, the following:

*“The Offer Shares will be acquired fully-paid and free from all liens, equities, mortgages, charges, pledges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever and together with all rights, benefits and entitlements attached to them as at the Pre-conditional Offer Announcement Date, and thereafter attaching to them (including the right to receive and retain all dividends, rights, return of capital and other distributions (if any) which may be announced, declared, made or paid thereon by the Company on or after the the Pre-conditional Offer Announcement Date, together with all interest accrued thereon).*

***In the event that the record or books closure date for determining the entitlement to any dividends, rights or other distributions announced or declared by the Company falls on or after the Pre-conditional Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price by the amount of such dividends, rights or other distributions.”***

### 2.5 Unconditional Offer

Section 2.4 of the Offer Document states the following:

***“The Offer will not be conditional upon a minimum number of acceptances being received by the Offeror.”***

### 2.6 Warranty

Section 2.6 of the Offer Document states the following:

*“Acceptance of the Offer will be deemed to constitute an unconditional and irrevocable warranty by the accepting Shareholder(s) that the Offer Shares tendered in acceptance of the Offer are sold by the accepting Shareholder(s), as or on behalf of the beneficial owner(s) thereof, (1) fully paid, (2) free from all claims, liens, charges, pledges, trusts, encumbrances, rights of pre-emption and any other third party rights or interests of any nature whatsoever and (3) together with all rights, benefits, entitlements and advantages attached thereto as at the Pre-conditional Offer Announcement Date and thereafter attaching thereto, including, without limitation, the right to all dividends, rights and other distributions (if any) declared, paid or made thereon on or after the Pre-conditional Offer Announcement Date, together with all interest accrued thereon.”*

---

## LETTER TO SHAREHOLDERS

---

### 2.7 Closing Date

Shareholders should note that the Offer Document states that the Offer will close at 5.30 p.m. on 1 March 2016, or such later date(s) as may be announced from time to time by or on behalf of the Offeror.

### 2.8 Details of the Offer

The Offer is made in accordance with the principal terms and conditions as set out in the Offer Document. Further details on (a) the duration of the Offer, (b) the procedures for settlement of the consideration of the Offer, (c) the requirements relating to the announcement of level of acceptances of the Offer and (d) the right of withdrawal of acceptances of the Offer are set out in Appendix 1 to the Offer Document.

### 2.9 Procedures for Acceptance

The procedures for acceptance of the Offer are set out in Appendix 2 to the Offer Document, a summary of which is extracted and reproduced in *italics* below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

#### **“1. DEPOSITORS**

##### **1.1 Depositors whose Securities Accounts are credited with Offer Shares**

*If you have Shares standing to the credit of your Securities Account, you are entitled to receive this Offer Document together with a FAA. If you do not receive the FAA, you may obtain such FAA upon production of satisfactory evidence that you are a shareholder from The Central Depository (Pte) Limited at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.*

**Acceptance.** *If you wish to accept the Offer, you should:*

- (1) *complete the FAA in accordance with the provisions in this Offer Document and the instructions printed on the FAA. Please note that you must insert the number of Offer Shares you wish to accept in the FAA and that if you:*
  - (a) *do not specify such number; or*
  - (b) *specify a number which exceeds the number of Offer Shares standing to the credit of the “Free Balance” of your Securities Account as at 5.00 p.m. on the date of receipt of the FAA by CDP (“Date of Receipt”), or in the case where the Date of Receipt is on the Closing Date, as at 5.30 p.m. on the Closing Date (provided always that the Date of Receipt must fall on or before the Closing Date).*

*then you shall be deemed to have accepted the Offer in respect of all Offer Shares standing to the credit of the “Free Balance” of your Securities Account as at 5.00 p.m. on the Date of Receipt or 5.30 p.m. on the Closing Date (if the FAA is received by CDP on the Closing Date).*

---

## LETTER TO SHAREHOLDERS

---

(2) *sign the FAA in accordance with the provisions of this Offer Document and the instructions printed on the FAA; and*

(3) *deliver the completed and signed FAA either:*

(a) **by hand to GRP Chongqing Land Pte. Ltd.** *c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588; or*

(b) **by post**, *in the enclosed pre-addressed envelope* **AT YOUR OWN RISK**, *to GRP Chongqing Land Pte. Ltd. c/o The Central Depository (Pte) Limited, Robinson Road Post Office, P.O. Box 1984, Singapore 903934,*

**so as in either case to arrive not later than 5.30 p.m. on the Closing Date.** *If the completed or signed FAA is delivered by post to the Offeror, it is your responsibility to affix adequate postage on the enclosed pre-addressed envelope.*

...

### **1.2 Depositors whose Securities Account will be credited with Offer Shares**

*If you have purchased Offer Shares on the SGX-ST after the Despatch Date, you should also receive this Offer Document together with a FAA. If you do not receive the FAA, you may obtain such FAA upon production of satisfactory evidence that you are a shareholder from The Central Depository (Pte) Limited at 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588.*

**Acceptance.** *If you wish to accept the Offer in respect of such Offer Shares, you should, after the “Free Balance” of your Securities Account has been credited with such number of Offer Shares purchased:*

(1) *complete and sign the FAA in accordance with the provisions in this Offer Document and the instructions printed on the FAA;*

(2) *deliver the completed and signed FAA either:*

(i) **by hand to GRP Chongqing Land Pte. Ltd.** *c/o The Central Depository (Pte) Limited, 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588; or*

(ii) **by post**, *in the enclosed pre-addressed envelope* **AT YOUR OWN RISK**, *to GRP Chongqing Land Pte. Ltd. c/o The Central Depository (Pte) Limited, Robinson Road Post Office, P.O. Box 1984, Singapore 903934,*

**so as in either case to arrive not later than 5.30 p.m. on the Closing Date.** *If the completed or signed FAA is delivered by post to the Offeror, it is your responsibility to affix adequate postage on the enclosed pre-addressed envelope.*

**Rejection.** *If you purchase Offer Shares on the SGX-ST on a date close to the Closing Date, your acceptance in respect of such Offer Shares is liable to be rejected if the “Free Balance” of your Securities Account is not credited with such Offer Shares by 5.30 p.m. on the Closing Date. None of CDP, UOBKH and the Offeror accepts any*

---

## LETTER TO SHAREHOLDERS

---

*responsibility or liability for the consequences of such a rejection. If upon receipt by CDP, on behalf of the Offeror, of the FAA, it is established that such Offer Shares have not been credited to your "Free Balance" of your Securities Account (as, for example, where you sell or have sold such Offer Shares), your acceptance is liable to be rejected and none of CDP, UOBKH and the Offeror accepts any responsibility or liability for the consequences of such a rejection.*

### **1.3 Depositors whose Securities Accounts are and will be credited with Offer Shares**

*If you have Offer Shares credited to the "Free Balance" of your Securities Account, and have purchased additional Offer Shares on the SGX-ST which are in the process of being credited to your Securities Account, you may accept the Offer in respect of the Offer Shares standing to the credit of the "Free Balance" of your Securities Account and may accept the Offer in respect of the additional Offer Shares purchased which are in the process of being credited to your Securities Account only after the "Free Balance" of your Securities Account has been credited with such number of Offer Shares. The provisions set out above shall apply in the same way to your acceptance(s) of the Offer."*

### **3. NO IRREVOCABLE UNDERTAKINGS**

Section 10.5 of the Offer Document states that as at the latest practicable date of the Offer Document, neither the Offeror nor any of its Concert Parties has received any irrevocable undertaking from any holder of the Offer Shares to accept or reject the Offer (if and when made).

### **4. INFORMATION ON THE OFFEROR, GRP LAND AND GRP**

#### **4.1 Information on the Offeror, GRP Land and GRP**

Information on the Offeror, GRP Land and GRP is set out in Section 5 of the Offer Document, which is extracted and reproduced in *italics* below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

#### ***"5.1 The Offeror***

*The Offeror was incorporated in Singapore on 21 September 2015 as an investment holding company. The Offeror is wholly-owned by GRP Land which is in turn wholly-owned by GRP. As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$1.00 comprising one ordinary share.*

*As at the Latest Practicable Date, the directors of the Offeror are (i) Mr Kwan Chee Seng and (ii) Ms Peng Peck Yen.*

#### **5.2 GRP Land**

*GRP Land is a company incorporated in Singapore and is wholly-owned by GRP. Its principal activities are those of an investment holding company. As at the Latest Practicable Date, GRP Land has an issued and paid-up share capital of S\$100,000 comprising 100,000 ordinary shares.*

---

## LETTER TO SHAREHOLDERS

---

*As at the Latest Practicable Date, the directors of GRP Land are (i) Mr Kantilal S/O Champaklal Ramdas and (ii) Ms Peng Peck Yen.*

### **5.3 GRP**

*GRP is a company incorporated in Singapore and is listed on the Main Board of the SGX-ST. The principal activities of GRP include the following:*

- (i) Supply and servicing of industrial/marine hoses, fittings and related products;*
- (ii) Trading and distribution of precision measuring instruments and equipment; and*
- (iii) Property development.*

*As at the Latest Practicable Date, GRP has an issued and paid-up share capital of approximately S\$59,601,723 comprising 139,520,044 ordinary shares.*

*As at the Latest Practicable Date, the directors of GRP are (i) Mr Teo Tong How, (ii) Mr Kwan Chee Seng, (iii) Mr Goh Lik Kok, (iv) Mr Mahtani Bhagwandas and (v) Mr Peter Moe, and the controlling shareholder of GRP is Mr Kwan Chee Seng, holding 29.18% shareholding interest in GRP.”*

Additional information on the Offeror and GRP may also be found in Appendix 3 and Appendix 4 to the Offer Document, respectively.

### **4.2 Aggregate shareholding of the Offeror**

On 4 February 2016, UOBKH, for and on behalf of the Offeror, announced, *inter alia*, the following:

- (a) as at 5.00 p.m. on 4 February 2016, the Offeror had received, pursuant to the Offer, valid acceptances amounting to 11,872,300 Offer Shares, representing approximately 8.20% of the total issued Shares;
- (b) as at the Pre-conditional Offer Announcement Date, pursuant to the Acquisition, the Offeror owned, controlled or agreed to acquire 120,000,000 Shares, representing approximately 82.91% of the total issued Shares, and the Concert Parties did not hold any Shares;
- (c) following the Pre-conditional Offer Announcement Date and up to 5.00 p.m. on 4 February 2016, other than pursuant to valid acceptances of the Offer, the Offeror and its Concert Parties have not acquired or agreed to acquire any Shares; and
- (d) as at 5.00 p.m. on 4 February 2016, the total number of (i) Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties; and (ii) valid acceptances of the Offer, amount to an aggregate of 131,872,300 Shares, representing approximately 91.11% of the total issued Shares.

---

## LETTER TO SHAREHOLDERS

---

### 5. RATIONALE FOR THE OFFER AND THE OFFEROR'S INTENTION RELATING TO THE COMPANY

The full text of the rationale for the Offer and the Offeror's intention relating to the Company has been extracted from Section 7 and Section 8.2 of the Offer Document and reproduced in *italics* below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated. **Shareholders are advised to read the extract below carefully.**

#### **"7 RATIONALE FOR THE OFFER**

*The Acquisition presents an opportunity for the GRP Group to accelerate its strategy to grow and gain a firm foothold into the vast PRC property market. While the GRP Group is making its first foray into the PRC property market with the securing of development rights from the People's Government of Kaiping District to undertake an integrated mixed development (subject to successful tender of lands available for development to be released by the relevant authorities in the PRC) as announced by GRP in February 2015, the Group has established a presence in the property market in Chongqing, PRC, having launched two residential cum commercial properties in Chongqing (namely, University Town and Singapore Garden) with another residential property development project in the pipeline. With the Acquisition, the GRP Group will be able to immediately extend its property development business to the PRC which will augment and deepen its reach to property development business.*

*In addition, the Group has been active in the PRC property market since 2008 and has gained substantial knowledge and expertise of the property market in the PRC, which include the knowledge of the regulatory and compliance requirements for the property business in the PRC. The GRP Group could leverage on such knowledge for its expansion in the property development business in the PRC.*

*The Acquisition will also enable the GRP Group to expand its property portfolio. The Group has near completion property of 915 residential units in the Singapore Garden project, of which 669 units has been sold as at March 2015. As at September 2015, the project has been completed. Revenue attributable to 695 residential units handed over to buyers, has been recognised. The revenue for the remaining units will be recognised as and when they are sold and handed over to buyers.*

### **8 THE OFFEROR'S INTENTIONS RELATING TO THE COMPANY**

...

#### **8.2 The Offeror's Future Plans for the Company**

*It is the current intention of the Offeror to expand and grow its property business in the PRC following the Acquisition. This will include mixed-use integrated property development projects in the larger cities of PRC.*

*As the Group has a strong foothold and is active in Chongqing, the Offeror intends for the Group to continue to focus on sourcing and acquiring property development projects in this region and within the Sichuan province, including Chengdu.*

---

## LETTER TO SHAREHOLDERS

---

*Save as aforesaid and other steps to be taken in connection with the ordinary course of business of the Group, the Offeror presently has no plan to (i) introduce any major changes to the existing business of the Group, (ii) redeploy the fixed assets of the Group, or (iii) discontinue the employment of the employees of the Group, save in the ordinary course of the business.*

*However, the directors of the Offeror retain the flexibility at any time to consider any options in relation to the Group which may present themselves and which they may regard to be in the best interest of the Offeror.”*

### 6. LISTING STATUS AND COMPULSORY ACQUISITION

Further information in relation to the listing status of the Company and the compulsory acquisition of Shares are set out in Section 8.1 and Section 8.3 of the Offer Document, which is extracted and reproduced in *italics* below. All terms and expressions used in the extract below shall have the same meanings as those defined in the Offer Document, unless otherwise stated.

#### **“8 THE OFFEROR’S INTENTIONS RELATING TO THE COMPANY**

##### **8.1 Compulsory Acquisition**

*Pursuant to Section 215(1) of the Act, in the event the Offeror acquires not less than 90% of the total number of issued Shares (other than those already held by the Offeror, its related corporations or their respective nominees, as at the date of the Offer and excluding any Shares held by the Company as treasury shares), the Offeror would be entitled to exercise the right to compulsorily acquire all the Shares from the Shareholders who have not accepted the Offer (the “**Dissenting Shareholders**”), at a price equal to the Offer Price.*

*Dissenting Shareholders have the right under and subject to Section 215(3) of the Act, to require the Offeror to acquire their Shares at a price equal to the Offer Price in the event that the Offeror, its related corporations or their respective nominees acquire, pursuant to the Offer or otherwise, such number of Shares which, together with the Shares held by the Offeror, its related corporations or their respective nominees, comprise 90% or more of the total number of issued Shares (excluding any Shares held by the Company as treasury shares). Dissenting Shareholders who wish to exercise such rights are advised to seek their own independent legal advice.*

...

##### **8.3 Listing Status**

*Under Rule 1104 of the Catalist Rules, upon the announcement by the Offeror that valid acceptances have been received that bring the Shares held by the Offeror and its Concert Parties to above 90% of the total number of Shares in issue (excluding any Shares held by the Company as treasury shares), the SGX-ST may suspend the trading of the Shares in the Ready and Unit Share markets until such time it is satisfied that at least 10% of the total number of Shares in issue (excluding any Shares held by the Company as treasury shares) are held by at least 200 shareholders who are members of the public.*

---

## LETTER TO SHAREHOLDERS

---

*Under Rule 1303(1) of the Catalist Rules, if the Offeror succeeds in garnering acceptances exceeding 90% of the total number of Shares in issue (excluding any Shares held by the Company as treasury shares), thus causing the percentage of the total number of issued Shares (excluding any Shares held by the Company as treasury shares) held in public hands to fall below 10%, whether through acceptances of the Offer or otherwise, the SGX-ST will suspend trading of the Shares on the SGX-ST only at the close of the Offer.*

*In addition, Rule 723 of the Catalist Rules requires the Company to ensure that at least 10% of the total number of Shares in issue be held by the public. Under Rule 724(1) of the Catalist Rules, if the percentage of the Shares held in public hands falls below 10%, the Company must, as soon as possible, notify its sponsor and announce that fact and the SGX-ST may suspend trading of the Shares. Rule 724(2) of the Catalist Rules states that the SGX-ST may allow the Company a period of three months, or such longer period as the SGX-ST may agree, to raise the percentage of the Shares held in public hands to at least 10%, failing which the Company may be delisted from the SGX-ST.*

***It is the current intention of the Offeror to preserve the listing status of the Company on Catalist. Accordingly, the Offeror when entitled, does not intend to exercise its rights of compulsory acquisition under Section 215(1) of the Act.”***

### 7. ADVICE AND RECOMMENDATIONS

#### 7.1 Appointment of the IFA

Canaccord Genuity has been appointed as the independent financial adviser to the Independent Directors in respect of the Offer. Shareholders should consider carefully the recommendations of the Independent Directors and the advice and recommendations of Canaccord Genuity to the Independent Directors before deciding whether to accept or reject the Offer. Canaccord Genuity's advice and recommendations are set out in its letter dated 16 February 2016, which is set out in **Appendix 1** to this Circular.

#### 7.2 The IFA's advice to the Independent Directors on the Offer

The advice of the IFA to the Independent Directors in respect of the Offer has been extracted from paragraph 10 of the IFA Letter and is set out in *italics* below. Unless otherwise defined, all terms and expressions used in the extract below shall have the same meaning as those defined in the IFA Letter. Shareholders should read and consider carefully the key considerations relied upon by the IFA, in arriving at its advice to the Independent Directors in conjunction with, and in the context of, the full text of the IFA Letter.

#### ***“10. OUR RECOMMENDATIONS***

*In arriving at our recommendations in respect of the Offer, we have taken into consideration the factors set out in paragraphs 8 and 9 of this IFA Letter and the factors summarised below (which should be read in conjunction with, and in the context of, the entirety of this IFA Letter and the Circular).*

---

## LETTER TO SHAREHOLDERS

---

*In assessing the fairness and reasonableness of the Offer, we have considered, inter alia, the following factors:*

- (a) The Offer Price represents a premium of 136.0%, 73.5%, 60.5% and 45.7% to the VWAP of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to the Pre-Conditional Offer Announcement respectively;*
- (b) The P/NAV ratio of the Company as implied by the Offer Price is (i) higher than the range; and (ii) higher than the mean and median of the P/NAV ratios of the selected Comparable Companies. The P/RNAV ratio of the Company as implied by the Offer Price is (i) within the range; and (ii) close to the mean and median of the P/NAV ratios of the selected Comparable Companies;*
- (c) The P/RNAV ratio of the Company as implied by the Offer Price is (i) lower than the range; (ii) lower than the mean and median of the P/NAV ratios of the Selected Comparable Transactions; and (iii) lower than the P/NAV ratios of the property-related precedent transactions;*
- (d) The parcels of land located at Jalan Nipah and Royal Waterhouse are valued on a "as is" basis without taking into account any development plans of those properties. As stated in the Valuation Certificate of GB Global, the parcel of land located at Jalan Nipah is not being developed and is regarded as without any development potential as at the valuation date. As stated in the Valuation Certificate of JLL, the parcel of land at Royal Waterhouse is not being developed and the future development potential cannot be ascertained as at the valuation date. Notwithstanding this, should there be any concrete plans to develop these parcels of land subsequent to the Offer, potentially the Group's RNAV could be higher and the Company's P/RNAV could be lower than the Group's RNAV and the Company's P/RNAV as implied by the Offer Price respectively;*
- (e) Since the Pre-Conditional Offer Announcement Date, the Shares have traded at levels close to the Offer Price. We note that the Offer Price may be supporting the current market price of the Shares and as such, there is no assurance that the market price of the Shares will be maintained at the prevailing level after the close of the Offer;*
- (f) For the period since the initial public offering of the Company on 27 April 2012, apart from a period of 5 trading days from the first trading day of the Shares on 27 April 2012, the Shares have not traded at levels above the Offer Price;*
- (g) We note that the Shares were relative illiquid. During the 12-month period prior to the Pre-conditional Offer Announcement, the Shares had traded on 141 days out of 261 Market Days (or 54.0% of the total number of Market Days). The average daily traded volume was 0.34 million Shares representing 1.4% of the Company's free float;*
- (h) The Offeror does not intend to revise the Offer Price, except where the Offeror reserves the right to do so in a competitive situation. As at 4 February 2016, the Offeror holds approximately 91.11% (including valid acceptances of the Offer) of the total number of issued Shares. Given that GRP has majority control of the Company, it is unlikely that any competitive bid would materialise or be successful; and*

---

## LETTER TO SHAREHOLDERS

---

- (i) *The weak macroeconomic environment as well as the weak stock markets globally and in Singapore.*

***Based on our analysis, and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that, on balance, the financial terms of the Offer are not fair but reasonable.***

***Accordingly, we advise the Independent Directors to recommend Shareholders who are not confident of the future and growth prospects of the Group and/or who wish to take this opportunity to partially or wholly realise their investments in the Company at a premium to recent trading prices to ACCEPT the Offer or sell their Shares in the open market if they can obtain a price higher than the Offer Price after deducting expenses. The Company Directors may also wish to highlight to Shareholders who do not wish to accept the Offer that the Shares may not trade at current levels, once the Offer lapses.***

*Shareholders should note that the future price performance of the Shares would depend on, amongst others, the performance and prospects of the Group as well as the prevailing economic conditions and general sentiments of the stock market. We also wish to highlight that the price performance of the Shares used in our analysis of this IFA Letter may not be reflective of investors' response to the Group's future financial performance in FY2016 after the Latest Practicable Date.*

*In rendering the above advice, Canaccord Genuity has not had regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise that any Shareholder who may require specific advice in relation to his investment objective(s) or portfolio(s) should consult his legal, financial, tax or other professional advisers immediately.*

*Shareholders should note that the trading of the Shares are subject to, inter alia, the financial performance and prospects of the Group, prevailing economic conditions, economic outlook and stock market conditions and sentiments. Accordingly, the advice by Canaccord Genuity on the Offer does not and cannot take into account future trading activities or patterns or price levels that may be established for the Shares after the Latest Practicable Date since these are governed by factors beyond the ambit of Canaccord Genuity's review and also, such advice, if given, would not fall within Canaccord Genuity's term of reference in connection with the Offer."*

### **7.3 Recommendations of the Independent Directors**

The Independent Directors, having considered carefully the terms of the Offer and the advice and recommendations given by the IFA to the Independent Directors in the IFA Letter, concur with the advice and recommendations of the IFA to the Independent Directors in respect of the Offer. Accordingly, the Independent Directors adopt the recommendations in respect of the Offer as set out in paragraph 7.2 above.

---

## LETTER TO SHAREHOLDERS

---

In making the above recommendation, the Independent Directors have not had regard to the specific investment objectives, financial situation, tax position, risk profiles, or particular needs and constraints of any individual Shareholder. As different Shareholders would have different investment profiles and objectives, the Independent Directors would recommend that any individual Shareholder who may require specific advice in relation to his/her investment objectives, portfolio and/or the Offer should consult his/her stockbroker, bank manager, accountant, solicitor, tax adviser or other professional adviser immediately.

**SHAREHOLDERS ARE ADVISED TO READ THE TERMS AND CONDITIONS OF THE OFFER DOCUMENT CAREFULLY. SHAREHOLDERS ARE ALSO ADVISED TO READ THE IFA LETTER SET OUT IN APPENDIX 1 TO THIS CIRCULAR CAREFULLY AND TO CONSIDER THE RECOMMENDATIONS OF THE INDEPENDENT DIRECTORS IN THEIR ENTIRETY BEFORE DECIDING WHETHER TO ACCEPT OR REJECT THE OFFER. SHAREHOLDERS SHOULD NOTE THAT THE ADVICE OF THE IFA TO THE INDEPENDENT DIRECTORS MAY ONLY BE RELIED UPON BY THE INDEPENDENT DIRECTORS AND THE RECOMMENDATIONS OF THE INDEPENDENT DIRECTORS SHOULD NOT BE RELIED UPON BY ANY SHAREHOLDER AS THE SOLE BASIS FOR DECIDING WHETHER OR NOT TO ACCEPT THE OFFER.**

### 8. ACTION TO BE TAKEN BY SHAREHOLDERS

Shareholders may accept the Offer in respect of all or any part of their holdings of Shares. Shareholders who wish to accept the Offer must do so by no later than 5.30 p.m. **ON THE CLOSING DATE** and should take note of the “Procedures for Acceptance of the Offer” as set out in Appendix 2 to the Offer Document. Shareholders who do not wish to accept the Offer need not take any further action in respect of the Offer Document, the FAA and the FAT which have been sent to them.

### 9. OVERSEAS SHAREHOLDERS

Overseas Shareholders should refer to Section 12 of the Offer Document, which is extracted and reproduced in *italics* below:

***“12 OVERSEAS SHAREHOLDERS***

***12.1 Overseas Shareholders***

*The availability and making of the Offer to Overseas Shareholders (whose addresses are outside Singapore) as well as the ability of Overseas Shareholders to accept the Offer may be affected by the laws of the relevant overseas jurisdictions. It is currently not intended that the Offer will be made in, and the Offer is not capable of acceptance in or from any jurisdiction in or from which the making of the Offer is prohibited or affected by the laws of that jurisdiction. Accordingly, Overseas Shareholders should inform themselves of, and observe any applicable legal requirements. **Where there are potential restrictions on sending this Offer Document, the FAA and/or the FAT to any overseas jurisdiction, the Offeror and UOBKH each reserves the right not to send these documents to Shareholders in such overseas jurisdictions.***

---

## LETTER TO SHAREHOLDERS

---

*This Offer Document, the FAAs and the FATs have not been and will not be sent to any Overseas Shareholders due to potential restrictions on sending such documents to the relevant overseas jurisdictions. For the avoidance of doubt, the Offer is made to all Shareholders, including those to whom this Offer Document, the FAAs and the FATs have not been, or may not be, sent. Overseas Shareholders may, nonetheless, obtain copies of this Offer Document, the FAA, the FAT and any related documents, during normal business hours and up to 5.30 p.m. on the Closing Date, from the Offeror through Tricor Barbinder Share Registration Services, 80 Robinson Road #11-02 Singapore 068898, if he is not a Depositor, or the CDP, 9 North Buona Vista Drive, #01-19/20 The Metropolis, Singapore 138588, if he is a Depositor. Alternatively, an Overseas Shareholder may write to Tricor Barbinder Share Registration Services at the above address (if he is not a Depositor) or the CDP at Robinson Road Post Office P.O. Box 1984, Singapore 903934 (if he is a Depositor) to request for this Offer Document, the FAA, the FAT and any related documents to be sent to an address in Singapore by ordinary post, up to five (5) Market Days prior to the Closing Date, at his own risk.*

### **12.2 Notice**

*The Offeror and UOBKH each reserves the right to notify any matter, including the fact that the Offer has been made, to any or all Shareholders (including Overseas Shareholders) by announcement to the SGX-ST and if necessary, by paid advertisement in a daily newspaper published or circulated in Singapore, in which case, such notice shall be deemed to have been sufficiently given notwithstanding any failure by any Shareholder to receive or see such announcement or advertisement.”*

### **10. DIRECTORS’ RESPONSIBILITY STATEMENT**

Save for (a) the opinions and advice expressed by the IFA to the Independent Directors as set out in this Circular and the IFA Letter as appended as **Appendix 1** to this Circular; (b) information extracted *in toto* from the Offer Document; and (c) information relating to the Offeror, the parties acting in concert with it and the Offer, the Company Directors (including those who may have delegated detailed supervision of this Circular): have taken all reasonable care to ensure that the facts stated and all opinions expressed therein are fair and accurate and, where appropriate, no material facts have been omitted and they jointly and severally accept responsibility accordingly; and jointly and severally accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, opinions expressed in this Circular have been arrived at after due and careful consideration and there are no other facts not contained in this Circular, the omission of which would make any statement in this Circular misleading.

In respect of the IFA Letter, the sole responsibility of the Company Directors has been to ensure that the facts stated therein with respect to the Group are, after having made all reasonable enquiries and to the best of their knowledge and belief, fair and accurate in all material respects.

Where any information has been extracted from published or otherwise publicly available sources or obtained from the Offeror (including, without limitation, the Offer Document), the sole responsibility of the Company Directors has been to ensure through reasonable enquiries that such information has been accurately and correctly extracted from such sources or, as the case may be, accurately reflected or reproduced in this Circular in its proper form and context.

---

## LETTER TO SHAREHOLDERS

---

### 11. ADDITIONAL GENERAL INFORMATION

Additional general information is provided in **Appendix 2** to this Circular.

Yours faithfully,

For and on behalf of  
Board of Directors of  
**STARLAND HOLDINGS LIMITED**

Tan Hoe San  
Executive Chairman/Managing Director

---

## APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

---

16 February 2016

**Starland Holdings Limited**

80 Robinson Road

#02-00

Singapore 068898

Attention: The Independent Directors

**MANDATORY UNCONDITIONAL GENERAL CASH OFFER (THE “OFFER”) BY UOB KAY HIAN PRIVATE LIMITED (“UOBKH”) FOR AND ON BEHALF OF GRP CHONGQING LAND PTE. LTD. (THE “OFFEROR”) TO ACQUIRE ALL THE ISSUED AND PAID-UP ORDINARY SHARES IN THE CAPITAL OF STARLAND HOLDINGS LIMITED (THE “COMPANY”) OTHER THAN THOSE ALREADY OWNED, CONTROLLED OR AGREED TO BE ACQUIRED BY THE OFFEROR AND PARTIES ACTING IN CONCERT WITH IT**

*Unless otherwise defined or the context otherwise requires, all terms used in this IFA Letter shall have the same meanings as defined in the circular to shareholders of the Company dated 16 February 2016 (the “Circular”). For purposes of this IFA Letter (as defined herein), where applicable, the closing exchange rate of RMB4.6117:S\$1 on the Latest Practicable Date is used. The above exchange rate was extracted from published information by Bloomberg L.P. and is provided solely for information.*

### 1. INTRODUCTION

On 14 October 2015 (the “**Pre-conditional Offer Announcement Date**”), UOBKH announced, for and on behalf of the Offeror which is a wholly-owned indirect subsidiary of GRP Limited (“**GRP**”) (the “**Pre-conditional Offer Announcement**”) that:

- (i) the Offeror had entered into a conditional sale and purchase agreement (“**SPA**”) with Super Vantage Investment Limited, Able Lead International Limited, Billion Light Investment Limited, Zhongli Investment Limited and their respective shareholders, namely Tan Hoe San, Fan Yi Ru, Chen Hui Bin and Zhong Jia Feng in relation to the sale and purchase of 120,000,000 ordinary shares (the “**Sale Shares**”) in the capital of the Company, representing approximately 82.91% of the total issued shares in the capital of the Company, for a cash consideration of S\$0.236 per Sale Share (“**Acquisition**”); and
- (ii) pursuant to the requirements under the Singapore Code on Take-overs and Mergers (the “**Code**”), the Offeror intended to make a mandatory unconditional cash offer for all the issued and paid-up ordinary shares in the share capital of the Company (the “**Shares**”), other than those already owned, controlled or agreed to be acquired by the Offeror and parties acting in concert with the Offeror (the “**Offer Shares**”), subject to the satisfaction of the condition precedent (the “**Pre-condition**”).

The condition precedent to the making of the Offer is the approval of the shareholders of GRP in an extraordinary general meeting (“**EGM**”) being obtained for the transactions contemplated in the SPA upon the terms and conditions set out in the SPA. On 13 January 2016, shareholders of GRP approved, *inter alia*, the Acquisition and the making of the Offer

---

## APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

---

and accordingly, the Pre-condition was satisfied. On 13 January 2016 (the “**Offer Announcement Date**”), UOBKH, for and on behalf of the Offeror, announced the Offeror’s firm intention to make the Offer (the “**Offer Announcement**”).

On 15 January 2016, GRP announced the completion of the Acquisition and the Company has become a 82.91%-owned indirect subsidiary of GRP.

The Offer Document in respect of the Offer has been despatched on 2 February 2016.

Canaccord Genuity Singapore Pte. Ltd. (“**Canaccord Genuity**”) has been appointed by the Company as the independent financial adviser (the “**IFA**”) to advise the Company Directors who are considered independent in respect of the Offer, for the purposes of making their recommendations to Shareholders in respect of the Offer. This letter (the “**IFA Letter**”) is addressed to the Independent Directors, which sets out, *inter alia*, our evaluation and advice on the financial terms of the Offer, and our recommendations thereon. This IFA Letter forms part of the Circular to be despatched to Shareholders.

### 2. TERMS OF REFERENCE

Canaccord Genuity has been appointed as the IFA to the Independent Directors to provide an assessment of the financial terms of the Offer in order to advise the Independent Directors in respect of their recommendations to Shareholders in relation to the Offer, in compliance with the provisions of the Code. We have confined our evaluation on the bases set out therein to the financial terms of the Offer.

Our terms of reference do not require us to evaluate or comment on the rationale, legal and commercial risks and/or merits (if any) of the Offer or on the future financial performance or prospects of the Company and its subsidiaries (collectively, the “**Group**”) and we have not made such evaluations or comments. Such evaluations or comments shall remain the sole responsibility of the Company Directors and the management of the Group (the “**Management**”) although we may draw upon their views or make such comments in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our recommendations as set out in this IFA Letter.

We were also not requested, instructed or authorised to solicit, and we have not solicited, any indications of interest from any third party with respect to any other proposals for transactions similar to or in lieu of the Offer. In this regard, we are not addressing the relative merits of the Offer as compared to any alternative transaction previously considered by the Company or which otherwise may have been available to the Company currently or in the future, and such comparison and consideration remains the responsibility of the Company Directors.

In the course of our evaluation of the financial terms of the Offer, we have held discussions with the Company Directors and the Management. We have also examined publicly available information collated by us as well as information, both written and verbal, provided to us by aforesaid parties. We have relied on, and assumed without independent verification, the accuracy and completeness of such information, whether written or verbal, and accordingly cannot and do not make any warranty or representation, express or implied, in respect of, and do not accept any responsibility for the accuracy, completeness or adequacy of, such information.

---

## APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

---

We have relied upon the assurances from the Company Directors and the Management (including those who may have delegated supervision of the Circular), who have accepted full responsibility for the accuracy and completeness of the information provided to us, that, to the best of their knowledge and belief, they have taken reasonable care to ensure that the facts stated and opinions expressed by them or the Company in the Circular in respect of the Offer is fair and accurate in all material aspects. The Company Directors confirmed to us that, to the best of their knowledge and belief, there is no other information or fact, the omission of which would cause any statement in the Circular in respect of the Offer to be inaccurate, incomplete or misleading in any material respect. Whilst care has been exercised in reviewing the information upon which we have relied, we have not independently verified such information but nevertheless have made such enquiry and judgement as we have deemed necessary and have found no reason to doubt the accuracy of the information.

We have not made any independent evaluation or appraisal of the assets and liabilities (including without limitation, properties held for sale, development properties and equipment) of the Group. In connection with the Offer, the Company had commissioned independent valuers, namely GB Global Pte Ltd ("**GB Global**") and Jones Lang LaSalle Corporate Appraisal and Advisory Limited ("**JLL**") (collectively, the "**Independent Valuers**"), to carry out a revaluation of the various properties owned by the Group as at 30 September 2015. We have been furnished with the valuation certificates ("**Valuation Certificates**") on the Revalued Properties (as defined herein) as set out in Appendix 5 to the Circular. We have placed sole reliance thereon for the valuation and information contained in the Valuation Certificates. We are not involved and assume no responsibility for the Valuation Certificates. We have not made any independent verification of the contents thereof. Accordingly, no representation or warranty, express or implied, is made and no responsibility is accepted by us concerning the accuracy, completeness or adequacy of such information.

Our recommendations are based upon market, economic, industry and other conditions prevailing as at the Latest Practicable Date, and information made available to us as at the Latest Practicable Date. Such conditions and information may change significantly over a short period of time. We assume no responsibility to update, revise or reaffirm our recommendations in light of any subsequent developments after the Latest Practicable Date that may affect our recommendations contained therein. Shareholders should further take note of any announcements relevant to their consideration of the Offer, which may be released after the Latest Practicable Date.

In rendering our advice and providing our recommendations, we did not have regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Shareholder. We recommend that any Shareholder who may require specific advice in relation to his investment objective(s) or portfolio(s) should consult his legal, financial, tax or other professional advisers immediately.

The Company has been advised by its own legal advisers in the preparation of the Circular (other than this IFA Letter). We have had no role or involvement and have not provided any advice (financial or otherwise) whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter) and our responsibility is as set out above in relation to this IFA Letter. Accordingly, we take no responsibility for, and express no views, whether expressed or implied, on the contents of the Circular (except for this IFA Letter).

---

## APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

---

We have prepared this IFA Letter for the use by the Independent Directors in connection with their consideration of the Offer and their advice and recommendations to the Shareholders in respect thereof. The recommendations made to the Shareholders in relation to the Offer remain the responsibility of the Independent Directors.

Other than for this intended purpose, this IFA Letter should not be used for any other purposes and/or by other persons, save for the use of the Independent Directors in connection with their consideration of the Offer, without the prior consent of Canaccord Genuity. Therefore our recommendations in relation to the Offer, as set out in paragraph 7.2 of the Circular should be considered in the context of the entirety of our advice as set out in this IFA Letter.

### 3. THE OFFER

The Offer is made in accordance with Section 139 of the SFA and Rule 14 of the Code and subject to the terms and conditions set out in the Offer Document. The principal terms of the Offer, as extracted from the Offer Document is set out below.

#### 3.1 Offer terms

**For each Offer Share: S\$0.236 in cash (the “Offer Price”)**

#### 3.2 No revisions

The Offeror does not intend to revise the Offer Price, except that the Offeror reserves the right to do so in a competitive situation.

#### 3.3 Offer Shares

The Offer Shares will be acquired fully-paid and free from all liens, equities, mortgages, charges, pledges, encumbrances, rights of pre-emption and other third party rights and interests of any nature whatsoever and together with all rights, benefits and entitlements attached to them as at the Pre-conditional Offer Announcement Date, and thereafter attaching to them (including the right to receive and retain all dividends, rights, return of capital and other distributions (if any) which may be announced, declared, made or paid thereon by the Company on or after the Pre-conditional Offer Announcement Date, together with all interest accrued thereon).

**In the event that the record or books closure date for determining the entitlement to any dividends, rights or other distributions announced or declared by the Company falls on or after the Pre-conditional Offer Announcement Date, the Offeror reserves the right to reduce the Offer Price by the amount of such dividends, rights or other distributions.**

The Offer will be extended, on the same terms and conditions, to all the issued Shares other than those already owned, controlled or agreed to be acquired by the Offeror and its Concert Parties.

---

## APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

---

### 3.4 Condition of the Offer

The Offer will not be conditional upon a minimum number of acceptances being received by the Offeror.

### 3.5 Aggregate shareholding of the Offeror

UOBKH, for and on behalf of the Offeror, announced that as at 5.00 p.m. on 4 February 2016, the total number of (a) Shares owned, controlled or agreed to be acquired by the Offeror and its Concert Parties; and (b) valid acceptances of the Offer, amount to an aggregate of 131,872,300 Shares, representing approximately 91.11% of the total number of issued Shares.

## 4. INFORMATION ON THE OFFEROR

Information on the Offeror is set out in Section 5 of the Offer Document, an extract of certain sections is reproduced below. All terms and expressions used in the extract below shall have the same meaning as those detailed in the Offer Document, unless otherwise stated.

*“The Offeror was incorporated in Singapore on 21 September 2015 as an investment holding company. The Offeror is wholly-owned by GRP Land which is in turn wholly-owned by GRP. As at the Latest Practicable Date, the Offeror has an issued and paid-up share capital of S\$1.00 comprising one ordinary share.*

*As at the Latest Practicable Date, the directors of the Offeror are (i) Mr Kwan Chee Seng and (ii) Ms Peng Peck Yen.*

*GRP Land is a company incorporated in Singapore and is wholly-owned by GRP. Its principal activities are those of an investment holding company. As at the Latest Practicable Date, GRP Land has an issued and paid-up share capital of S\$100,000 comprising 100,000 ordinary shares.*

*As at the Latest Practicable Date, the directors of GRP Land are (i) Mr Kantilal S/O Champaklal Ramdas and (ii) Ms Peng Peck Yen.*

*GRP is a company incorporated in Singapore and is listed on the Main Board of the SGX-ST. The principal activities of GRP include the following:*

- (i) Supply and servicing of industrial/marine hoses, fittings and related products;*
- (ii) Trading and distribution of precision measuring instruments and equipment; and*
- (iii) Property development.*

*As at the Latest Practicable Date, GRP has an issued and paid-up share capital of approximately S\$59,601,723 comprising 139,520,044 ordinary shares.*

*As at the Latest Practicable Date, the directors of GRP are (i) Mr Teo Tong How, (ii) Mr Kwan Chee Seng, (iii) Mr Goh Lik Kok, (iv) Mr Mahtani Bhagwandas and (v) Mr Peter Moe, and the controlling shareholder of GRP is Mr Kwan Chee Seng, holding 29.18% shareholding interest in GRP.”*

Please refer to Appendices 3 and 4 to the Offer Document for more information on the Offeror and GRP respectively.

---

## APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

---

### 5. INFORMATION ON THE COMPANY

The Company was incorporated in Singapore on 20 October 2011 and is listed on the Catalist board of the SGX-ST since 27 April 2012. The principal activity of the Company is that of an investment holding company.

The Group is primarily involved in the business of property development in the PRC and is engaged in developing integrated residential and commercial properties in Chongqing, PRC.

As at the Latest Practicable Date, the Company has an issued and paid-up capital of RMB24,471,000 comprising 144,733,000 Shares and there are no outstanding instruments convertible into, rights to subscribe for, and options in respect of, the Shares or which carry voting rights affecting the Shares.

Please refer to Appendix 2 to the Circular for additional information on the Company.

### 6. RATIONALE FOR THE OFFER

The Offeror's rationale for the Offer is set out in Section 7 of the Offer Document, which is reproduced below. All terms and expressions used in the extract below shall have the same meaning as those detailed in the Offer Document, unless otherwise stated.

*"The Acquisition presents an opportunity for the GRP Group to accelerate its strategy to grow and gain a firm foothold into the vast PRC property market. While the GRP Group is making its first foray into the PRC property market with the securing of development rights from the People's Government of Kaiping District to undertake an integrated mixed development (subject to successful tender of lands available for development to be released by the relevant authorities in the PRC) as announced by GRP in February 2015, the Group has established a presence in the property market in Chongqing, PRC, having launched two residential cum commercial properties in Chongqing (namely, University Town and Singapore Garden) with another residential property development project in the pipeline. With the Acquisition, the GRP Group will be able to immediately extend its property development business to the PRC which will augment and deepen its reach to property development business.*

*In addition, the Group has been active in the PRC property market since 2008 and has gained substantial knowledge and expertise of the property market in the PRC, which include the knowledge of the regulatory and compliance requirements for the property business in the PRC. The GRP Group could leverage on such knowledge for its expansion in the property development business in the PRC.*

*The Acquisition will also enable the GRP Group to expand its property portfolio. The Group has near completion property of 915 residential units in the Singapore Garden project, of which 669 units has been sold as at March 2015. As at September 2015, the project has been completed. Revenue attributable to 695 residential units handed over to buyers, has been recognised. The revenue for the remaining units will be recognised as and when they are sold and handed over to buyers."*

---

## APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

---

### 7. THE OFFEROR'S INTENTIONS FOR THE COMPANY

The Offeror's intentions are set out under Section 8 of the Offer Document, which is reproduced below. All terms and expressions used in the extract below shall have the same meaning as those detailed in the Offer Document, unless otherwise stated.

*"It is the current intention of the Offeror to expand and grow its property business in the PRC following the Acquisition. This will include mixed-use integrated property development projects in the larger cities of PRC.*

*As the Group has a strong foothold and is active in Chongqing, the Offeror intends for the Group to continue to focus on sourcing and acquiring property development projects in this region and within the Sichuan province, including Chengdu.*

*Save as aforesaid and other steps to be taken in connection with the ordinary course of business of the Group, the Offeror presently has no plan to (i) introduce any major changes to the existing business of the Group, (ii) redeploy the fixed assets of the Group, or (iii) discontinue the employment of the employees of the Group, save in the ordinary course of the business.*

*However, the directors of the Offeror retain the flexibility at any time to consider any options in relation to the Group which may present themselves and which they may regard to be in the best interest of the Offeror.*

***It is the current intention of the Offeror to preserve the listing status of the Company on Catalist. Accordingly, the Offeror when entitled, does not intend to exercise its rights of compulsory acquisition under Section 215(1) of the Act."***

### 8. ASSESSMENT OF THE FINANCIAL TERMS OF THE OFFER

In assessing the financial terms of the Offer, we have taken into account the following factors which we consider to have a significant bearing on our assessment:

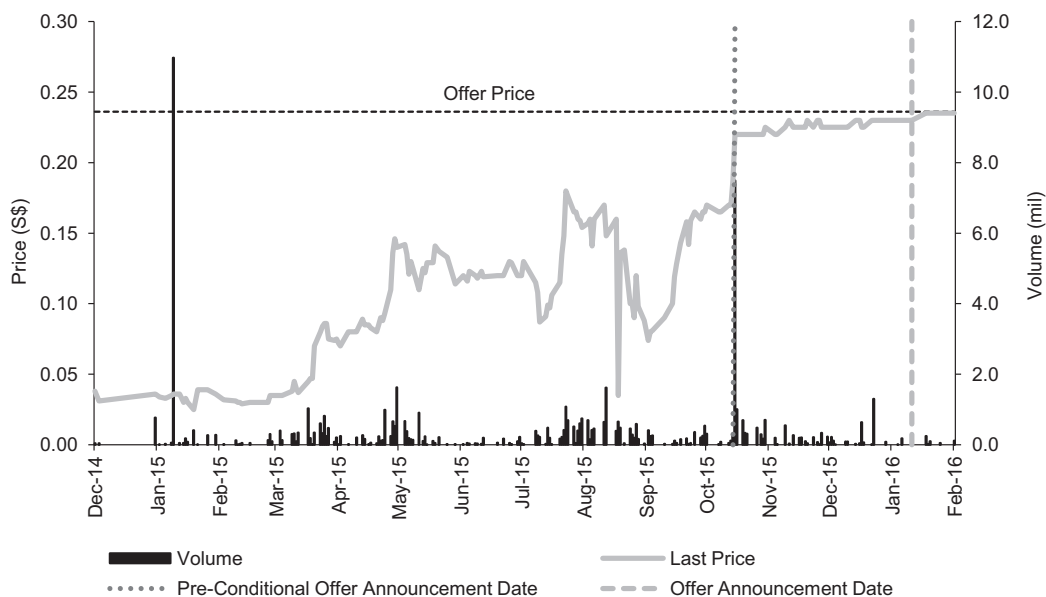
- (a) market quotation and trading liquidity of the Shares;
- (b) financial performance and financial position of the Group;
- (c) asset-based valuation of the Group;
- (d) comparison with the valuation statistics of selected listed companies broadly comparable to the Group;
- (e) comparison with precedent takeovers of companies listed on the SGX-ST;
- (f) dividend record of the Group; and
- (g) other considerations.

## APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

### 8.1 Market quotation and trading liquidity of the Shares

#### Share performance and trading liquidity

We set out below a chart showing the Offer Price relative to the daily closing prices and volume traded for the Shares for the period between 12-month prior to the Pre-Conditional Offer Announcement and the Latest Practicable Date.



Source: Bloomberg L.P.

Note: There were no trades done on the Catalist for the Shares for the period from 15 October 2014 to 30 November 2014.

A summary of the salient announcements made by the Company during the aforesaid period is set out below:

Date	Event
<b>20 Nov 2014</b>	The Company issued a profit warning, and announced that the Group is expected to report a net loss for the full year financial results for the financial year ended 30 September 2014.
<b>27 Nov 2014</b>	The Company announced its unaudited financial statements for the financial year ended 30 September 2014, reporting a 62.9% decrease in revenue to RMB13.57 million and a loss after tax of RMB9.73 million (as compared to a revenue of RMB36.55 million and a profit after tax of RMB2.44 million in the previous financial year).
<b>5 May 2015</b>	The Company announced its unaudited financial statements for the 6-month period ended 31 March 2015, reporting a 69.8% decrease in revenue to RMB1.47 million and a loss after tax of RMB2.90 million (as compared to a revenue of RMB4.86 million and a loss after tax of RMB3.50 million for the previous corresponding 6-month period).

## APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

Date	Event
<b>14 Oct 2015</b>	UOBKH announced the Pre-conditional Offer Announcement for and on behalf of the Offeror.
<b>16 Nov 2015</b>	The Company announced its unaudited financial statements for the financial year ended 30 September 2015, reporting a 2,383.8% increase in revenue to RMB337.05 million and a profit after tax of RMB65.62 million (as compared to a revenue of RMB13.57 million and a loss after tax of RMB9.73 million for the previous financial year).
<b>13 Jan 2016</b>	UOBKH announced the Offer Announcement for and on behalf of the Offeror.  The Company announced that it has appointed Canaccord Genuity as the IFA to advise the Independent Directors in respect of the Offer.
<b>19 Jan 2016</b>	The Company announced the resignation of its financial controller.
<b>2 Feb 2016</b>	UOBKH announced the despatch of the Offer Document for and on behalf of the Offeror.

*Source: Company announcements from the SGX-NET*

**Since the Pre-conditional Offer Announcement Date, the Shares have traded at levels close to the Offer Price. We note that the Offer Price may be supporting the current market price of the Shares and as such, there is no assurance that the market price of the Shares will be maintained at the prevailing level after the close of the Offer.**

The trading statistics of the Shares from 15 October 2014 and up to the Latest Practicable Date are set out below:

Reference period	Highest trade price (\$)	Lowest trade price (\$)	VWAP <sup>(1)</sup> (\$)	Premium of Offer Price over VWAP (%)	Number of traded days <sup>(2)</sup>	Average daily traded volume <sup>(3)</sup>	Average daily traded volume as a percentage of free float <sup>(4)</sup> (%)
<b>Prior to the Pre-conditional Offer Announcement</b>							
Last 12 months	0.190	0.020	0.100	136.0	141	336,755	1.4
Last 6 months	0.190	0.035	0.136	73.5	94	282,452	1.1
Last 3 months	0.190	0.035	0.147	60.5	49	330,480	1.3
Last 1 month	0.190	0.107	0.162	45.7	16	173,500	0.7
14 October 2015, being the last traded day prior to the Pre-conditional Offer Announcement	0.190	0.188	0.189	24.9	1	242,600	1.0

---

## APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

---

Reference period	Highest trade price (S\$)	Lowest trade price (S\$)	VWAP <sup>(1)</sup> (S\$)	Premium of Offer Price over VWAP (%)	Number of traded days <sup>(2)</sup>	Average daily traded volume <sup>(3)</sup>	Average daily traded volume as a percentage of free float <sup>(4)</sup> (%)
<b>After the Pre-conditional Offer Announcement and up to the Offer Announcement</b>							
After the Pre-conditional Offer Announcement and up to 11 January 2016, being the last traded day prior to the Offer Announcement	0.235	0.220	0.223	5.8	39	435,356	1.8
<b>After the Offer Announcement</b>							
After the Offer Announcement Date and up to the Latest Practicable Date	0.235	0.235	0.235	0.4	5	108,400	0.4
1 February 2016, being the last traded day prior to the Latest Practicable Date	0.235	0.235	0.235	0.4	1	114,000	0.5

Source: Bloomberg L.P.

Notes:

- (1) VWAP is calculated based on the turnover divided by volume for the respective periods as extracted from Bloomberg L.P.. Off-market transactions are excluded from the calculation.
- (2) Traded days refer to the number of days on which Shares were traded on the SGX-ST during the period.
- (3) Average daily traded volume of the Shares is computed based on the total volume of Shares traded during the relevant periods, divided by the number of days on which Shares were traded on the SGX-ST during the period.
- (4) Free float refers to the Shares other than those held by the Company Directors, chief executive officer, controlling Shareholders, substantial Shareholders of the Company and their associates which amounted to 24,733,000 Shares, representing 17.09% of the issued and paid-up share capital of the Company as at the Latest Practicable Date. Subsequent to the Latest Practicable Date, the Company announced that the percentage of total number of Shares which are held in public hands is approximately 8.89% as at 4 February 2016 and no longer meets the free float requirement prescribed by Rule 723 of the Catalist Rules.

---

## APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

---

Based on the above, we note the following:

- (a) Over the 12-month period and prior to the Pre-conditional Offer Announcement, the Shares had traded between a low of S\$0.020 and a high of S\$0.190;
- (b) The Offer Price represents a premium of 136.0%, 73.5%, 60.5% and 45.7% to the VWAP of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to the Pre-conditional Offer Announcement respectively;
- (c) The Offer Price represents a premium of 24.9% to the VWAP of the Shares of S\$0.189 on 14 October 2015, being the last traded day prior to the Pre-conditional Offer Announcement;
- (d) After the Pre-conditional Offer Announcement Date and up to the Offer Announcement Date, the Offer Price represents a premium of 5.8% to the VWAP of the Shares of S\$0.223;
- (e) After the Offer Announcement Date and up to the Latest Practicable Date, the Offer Price represents a premium of 0.4% to the VWAP of the Shares of S\$0.235. The Offer Price also represents a premium of 0.4% to the VWAP of the Shares of S\$0.235 on 1 February 2016, being the last traded day prior to the Latest Practicable Date;
- (f) During the 12-month period prior to the Pre-conditional Offer Announcement, the Shares had traded on 141 days out of 261 Market Days (or 54.0% of the total number of Market Days). The average daily traded volume was 0.34 million Shares representing 1.4% of the Company's free float;
- (g) After the Pre-conditional Offer Announcement Date and up to the Offer Announcement Date, the Shares had traded on 39 days out of 65 Market Days (or 60.0% of the total number of Market Days). The average daily traded volume was 0.44 million Shares representing 1.8% of the Company's free float; and
- (h) After the Offer Announcement Date and up to the Latest Practicable Date, the Shares had traded on 5 days out of 15 Market Days (or 33.3% of the total number of Market Days). The average daily traded volume was 0.11 million Shares, representing 0.4% of the Company's free float.

We also note that for the period since the initial public offering of the Company on 27 April 2012, apart from a period of 5 trading days from the first trading day of the Shares on 27 April 2012, the Shares have not traded at levels above the Offer Price.

**Shareholders should note that the past trading performance of the Shares is no assurance of its future trading performance.**

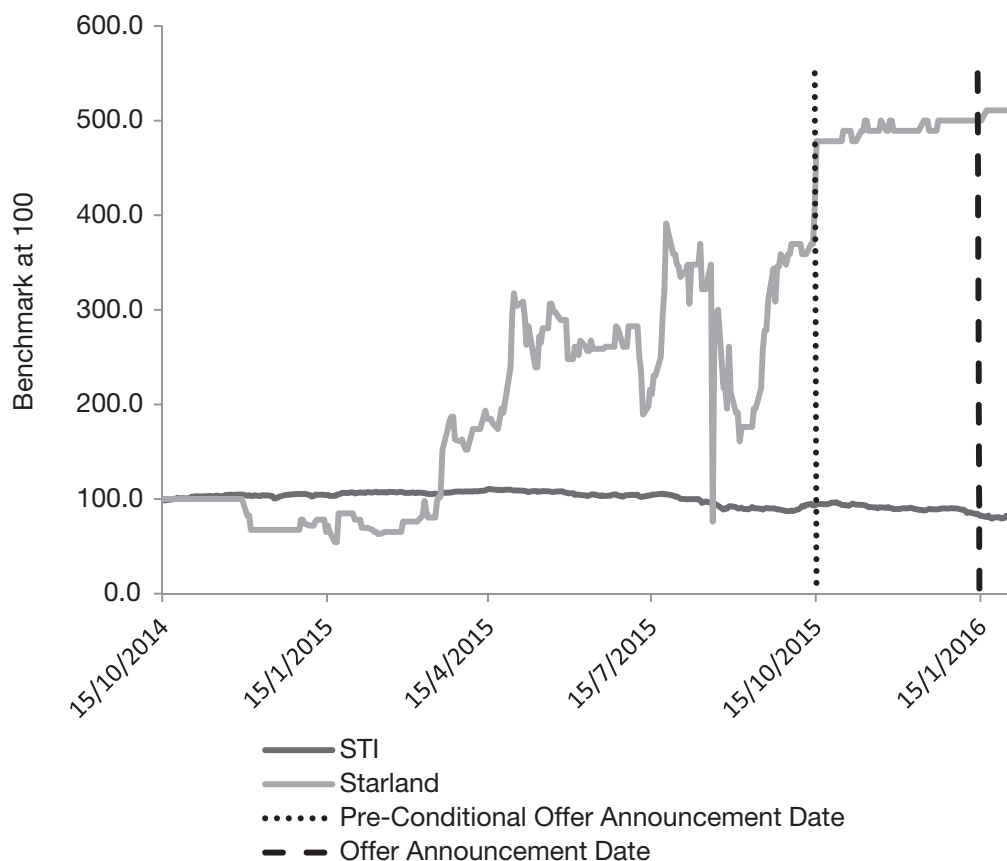
---

## APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

---

### Relative performance of the Shares versus the market index

In addition, to assess the market price performance of the Shares vis-a-vis the general price performance of the Singapore equity market, we have compared the normalised market price movement of the Shares against the Straits Times Index (“STI”) for the 12-month period prior to the Pre-conditional Offer Announcement Date (including the Offer Announcement Date) and up to the Latest Practicable Date, as illustrated below:



Source: Bloomberg L.P.

We note that the Shares have outperformed the STI since March 2015.

**Shareholders should note that the past trading performance of the Shares should not, in any way, be relied upon as an indication or promise of its future trading performance.**

---

## APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

---

### 8.2 Financial performance and financial position of the Group

A summary of the financial results of the Group for FY2013 to FY2015 is set out below:

#### Review of Operating Results

<b>RMB'000</b>	<b>Audited</b>		
	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>
Revenue	36,554	13,570	337,051
Gross profit	29,726	10,356	103,701
Profit/(Loss) before tax	16,156	(6,005)	91,843
Profit/(Loss) for the year attributable to owners of the Company	2,440	(9,733)	65,616

*Source: Company's annual reports*

Based on information set out in the Company's annual reports and results announcements, we note the following:

#### *FY2013 vs FY2014*

Revenue decreased by RMB22.98 million, from RMB36.55 million in FY2013 to RMB13.57 million in FY2014 and was mainly due lower sales of commercial units from the University Town project. Gross profit decreased by RMB19.37 million, from RMB29.73 million in FY2013 to RMB10.36 million in FY2014 mainly due to the decrease in revenue. Consequently, the Group recorded a loss after tax of RMB9.73 million in FY2014 as compared to a profit after tax of RMB2.44 million in FY2013.

#### *FY2015 vs FY2014*

Revenue increased by RMB323.48 million, from RMB13.57 million in FY2014 to RMB337.05 million in FY2015 and was mainly due to the recognition of revenue from the sales of 695 residential units from the Singapore Garden project and sales of 4 commercial units in the University Town project. Gross profit increased by RMB93.34 million, from RMB10.36 million in FY2014 to RMB103.70 million in FY2015, in-line with the increase in revenue from the sale of development properties from the Singapore Garden project. Consequently, the Group recorded a profit after tax of RMB65.62 million in FY2015 as compared to a loss after tax of RMB9.73 million in FY2014.

#### Review of Financial Position

<b>RMB'000</b>	<b>Audited as at 30 September 2015</b>
Current assets	293,091
Non-current assets	1,775
Current liabilities	83,339
Non-current liabilities	29,029
Equity	182,498

---

## APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

---

The assets as at 30 September 2015 comprised mainly properties held for sale (RMB168.14 million, representing 57.0% of total assets), cash and bank balances (RMB79.09 million, representing 26.8% of total assets) and development properties (RMB43.43 million, representing 14.7% of total assets). Properties held for sale comprised unsold units of the University Town project and the Singapore Garden project. Liabilities comprised mainly short-term and long-term loans and borrowings (RMB45.00 million, representing 40.0% of total liabilities), income tax payable (RMB43.94 million, representing 39.1% of total liabilities) and trade and other payables (RMB18.29 million, representing 16.3% of total liabilities).

### 8.3 Asset-based valuation of the Group

Given the asset intensive nature of the Company's property development business, we have considered both the net asset value ("**NAV**") and the revalued net asset value ("**RNAV**") of the Group in assessing the financial terms of the Offer. Property companies are generally valued using an asset-based approach as their asset backings are perceived as providing support for the value of their shares.

#### 8.3.1 NAV of the Group

Based on the Group's audited consolidated financial statements as at 30 September 2015, the NAV of the Group is RMB182.50 million (S\$39.57 million) and its NAV per Share is RMB1.26 (S\$0.27).

We have been informed by the Management that there was sale of a commercial unit at the University Town project from 1 October 2015 to the Latest Practicable Date. The Company Directors have confirmed that there is no material impact on the NAV per Share of the Group as at 30 September 2015, arising from the sale of the commercial unit.

The Offer Price represents a discount of 12.6% to the NAV per Share, or a Price-to-NAV ("**P/NAV**") ratio of 0.86 times as at 30 September 2015.

We note that the Group has no intangible assets as at 30 September 2015 and accordingly, the Group's NAV is the same as its net tangible asset ("**NTA**").

#### 8.3.2 RNAV of the Group

In connection with the Offer, the Company has commissioned the Independent Valuers to conduct independent valuations to determine the market value of the Group's properties held for sale and development properties (the "**Revalued Properties**"). A summary of the valuation methods the Independent Valuers have used is summarised below and should be read in conjunction with the full text of the Valuation Certificates set out in Appendix 5 to the Circular:

## APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

Revalued Properties	Method of valuation
314 unsold residential units, 28 retail units and 251 car parking spaces of Singapore Garden located at No. 8 Wubao Road, Fuling District, Chongqing, the PRC (“ <b>Singapore Garden</b> ”)	Comparable sales method
11 unsold retail units and 56 car parking spaces of University Town located at No. 89 Julong Road, Fuling District, Chongqing, the PRC (“ <b>University Town</b> ”)	Comparable sales method
A parcel of land located at 8 Jalan Nipah Bedok Ria Singapore 488814 (“ <b>Jalan Nipah</b> ”)	Comparable sales method
A parcel of land located at Dianyí Residential Committee, Fuling District, Chongqing, the PRC (“ <b>Royal Waterhouse</b> ”)	Comparable sales method

A summary of the revalued amount of each class of the Revalued Properties and the net revaluation surplus for each class of the Revalued Properties are set out below:

Revalued Properties	Book value as at 30 September 2015 (S\$’000)	Revalued amount based on the Valuation Certificates (S\$’000)	Revaluation surplus (S\$’000)
Singapore Garden <sup>(1)(2)</sup>	33,803	61,823	28,020
University Town <sup>(1)</sup>	2,655	9,148	6,493
Jalan Nipah <sup>(3)</sup>	7,336	7,800	464
Royal Waterhouse <sup>(1)(3)</sup>	1,962	6,967	5,005
<b>Total</b>	<b>45,756</b>	<b>85,738</b>	<b>39,982</b>

Notes:

- (1) The book value and the revalued amount of Singapore Garden, University Town and Royal Waterhouse have been translated to the S\$ at the prevailing exchange rate as at the Latest Practicable Date.
- (2) As at the Latest Practicable Date, the title certificates for 24 retail units and 314 residential units of Singapore Garden have yet to be obtained. To the best of the Company Directors’ knowledge, they do not foresee any impediment for the Group to obtain these title certificates. Based on the Company Directors’ representation, we have included the commercial value of the 24 retail units and 314 residential units as stated in the Valuation Certificate of JLL in computing the Group’s RNAV.
- (3) The parcels of land located at Jalan Nipah and Royal Waterhouse are valued on a “as is” basis without taking into account any development plans of those properties. As stated in the Valuation Certificate of GB Global, the parcel of land located at Jalan Nipah is not being developed and is regarded as without any development potential as at the valuation date being 29 January 2016. As stated in the Valuation Certificate of JLL, the parcel of land located at Royal Waterhouse is not being developed and the future development potential cannot be ascertained as at the valuation date being 29 January 2016.

---

## APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

---

Based on the above, we set out below the adjustments which are made to determine the RNAV of the Group:

	<b>S\$'000</b>
NAV of the Group as at 30 September 2015	39,573
Add: Revaluation surplus arising from the Revalued Properties (net of potential tax liabilities <sup>(1)</sup> )	33,609
RNAV of the Group	<u>73,182</u>
RNAV per Share	S\$0.506
Discount of Offer Price over RNAV per Share	53.3%
Price-to-RNAV (" <b>P/RNAV</b> ") ratio as implied by the Offer Price	<b>0.47 times</b>

Note:

- (1) Please refer to paragraph 10.2 of Appendix 2: Additional General Information on the Company of the Circular for further details.

Based on the above, we note that the Offer Price represents a discount of 53.3% to the RNAV per Share, or a P/RNAV ratio of 0.47 times.

We wish to reiterate that the RNAV per Share shown above are based on the estimated revaluation surplus of the Revalued Properties assuming the hypothetical sale of all assets of the Group as at the Latest Practicable Date. However, such a hypothetical scenario is made without considering factors such as, *inter alia*, time value of money, market conditions, legal fees, liquidation costs, contractual obligations, regulatory requirements and availability of potential buyers, which would theoretically lower the RNAV that can be realised. Shareholders should note that the Group has not realised the gains on such Revalued Properties as at the Latest Practicable Date. There is no assurance that the actual gains (if any) eventually recorded by the Group on such Revalued Properties will be the same as that derived from the assessments by the Independent Valuers and the Management's estimates in relation to the potential expenses and liabilities.

The Company Directors and the Management have confirmed to us that as at the Latest Practicable Date, to the best of their knowledge and belief:

- (a) save as disclosed in this IFA Letter, there are no material differences between the realisable value of the Group's assets and their respective book values as at 30 September 2015, which would result in a material impact on the NAV, NTA or RNAV of the Group;
- (b) other than that already provided for or disclosed in the Group's audited financial statements as at 30 September 2015, there are no other contingent liabilities, bad or doubtful debts or material events which are likely to have a material impact on the NAV, NTA or RNAV of the Group;

---

## APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

---

- (c) there is no litigation, claim or proceeding pending or threatened against the Company or any of its subsidiaries or of any fact likely to give rise to any proceedings which might materially and adversely affect the financial position of the Group;
- (d) there are no other intangible assets which ought to be disclosed in the Group's audited financial statements as at 30 September 2015 in accordance with the Singapore Financial Reporting Standards and which have not been so disclosed and where such intangible assets would have had a material impact on the overall financial position of the Group; and
- (e) there has been no material acquisitions and disposals of assets by the Group since 30 September 2015 and up to the Latest Practicable Date and the Group does not have any plans for any such impending material acquisition or disposal of assets, conversion of the use of its material assets or material change in nature of the Group's business.

### 8.4 Comparison with the valuation statistics of selected listed companies broadly comparable to the Group

For purpose of assessing the financial terms of the Offer, we have referred to the current valuation statistics of selected companies listed in Singapore whose business is comparable to the Group ("**Comparable Companies**"). The Comparable Companies are broad proxies to the Group's business and is intended to serve only as an illustrative guide.

We have had discussions with the Management about the suitability and reasonableness of the selected Comparable Companies acting as a basis for comparison with the Group. Relevant information has been extracted from Bloomberg L.P., publicly available annual reports and/or public announcements of the selected Comparable Companies. We make no representations or warranties, expressed or implied, as to the accuracy or completeness of such information. The selected Comparable Companies' accounting policies with respect to the values for which the assets or the revenue and cost are recorded may differ from that of the Group.

For the purpose of our evaluation and for illustration, we have used the following valuation measures in our analysis:

Valuation measure	Description
Price-to-Earnings ratio (" <b>PER</b> ")	<p>This is the ratio of the market capitalisation of a company divided by the trailing 12-month consolidated net profit attributable to the owners of a company.</p> <p>The PER is affected by, <i>inter alia</i>, the capital structure of a company, its tax position as well as its accounting policies relating to among others, depreciation and amortisation.</p>

---

## APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

---

Valuation measure	Description
P/NAV	<p>This ratio illustrates the market price of a company's shares relative to the NAV per share as recorded in its financial statements.</p> <p>The NAV is defined as total assets less total liabilities, and excludes, where applicable, minority or non-controlling interests.</p> <p>The NAV figure provides an estimate of the value of a company assuming the hypothetical sale of all its assets at its book value and repayment of its liabilities and obligations with the balance available for distribution to its shareholders. It is an asset-based valuation methodology and this approach is meaningful to the extent that it measures the value of each share that is attached to the net assets of the company.</p> <p>Comparisons of companies using NAV are affected by differences in their respective accounting policies, in particular their depreciation and asset valuation policies.</p>
P/RNAV	<p>Where the value of a company's key assets is adjusted to their current market values, this adjusted NAV is referred to as "Revalued NAV" or "RNAV".</p>

We wish to highlight that earnings of property-related companies may fluctuate significantly depending on the timing of their property projects. Accordingly, comparison of PER of property-related companies may not be as meaningful as asset-based valuation methods such as P/NAV and P/RNAV. As such, we have not relied on the comparison of PER of the selected Comparable Companies in arriving at our recommendations in respect of the Offer.

We set out in the table below the list of selected Comparable Companies listed in Singapore, together with a brief description of their business activities which are considered broadly comparable to the Group.

Selected Comparable Companies	Business activities
Chiwayland International Limited ("Chiwayland")	Chiwayland is a property developer in the PRC.
Goodland Group Limited ("Goodland")	Goodland develops and sells residential properties.
Pollux Properties Ltd. ("Pollux")	Pollux is a property developer. The company focuses on the development of residential and commercial properties.

## APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

Selected Comparable Companies	Business activities
Tee Land Limited (“Tee Land”)	Tee Land is a real estate developer with presence in Singapore, Malaysia, Thailand, Australia and New Zealand. The company undertakes residential, commercial and industrial property development projects as well as invests in income-generating properties such as hotels in Australia and short-term accommodation in New Zealand.

*Source: Bloomberg L.P. and/or annual report of the respective company*

Shareholders should note that the selected Comparable Companies may not be directly comparable to the Group in terms of market capitalisation, composition of business activities, scale of operations, asset base, clientele base, risk profile, geographical spread of activities, track record, future prospects and other relevant criteria. Comparisons may also be affected, *inter alia*, by differences in their accounting policies. In particular, earnings of such property companies may fluctuate significantly depending on the timing of their development projects. Our analysis has not adjusted for such differences. As such, any comparison made with respect to the selected Comparable Companies merely serves as an illustration guide and that the conclusions drawn from the comparisons may not necessarily reflect the perceived market valuation of the Company as at the Latest Practicable Date.

The valuation measures of the selected Comparable Companies set out below are based on their respective last transacted share prices as at the Latest Practicable Date.

Selected Comparable Companies	Market capitalisation as at the Latest Practicable Date (S\$ million)	PER <sup>(1)</sup> (X)	P/NAV (X)
Chiwayland	42.7	5.2	0.3 <sup>(2)</sup>
Goodland	93.3	31.4	0.5 <sup>(2)</sup>
Pollux	32.6	18.8	0.6 <sup>(2)</sup>
Tee Land	89.4	11.0	0.6 <sup>(2)</sup>
<b>Mean</b>		16.6	0.5
<b>Median</b>		14.9	0.5
<b>Max</b>		31.4	0.6
<b>Min</b>		5.2	0.3
<b>The Company<sup>(3)</sup> (Implied by the Offer Price)</b>		2.4	0.86 <sup>(4)</sup> / 0.47 <sup>(5)</sup>

*Source: Bloomberg L.P., annual reports and/or announcements of the respective company*

---

## APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

---

Notes:

- (1) Based on the trailing 12-month profit attributable to owners of the company.
- (2) P/RNAV of the selected Comparable Companies are not publicly available information and therefore not being used for comparison with the Company's P/RNAV.
- (3) Based on the profit for the year attributable to owners of the Company and NAV of the Group as at 30 September 2015 which have been translated to the S\$ at the prevailing exchange rate as at the Latest Practicable Date.
- (4) Based on the Group's NAV as at 30 September 2015.
- (5) Based on the Group's RNAV as at 30 September 2015 as computed in paragraph 8.3.2 above.

### Comparison of PER

We note that the PER of the Company implied by the Offer Price of 2.4 times is (i) lower than the range; and (ii) lower than the mean and median PERs of the selected Comparable Companies. We have noted that the Group recorded an increase in revenue by RMB323.48 million, from RMB13.57 million in FY2014 to RMB337.05 million in FY2015, due mainly to the recognition of revenue from the sales of 695 residential units from the Singapore Garden project and sales of 4 commercial units in the University Town project. This resulted in significantly higher profit after tax of RMB65.62 million in FY2015 against a loss after tax of RMB9.73 million in FY2014. From FY2011 to FY2013, the Group recorded significantly lower revenue and profits (or losses) than that of FY2015. As such, PER is not likely to be a relevant metric, given the volatility in earnings and asset intensive nature of the business.

### Comparison of P/NAV ratios

We note that the P/NAV ratio of the Company implied by the Offer Price of 0.86 times is (i) higher than the range; and (ii) higher than the mean and median of the P/NAV ratios of the selected Comparable Companies.

We note that the P/RNAV ratio of the Company implied by the Offer Price of 0.47 times is (i) within the range; and (ii) close to the mean and median of the P/NAV ratios of the selected Comparable Companies.

The P/RNAV ratio of the Company implied by the Offer Price is higher than the P/NAV ratio of Chiwayland which, like the Group, has substantial exposure to the PRC property market.

### 8.5 Comparison with precedent takeovers of companies listed on the SGX-ST

We note that it is the intention of the Offeror to maintain the listing status of the Company on the SGX-ST. In assessing the reasonableness of the Offer Price, we have compared the financial statistics implied by the Offer Price with those of selected recent completed take-overs for companies listed on the SGX-ST which were announced in the 24-month period prior to the Pre-conditional Offer Announcement where it was indicated the offeror's intentions to preserve the listing status of the target companies (collectively, the "**Selected Comparable Transactions**").

We wish to highlight that the list of target companies set out under the Selected Comparable Transactions are not directly comparable with the Company in terms of market capitalisation, size of operations, business activities, accounting policies, financial performance, future prospects and other relevant criteria. Each transaction must be judged on its own commercial and financial merits.

## APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

We also wish to highlight that the list of Selected Comparable Transactions is by no means exhaustive and has been compiled based on publicly available information as at the Latest Practicable Date.

The premium (if any) that an offeror would pay in respect of any particular takeover depends on various factors, *inter alia*, the offeror's intention with regard to the target company, the potential synergy that the offeror can derive from acquiring the target company, the presence of competing bids for the target company, prevailing market conditions and sentiments, attractiveness and profitability of the target company's business and assets and existing and desired level of control in the target company. Therefore, the comparison of the Offer with the Selected Comparable Transactions set out below is for illustrative purposes only. Conclusions drawn from the comparisons made may not reflect any perceived market valuation of the Company.

Companies	Date of announcement	Premium/(Discount) of offer price <sup>(1)</sup> over			P/NAV (times)
		Last transacted market price prior to announcement (%)	VWAP for the 1-month period prior to announcement (%)	VWAP for the 3-month period prior to announcement (%)	
Jacks International Limited	6 Oct 15	90.5	103.5	103.5	1.9 <sup>(2)</sup>
Novo Group Ltd.	24 Sep 15	161.5	188.1	151.9	5.2 <sup>(3)</sup>
IPC Corporation Ltd	1 Apr 15	2.4	4.5	5.5	0.7
Xyec Holdings Co., Ltd.	30 Jan 15	20.0	31.0	34.5	1.4
LCD Global Investments Ltd.	12 Jan 15	10.0	11.5	13.4	1.2
Hafary Holdings Limited	30 Dec 14	9.1	11.1	11.1	1.1 <sup>(4)</sup>
CH Offshore Ltd. <sup>(5)</sup>	11 Dec 14	18.3	20.1	17.0	1.0 <sup>(4)</sup>
Kian Ho Bearings Ltd	4 Jun 14	(6.0)	9.0	10.5	0.7 <sup>(3)</sup>
LCD Global Investments Ltd.	21 Apr 14	11.8	16.4	18.1	0.6 <sup>(3)</sup>
Hotel Properties Limited <sup>(6)</sup>	14 Apr 14	29.4	33.8	35.1	0.8 <sup>(3)</sup>
Olam International Limited	14 Mar 14	11.8	24.3	33.0	1.5
Global Premium Hotels Limited	13 Mar 14	13.4	16.7	21.4	0.5
Communication Design International Limited	18 Feb 14	2.4	0.0	0.0	1.8
Boardroom Limited	22 Jan 14	(0.9)	2.7	(2.9)	1.7
Youyue International Limited	18 Nov 13	(34.2)	(34.2)	(19.5)	1.1 <sup>(4)</sup>

## APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

Companies	Date of announcement	Premium/(Discount) of offer price <sup>(1)</sup> over			P/NAV (times)
		Last transacted market price prior to announcement (%)	VWAP for the 1-month period prior to announcement (%)	VWAP for the 3-month period prior to announcement (%)	
<b>Mean</b>		22.6	29.2	28.8	1.4
<b>Median</b>		11.8	16.4	17.0	1.1
<b>Max</b>		161.5	188.1	151.9	5.2
<b>Min</b>		(34.2)	(34.2)	(19.5)	0.5
<b>The Company<sup>(7)</sup> (Implied by the Offer Price)</b>		25.5	45.7	60.5	0.47 <sup>(8)</sup>

Source: Circulars to shareholders in relation to the respective transactions

Notes:

- (1) Offer price is based on the final offer price per share.
- (2) Based on the NTA as disclosed in the circular of the company.
- (3) Based on the revalued NAV as disclosed in the circular of the respective company.
- (4) Based on the revalued NTA as disclosed in the circular of the respective company.
- (5) Based on the final offer price in the revised offer announced on 9 February 2015.
- (6) Based on the second revised offer price announced on 27 May 2014.
- (7) The premiums implied by the Offer Price were benchmarked against the historical prices of the Shares prior to the Pre-conditional Offer Announcement.
- (8) Based on the Group's RNAV as at 30 September 2015 as computed in paragraph 8.3.2 above.

Based on the above, we note the following:

- (a) The premium of 25.5% implied by the Offer Price against the last transacted price of the Shares prior to the Pre-conditional Offer Announcement is (i) within the range; and (ii) higher than the mean and median of the corresponding premia of the Selected Comparable Transactions;
- (b) The premium of 45.7% implied by the Offer Price against the 1-month VWAP of the Shares prior to the Pre-conditional Offer Announcement is (i) within the range; and (ii) higher than the mean and median of the corresponding premia of the Selected Comparable Transactions;
- (c) The premium of 60.5% implied by the Offer Price against the 3-month VWAP of the Shares prior to the Pre-conditional Offer Announcement is (i) within the range; and (ii) higher than the mean and median of the corresponding premia of the Selected Comparable Transactions; and

---

## **APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER**

---

- (d) The P/RNAV ratio implied by the Offer Price of 0.47 times is (i) lower than the range; (ii) lower than the mean and median of the P/NAV ratios of the Selected Comparable Transactions; and (iii) lower than the P/NAV ratios of the property-related precedent transactions (LCD Global Investments Ltd., IPC Corporation Ltd, Hotel Properties Limited and Global Premium Hotels Limited) which ranged from 0.5 times to 1.2 times.

### **8.6 Dividend record of the Group**

The Group was listed on the Catalist in 2012. Since the listing of the Group, it has not declared any dividends.

## **9. OTHER CONSIDERATIONS**

### **9.1 The Offeror's intentions for the Company**

As set out in Section 8.2 of the Offer Document, it is the current intention of the Offeror to expand and grow its property business in the PRC following the Acquisition. This will include mixed-use integrated property development projects in the larger cities of the PRC.

As the Group has a strong foothold and is active in Chongqing, the Offeror intends for the Group to continue to focus on sourcing and acquiring property development projects in this region and within the Sichuan province, including Chengdu.

Save as aforesaid and other steps to be taken in connection with the ordinary course of business of the Group, the Offeror presently has no plan to (i) introduce any major changes to the business of the Group; (ii) redeploy the fixed assets of the Group; or (iii) discontinue the employment of the employees of the Group, save in the ordinary course of the business.

However, the directors of the Offeror retain the flexibility at any time to consider any options in relation to the Group which may present themselves and which they may regard to be in the best interest of the Offeror.

### **9.2 Listing status of the Company**

On 15 January 2016, GRP announced the completion of the Acquisition and the Company has become a 82.91%-owned indirect subsidiary of GRP.

On 5 February 2016, the Company announced that the percentage of total number of Shares which are held in public hands is approximately 8.89% as at 4 February 2016 and no longer meets the free float requirement prescribed by Rule 723 of the Catalist Rules. Shareholders should note that the SGX-ST may suspend trading of the Shares on the close of the Offer. Appropriate announcements will be made by the Company to update Shareholders in due course.

As set out in Section 8.3 of the Offer Document, it is the current intention of the Offeror to preserve the listing status of the Company on the Catalist. Accordingly, the Offeror when entitled, does not intend to exercise its rights of compulsory acquisition under Section 215(1) of the Act. In GRP's circular to shareholders dated 29 December 2015, it was stated that one of the rationale of the proposed distribution of Shares held by the Offeror to entitled

---

## APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

---

shareholders by way of dividend *in specie*, is to preserve the listing status of the Company. The shareholders of GRP have approved the proposed distribution of Shares at the EGM on 13 January 2016.

### 9.3 Mandatory unconditional general cash offer and no revision to the Offer Price

The Offer is made by the Offeror as a result of the Acquisition and in accordance with Section 139 of the SFA and Rule 14 of the Code. The Offer will not be conditional upon a minimum number of acceptances being received by the Offeror.

The Offeror does not intend to revise the Offer Price, except that the Offeror reserves the right to do so in a competitive situation.

### 9.4 No alternative offer from third parties

The Company Directors have confirmed that, as at the Latest Practicable Date, apart from the Offer being made by the Offeror, no alternative offer has been received. We also note that there is no publicly available evidence of any alternative offer for the Shares from any third party.

### 9.5 The weak macroeconomic environment as well as the weak stock markets globally and in Singapore.

## 10. OUR RECOMMENDATIONS

In arriving at our recommendations in respect of the Offer, we have taken into consideration the factors set out in paragraphs 8 and 9 of this IFA Letter and the factors summarised below (which should be read in conjunction with, and in the context of, the entirety of this IFA Letter and the Circular).

In assessing the fairness and reasonableness of the Offer, we have considered, *inter alia*, the following factors:

- (a) The Offer Price represents a premium of 136.0%, 73.5%, 60.5% and 45.7% to the VWAP of the Shares for the 12-month, 6-month, 3-month and 1-month periods prior to the Pre-Conditional Offer Announcement respectively;
- (b) The P/NAV ratio of the Company as implied by the Offer Price is (i) higher than the range; and (ii) higher than the mean and median of the P/NAV ratios of the selected Comparable Companies. The P/RNAV ratio of the Company as implied by the Offer Price is (i) within the range; and (ii) close to the mean and median of the P/NAV ratios of the selected Comparable Companies;
- (c) The P/RNAV ratio of the Company as implied by the Offer Price is (i) lower than the range; (ii) lower than the mean and median of the P/NAV ratios of the Selected Comparable Transactions; and (iii) lower than the P/NAV ratios of the property-related precedent transactions;

---

## APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

---

- (d) The parcels of land located at Jalan Nipah and Royal Waterhouse are valued on a “as is” basis without taking into account any development plans of those properties. As stated in the Valuation Certificate of GB Global, the parcel of land located at Jalan Nipah is not being developed and is regarded as without any development potential as at the valuation date. As stated in the Valuation Certificate of JLL, the parcel of land at Royal Waterhouse is not being developed and the future development potential cannot be ascertained as at the valuation date. Notwithstanding this, should there be any concrete plans to develop these parcels of land subsequent to the Offer, potentially the Group’s RNAV could be higher and the Company’s P/RNAV could be lower than the Group’s RNAV and the Company’s P/RNAV as implied by the Offer Price respectively;
- (e) Since the Pre-Conditional Offer Announcement Date, the Shares have traded at levels close to the Offer Price. We note that the Offer Price may be supporting the current market price of the Shares and as such, there is no assurance that the market price of the Shares will be maintained at the prevailing level after the close of the Offer;
- (f) For the period since the initial public offering of the Company on 27 April 2012, apart from a period of 5 trading days from the first trading day of the Shares on 27 April 2012, the Shares have not traded at levels above the Offer Price;
- (g) We note that the Shares were relative illiquid. During the 12-month period prior to the Pre-conditional Offer Announcement, the Shares had traded on 141 days out of 261 Market Days (or 54.0% of the total number of Market Days). The average daily traded volume was 0.34 million Shares representing 1.4% of the Company’s free float;
- (h) The Offeror does not intend to revise the Offer Price, except where the Offeror reserves the right to do so in a competitive situation. As at 4 February 2016, the Offeror holds approximately 91.11% (including valid acceptances of the Offer) of the total number of issued Shares. Given that GRP has majority control of the Company, it is unlikely that any competitive bid would materialise or be successful; and
- (i) The weak macroeconomic environment as well as the weak stock markets globally and in Singapore.

**Based on our analysis, and after having considered carefully the information available to us as at the Latest Practicable Date, we are of the opinion that, on balance, the financial terms of the Offer are not fair but reasonable.**

**Accordingly, we advise the Independent Directors to recommend Shareholders who are not confident of the future and growth prospects of the Group and/or who wish to take this opportunity to partially or wholly realise their investments in the Company at a premium to recent trading prices to ACCEPT the Offer or sell their Shares in the open market if they can obtain a price higher than the Offer Price after deducting expenses. The Company Directors may also wish to highlight to Shareholders who do not wish to accept the Offer that the Shares may not trade at current levels, once the Offer lapses.**

---

## APPENDIX 1: LETTER FROM THE IFA TO THE INDEPENDENT DIRECTORS IN RESPECT OF THE OFFER

---

Shareholders should note that the future price performance of the Shares would depend on, amongst others, the performance and prospects of the Group as well as the prevailing economic conditions and general sentiments of the stock market. We also wish to highlight that the price performance of the Shares used in our analysis of this IFA Letter may not be reflective of investors' response to the Group's future financial performance in FY2016 after the Latest Practicable Date.

In rendering the above advice, Canaccord Genuity has not had regard to the specific investment objectives, financial situation, tax position, risk profiles or unique needs and constraints of any Shareholder. As each Shareholder would have different investment objectives and profiles, we would advise that any Shareholder who may require specific advice in relation to his investment objective(s) or portfolio(s) should consult his legal, financial, tax or other professional advisers immediately.

Shareholders should note that the trading of the Shares are subject to, *inter alia*, the financial performance and prospects of the Group, prevailing economic conditions, economic outlook and stock market conditions and sentiments. Accordingly, the advice by Canaccord Genuity on the Offer does not and cannot take into account future trading activities or patterns or price levels that may be established for the Shares after the Latest Practicable Date since these are governed by factors beyond the ambit of Canaccord Genuity's review and also, such advice, if given, would not fall within Canaccord Genuity's term of reference in connection with the Offer.

We have prepared this IFA Letter for the use by the Independent Directors in connection with their consideration of the Offer, but any recommendations made by the Independent Directors in respect of the Offer shall remain their sole responsibility. Whilst a copy of this IFA Letter may be reproduced in the Circular, neither the Company, the Company Directors nor any other persons may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any purposes (other than for the consideration of the Offer) at any time and in any manner without the prior written consent of Canaccord Genuity.

This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully  
For and on behalf of  
**Canaccord Genuity Singapore Pte. Ltd.**

Alex Tan  
Chief Executive Officer

Leong Huey Miin  
Director

---

## APPENDIX 2: ADDITIONAL GENERAL INFORMATION ON THE COMPANY

---

### 1. COMPANY DIRECTORS

The names, addresses and descriptions of the Company Directors as at the Latest Practicable Date are set out below:

<b>Name</b>	<b>Address</b>	<b>Description</b>
Tan Hoe San	c/o 80 Robinson Road #02-00 Singapore 068898	Executive Chairman and Managing Director
Fan Yi Ru	c/o 80 Robinson Road #02-00 Singapore 068898	Non-Executive Director
Foong Daw Ching	c/o 80 Robinson Road #02-00 Singapore 068898	Lead Independent Director
Low Wai Cheong	c/o 80 Robinson Road #02-00 Singapore 068898	Independent Director

### 2. REGISTERED OFFICE

The registered office of the Company is at 80 Robinson Road, #02-00, Singapore 068898.

### 3. PRINCIPAL ACTIVITIES

The Company was incorporated in Singapore on 20 October 2011. It has been listed on Catalist, the sponsor-supervised board of the SGX-ST since 27 April 2012. The Company's Sponsor is PrimePartners Corporate Finance Pte. Ltd.. The principal activity of the Company is that of an investment holding company. The Group is primarily involved in the business of property development in the PRC and is engaged in developing integrated residential and commercial properties in Chongqing, PRC.

### 4. SHARE CAPITAL

#### Issued share capital

The Company has one class of shares, being ordinary shares. As at the Latest Practicable Date, the Company has an issued and paid-up share capital of RMB24,471,000 comprising 144,733,000 Shares. As at the Latest Practicable Date, the Company has no treasury shares.

#### Capital, dividends and voting rights

The rights of Shareholders in respect of capital, dividends and voting are contained in the Existing Constitution, which is available for inspection at the Company's registered office at 80 Robinson Road, #02-00, Singapore 068898.

---

## APPENDIX 2: ADDITIONAL GENERAL INFORMATION ON THE COMPANY

---

The relevant provisions in the Existing Constitution relating to the rights of Shareholders in respect of capital, dividends and voting have been extracted from and reproduced in **Appendix 3** to this Circular. Capitalised terms and expressions not defined in the extract have the meanings ascribed to them in the Existing Constitution.

### **Number of shares issued since the end of the last financial year**

No Shares have been issued by the Company since the end of FY2015, being the last financial year, up to the Latest Practicable Date.

### **Options and convertible instruments**

As at the Latest Practicable Date, there are no outstanding instruments convertible into, rights to subscribe for, and options in respect of, the Shares or which carry voting rights affecting the Shares.

## **5. DISCLOSURE OF INTERESTS**

### **Interests of the Company in Offeror Securities**

Neither the Company nor any of its subsidiaries has any direct or indirect interests in the shares of the Offeror, or instruments convertible into or rights to subscribe for such shares, or options for such shares (collectively, the “**Offeror Securities**”) as at the Latest Practicable Date.

### **Dealings in Offeror Securities by the Company**

Neither the Company nor any of its subsidiaries has dealt for value in the Offeror Securities during the period commencing six (6) months prior to the Pre-conditional Offer Announcement Date, and ending on the Latest Practicable Date.

### **Interests of the Company Directors in Offeror Securities**

None of the Company Directors has any direct or indirect interests in the Offeror Securities as at the Latest Practicable Date.

Low Wai Cheong, a Company Director, has a shareholding interest of 46,400 shares in GRP (approximately 0.033% of the share capital of GRP<sup>1</sup>). The Offeror is wholly-owned by GRP Land which is in turn wholly-owned by GRP.

### **Dealings in Offeror Securities by the Company Directors**

None of the Company Directors has dealt for value in the Offeror Securities during the period commencing six (6) months prior to the Pre-conditional Offer Announcement Date, and ending on the Latest Practicable Date.

---

1. Based on 139,520,044 ordinary shares of GRP, as at the latest practicable date set out in the Offer Document.

---

## APPENDIX 2: ADDITIONAL GENERAL INFORMATION ON THE COMPANY

---

### Interests of the Company Directors in Company Securities

As at the Latest Practicable Date, none of the Company Directors has any direct or indirect interests in the Shares, or instruments convertible into or rights to subscribe for the Shares, or options for the Shares (collectively, the “Company Securities”).

### Dealings in Company Securities by the Company Directors

Save as disclosed below, none of the Company Directors has dealt for value in the Company Securities during the period commencing six (6) months prior to the Pre-conditional Offer Announcement Date, and ending on the Latest Practicable Date.

- (i) The dealings by Tan Hoe San, a Company Director, in respect of the Shares during the period commencing six (6) months prior to the Pre-conditional Offer Announcement Date, and ending on the Latest Practicable Date, was the entry into the SPA, details of which are set out as follows:–

Date of transaction	Number of Shares sold	Price received per Share (S\$)
14 October 2015	81,600,000	0.236

- (ii) The dealings by Fan Yi Ru, a Company Director, in respect of the Shares during the period commencing six (6) months prior to the Pre-conditional Offer Announcement Date, and ending on the Latest Practicable Date, was the entry into the SPA, details of which are set out as follows:–

Date of transaction	Number of Shares sold	Price received per Share (S\$)
14 October 2015	14,400,000	0.236

The SPA dated 14 October 2015 was completed on 15 January 2016.

### Company Securities owned or controlled by the IFA

None of the IFA or any of the funds whose investments are managed by the IFA on a discretionary basis owns or controls any Company Securities as at the Latest Practicable Date.

### Dealings in Company Securities by the IFA

None of the IFA or any of the funds whose investments are managed by the IFA on a discretionary basis has dealt for value in any Company Securities during the period commencing six (6) months prior the Pre-conditional Offer Announcement Date, and ending on the Latest Practicable Date.

### Intentions of the Company Directors in respect of their Shares

As at the Latest Practicable Date, none of the Company Directors has any direct or indirect interests in the Company Securities.

---

## APPENDIX 2: ADDITIONAL GENERAL INFORMATION ON THE COMPANY

---

### 6. OTHER DISCLOSURES

#### Company Directors' service contracts

As at the Latest Practicable Date:

- (a) there are no service contracts between any of the Company Directors or proposed directors with the Company or any of its subsidiaries which have more than twelve (12) months to run and which are not terminable by the employing company within the next twelve (12) months without paying any compensation; and
- (b) there are no such contracts entered into or amended during the period commencing six (6) months prior to 14 October 2015 (being the Pre-conditional Offer Announcement Date).

#### Arrangements affecting Company Directors

As at the Latest Practicable Date:

- (a) it is not proposed that any payment or other benefit shall be made or given to any Company Director or director of any other corporation which is by virtue of Section 6 of the Companies Act deemed to be related to the Company, as compensation for loss of office or otherwise in connection with the Offer;
- (b) save for the SPA, there are no agreements or arrangement made between any Company Director and any other person in connection with or conditional upon the outcome of the Offer; and
- (c) save for the SPA entered into amongst the Offeror, the Beneficial Owners and the Vendors in relation to the Acquisition, none of the Company Directors has a material personal interest, whether direct or indirect, in any material contract entered into by the Offeror.

### 7. MATERIAL CONTRACTS WITH INTERESTED PERSONS

Save as disclosed below, neither the Company nor any of its subsidiaries has entered into any material contracts (other than those entered into in the ordinary course of business) with Interested Persons during the period beginning 14 October 2012 (being the date falling three (3) years prior to the Pre-conditional Offer Announcement Date) and ending on the Latest Practicable Date.

*FY2015*

Pursuant to a property development financing facility, a revolving credit facility, and a money market loan obtained by the Group, Tan Hoe San, a Company Director, had provided personal guarantees in the aggregate amount of S\$13,841,000 (approximately RMB61,511,000) in FY2015.

---

## APPENDIX 2: ADDITIONAL GENERAL INFORMATION ON THE COMPANY

---

In FY2013, Tan Hoe San agreed to advance RMB10,017,000 to the Group, of which RMB3,968,000 was repaid by the Group in 2014 and RMB6,049,000 was repaid by the Group in 2015. The advances made by Tan Hoe San were interest free, unsecured, carried no fixed terms of repayment, and were not carried out on an arm's length basis.

### *FY2014*

Pursuant to a property development financing facility, a revolving credit facility, and a money market loan obtained by the Group, Tan Hoe San had provided personal guarantees in the aggregate amount of S\$13,841,000 (approximately RMB67,501,000) in FY2014.

In FY2013, Tan Hoe San agreed to advance RMB10,017,000 to the Group, of which RMB3,968,000 was repaid by the Group in FY2014. The advances made by Tan Hoe San were interest free, unsecured, carried no fixed terms of repayment, and were not carried out on an arm's length basis.

### *FY2013*

Pursuant to a property development financing facility, a revolving credit facility, and a money market loan obtained by the Group, Tan Hoe San had provided personal guarantees in the aggregate amount of S\$13,841,000 (approximately RMB67,501,000) in FY2014.

In FY2013, Tan Hoe San agreed to advance RMB10,017,000 to the Group. The advances made by Tan Hoe San were interest free, unsecured, carried no fixed terms of repayment, and were not carried out on an arm's length basis.

## **8. MATERIAL LITIGATION**

As at the Latest Practicable Date, none of the Company and its subsidiaries is engaged in any material litigation, either as plaintiff or defendant, which might materially and adversely affect the financial position of the Company or the Group, taken as a whole. As at the Latest Practicable Date, none of the Company Directors are aware of any litigation, claims or proceedings pending or threatened against the Company or any of its subsidiaries or of any facts likely to give rise to any litigation, claims or proceedings which might materially and adversely affect the financial position of the Company or the Group, taken as a whole.

## APPENDIX 2: ADDITIONAL GENERAL INFORMATION ON THE COMPANY

### 9. FINANCIAL INFORMATION

#### Financial Information of the Group

A summary of the audited consolidated income statements of the Group for the last three (3) financial years ended 30 September 2013, 30 September 2014 and 30 September 2015 (including as restated) are set out below:

#### CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2015, 2014 & 2013

	GROUP		
	YEAR ENDED		
	30/09/2015	30/09/2014	30/09/2013
	RMB'000	RMB'000	RMB'000
<b>Revenue</b>	<b>337,051</b>	<b>13,570</b>	<b>36,554</b>
Cost of Sales	(233,350)	(3,214)	(6,828)
<b>Gross Profit</b>	<b>103,701</b>	<b>10,356</b>	<b>29,726</b>
Other Income	2,556	830	327
Other Operating Expenses	(697)	(3,942)	(197)
Selling Expenses	(1,160)	(2,581)	(2,416)
Administrative Expenses	(12,557)	(10,668)	(11,284)
<b>Profit/(Loss) before Income Tax</b>	<b>91,843</b>	<b>(6,005)</b>	<b>16,156</b>
Income Tax Expenses	(26,227)	(3,728)	(13,716)
<b>Profit/(Loss) for the financial year</b>	<b>65,616</b>	<b>(9,733)</b>	<b>2,440</b>
Other comprehensive income			
Foreign currency translation differences (at nil tax)	170	32	(511)
<b>Total comprehensive income for the financial year</b>	<b>65,786</b>	<b>(9,701)</b>	<b>1,929</b>
<b>Basic and diluted earnings/(loss) per share</b>	<b>45.34</b>	<b>(6.72)</b>	<b>1.69</b>

---

## APPENDIX 2: ADDITIONAL GENERAL INFORMATION ON THE COMPANY

---

A summary of the audited statement of financial position of the Group as at 30 September 2015 is set out below:

### CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 SEP 2015

	<b>Group</b> <b>As at 30/09/2015</b> <b>RMB'000</b>
<i><u>Non-Current Assets</u></i>	
Equipment	773
Investments in Subsidiaries	0
Deferred Tax Assets	1,002
<b>Total non-current assets</b>	<b>1,775</b>
<i><u>Current Assets</u></i>	
Cash and bank balances	79,086
Other Receivables and Deposits	2,445
Due from Subsidiary	0
Properties Held for Sale	168,135
Development Properties	43,425
<b>Total current assets</b>	<b>293,091</b>
<i><u>Current Liabilities</u></i>	
Trade Payables	366
Due to Subsidiary	0
Other Payables and Accruals	13,155
Advances from a Director	0
Advance Receipt from Sale of Properties	4,770
Short-term Loans	21,109
Income Tax Payable	43,939
<b>Total current liabilities</b>	<b>83,339</b>
<b>Net Current Assets/(Liabilities)</b>	<b>209,752</b>
<i><u>Non-Current Liabilities</u></i>	
Deferred Tax Liabilities	5,138
Long-term Loans	23,891
<b>Total non-current liabilities</b>	<b>29,029</b>
<b>Net Assets/(Liabilities)</b>	<b>182,498</b>
<i><u>Capital and Reserves</u></i>	
Share Capital	24,471
Capital Reserve	99,027
Merger Reserve	628
Statutory Reserve	7,363
Translation Reserve	311
(Accumulated losses)/Retained Earnings	50,698
<b>Total Capital and Reserves</b>	<b>182,498</b>

---

## APPENDIX 2: ADDITIONAL GENERAL INFORMATION ON THE COMPANY

---

The summary financial information above is extracted from, and should be read together with the audited consolidated financial statements of the Group for the relevant financial periods, and the related accompanying notes thereto, as set out in the Company's annual reports (copies of which are available for inspection at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898).

The audited consolidated financial statements of the Group for FY2015 are set out in **Appendix 4** to this Circular.

A statement of the assets and liabilities of the Group as at 30 September 2015 is set out in the audited consolidated financial statements of the Group for FY2015 which are set out in **Appendix 4** to this Circular.

There has been no interim statement or preliminary announcement made relating to details of turnover, exceptional items, net profit or loss before and after tax, minority interests, net earnings per share and net dividends per share since the date of publishing of the audited consolidated financial statements of the Group for FY2015.

### **Accounting Policies**

Save as disclosed in the notes to the audited consolidated financial statements of the Group for FY2015 set forth in **Appendix 4** to this Circular:

- (a) there were no significant accounting policies or any matter from the notes of the financial statements of the Group which are of any major relevance for the interpretation of the financial statements of the Group; and
- (b) as at the Latest Practicable Date, there is no change in the accounting policy of the Group which will cause the figures disclosed in this Circular not to be comparable to a material extent.

### **Material changes in financial position**

Save as disclosed in publicly available information on the Group, as at the Latest Practicable Date, there has been no known material change in the financial position of the Company since 22 December 2015, being the date of the Group's last published audited financial statements.

### **Material change in information**

Save as disclosed in this Circular and save for the information relating to the Company and the Offer that is publicly available, there has been no material change in any information previously published by or on behalf of the Company during the period commencing from the Pre-conditional Offer Announcement Date and ending on the Latest Practicable Date.

## **10. VALUATION ON THE SUBJECT PROPERTIES**

### **10.1 Valuation Certificates**

The Company had commissioned the Independent Valuers to conduct independent valuations of the Subject Properties (the "**Valuation Certificates**").

The Valuation Certificates are set out in **Appendix 5** to this Circular.

---

## APPENDIX 2: ADDITIONAL GENERAL INFORMATION ON THE COMPANY

---

### 10.2 Potential Tax Liability

Under Rule 26.3 of the Code, the Company is required to make an assessment of any potential tax liability which could arise if the assets, which are the subject of a valuation given in connection with an offer, were to be sold at the amount of the valuation.

Based on the Valuation Certificates, the potential tax liabilities that may be incurred by the Group on the hypothetical disposal of the Subject Properties on an “as is” basis is approximately S\$6,373,038, excluding land appreciation tax for the Subject Properties located in the PRC (being Singapore Garden, University Town and Royal Waterhouse), as such land appreciation tax is dependent on the type of property sold based on the relevant land appreciation rate, and is not presently determinable. The Company expects the aforesaid tax liabilities to crystallise as and when the Group disposes of its interests in these projects, or when these projects are developed, sold or handed over to the purchasers.

## 11. GENERAL

### 11.1 Costs and Expenses

All costs and expenses incurred by the Company in relation to the Offer will be borne by the Company.

### 11.2 Consents

- (a) The IFA has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name and all references thereto, and (ii) the IFA Letter, in the form and context in which they appear in this Circular.
- (b) Each of the Independent Valuers has given and has not withdrawn its written consent to the issue of this Circular with the inclusion of (i) its name and all references thereto, and (ii) its Valuation Certificate, in the form and context in which they appear in this Circular.

## 12. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898, during normal office hours for the period during which the Offer remains open for acceptance:

- (a) the Existing Constitution of the Company;
- (b) the annual reports of the Company for FY2013, FY2014 and FY2015;
- (c) the letter of consent from the IFA referred to in paragraph 11.2(a) of **Appendix 2** to this Circular;
- (d) the letters of consent from each of the Independent Valuers referred to in paragraph 11.2(b) of **Appendix 2** to this Circular;
- (e) the IFA Letter; and
- (f) the Valuation Certificates.

---

## APPENDIX 3: EXTRACTS FROM THE EXISTING CONSTITUTION OF THE COMPANY

---

The provisions in the Existing Constitution relating to the rights of Shareholders in respect of capital, dividends and voting have been reproduced below:

**“Rights in respect of capital**

ISSUE OF SHARES

3. (A) Subject to the Act and to these Articles, no shares may be issued by the Directors without the prior approval of the Company in General Meeting pursuant to Section 161 of the Act, but subject thereto and the terms of such approval, and to Article 5, and to any special rights attached to any shares for the time being issued, the Directors may allot and issue shares or grant options over or otherwise dispose of the same to such persons on such terms and conditions and for such consideration and at such time and whether or not subject to the payment of any part of the amount thereof in cash or otherwise as the Directors may think fit, and any shares may, subject to compliance with Sections 70 and 75 of the Act, be issued with such preferential, deferred, qualified or special rights, privileges, conditions or restrictions, whether as regards Dividend, return of capital, participation in surplus assets and profits, voting, conversion or otherwise, as the Directors may think fit, and preference shares may be issued which are or at the option of the Company are liable to be redeemed, the terms and manner of redemption being determined by the Directors in accordance with the Act, Provided Always that no options shall be granted over unissued shares except in accordance with the Act and the Designated Stock Exchange’s listing rules.
  - (B) The Directors may, at any time after the allotment of any share but before any person has been entered in the Register of Members as the holder, recognize a renunciation thereof by the allottee in favour of some other person and may accord to any allottee of a share a right to effect such renunciation upon and subject to such terms and conditions as the Directors may think fit to impose.
  - (C) Except so far as otherwise provided by the conditions of issue or by these Articles, all new shares shall be issued subject to the provisions of the Statutes and of these Articles with reference to allotment, payment of calls, lien, transfer, transmission, forfeiture or otherwise.
4. The Company shall not exercise any right in respect of treasury shares other than as provided by the Act. Subject thereto, the Company may hold or deal with its treasury shares in the manner authorised by, or prescribed pursuant to, the Act.
  5. (A) Subject to any direction to the contrary that may be given by the Company in General Meeting or except as permitted by the rules of the Designated Stock Exchange, all new shares shall before issue be offered to such persons who as at the date (as determined by the Directors) of the offer are entitled to receive notices from the Company of General Meetings in proportion, as far as the circumstances admit, to the number of the existing shares to which they are entitled. The offer shall be made by notice specifying the number of shares offered, and limiting a time within which the offer, if not accepted, will be deemed to be declined, and, after the expiration of that time, or on the receipt of an intimation from the person to whom the offer is made that he declines to accept the shares offered, the Directors may dispose of those shares in such manner as they think most beneficial to the Company. The Directors may likewise so dispose of any new

---

## APPENDIX 3: EXTRACTS FROM THE EXISTING CONSTITUTION OF THE COMPANY

---

shares which (by reason of the ratio which the new shares bear to shares held by persons entitled to an offer of new shares) cannot, in the opinion of the Directors, be conveniently offered under this Article 5(A).

**(B)** Notwithstanding Article 5(A) above, the Company may by Ordinary Resolution in General Meeting give to the Directors a general authority, either unconditionally or subject to such conditions as may be specified in the Ordinary Resolution, to:–

- (a) (i) issue shares in the capital of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares; and
- (b) (notwithstanding the authority conferred by the Ordinary Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while the Ordinary Resolution was in force,

Provided that:–

- (1) the aggregate number of shares to be issued pursuant to the Ordinary Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to the Ordinary Resolution) shall be subject to such limits and manner of calculation as may be prescribed by the Designated Stock Exchange;
- (2) in exercising the authority conferred by the Ordinary Resolution, the Company shall comply with the provisions of the listing rules of the Designated Stock Exchange for the time being in force (unless such compliance is waived by the Designated Stock Exchange) and these Articles; and
- (3) (unless revoked or varied by the Company in General Meeting) the authority conferred by the Ordinary Resolution shall not continue in force beyond the conclusion of the Annual General Meeting of the Company next following the passing of the Ordinary Resolution, or the date by which such Annual General Meeting of the Company is required by law to be held, or the expiration of such other period as may be prescribed by the Act (whichever is the earliest).

**(C)** The Company may, notwithstanding Articles 5(A) and 5(B) above, authorize the Directors not to offer new shares to Members to whom by reason of foreign securities laws, such offers may not be made without registration of the shares or a prospectus or other document, but to sell the entitlements to the new shares on behalf of such Members on such terms and conditions as the Company may direct.

6. The Company may pay commissions or brokerage on any issue of shares at such rate or amount and in such manner as the Directors may deem fit. Such commissions or brokerage may be satisfied by the payment of cash or the allotment of fully or partly paid shares or partly in one way and partly in the other.

---

## APPENDIX 3: EXTRACTS FROM THE EXISTING CONSTITUTION OF THE COMPANY

---

7. Where any shares are issued for the purpose of raising money to defray the expenses of the construction of any works or buildings or the provision of any plant which cannot be made profitable for a lengthened period, the Company may pay interest on so much of that share capital as is for the time being paid up for the period and charge the same to capital as part of the cost of the construction of the works or buildings or the provision of the plant, subject to the conditions and restrictions mentioned in the Act.
8. (A) Preference shares may be issued subject to such limitation thereof as may be prescribed by the Designated Stock Exchange. Preference shareholders shall have the same rights as ordinary shareholders as regards receiving of notices, reports and balance-sheets and attending General Meetings of the Company, and preference shareholders shall also have the right to vote at any General Meeting convened for the purpose of reducing capital or winding-up or sanctioning a sale of the undertaking of the Company or where the proposal to be submitted to the General Meeting directly affects their rights and privileges or when the Dividend on the preference shares is more than six months in arrear.  
  
(B) The Company has power to issue further preference capital ranking equally with, or in priority to, preference shares already issued.

### VARIATION OF RIGHTS

9. (A) Whenever the share capital of the Company is divided into different classes of shares, the variation or abrogation of the special rights attached to any class may, subject to the provisions of the Act, be made either with the consent in writing of the holders of three-quarters of the total number of the issued shares of the class or with the sanction of a Special Resolution passed at a separate General Meeting of the holders of the shares of the class (but not otherwise) and may be so made either whilst the Company is a going concern or during or in contemplation of a winding-up. To every such separate General Meeting all the provisions of these Articles relating to General Meetings of the Company and to the proceedings thereat shall *mutatis mutandis* apply, except that the necessary quorum shall be two or more persons holding at least one-third of the total number of the issued shares of the class present in person or by proxy or attorney and that any holder of shares of the class present in person or by proxy or attorney may demand a poll and that every such holder shall on a poll have one vote for every share of the class held by him where the class is a class of equity shares within the meaning of Section 64(1) of the Act or at least one vote for every share of the class where the class is a class of preference shares within the meaning of Section 180(2) of the Act, Provided Always that where the necessary majority for such a Special Resolution is not obtained at such General Meeting, the consent in writing, if obtained from the holders of three-quarters of the total number of the issued shares of the class concerned within two months of such General Meeting, shall be as valid and effectual as a Special Resolution carried at such General Meeting.  
  
(B) The provisions in Article 9(A) shall *mutatis mutandis* apply to any repayment of preference capital (other than redeemable preference capital) and any variation or abrogation of the rights attached to preference shares or any class thereof.  
  
(C) The special rights attached to any class of shares having preferential rights shall not unless otherwise expressly provided by the terms of issue thereof be deemed to be varied by the creation or issue of further shares ranking as regards participation in the profits or assets of the Company in some or all respects *pari passu* therewith but in no respect in priority thereto.

---

## APPENDIX 3: EXTRACTS FROM THE EXISTING CONSTITUTION OF THE COMPANY

---

### ALTERATION OF SHARE CAPITAL

10. The Company may by Ordinary Resolution:–
- (a) consolidate and divide all or any of its share capital;
  - (b) sub-divide its shares, or any of them, provided always that in such subdivision the proportion between the amount paid and the amount (if any) unpaid on each reduced share shall be same as it was in the case of the share from which the reduced share is derived;
  - (c) convert or exchange any class of shares into or for any other class of shares; and/or
  - (d) cancel the number of shares which at the date of the passing of the resolution in that behalf have not been taken or agreed to be taken by any person or which have been forfeited and diminish the amount of its share capital by the number of the shares so cancelled.
11. **(A)** The Company may reduce its share capital or any other undistributable reserve in any manner permitted, and with, and subject to, any incident authorized, and consent or confirmation required, by law.
- (B)** The Company may purchase or otherwise acquire its issued shares subject to and in accordance with the provisions of the Statutes and any applicable rules of the Designated Stock Exchange hereafter, the “Relevant Laws”), on such terms and subject to such conditions as the Company may in General Meeting prescribe in accordance with the Relevant Laws. Any shares purchased or acquired by the Company as aforesaid shall, unless held in treasury in accordance with the Act, be deemed to be cancelled immediately on purchase or acquisition by the Company. On the cancellation of any share as aforesaid, the rights and privileges attached to that share shall expire. In any other instance, the Company may hold or deal with any such share which is so purchased or acquired by it in such manner as may be permitted by, and in accordance with the Relevant Laws. Without prejudice to the generality of the foregoing, upon cancellation of any share purchased or otherwise acquired by the Company pursuant to these Articles and the Statutes, the number of issued shares of the Company shall be diminished by the number of shares so cancelled, and, where any such cancelled share was purchased or acquired out of the capital of the Company, the amount of share capital of the Company shall be reduced accordingly.

### SHARE CERTIFICATES

12. **(A)** Every certificate shall be issued under the Seal and shall bear the facsimile signatures or the autographic signatures at least of any two Directors or one of the Director and the Secretary or such other person as may be authorised by the Directors, and shall specify the number and class of shares to which it relates and the amount paid up and the amount (if any) unpaid thereon. The facsimile signatures may be reproduced by mechanical or other means provided the method or system of reproducing signatures has first been approved by the Directors of the Company. No certificate shall be issued representing shares of more than one class.

---

### **APPENDIX 3: EXTRACTS FROM THE EXISTING CONSTITUTION OF THE COMPANY**

---

- (B)** The provisions in this Article and in Articles 13 to 16 (so far as they are applicable) shall not apply to transfer of book-entry securities.
- 13. (A)** The Company shall not be bound to register more than three persons as joint holders of a share except in the case of executors, trustees or administrators of the estate of a deceased Member.
- (B)** In the case of a share held jointly by several persons, the Company shall not be bound to issue more than one certificate therefor and delivery of a certificate to any one of the joint holders shall be sufficient delivery to all.
- 14.** Every person whose name is entered as a Member in the Register of Members shall be entitled, within ten market days (or such period as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) after the closing date of any application for shares or (as the case may be) the date of lodgement of a registrable transfer, to one certificate for all his shares of any one class or to several certificates in reasonable denominations each for a part of the shares so allotted or transferred.
- 15. (A)** Where a Member transfers part only of the shares comprised in a certificate or where a Member requires the Company to cancel any certificate or certificates and issue new certificates for the purpose of subdividing his holding in a different manner, the old certificate or certificates shall be cancelled and a new certificate or certificates for the balance of such shares (in the case of transfer) and the whole of such shares (in the case of sub-division) shall be issued in lieu thereof and the Member shall pay (in the case of sub-division) a maximum fee of S\$2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) for each new certificate. Where some only of the shares comprised in a share certificate are transferred, the new certificate for the balance of such shares shall be issued in lieu thereof without charge.
- (B)** Any two or more certificates representing shares of any one class held by any Member may at his request be cancelled and a single new certificate for such shares issued in lieu thereof without charge.
- 16.** Subject to the provisions of the Statutes, if any share certificate shall be defaced, worn out, destroyed, lost or stolen, it may be renewed on such evidence being produced and a written indemnity (if required) being given by the shareholder, transferee, person entitled, purchaser, member firm or member company of the Designated Stock Exchange or on behalf of its or their client or clients as the Directors shall require, and (in case of defacement or wearing out) on delivery up of the old certificate, and in any case on payment of such sum not exceeding S\$2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) as the Directors may from time to time require. In the case of destruction, loss or theft, a shareholder or person entitled to, and to whom such renewed certificate is given shall also bear the loss and pay to the Company all expenses incidental to the investigations by the Company of the evidence of such destruction or loss.

---

## APPENDIX 3: EXTRACTS FROM THE EXISTING CONSTITUTION OF THE COMPANY

---

### CALLS ON SHARES

17. The Directors may from time to time make calls upon the Members in respect of any moneys unpaid on their shares but subject always to the terms of issue of such shares. A call shall be deemed to have been made at the time when the resolution of the Directors authorizing the call was passed and may be made payable by instalments.
18. Each Member shall (subject to receiving at least fourteen days' notice specifying the time or times and place of payment) pay to the Company at the time or times and place so specified the amount called on his shares. The joint holders of a share shall be jointly and severally liable to pay all calls in respect thereof. A call may be revoked or postponed as the Directors may determine.
19. If a sum called in respect of a share is not paid before or on the day appointed for payment thereof, the person from whom the sum is due shall pay interest on the sum from the day appointed for payment thereof to the time of actual payment at such rate (not exceeding ten per cent. per annum) as the Directors may determine but the Directors shall be at liberty in any case or cases to waive payment of such interest in whole or in part.
20. Any sum which by the terms of issue of a share becomes payable upon allotment or at any fixed date shall for all the purposes of these Articles be deemed to be a call duly made and payable on the date on which by the terms of issue the same becomes payable. In the case of non-payment, all the relevant provisions of these Articles as to payment of interest and expenses, forfeiture or otherwise shall apply as if such sum had become payable by virtue of a call duly made and notified.
21. The Directors may on the issue of shares differentiate between the holders as to the amount of calls to be paid and the times of payment.
22. The Directors may if they think fit receive from any Member willing to advance the same all or any part of the moneys uncalled and unpaid upon the shares held by him and such payment in advance of calls shall extinguish *pro tanto* the liability upon the shares in respect of which it is made and upon the moneys so received (until and to the extent that the same would but for such advance become payable) the Company may pay interest at such rate (not exceeding eight per cent. per annum) as the Member paying such sum and the Directors may agree. Capital paid on shares in advance of calls shall not, whilst bearing interest, confer a right to participate in profits.

### FORFEITURE AND LIEN

23. If a Member fails to pay in full any call or instalment of a call on the due date for payment thereof, the Directors may at any time thereafter serve a notice on him requiring payment of so much of the call or instalment as is unpaid together with any interest which may have accrued thereon and any expenses incurred by the Company by reason of such non-payment.
24. The notice shall name a further day (not being less than fourteen days from the date of service of the notice) on or before which and the place where the payment required by the notice is to be made, and shall state that in the event of non-payment in accordance therewith the shares on which the call has been made will be liable to be made forfeit.

---

### **APPENDIX 3: EXTRACTS FROM THE EXISTING CONSTITUTION OF THE COMPANY**

---

25. If the requirements of any such notice as aforesaid are not complied with, any share in respect of which such notice has been given may at any time thereafter, before payment of all calls and interest and expenses due in respect thereof has been made, be made forfeit by a resolution of the Directors to that effect. Such forfeiture shall include all Dividends declared in respect of the forfeit share and not actually paid before forfeiture. The Directors may accept a surrender of any share liable to be made forfeit hereunder.
26. A share so made forfeit or surrendered shall become the property of the Company and may be sold, re-allotted or otherwise disposed of either to the person who was before such forfeiture or surrender the holder thereof or entitled thereto or to any other person upon such terms and in such manner as the Directors shall think fit, and at any time before a sale, re-allotment or disposal, the forfeiture or surrender may be cancelled on such terms as the Directors shall think fit. The Directors may, if necessary, authorize some person to transfer a share so made forfeit or surrendered to any such other person as aforesaid.
27. A Member whose shares have been made forfeit or surrendered shall cease to be a Member in respect of such shares but shall notwithstanding the forfeiture or surrender remain liable to pay to the Company all moneys which at the date of forfeiture or surrender were presently payable by him to the Company in respect of such shares with interest thereon at eight per cent. per annum (or such lower rate as the Directors may determine) from the date of forfeiture or surrender until payment and the Directors may at their absolute discretion enforce payment without any allowance for the value of such shares at that time of forfeiture or surrender or waive payment in whole or in part.
28. The Company shall have a first and paramount lien on every share (not being a fully paid share) and Dividends from time to time declared in respect of such shares. Such lien shall be restricted to unpaid calls and instalments upon the specific shares in respect of which such moneys are due and unpaid, and to such amounts as the Company may be called upon by law to pay in respect of the shares of the Member or deceased Member. The Directors may waive any lien which has arisen and may resolve that any share shall for some limited period be exempt wholly or partially from the provisions of this Article 28.
29. The Company may sell in such manner as the Directors think fit any share on which the Company has a lien, but no sale shall be made unless some sum in respect of which the lien exists is presently payable nor until the expiration of fourteen days after a notice in writing stating and demanding payment of the sum presently payable and giving notice of intention to sell in default shall have been given to the holder for the time being of the share or the person entitled thereto by reason of his death or bankruptcy.
30. The net proceeds of such sale after payment of the costs of such sale shall be applied in or towards payment or satisfaction of the debts or liabilities and any residue shall be paid to the person entitled to the shares at the time of the sale or to his executors, administrators or assigns, as he may direct. For the purpose of giving effect to any such sale, the Directors may authorize some person to transfer the shares sold to the purchaser.
31. A statutory declaration in writing that the declarant is a Director or the Secretary of the Company and that a share has been duly made forfeit or surrendered or sold to satisfy a lien of the Company on a date stated in the declaration shall be conclusive evidence of the facts therein stated as against all persons claiming to be entitled to the share. Such declaration and the receipt by the Company of the consideration (if any) given for the share on the sale,

---

## APPENDIX 3: EXTRACTS FROM THE EXISTING CONSTITUTION OF THE COMPANY

---

re-allotment or disposal thereof together with the share certificate delivered to a purchaser (or where the purchaser is a Depositor, the Depository Register) or allottee thereof shall (subject to the execution of a transfer if the same be required) constitute a good title to the share and the person to whom the share is sold, re-allotted or disposed of shall be registered as the holder of the share, or where such person is a Depositor, the Company shall procure that his name be entered in the Depository Register in respect of the share so sold, re-allotted or disposed of. Such person shall not be bound to see to the application of the purchase money (if any) nor shall his title to the share be affected by any irregularity or invalidity in the proceedings relating to the forfeiture, surrender, sale, re-allotment or disposal of the share.

### TRANSFER OF SHARES

- 32.** All transfers of shares shall be effected by written instruments of transfer in the form for the time being approved by the Directors and the Designated Stock Exchange. The instrument of transfer of any share shall be signed by or on behalf of both the transferor and the transferee and be witnessed, provided always that an instrument of transfer in respect of which the transferee is the CDP shall be effective although not signed or witnessed by or on behalf of the CDP. The transferor shall be deemed to remain the holder of the shares concerned until the name of the transferee is entered in the Register of Members in respect thereof.
- 33.** The Registers of Members and of Transfers may be closed at such times and for such periods as the Directors may from time to time determine, Provided Always that such Registers shall not be closed for more than thirty days in any year, and that the Company shall give prior notice of each such closure, as may be required, to the Designated Stock Exchange, stating the period and purpose or purposes for which such closure is made.
- 34. (A)** There shall be no restriction on the transfer of fully paid up shares (except where required by law or by the rules, bye-laws or listing rules of the Designated Stock Exchange) but the Directors may in their discretion decline to register any transfer of shares upon which the Company has a lien, and in the case of shares not fully paid up, may refuse to register a transfer to a transferee of whom they do not approve, Provided Always that in the event of the Directors refusing to register a transfer of shares, the Company shall within ten market days (or such period as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) after the date on which the application for a transfer of shares was made, serve a notice in writing to the applicant stating the facts which are considered to justify the refusal as required by the Statutes.
- (B)** The Directors may decline to register any instrument of transfer unless:—
- (a) such fee not exceeding S\$2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) as the Directors may from time to time require is paid to the Company in respect thereof;
  - (b) the amount of proper duty (if any) with which each instrument of transfer is chargeable under any law for the time being in force relating to stamps is paid;

---

### APPENDIX 3: EXTRACTS FROM THE EXISTING CONSTITUTION OF THE COMPANY

---

- (c) the instrument of transfer is deposited at the Office or at such other place (if any) as the Directors may appoint accompanied by a certificate of payment of stamp duty (if stamp duty is payable on such instrument of transfer in accordance with any law for the time being in force relating to stamp duty,), the certificates of the shares to which it relates, and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer and, if the instrument of transfer is executed by some other person on his behalf, the authority of the person so to do; and
  - (d) the instrument of transfer is in respect of only one class of shares.
- 35.** All instruments of transfer which are registered may be retained by the Company.
- 36.** The Company shall be entitled to destroy all instruments of transfer which have been registered at any time after the expiration of six years from the date of registration thereof and all Dividend mandates and notifications of change of address at any time after the expiration of six years from the date of recording thereof and all share certificates which have been cancelled at any time after the expiration of six years from the date of the cancellation thereof and it shall conclusively be presumed in favour of the Company that every entry in the Register of Members purporting to have been made on the basis of an instrument of transfer or other document so destroyed was duly and properly made and every instrument of transfer so destroyed was a valid and effective instrument duly and properly registered and every share certificate so destroyed was a valid and effective certificate duly and properly cancelled and every other document hereinbefore mentioned so destroyed was a valid and effective document in accordance with the recorded particulars thereof in the books or records of the Company, Provided Always that:–
- (a) the provisions aforesaid shall apply only to the destruction of a document in good faith and without notice of any claim (regardless of the parties thereto) to which the document might be relevant;
  - (b) nothing herein contained shall be construed as imposing upon the Company any liability in respect of the destruction of any such document earlier than as aforesaid or in any other circumstances which would not attach to the Company in the absence of this Article; and
  - (c) references herein to the destruction of any document include references to the disposal thereof in any manner.

#### TRANSMISSION OF SHARES

- 37. (A)** In case of the death of a Member whose name is registered in the Register of Members, the survivors or survivor, where the deceased was a joint holder, and the executors or administrators of the deceased, where he was a sole or only surviving holder, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.
- (B)** In the case of the death of a Member who is a Depositor, the survivors or survivor, where the deceased is a joint holder, and the executors or administrators of the deceased, where he was a sole or only surviving holder and where such executors or administrators are entered into the Depository Register in respect of any shares to the deceased Member, shall be the only person(s) recognised by the Company as having any title to his interest in the shares.

---

## APPENDIX 3: EXTRACTS FROM THE EXISTING CONSTITUTION OF THE COMPANY

---

- (C) Nothing herein contained shall release the estate of a deceased holder (whether sole or joint) from any liability in respect of any share held by him.
38. Any person becoming entitled to a share in consequence of the death or bankruptcy of a Member may (subject as hereinafter provided) upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share, elect either to be registered himself as holder of the share or to have another person nominated by him registered as the transferee thereof. If the person so becoming entitled elects to be registered himself, he shall deliver or send to the Company a notice in writing signed by him stating that he so elects. If he elects to have another person registered he shall testify his election by executing to that person a transfer of the share. All the limitations, restrictions and provisions of these Articles relating to the right to transfer and the registration of transfers of shares shall be applicable to any such notice or transfer as aforesaid as if the death or bankruptcy of the Member had not occurred and the notice or transfer were a transfer executed by such Member.
39. Save as otherwise provided by or in accordance with these Articles, a person becoming entitled to a share in consequence of the death or bankruptcy of a Member (upon supplying to the Company such evidence as the Directors may reasonably require to show his title to the share) shall be entitled to the same Dividends and other advantages as those to which he would be entitled if he were the registered holder of the share except that he shall not be entitled in respect thereof (except with the authority of the Directors) to exercise any right conferred by membership in relation to General Meetings of the Company until he shall have been registered as a Member in respect of the share.
40. There shall be paid to the Company in respect of the registration of any probate or letters of administration or certificate of death or stop notice or power of attorney or other document relating to or affecting the title to any shares or otherwise for making any entry in the Register of Members affecting the title to any shares such fee not exceeding S\$2.00 (or such other fee as the Directors may determine having regard to any limitation thereof as may be prescribed by the Designated Stock Exchange from time to time) as the Directors may from time to time require.

### CENTRAL DEPOSITORY SYSTEM

41. A reference to a Member shall be a reference to a registered holder of shares in the Company, or where such registered holder is CDP, the Depositors on behalf of whom CDP holds the shares, Provided that:—
- (a) a Depositor shall only be entitled to attend any General Meeting and to speak and vote thereat if his name appears on the Depository Register maintained by CDP forty-eight (48) hours before the General Meeting as a Depositor on whose behalf CDP holds shares in the Company, the Company being entitled to deem each such Depositor, or each proxy of a Depositor who is to represent the entire balance standing to the Securities Account of the Depositor, to represent such number of shares as is actually credited to the Securities Account of the Depositor as at such time, according to the records of CDP as supplied by CDP to the Company, and where a Depositor has apportioned the balance standing to his Securities Account between two proxies, to apportion the said number of shares between the two proxies in the same proportion as previously specified by the Depositor in appointing the proxies; and accordingly no instrument appointing a proxy of a Depositor shall be rendered invalid merely by reason of any discrepancy between the proportion of Depositor's shareholding specified in the instrument of proxy, or where the balance standing to a Depositor's Securities Account

---

### APPENDIX 3: EXTRACTS FROM THE EXISTING CONSTITUTION OF THE COMPANY

---

has been apportioned between two proxies the aggregate of the proportions of the Depositor's shareholding they are specified to represent, and the true balance standing to the Securities Account of a Depositor as at the time of the General Meeting, if the instrument is dealt with in such manner as is provided above;

- (b) the payment by the Company to CDP of any Dividend payable to a Depositor shall to the extent of the payment discharge the Company from any further liability in respect of the payment;
- (c) the delivery by the Company to CDP of provisional allotments or share certificates in respect of the aggregate entitlements of Depositors to new shares offered by way of rights issue or other preferential offering or bonus issue shall to the extent of the delivery discharge the Company from any further liability to each such Depositor in respect of his individual entitlement; and
- (d) the provisions in these Articles relating to the transfers, transmissions or certification of shares shall not apply to the transfer of book-entry securities (as defined in the Statutes).

#### EXCLUSION OF EQUITIES

42. Except as required by the Statutes or law, no person shall be recognized by the Company as holding any share upon any trust, and the Company shall not be bound by or compelled in any way to recognize (even when having notice thereof) any equitable, contingent, future or partial interest in any share, or any interest in any fractional part of a share, or (except only as by these Articles or by the Statutes or law otherwise provided) any other right in respect of any share, except an absolute right to the entirety thereof in the registered holder and nothing in these Articles contained relating to CDP or to Depositors or in any depository agreement made by the Company with any common depository for shares shall in any circumstances be deemed to limit, restrict or qualify the above.

#### STOCK

43. The Company may from time to time by Ordinary Resolution convert any paid-up shares into stock and may from time to time by like resolution reconvert any stock into paid-up shares of any denomination.
44. The holders of stock may transfer the same or any part thereof in the same manner and subject to the same Articles as and subject to which the shares from which the stock arose might previous to conversion have been transferred (or as near thereto as circumstances admit) but no stock shall be transferable except in such units as the Directors may from time to time determine.
45. The holders of stock shall, according to the amount of stock held by them, have the same rights, privileges and advantages as regards Dividend, return of capital, voting and other matters, as if they held the shares from which the stock arose; but no such privilege or advantage (except as regards participation in the profits or assets of the Company) shall be conferred by an amount of stock which would not, if existing in shares, have conferred such privilege or advantage, and no such conversion shall affect or prejudice any preference or other special privileges attached to the shares so converted.

---

## APPENDIX 3: EXTRACTS FROM THE EXISTING CONSTITUTION OF THE COMPANY

---

### Rights in respect of voting

#### GENERAL MEETINGS

46. An Annual General Meeting shall be held once in every year, at such time (within a period of not more than fifteen months after the holding of the last preceding Annual General Meeting) and place as may be determined by the Directors. All other General Meetings shall be called Extraordinary General Meetings. The interval between the close of a financial year of the Company and the date of the Company's Annual General Meeting shall not exceed four months or such other period as prescribed by the Act or other legislation applicable to the Company from time to time.
47. The Directors may whenever they think fit, and shall on requisition in accordance with the Statutes, proceed with proper expedition to convene an Extraordinary General Meeting.

#### NOTICE OF GENERAL MEETINGS

48. Any Annual General Meeting and any Extraordinary General Meeting at which it is proposed to pass a Special Resolution or (save as provided by the Statutes) a resolution of which special notice has been given to the Company, shall be called by twenty-one days' notice in writing at the least and an Annual General Meeting or any other Extraordinary General Meeting, by fourteen days' notice in writing at the least. The period of notice shall in each case be exclusive of the day on which it is served or deemed to be served and of the day on which the General Meeting is to be held and shall be given in manner hereinafter mentioned to all Members other than such as are not under the provisions of these Articles entitled to receive such notices from the Company, Provided that a General Meeting notwithstanding that it has been called by a shorter notice than that specified above shall be deemed to have been duly called if it is so agreed:—
- (a) in the case of an Annual General Meeting by all the Members entitled to attend and vote thereat; and
- (b) in the case of an Extraordinary General Meeting by a majority in number of the Members having a right to attend and vote thereat, being a majority together holding not less than 95 per cent. of the total voting rights of all the Members having a right to vote at thereat;

Provided also that the accidental omission to give notice to or the non-receipt of notice by any person entitled thereto shall not invalidate the proceedings at any General Meeting. At least fourteen days' notice of any General Meeting shall be given by advertisement in the daily press and in writing to the Designated Stock Exchange, Provided Always that in the case of any Extraordinary General Meeting at which it is proposed to pass a Special Resolution, at least twenty-one days' notice in writing of such Extraordinary General Meeting shall be given to the Designated Stock Exchange.

49. (A) Every notice calling a General Meeting shall specify the place and the day and hour of the meeting, and there shall appear with reasonable prominence in every such notice a statement that a Member entitled to attend and vote is entitled to appoint a proxy to attend and vote instead of him and that a proxy need not be a Member of the Company.

---

### **APPENDIX 3: EXTRACTS FROM THE EXISTING CONSTITUTION OF THE COMPANY**

---

- (B) In the case of an Annual General Meeting, the notice shall also specify the meeting as such.
- (C) In the case of any General Meeting at which business other than routine business (“special business”) is to be transacted, the notice shall specify the general nature of such business, and if any resolution is to be proposed as a Special Resolution, the notice shall contain a statement to that effect.
50. Routine business shall mean and include only business transacted at an Annual General Meeting of the following classes, that is to say:–
- (a) declaring Dividends;
  - (b) receiving and adopting the accounts, the reports of the Directors and Auditors and other documents required to be attached or annexed to the accounts;
  - (c) appointing or re-appointing Directors to fill vacancies arising at the meeting on retirement whether by rotation or otherwise;
  - (d) re-appointing the retiring Auditors (unless they were last appointed otherwise than by the Company in General Meeting);
  - (e) fixing the remuneration of the Auditors or determining the manner in which such remuneration is to be fixed; and
  - (f) fixing the Directors fees.
51. Any notice of a General Meeting to consider special business shall be accompanied by a statement regarding the effect of any proposed resolution on the Company in respect of such special business.

#### **PROCEEDINGS AT GENERAL MEETINGS**

52. The Chairman of the Board of Directors, failing whom the Deputy Chairman, shall preside as chairman at a General Meeting. If there be no such Chairman or Deputy Chairman, or if at any General Meeting neither be present within five minutes after the time appointed for holding the meeting and willing to act, the Directors present shall choose one of their number (or, if no Director be present or if all the Directors present decline to take the chair, the Members present shall choose one of their number) to be chairman of the General Meeting.
53. No business other than the appointment of a Chairman shall be transacted at any General Meeting unless a quorum is present at the time when the meeting proceeds to business. Save as herein otherwise provided, the quorum at any General Meeting shall be two Members present in person or by proxy, provided that (i) a proxy representing more than one Member shall only count as one Member for purpose of determining if the quorum aforesaid is present; and (ii) where a Member is represented by more than one proxy, such proxies of such Member shall only count as one Member for purposes of determining if the quorum aforesaid is present.

---

### APPENDIX 3: EXTRACTS FROM THE EXISTING CONSTITUTION OF THE COMPANY

---

54. If within thirty minutes from the time appointed for a General Meeting (or such longer interval as the chairman of the meeting may think fit to allow) a quorum is not present, the meeting, if convened on the requisition of Members, shall be dissolved. In any other case it shall stand adjourned to the same day in the next week (or if that day is a public holiday then to the next business day following that public holiday) at the same time and place or such other day, time or place as the Directors may by not less than ten days' notice appoint.
55. The chairman of any General Meeting at which a quorum is present may with the consent of the meeting (and shall if so directed by the meeting) adjourn the meeting from time to time (or *sine die*) and from place to place, but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. Where a General Meeting is adjourned *sine die*, the time and place for the adjourned meeting shall be fixed by the Directors. When a General Meeting is adjourned for thirty days or more or *sine die*, not less than seven days' notice of the adjourned meeting shall be given in like manner as in the case of the original meeting.
56. Save as hereinbefore expressly provided, it shall not be necessary to give any notice of an adjournment or of the business to be transacted at an adjourned General Meeting.
57. If an amendment shall be proposed to any resolution under consideration but shall in good faith be ruled out of order by the chairman of the General Meeting, the proceedings on the substantive resolution shall not be invalidated by any error in such ruling. In the case of a resolution duly proposed as a Special Resolution, no amendment thereto (other than a mere clerical amendment to correct a patent error) may in any event be considered or voted upon.
58. At any General Meeting a resolution put to the vote of the meeting shall be decided on a show of hands unless a poll is (before or on the declaration of the result of the show of hands) demanded by:—
- (a) the chairman of the meeting; or
  - (b) not less than two Members present in person or by proxy and entitled to vote; or
  - (c) any Member present in person or by proxy, or where such a Member has appointed two proxies any one of such proxies, or any number or combination of such Members or proxies, holding or representing as the case may be not less than one-tenth of the total voting rights of all the Members having the right to vote at the General Meeting; or
  - (d) any Member present in person or by proxy, or where such a Member has appointed two proxies any one of such proxies, or any number or combination of such Members or proxies, holding shares conferring a right to vote at the General Meeting, of which an aggregate sum has been paid up equal to not less than 10 per cent. of the total sum paid up on all the share conferring that right,

Provided Always that no poll shall be demanded on the choice of the chairman of the meeting or on a question of adjournment. A demand for a poll may be withdrawn only with the approval of the meeting.

---

### **APPENDIX 3: EXTRACTS FROM THE EXISTING CONSTITUTION OF THE COMPANY**

---

- 59.** Unless a poll is required, a declaration by the chairman of the General Meeting that a resolution has been carried, or carried unanimously, or by a particular majority, or lost, and an entry to that effect in the minute book, shall be conclusive evidence of that fact without proof of the number or proportion of the votes recorded for or against such resolution. If a poll is required, it shall be taken in such manner (including the use of ballot or voting papers or tickets) as the chairman of the General Meeting may direct, and the result of the poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The chairman of the General Meeting may (and if so directed by the meeting shall) appoint scrutineers and may adjourn the meeting to some place and time fixed by him for the purpose of declaring the result of the poll.
- 60.** In the case of an equality of votes, whether on a show of hands or on a poll, the chairman of the General Meeting at which the show of hands takes place or at which the poll is demanded shall be entitled to a casting vote.
- 61.** A poll demanded on any question shall be taken either immediately or at such subsequent time (not being more than thirty days from the date of the Meeting) and place as the chairman of the Meeting may direct. No notice need be given of a poll not taken immediately. The demand for a poll shall not prevent the continuance of the General Meeting for the transaction of any business other than the question on which the poll has been demanded.

#### VOTES OF MEMBERS

- 62.** Subject to any special rights or restrictions as to voting attached by or in accordance with these Articles to any class of shares, and to Article 4, each Member entitled to vote may vote in person or by proxy. On a show of hands every Member who is present in person or by proxy shall have one vote (provided that in the case of a Member who is represented by two proxies, only one of the two proxies as determined by that Member or, failing such determination, by the Chairman of the General Meeting (or by a person authorised by him) in his sole discretion shall be entitled to vote on a show of hands) and on a poll every Member who is present in person or by proxy shall have one vote for every share of which he holds or represents. For the purposes of determining the number of votes which a Member, being a Depositor, or his proxy may cast at any General Meeting on a poll, the references to shares held or represented shall, in relation to shares of that Depositor, be the number of shares entered against his name in the Depository Register as at 48 hours before the time of the relevant General Meeting as certified by CDP to the Company. A Member who is bankrupt shall not, while his bankruptcy continues, be entitled to exercise his rights as a Member, or attend, vote or act at any General Meeting.
- 63.** In the case of joint holders of a share, the vote of the senior who tenders a vote, whether in person or by proxy, shall be accepted to the exclusion of the votes of the other joint holders and for this purpose seniority shall be determined by the order in which the names stand in the Register of Members or, as the case may be, the order in which the names appear in the Depository Register in respect of the joint holding.
- 64.** Where in Singapore or elsewhere a receiver or other person (by whatever name called) has been appointed by any court claiming jurisdiction in that behalf to exercise powers with respect to the property or affairs of any Member on the ground (however formulated) of mental disorder, the Directors may in their absolute discretion, upon or subject to production of such evidence of the appointment as the Directors may require, permit such receiver or

---

### **APPENDIX 3: EXTRACTS FROM THE EXISTING CONSTITUTION OF THE COMPANY**

---

other person on behalf of such Member, to vote in person or by proxy at any General Meeting, or to exercise any other right conferred by membership in relation to meetings of the Company.

- 65.** No Member shall be entitled in respect of shares held by him to vote at a General Meeting either personally or by proxy or to exercise any other right conferred by membership in relation to General Meetings if any call or other sum payable by him to the Company in respect of such shares remains unpaid.
- 66.** No objection shall be raised as to the admissibility of any vote except at the General Meeting or adjourned General Meeting at which the vote objected to is or may be given or tendered and every vote not disallowed at such meeting shall be valid for all purposes. Any such objection shall be referred to the chairman of the General Meeting whose decision shall be final and conclusive.
- 67.** On a poll, votes may be given either personally or by proxy and a person entitled to more than one vote need not use all his votes or cast all the votes he uses in the same way.
- 68. (A)** A Member shall not be entitled to appoint more than two proxies to attend and vote at the same General Meeting, provided that if the Member is a Depositor, the Company shall be entitled and bound:—
- (a) to reject any instrument of proxy lodged if the Depositor, is not shown, to have any shares entered against his name in the Depository Register as at 48 hours before the time of the relevant General Meeting as certified by CDP to the Company; and
  - (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered into against the name of that Depositor in the Depository Register as at 48 hours before the time of the relevant General Meeting as certified by CDP to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.
- (B)** Where a Member appoints more than one proxy, the Member shall specify the proportion of his shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.
- (C)** A proxy need not be a Member of the Company.
- 69. (A)** An instrument appointing a proxy for any Member shall be in writing in any usual or common form or in any other form which the Directors may approve and:—
- (a) in the case of an individual Member, shall be signed by the Member or his attorney duly authorised in writing; and
  - (b) in the case of a Member which is a corporation shall be either given under its common seal or signed on its behalf by an attorney duly authorised in writing or a duly authorized officer of the corporation.

---

### **APPENDIX 3: EXTRACTS FROM THE EXISTING CONSTITUTION OF THE COMPANY**

---

- (B)** The signatures on an instrument of proxy need not be witnessed. Where an instrument appointing a proxy is signed on behalf of a Member by an attorney, the letter or power of attorney or a duly certified copy thereof shall (failing previous registration with the Company) be lodged with the instrument of proxy pursuant to the next following Article, failing which the instrument of proxy may be treated as invalid.
- 70.** An instrument appointing a proxy must be left at such place or one of such places (if any) as may be specified for that purpose in or by way of note to or in any document accompanying the notice convening the General Meeting (or, if no place is so specified, at the Office) not less than forty-eight hours before the time appointed for the holding of the meeting or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid. The instrument shall, unless the contrary is stated thereon, be valid as well for any adjournment of the General Meeting as for the meeting to which it relates, Provided that an instrument of proxy relating to more than one meeting (including any adjournment thereof) having once been so delivered for the purposes of any meeting shall not require again to be delivered for the purposes of any subsequent meeting to which it relates.
- 71.** An instrument appointing a proxy shall be deemed to include the right to demand or join in demanding a poll and to speak at the General Meeting.
- 72.** A vote cast by proxy shall not be invalidated by the previous death or insanity of the principal or by the revocation of the appointment of the proxy or of the authority under which the appointment was made provided that no intimation in writing of such death, insanity or revocation shall have been received by the Company at the Office at least one hour before the commencement of the General Meeting or adjourned General Meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) the time appointed for the taking of the poll at which the vote is cast.
- 73.** Subject to these Articles and the Statutes, the Directors may, at their sole discretion, approve and implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow Members who are unable to vote in person at any General Meeting the option to vote in absentia, including but not limited to voting by mail, electronic mail or facsimile.

#### **CORPORATIONS ACTING BY REPRESENTATIVES**

- 74.** Any corporation which is a Member of the Company may by resolution of its Directors or other governing body authorize such person as it thinks fit to act as its representative at any General Meeting. The person so authorized shall be entitled to exercise the same powers on behalf of such corporation as the corporation could exercise if it were an individual Member of the Company and such corporation shall for the purposes of these Articles (but subject to the Act) be deemed to be present in person at any such meeting if a person so authorized is present thereat.

---

## APPENDIX 3: EXTRACTS FROM THE EXISTING CONSTITUTION OF THE COMPANY

---

### Rights in respect of dividends

#### RESERVES

**122.** The Directors may from time to time set aside out of the profits of the Company and carry to reserve such sums as they think proper which, at the discretion of the Directors, shall be applicable for any purpose to which the profits of the Company may properly be applied and pending such application may either be employed in the business of the Company or be invested. The Directors may divide the reserve into such special funds as they think fit and may consolidate into one fund any special funds or any parts of any special funds into which the reserve may have been divided. The Directors may also, without placing the same to reserve, carry forward any profits. In carrying sums to reserve and in applying the same, the Directors shall comply with the provisions of the Statutes.

#### DIVIDENDS

**123.** The Company may by Ordinary Resolution declare Dividends but no such Dividend shall exceed the amount recommended by the Directors.

**124.** If and so far as in the opinion of the Directors, the profits of the Company justify such payments, the Directors may declare and pay the fixed Dividends on any class of shares carrying a fixed Dividend expressed to be payable on fixed dates on the half-yearly or other dates prescribed for the payment thereof and may also from time to time declare and pay interim Dividends on shares of any class of such amounts and on such dates and in respect of such periods as they think fit.

**125.** Subject to any rights or restrictions attached to any shares or class of shares and except as otherwise permitted under the Act:—

- (a) all Dividends in respect of shares must be paid in proportion to the number of shares held by a Member, but where shares are partly paid, all Dividends must be apportioned and paid proportionately to the amounts paid or credited as paid on the partly paid shares; and
- (b) all Dividends must be apportioned and paid proportionately to the amounts so paid or credited as paid during any portion or portions of the period in respect of which the Dividend is paid.

For the purposes of this Article, an amount paid or credited as paid on a share in advance of a call is to be ignored.

**126. (A)** No Dividend shall be paid otherwise than out of profits available for distribution under the provisions of the Statutes. The payment by the Directors of any unclaimed dividends or other moneys payable on or in respect of a share into a separate account shall not constitute the Company a trustee in respect thereof. All Dividends remaining unclaimed after one year from having been first payable may be invested or otherwise made use of by the Directors for the benefit of the Company, and any Dividend or any such moneys unclaimed after six (6) years from having been first payable shall be forfeited and shall revert to the Company provided always that the Directors may at any time thereafter at their absolute discretion annul any such forfeiture and pay the Dividend so

---

### APPENDIX 3: EXTRACTS FROM THE EXISTING CONSTITUTION OF THE COMPANY

---

forfeited to the person entitled thereto prior to the forfeiture. If CDP returns any such Dividend or moneys to the Company, the relevant Depositor shall not have any right or claim in respect of such Dividend or moneys against the Company if a period of six years has elapsed from the date of the declaration of such Dividend or the date on which such other moneys are first payable.

**(B)** A payment by the Company to CDP of any Dividend or other moneys payable to a Depositor shall, to the extent of the payment made, discharge the Company from any liability to the Depositor in respect of that payment.

**127.** No Dividend or other monies payable on or in respect of a share shall bear interest as against the Company.

**128. (A)** The Directors may retain any Dividend or other monies payable on or in respect of a share on which the Company has a lien and may apply the same in or towards satisfaction of the debts, liabilities or engagements in respect of which the lien exists.

**(B)** The Directors may retain the Dividends payable upon shares in respect of which any person is under the provisions as to the transmission of shares hereinbefore contained entitled to become a Member, or which any person is under those provisions entitled to transfer, until such person shall become a Member in respect of such shares or shall transfer the same.

**129.** The waiver in whole or in part of any Dividend on any share by any document (whether or not under seal) shall be effective only if such document is signed by the Member (or the person entitled to the share in consequence of the death or bankruptcy of the holder) and delivered to the Company and if or to the extent that the same is accepted as such or acted upon by the Company.

**130.** The Company may upon the recommendation of the Directors by Ordinary Resolution direct payment of a Dividend in whole or in part by the distribution of specific assets (and in particular of paid-up shares or debentures of any other company) and the Directors shall give effect to such resolution. Where any difficulty arises with regard to such distribution, the Directors may settle the same as they think expedient and in particular, may issue fractional certificates, may fix the value for distribution of such specific assets or any part thereof, may determine that cash payments shall be made to any Member upon the footing of the value so fixed in order to adjust the rights of all parties and may vest any such specific assets in trustees as may seem expedient to the Directors.

**131.** Any Dividend or other monies payable in cash on or in respect of a share may be paid by cheque or warrant sent through the post to the registered address appearing in the Register of Members or (as the case may be) the Depository Register of the Member or person entitled thereto (or, if two or more persons are registered in the Register of Members or (as the case may be) entered in the Depository Register as joint holders of the share or are entitled thereto in consequence of the death or bankruptcy of the holder, to any one of such persons) or to such person and such address as such Member or person or persons may by writing direct.

---

## APPENDIX 3: EXTRACTS FROM THE EXISTING CONSTITUTION OF THE COMPANY

---

Every such cheque or warrant shall be made payable to the order of the person to whom it is sent or to such person as the holder or joint holders or person or persons entitled to the share in consequence of the death or bankruptcy of the holder may direct and payment of the cheque or warrant by the banker upon whom it is drawn shall be a good discharge to the Company. Every such cheque or warrant shall be sent at the risk of the person entitled to the money represented thereby.

- 132.** If two or more persons are registered in the Register of Members or (as the case may be) the Depository Register as joint holders of any share, or are entitled jointly to a share in consequence of the death or bankruptcy of the holder, any one of them may give effectual receipts for any Dividend or other moneys payable or property distributable on or in respect of the share.
- 133.** Any resolution declaring a Dividend on shares of any class, whether a resolution of the Company in General Meeting or a resolution of the Directors, may specify that the same shall be payable to the persons registered as the holders of such shares in the Register of Members or (as the case may be) the Depository Register at the close of business on a particular date and thereupon the Dividend shall be payable to them in accordance with their respective holdings so registered, but without prejudice to the rights *inter se* in respect of such Dividend of transferors and transferees of any such shares.

### BONUS ISSUES AND CAPITALIZATION OF PROFITS AND RESERVES

- 134. (A)** The Directors may, with the sanction of an Ordinary Resolution of the Company (including any Ordinary Resolution passed pursuant to Article 5(B)):
- (a) issue bonus shares for which no consideration is payable to the Company to the persons registered as holders of shares in the Register of Members or (as the case may be) the Depository Register at the close of business on:
    - (i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or
    - (ii) (in the case of an Ordinary Resolution passed pursuant to Article 5(B)) such other date as may be determined by the Directors, in proportion to their then holdings of shares; and/or
  - (b) capitalise any sum standing to the credit of any of the Company's reserve accounts or other undistributable reserve or any sum standing to the credit of profit and loss account by appropriating such sum to the persons registered as holders of shares in the Register of Members or (as the case may be) in the Depository Register at the close of business on:
    - (i) the date of the Ordinary Resolution (or such other date as may be specified therein or determined as therein provided); or
    - (ii) (in the case of an Ordinary Resolution passed pursuant to Article 5(B)) such other date as may be determined by the Directors, in proportion to their then holdings of shares and applying such sum on their behalf in paying up in full unissued shares (or, subject to any special rights previously conferred on any

---

## APPENDIX 3: EXTRACTS FROM THE EXISTING CONSTITUTION OF THE COMPANY

---

shares or class of shares for the time being issued, unissued shares of any other class not being redeemable shares) for allotment and distribution credited as fully paid up to and amongst them as bonus shares in the proportion aforesaid.

- (B) The Directors may do all acts and things considered necessary or expedient to give effect to any such bonus issue or capitalisation under this Article 134, with full power to the Directors to make such provisions as they think fit for any fractional entitlements which would arise on the basis aforesaid (including provisions whereby fractional entitlements are disregarded or the benefit thereof accrues to the Company rather than to the Members concerned). The Directors may authorise any person to enter on behalf of all the Members interested into an agreement with the Company providing for any such bonus issue or capitalisation and matters incidental thereto and any agreement made under such authority shall be effective and binding on all concerned.
- (C) In addition and without prejudice to the powers provided for by this Article 134, the Directors shall have power to issue shares for which no consideration is payable and to capitalise any undivided profits or other moneys of the Company not required for the payment or provision of any Dividend on any shares entitled to cumulative or non-cumulative preferential Dividends (including profits or other moneys carried and standing to any reserve or reserves) and to apply such profits or other moneys in paying up in full, in each case on terms that such shares shall, upon issue, be held by or for the benefit of participants of any share incentive or option scheme or plan implemented by the Company and approved by Members in General Meeting and on such terms as the Directors shall think fit.

### INDEMNITY

147. Subject to the provisions of and so far as may be permitted by the Statutes, every Director, Auditor, Secretary or other officer of the Company shall be entitled to be indemnified by the Company against all costs, charges, losses, expenses and liabilities incurred by him in the execution and discharge of his duties or in relation thereto including any liability by him in defending any proceedings, civil or criminal, which relate to anything done or omitted or alleged to have been done or omitted by him as an officer or employee of the Company and in which judgment is given in his favour (or the proceedings otherwise disposed of without any finding or admission of any material breach of duty on his part) or in which he is acquitted or in connection with any application under any statute for relief from liability in respect of any such act or omission in which relief is granted to him by the court. Without prejudice to the generality of the foregoing, no Director, Manager, Secretary or other officer of the Company shall be liable for the acts, receipts, neglect or defaults of any other Director or officer or for joining in any receipt or other act for conformity or for any loss or expense happening to the Company through the insufficiency or deficiency of title to any property acquired by order of the Directors for or on behalf of the Company or for the insufficiency or deficiency of any security in or upon which any of the moneys of the Company shall be invested or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any person with whom any moneys, securities or effects shall be deposited or left or for any other loss, damage or misfortune whatsoever which shall happen in the execution of the duties of his office or in relation thereto unless the same shall happen through his own negligence, wilful default, breach of duty or breach of trust.”

---

**APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
OF THE GROUP FOR FY2015**

---

Company Registration No. 201131382E

Starland Holdings Limited and its Subsidiaries

Annual Financial Statements  
30 September 2015



---

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

---

### Starland Holdings Limited and its subsidiaries

#### General Information

---

##### Directors

Tan Hoe San  
Fan Yi Ru  
Foong Daw Ching  
Low Wai Cheong

##### Company Secretary

Teo Meng Keong

##### Registered Office

80 Robinson Road  
#02-00  
Singapore 068898

##### Bankers

United Overseas Bank  
OCBC Bank  
Bank of China  
Industrial and Commercial Bank of China Limited  
China Merchant Bank  
Bank of Chongqing

##### Share Registrar

Tricor Barbinder Share Registration Services  
80 Robinson Road  
#02-00  
Singapore 068898

##### Auditor

Ernst & Young LLP  
One Raffles Quay  
North Tower, Level 18  
Singapore 048583  
Partner in charge: Philip Ling Soon Hwa (Appointed since financial year ended 30 September 2013)

##### Index

	Page
Directors' Statement	1
Independent Auditor's Report	4
Balance Sheets	6
Consolidated Statement of Comprehensive Income	7
Statements of Changes in Equity	8
Consolidated Statement of Cash Flows	10
Notes to the Financial Statements	11

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

### Starland Holdings Limited and its subsidiaries

#### Directors' Statement

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Starland Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet and statements of changes in equity of the Company for the financial year ended 30 September 2015.

#### Opinion of the directors

In the opinion of the directors,

- (i) the accompanying balance sheet, consolidated statement of comprehensive income, statements of changes in equity and consolidated cash flows statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 September 2015 and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

#### Directors

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

Tan Hoe San  
Fan Yi Ru  
Foong Daw Ching  
Low Wai Cheong

In accordance with Articles 93 and 94 of the Company's Article of Association, Low Wai Cheong retires and, being eligible, offers himself for re-election.

#### Arrangements to enable directors to acquire shares and debentures

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

#### Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50 (the "Act"), an interest in shares of the Company, as stated below:

Name of director	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Starland Holdings Limited (Ordinary shares)				
Tan Hoe San	-	-	96,000,000	96,000,000
Fan Yi Ru	-	-	96,000,000	96,000,000

---

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

---

### Starland Holdings Limited and its subsidiaries

#### Directors' Statement

---

#### Directors' interests in shares and debentures (cont'd)

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 October 2015.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, at the end of the financial year or on 21 October 2015.

#### Directors' contractual benefits

Except as disclosed in the financial statements, since the end of the previous financial year, no director of the Company has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director, or with a firm of which the director is a member, or with a company in which the director has a substantial financial interest.

#### Share options

(a) *Options to take up unissued shares*

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

(b) *Options exercised*

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

(c) *Unissued shares under option*

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

#### Audit committee

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

- Foong Daw Ching (Chairman and lead independent director)
- Low Wai Cheong (Independent director)
- Fan Yi Ru (Non-executive director)

The AC carried out its functions in accordance with Section 201B(5) of the Act. In performing those functions, the AC reviewed:

- the audit plans and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;
- the Group's financial and operating results and accounting policies;
- the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company before their submission to the directors of the Company and external auditors' report on those financial statements;

---

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

---

### Starland Holdings Limited and its subsidiaries

#### Directors' Statement

---

#### Audit committee (cont'd)

- the half-yearly and annual announcements on the results and financial position of the Company and the Group;
- the co-operation and assistance given by management to the Group's external and internal auditors; and
- the re-appointment of the external auditors of the Company.

The AC has also conducted a review of interested person transactions.


The AC convened two (2) meetings during the year with full attendance from all members. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

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

#### Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors:



Tan Hoe San  
Director



Fan Yi Rui  
Director

Singapore

11 6 DEC 2015

---

## **APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015**

---

**Starland Holdings Limited and its subsidiaries**

**Independent Auditor's Report  
For the financial year ended 30 September 2015**

**Independent Auditor's Report to the Members of Starland Holdings Limited**

---

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Starland Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 6 to 52, which comprise the balance sheets of the Group and the Company as at 30 September 2015, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flows statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

#### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

---

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

---

Starland Holdings Limited and its subsidiaries

Independent Auditor's Report  
For the financial year ended 30 September 2015

Independent Auditor's Report to the Members of Starland Holdings Limited

### *Opinion*

In our opinion, the consolidated financial statements of the Group and the statement of balance sheet and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 September 2015 and the financial performance, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore have been properly kept in accordance with the provisions of the Act.



Ernst & Young LLP  
Public Accountants and  
Chartered Accountants  
Singapore

16 December 2015

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

### Starland Holdings Limited and its subsidiaries

#### Balance sheets

As at 30 September 2015

	Note	Group		Company	
		2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
<b>ASSETS</b>					
<b>Current assets</b>					
Cash and bank balances	6	79,086	98,598	537	340
Other receivables and deposits	7	2,445	10,828	3,552	868
Properties held for sale	8	168,135	13,413	–	–
Development properties	9	43,425	436,305	–	–
Total current assets		293,091	559,144	4,089	1,208
<b>Non-current assets</b>					
Equipment	10	773	1,185	56	78
Investment in subsidiaries	11	–	–	9,773	9,773
Deferred tax assets	12	1,002	3,242	–	–
Total non-current assets		1,775	4,427	9,829	9,851
<b>Total assets</b>		<b>294,866</b>	<b>563,571</b>	<b>13,918</b>	<b>11,059</b>
<b>LIABILITIES AND EQUITY</b>					
<b>Current liabilities</b>					
Trade and other payables	13	18,291	379,688	4,401	3,083
Advances from a director	14	–	6,049	–	–
Income tax payable		43,939	24,102	–	–
Loans and borrowings	15	21,109	8,455	13,110	6,039
Total current liabilities		83,339	418,294	17,511	9,122
<b>Non-current liabilities</b>					
Deferred tax liabilities	12	5,138	2,594	–	–
Loans and borrowings	15	23,891	25,971	–	–
Total non-current liabilities		29,029	28,565	–	–
<b>Capital and reserves</b>					
Share capital	16	24,471	24,471	24,471	24,471
Other reserves	17	107,329	103,018	1,312	727
Retained earnings/(accumulated losses)		50,698	(10,777)	(29,376)	(23,261)
Total equity		182,498	116,712	(3,593)	1,937
<b>Total liabilities and equity</b>		<b>294,866</b>	<b>563,571</b>	<b>13,918</b>	<b>11,059</b>

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

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

Starland Holdings Limited and its subsidiaries

Consolidated statement of comprehensive income  
For the year ended 30 September 2015

	Note	Group	
		2015 RMB'000	2014 RMB'000
<b>Revenue</b>	18	337,051	13,570
Cost of sales		(233,350)	(3,214)
<b>Gross profit</b>		103,701	10,356
Other operating income	19	2,556	830
Other operating expenses	20	(697)	(3,942)
Selling expenses		(1,160)	(2,581)
Administrative expenses		(12,557)	(10,668)
<b>Profit/(loss) before tax</b>		91,843	(6,005)
Income tax expense	22	(26,227)	(3,728)
<b>Profit/(loss) for the year attributable to owners of the Company</b>		65,616	(9,733)
Other comprehensive income:			
<u>Item that may be reclassified subsequently to profit or loss</u>			
Foreign currency translation		170	32
<b>Total comprehensive income for the year attributable to owners of the Company</b>		65,786	(9,701)
<b>Basic and diluted earnings/(loss) per share (RMB cents)</b>	23	45.34	(6.72)

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

**APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS  
OF THE GROUP FOR FY2015**

**Starland Holdings Limited and its subsidiaries**

**Statements of changes in equity  
For the year ended 30 September 2015**

Group	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>At 30 September 2013</b>	24,471	99,027	628	2,860	109	(682)	126,413
Loss for the year	-	-	-	-	-	(9,733)	(9,733)
Other comprehensive income	-	-	-	-	32	-	32
Foreign currency translation	-	-	-	-	32	-	32
<b>Total comprehensive income for the year</b>	-	-	-	-	32	(9,733)	(9,701)
Others	-	-	-	362	-	(362)	-
Transfer to statutory reserve	-	-	-	-	-	-	-
<b>At 30 September 2014 and 1 October 2014</b>	24,471	99,027	628	3,222	141	(10,777)	116,712
Profit for the year	-	-	-	-	-	65,616	65,616
Other comprehensive income	-	-	-	-	170	-	170
Foreign currency translation	-	-	-	-	170	-	170
<b>Total comprehensive income for the year</b>	-	-	-	-	170	65,616	65,786
Others	-	-	-	4,141	-	(4,141)	-
Transfer to statutory reserve	-	-	-	-	-	-	-
<b>At 30 September 2015</b>	24,471	99,027	628	7,363	311	50,698	182,498

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

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

Starland Holdings Limited and its subsidiaries

Statements of changes in equity  
For the year ended 30 September 2015

Company	Share capital RMB'000	Merger reserve RMB'000	Translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
<b>At 30 September 2013</b>	24,471	628	26	(17,225)	7,900
Loss for the year	-	-	-	(6,036)	(6,036)
Other comprehensive income	-	-	73	-	73
Foreign currency translation	-	-	73	-	73
<b>Total comprehensive loss for the year</b>	-	-	73	(6,036)	(5,963)
<b>At 30 September 2014 and 1 October 2014</b>	24,471	628	99	(23,261)	1,937
Loss for the year	-	-	-	(6,115)	(6,115)
Other comprehensive income	-	-	585	-	585
Foreign currency translation	-	-	585	-	585
<b>Total comprehensive loss for the year</b>	-	-	585	(6,115)	(5,530)
<b>At 30 September 2015</b>	24,471	628	684	(29,376)	(3,593)

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

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

### Starland Holdings Limited and its subsidiaries

#### Consolidated cash flows statement For the year ended 30 September 2015

	Note	Group	
		2015 RMB'000	2014 RMB'000
<b>Operating activities</b>			
Profit/(loss) before tax		91,843	(6,005)
Adjustments for:			
Gain on disposal of equipment		–	(82)
Depreciation of equipment		423	396
Amortisation of land		300	300
Impairment loss on development property		–	3,465
Interest income		(2,444)	(698)
Interest expense		617	74
<b>Operating cash flows before changes in working capital</b>		90,739	(2,550)
(Increase)/decrease in properties held for sale		(154,722)	2,435
(Increase)/decrease in development properties		392,580	(137,470)
Decrease/(increase) in other receivables and deposits		8,383	(5,945)
(Decrease)/increase in trade and other payables		(361,397)	184,935
<b>Cash flows (used in)/generated from operations</b>		(24,417)	41,405
Interest received		2,444	698
Interest expenses		(617)	(74)
Income tax paid		(1,606)	(19,977)
<b>Net cash flows (used in)/generated from operating activities</b>		(24,196)	22,052
<b>Investing activities</b>			
Proceeds from disposal of equipment		–	84
Purchase of equipment		(11)	(571)
<b>Net cash flows used in investing activities</b>		(11)	(487)
<b>Financing activities</b>			
Increase / (decrease) in bank deposits pledged		2,350	(22,071)
Repayment to a director		(6,049)	(3,968)
Bank borrowings		10,574	8,186
<b>Net cash flows generated from/(used in) financing activities</b>		6,875	(17,853)
Net (decrease)/increase in cash and cash equivalents		(17,332)	3,712
Effect of foreign exchange rate changes		170	32
Cash and cash equivalents at beginning of financial year		65,738	61,994
<b>Cash and cash equivalents at end of financial year</b>	6	48,576	65,738

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

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

### Starland Holdings Limited and its subsidiaries

#### Notes to the financial statements For the financial year ended 30 September 2015

#### 1. Corporate information

Starland Holdings Limited (the "Company") is a limited liability company incorporated and domiciled in the Republic of Singapore with its registered office at 80 Robinson Road, #02-00, Singapore 068898 and principal place of business at 20 Upper Circular Road, #01-17 The Riverwalk, Singapore 058416. On 27 April 2012, the Company was listed on Catalist, the sponsor-supervised board of the Singapore Exchange Securities Trading Limited.

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

The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

#### 2. Summary of significant accounting policies

##### 2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards ("FRS").

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Renminbi ("RMB") and all values in the tables are rounded to the nearest thousand (RMB'000) as indicated.

##### 2.2 Change in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual periods beginning on or after 1 October 2014. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

##### 2.3 Standards issued but not yet effective

The Group has not adopted the following standards and interpretations that have been issued but are not yet effective:

Description	Effective for annual periods beginning on or after
FRS 114 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to FRS 27 <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to FRS 16 and FRS 38 <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to FRS 16 and FRS 41 <i>Agriculture: Bearer Plants</i>	1 January 2016
Amendments to FRS 111 <i>Accounting for Acquisition of Interests in Joint Operations</i>	1 January 2016
Amendments to FRS 110 and FRS 28 <i>Sale for Contribution of Assets between an Investor and its Associate or Joint Venture</i>	1 January 2016

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

### 2. Summary of significant accounting policies (cont'd)

#### 2.3 Standards issued but not yet effective (cont'd)

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Improvements to FRSs (November 2014)	
(a) Amendments to FRS 105 <i>Non-current Assets Held for Sale and Discontinued Operations</i>	1 January 2016
(b) Amendments to FRS 107 <i>Financial Instruments: Disclosures</i>	1 January 2016
(c) Amendment to FRS 19 <i>Employee Benefits</i>	1 January 2016
(d) Amendment to FRS 34 <i>Interim Financial Reporting</i>	1 January 2016
Amendments to FRS 1 <i>Disclosure Initiative</i>	1 January 2016
Amendments to FRS 110, FRS 112 and FRS 28 <i>Investment Entity : Applying the Consolidation Exception</i>	1 January 2016
FRS 115 <i>Revenue from Contracts with Customers</i>	1 January 2017
FRS 109 <i>Financial Instruments</i>	1 January 2018

Except for FRS 115 and FRS 109, the directors expect that the adoption of the standards above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of FRS 115 and FRS 109 are described below.

#### FRS 115 Revenue from Contracts with Customers

FRS 115 was issued in November 2014 and establishes a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue. The new revenue standard is applicable to all entities and will supersede all current revenue recognition requirements under FRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

#### FRS 109 Financial Instruments

In December 2014, the ASC issued the final version of FRS 109 Financial Instruments which reflects all phases of the financial instruments project and replaces FRS 39 Financial Instruments: Recognition and Measurement. The standard introduces new requirements for classification and measurement, impairment, and hedge accounting. FRS 109 is effective for annual periods beginning on or after 1 January 2018, with early adoption permitted. Retrospective application is required, but comparative information is not compulsory in the year of adoption. The adoption of FRS 109 will have an effect on the classification and measurement of the Group's financial assets, but no impact on the classification and measurement of the Group's financial liabilities.

---

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

---

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

---

### 2. Summary of significant accounting policies (cont'd)

#### 2.4 Basis of consolidation and business combinations

##### (a) Basis of consolidation

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

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

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

Losses within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when controls is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

##### (b) Business combinations

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

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

---

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

---

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

---

### 2. Summary of significant accounting policies (cont'd)

#### 2.4 Basis of consolidation and business combinations (cont'd)

##### (b) Business combinations (cont'd)

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

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

##### Business combinations involving entities under common control

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.
- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger reserve.
- The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination took place.
- Comparatives are restated to reflect the combination as if it had occurred from the beginning of the earliest period presented in the financial statements or from the date the entities had come under common control, if later.

---

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

---

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

---

### 2. Summary of significant accounting policies (cont'd)

#### 2.5 Foreign currency

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

##### (a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

##### (b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of entities whose functional currency differs from the presentation currency are translated into Renminbi at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss.

---

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

---

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

---

### 2. Summary of significant accounting policies (cont'd)

#### 2.6 *Equipment*

All items of equipment are initially recorded at cost. Subsequent to recognition, equipment is measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying equipment. The cost of an item of equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

When significant parts of equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Motor vehicles	-	3 to 4 years
Furniture, fixtures and equipment	-	5 years

The carrying values of equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

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

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

#### 2.7 *Development properties*

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

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

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when incurred.

Net realisable value takes into account the price ultimately expected to be realised and the anticipated costs to completion. Cost of development properties comprises land cost, development costs and borrowing costs capitalised during the development period. When completed, the units held for sale are classified as completed properties held for sale.

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

---

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

---

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

---

### 2. Summary of significant accounting policies (cont'd)

#### 2.8 *Properties held for sale*

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

Net realisable value is determined by reference to sale proceeds of properties sold in the ordinary course of business less all estimated selling expenses; or estimated by management in the absence of comparable transactions taking into consideration prevailing market conditions.

#### 2.9 *Impairment of non-financial assets*

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

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

Impairment losses of continuing operations are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

#### 2.10 *Subsidiaries*

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

---

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

---

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

---

### 2. Summary of significant accounting policies (cont'd)

#### 2.11 *Financial instruments*

##### (a) *Financial assets*

###### **Initial recognition and measurement**

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

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

###### **Subsequent measurement**

The subsequent measurement of financial assets depends on their classification.

###### ***Loans and receivables***

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

###### **Derecognition**

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

###### **Regular way of purchase or sale of a financial asset**

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

##### (b) *Financial liabilities*

###### **Initial recognition and measurement**

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

All financial liabilities are recognised initially at fair value and in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

---

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

---

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

---

### 2. Summary of significant accounting policies (cont'd)

#### 2.11 *Financial instruments (cont'd)*

##### (b) *Financial liabilities (cont'd)*

###### **Subsequent measurement**

The measurement of financial liabilities depends on their classification.

###### ***Financial liabilities at amortised cost***

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

###### **De-recognition**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

##### (c) ***Offsetting of financial instruments***

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

#### 2.12 ***Impairment of financial assets***

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

###### ***Financial assets carried at amortised cost***

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

---

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

---

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

---

### 2. Summary of significant accounting policies (cont'd)

#### 2.12 Impairment of financial assets (cont'd)

##### *Financial assets carried at amortised cost (cont'd)*

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

#### 2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

#### 2.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

---

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

---

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

---

### 2. Summary of significant accounting policies (cont'd)

#### 2.15 *Financial guarantee*

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

#### 2.16 *Borrowing costs*

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

#### 2.17 *Employee benefits*

##### (a) *Defined contribution plans*

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

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

##### (b) *Employee leave entitlement*

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

---

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

---

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

---

### 2. Summary of significant accounting policies (cont'd)

#### 2.18 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

(a) **As lessee**

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) **As lessor**

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.19(d). Contingent rents are recognised as revenue in the period in which they are earned.

#### 2.19 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment excluding taxes or duty.

(a) **Sale of development properties**

Revenue from properties developed for sale is recognised when the risks and rewards of ownership of units have been transferred to the buyer either upon the issue of completion certificate or handing over of keys to the buyers, whichever is later. Payments received from buyers prior to this stage are recorded as advances from customers for sales of properties.

(b) **Rendering of services**

Property management fee income and service income are recognised over the period when services are rendered.

(c) **Interest income**

Interest income is recognised using the effective interest method.

(d) **Rental income**

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

---

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

---

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

---

### 2. Summary of significant accounting policies (cont'd)

#### 2.20 Taxes

##### (a) *Current income tax*

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

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

##### (b) *Deferred tax*

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

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

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

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

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

---

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

---

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

---

### 2. Summary of significant accounting policies (cont'd)

#### 2.20 Taxes (cont'd)

##### (b) *Deferred tax (cont'd)*

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

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

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

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

##### (c) *Sales tax*

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

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

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

#### 2.21 *Share capital and share issuance expenses*

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

---

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

---

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

---

### 2. Summary of significant accounting policies (cont'd)

#### 2.22 Contingencies

A contingent liability is:

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

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

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

#### 2.23 Related parties

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and Company if that person:
  - (i) Has control or joint control over the Company;
  - (ii) Has significant influence over the Company; or
  - (iii) Is a member of the key management personnel of the Group or Company or of a parent of the Company.

---

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

---

### Starland Holdings Limited and its subsidiaries

#### Notes to the financial statements For the financial year ended 30 September 2015

---

## 2. Summary of significant accounting policies (cont'd)

### 2.23 Related parties (cont'd)

- (b) An entity is related to the Group and the Company if any of the following conditions applies :
- (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
  - (iii) Both entities are joint ventures of the same third party.
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
  - (vi) The entity is controlled or jointly controlled by a person identified in (a);
  - (vii) A person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

## 3. Significant accounting judgements and estimates

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

### 3.1 Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

#### Determination of functional currency

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

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

### 3. Significant accounting judgements and estimates (cont'd)

#### 3.1 Judgments made in applying accounting policies (cont'd)

##### (a) *Estimation of net realisable value of development properties*

Development properties are stated at the lower of cost and estimated net realisable value (NRV) in accordance with the accounting policy in Note 2.7.

Development properties are tested for impairment when there are indicators that the carrying amounts may not be recoverable. The Group obtained valuations performed by accredited independent valuers to determine the recoverable amount of the development properties. The carrying amount of the development property stated at net realisable value as at 30 September 2015 was RMB43,425,000 (2014: RMB436,305,000).

##### (b) *Taxes*

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax provisions already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognised for all unused tax losses and land appreciation tax to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits.

### 4. Financial instruments, financial risks and capital risks management

#### (a) *Categories of financial instruments*

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2015	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Financial assets</b>				
Loans and receivables (including cash and bank balances)	81,121	101,756	4,089	1,208
<b>Financial liabilities</b>				
Financial liabilities carried at amortised cost	58,282	128,326	17,512	9,122

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

#### 4. Financial instruments, financial risks and capital risks management (cont'd)

##### (b) *Financial risk management policies and objectives*

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

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

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

##### (i) Foreign currency risk

The Group's transactions are largely denominated in Renminbi. The Group does not enter into derivative foreign exchange contracts and foreign currency borrowings to hedge its foreign exchange risk.

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

	Assets		Liabilities	
	2015	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
<b>Group</b>				
United States Dollars (USD)	371	370	-	-
<b>Company</b>				
Renminbi (RMB)	-	-	2,227	2,227

The sensitivity rate used when reporting foreign currency risk to key management personnel is 10%, which is the change in foreign exchange rate that management deems reasonably possible which will affect outstanding foreign currency denominated monetary items at period end.

If USD were to appreciate/depreciate by 10% against the RMB, the profit after tax for the year of the Group will decrease/increase by approximately RMB37,100 (2014: the loss after tax for the year will increase/decrease by RMB37,000).

No sensitivity analysis is presented for other foreign currencies as the impact of changes in these currencies is not expected to be material.

---

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

---

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

---

#### 4. Financial instruments, financial risks and capital risks management (cont'd)

##### (b) *Financial risk management policies and objectives (cont'd)*

###### (ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their loans and borrowings and bank deposits.

The Group monitors its interest cost regularly and may prepay its interest-bearing loans or source for other loans and borrowings with lower interest rates.

An increase in 100 basis point in interest rate at the reporting date would decrease the Group's profit before tax by approximately RMB124,000 (2014: an increase in 100 basis point in interest rate at the reporting date would increase the Group's loss before tax by approximately RMB267,000).

###### (iii) Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk arises primarily from deposits. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. For sales of properties, sales proceeds are fully settled concurrent with delivery of properties.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The Group's maximum exposure to credit risk comprises the sum of the carrying amounts of financial assets recorded in the financial statements.

###### Financial assets that are neither past due nor impaired

Other receivables that are neither past due nor impaired are with creditworthy debtors. Cash and bank balances are placed with reputable financial institutions.

###### Financial assets that are either past due or impaired

The Group has no financial assets that are past due or impaired.

###### (iv) Liquidity risk

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

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

#### 4. Financial instruments, financial risks and capital risks management (cont'd)

##### (b) *Financial risk management policies and objectives (cont'd)*

##### (iv) Liquidity risk (cont'd)

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

At 30 September 2015, the Group has committed borrowing facilities of S\$13,321,000 (approximately RMB59,200,000) (2014: S\$13,841,000, approximately RMB67,501,000) to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Approximately 47% (2014: 25%) of the Group's loans and borrowings will mature in less than one year based on the carrying amount reflected in the financial statement. 100% (2014: 100%) of the Company's loans and borrowings will mature in less than one year at the end of the reporting period.

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is available.

##### *Analysis of financial instruments by remaining contractual maturities*

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

Group	2015			Total RMB'000
	One year or less RMB'000	One to five years RMB'000	Over five years RMB'000	
<b>Financial assets:</b>				
Cash and bank balances	79,086	–	–	79,086
Other receivables and deposits	2,036	–	–	2,036
<b>Total undiscounted financial assets</b>	<b>81,122</b>	<b>–</b>	<b>–</b>	<b>81,122</b>
<b>Financial liabilities:</b>				
Trade payables	366	–	–	366
Other payables and accruals	12,916	–	–	12,916
Loans and borrowings	22,175	24,772	–	46,947
<b>Total undiscounted financial liabilities</b>	<b>35,457</b>	<b>24,772</b>	<b>–</b>	<b>60,229</b>
<b>Total net undiscounted financial liabilities</b>	<b>45,665</b>	<b>(24,772)</b>	<b>–</b>	<b>20,893</b>

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

#### 4. Financial instruments, financial risks and capital risks management (cont'd)

##### (b) *Financial risk management policies and objectives (cont'd)*

##### (iv) Liquidity risk (cont'd)

Group	2014			Total RMB'000
	One year or less RMB'000	One to five years RMB'000	Over five years RMB'000	
<b>Financial assets:</b>				
Cash and bank balances	98,598	–	–	98,598
Other receivables and deposits	3,157	–	–	3,157
<hr/>				
Total undiscounted financial assets	101,755	–	–	101,755
<hr/>				
<b>Financial liabilities:</b>				
Trade payables	74,706	–	–	74,706
Other payables and accruals	13,146	–	–	13,146
Advances from a director	6,049	–	–	6,049
Loans and borrowings	9,357	26,842	–	36,199
<hr/>				
Total undiscounted financial liabilities	103,258	26,842	–	130,100
<hr/>				
Total net undiscounted financial liabilities	(1,503)	(26,842)	–	(28,345)

Company	2015			Total RMB'000
	One year or less RMB'000	One to five years RMB'000	Over five years RMB'000	
<b>Financial assets:</b>				
Cash and bank balances	537	–	–	537
Other receivables and deposits	3,552	–	–	3,552
<hr/>				
Total undiscounted financial assets	4,089	–	–	4,089
<hr/>				
<b>Financial liabilities:</b>				
Other payables and accruals	4,401	–	–	4,401
Loans and borrowings	13,307	–	–	13,307
<hr/>				
Total undiscounted financial liabilities	17,708	–	–	17,708
<hr/>				
Total net undiscounted financial liabilities	(13,619)	–	–	(13,619)

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

#### 4. Financial instruments, financial risks and capital risks management (cont'd)

##### (b) *Financial risk management policies and objectives (cont'd)*

##### (iv) Liquidity risk (cont'd)

Company	2014			Total RMB'000
	One year or less RMB'000	One to five years RMB'000	Over five years RMB'000	
<b>Financial assets:</b>				
Cash and bank balances	340	–	–	340
Other receivables and deposits	868	–	–	868
<hr/>				
Total undiscounted financial assets	1,208	–	–	1,208
<hr/>				
<b>Financial liabilities:</b>				
Other payables and accruals	3,083	–	–	3,083
Loans and borrowings	6,122	–	–	6,122
<hr/>				
Total undiscounted financial liabilities	9,205	–	–	9,205
<hr/>				
Total net undiscounted financial liabilities	(7,997)	–	–	(7,997)

##### (v) Fair value of financial assets and financial liabilities

*Cash and bank balances (Note 6), other receivables and deposits (excludes advances to suppliers and prepayments) (Note 7), trade and other payables (Note 13), advances from a director (Note 14) and loans – current (Note 15)*

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

##### *Loans and borrowings – non-current (Note 15)*

The fair value of the loans and borrowings – non-current, amounting to RMB23,891,000 have been measured under Level 2 of the fair value hierarchy, by discounting expected future cash flows at market incremental lending rate for similar type of borrowings arrangements at the end of the reporting period.

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

#### 4. Financial instruments, financial risks and capital risks management (cont'd)

##### (c) *Capital management*

Capital includes debt and equity items as disclosed in the table below.

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

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

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

	Group	
	2015 RMB'000	2014 RMB'000
Loans and borrowings (Note 15)	45,000	34,426
Trade payables (Note 13)	366	74,706
Other payables and accruals (Note 13)	17,925	304,982
Advances from a director (Note 14)	–	6,049
Less: Cash and bank balances (Note 6)	(79,086)	(98,598)
	(15,795)	321,565
Equity attributable to owners of the Company	182,498	116,712
Less: Statutory reserve fund	(4,141)	(3,222)
Total capital	178,357	113,490
Capital and net debt	162,562	435,055
Gearing ratio	N/A	74%

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

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

### 5. Related party transactions

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

	Group	
	2015 RMB'000	2014 RMB'000
Repayment to a director	(6,049)	(3,968)

Personal guarantee of RMB S\$13,841,000 (approximately RMB61,511,000) in FY2015 (2014: S\$13,841,000, approximately RMB67,501,000) was provided by a director of the Company to obtain the loan as disclosed in Note 15.

#### *Compensation of key management personnel*

	Group	
	2015 RMB'000	2014 RMB'000
Short-term benefits	5,334	3,839
Defined contribution plans	115	89
	5,449	3,928
<i>Comprise amounts paid to:</i>		
Directors of the Company	4,440	3,189
Other key management personnel	1,009	739
	5,449	3,928

### 6. Cash and bank balances

	Group		Company	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Cash on hand	19	19	–	–
Cash at bank	48,557	65,719	537	340
Deposits pledged	30,510	32,860	–	–
Cash and bank balances	79,086	98,598	537	340

Fixed deposit of S\$6,849,000 (approximately RMB30,437,000) (2014: S\$5,325,000 (approximately RMB25,736,000)) is pledged with the bank to secure loans and borrowings in Note 15.

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

### Starland Holdings Limited and its subsidiaries

#### Notes to the financial statements For the financial year ended 30 September 2015

#### 6. Cash and bank balances (cont'd)

RMB5,904 (2014: RMB7,057,000) is placed in an escrow account with a bank in the PRC in accordance with the requirements of the local authority to complete the construction of a property development project in the PRC.

RMB67,100 (2014: RMB67,000) is pledged with a bank in the PRC to secure bank guarantees.

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

	Group	
	2015 RMB'000	2014 RMB'000
Cash and bank balances	79,086	98,598
Less: Deposits pledged	(30,510)	(32,860)
	48,576	65,738
	48,576	65,738

The Group's cash and bank balances that are denominated in the foreign currencies of the respective entities are as follows:

	Group		Company	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
United States dollars	371	370	–	–
	371	370	–	–
	371	370	–	–

#### 7. Other receivables and deposits

	Group		Company	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Other receivable from third parties	37	142	–	–
Other receivable from subsidiaries	–	–	3,468	750
Deposits	388	3,015	84	118
Interest receivable from fixed deposit	1,611	–	–	–
	2,036	3,157	3,552	868
Financial assets measured at amortised cost	2,036	3,157	3,552	868
Advances to suppliers	409	7,656	–	–
Prepayments	–	15	–	–
	409	7,671	–	–
<b>Other current assets</b>	409	7,671	–	–
	409	7,671	–	–
<b>Total other receivables and deposits</b>	2,445	10,828	3,552	868

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

### Starland Holdings Limited and its subsidiaries

#### Notes to the financial statements For the financial year ended 30 September 2015

#### 7. Other receivables and deposits (cont'd)

##### Other receivables from third parties and subsidiaries

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

##### Receivables that are past due but not impaired

There are no receivables that are past due at the end of the reporting period but not impaired.

##### Receivables that are impaired

There are no receivables that are impaired at the end of the reporting period as management is of the view that these receivables are recoverable.

#### 8. Properties held for sale

	Group	
	2015 RMB'000	2014 RMB'000
Cost	168,135	13,413

Properties held for sale during the year are as follows:

Location (Chongqing, PRC)	Description	Gross floor area (sq. meters)	Group's effective interest
89 Julong Avenue, Lidu, Fuling District	Commercial units and carpark units	7,079	100%
8 Wubao Road, Fuling District	Residential units, Commercial units and carpark units	45,966	100%

Property held for sale in FY2014 is as follows:

Location (Chongqing, PRC)	Description	Gross floor area (sq. meters)	Group's effective interest
89 Julong Avenue, Lidu, Fuling District	Commercial units and carpark units	9,049	100%

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

### 9. Development properties

	Group	
	2015 RMB'000	2014 RMB'000
Land costs	42,880	126,821
Construction costs	545	309,484
	43,425	436,305

The development properties are located at Fuling District, Chongqing Municipality, the PRC and Singapore.

Development properties amounting to S\$7,613,000 (approximately RMB33,833,000) (2014: S\$7,499,000, approximately RMB36,225,000) were mortgaged to a bank as security for borrowings as referred to in Note 15.

### 10. Equipment

Group	Motor vehicles RMB'000	Furniture, fixtures and equipment RMB'000	Total RMB'000
<b>Cost</b>			
At 1 October 2013	1,134	415	1,549
Additions	529	42	571
Disposals	(70)	(4)	(74)
	1,593	453	2,046
At 30 September 2014 and 1 October 2014			
Additions	–	11	11
	1,593	464	2,057
At 30 September 2015			
<b>Accumulated depreciation</b>			
At 1 October 2013	283	254	537
Depreciation for the year	326	70	396
Disposals	(70)	(2)	(72)
	539	322	861
At 30 September 2014 and 1 October 2014			
Depreciation for the year	362	61	423
	901	383	1,284
At 30 September 2015			

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

10. Equipment (cont'd)	Motor vehicles RMB'000	Furniture, fixtures and equipment RMB'000	Total RMB'000
<b>Group</b>			
<b>Carrying amount</b>			
At 30 September 2015	692	81	773
At 30 September 2014	1,054	131	1,185
<b>Company</b>		<b>Furniture, fixtures and equipment RMB'000</b>	
<b>Cost</b>			
At 1 October 2013			77
Additions			33
At 30 September 2014 and 1 October 2014			110
Additions			-
At 30 September 2015			110
<b>Accumulated depreciation</b>			
At 1 October 2013			14
Depreciation for the year			18
At 30 September 2014 and 1 October 2014			32
Depreciation for the year			22
At 30 September 2015			54
<b>Carrying amount</b>			
At 30 September 2015			56
At 30 September 2014			78

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

### Starland Holdings Limited and its subsidiaries

#### Notes to the financial statements For the financial year ended 30 September 2015

#### 11. Investment in subsidiaries

	Company	
	2015 RMB'000	2014 RMB'000
Unquoted equity shares, at cost	9,773	9,773
Unquoted equity investment, at cost		
At beginning of the year	9,773	5,519
Addition	–	4,892
Disposal	–	(638)
At end of the year	9,773	9,773

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation and operations	Principal activity	Attributable equity interest of the Group	
			2015 %	2014 %
Starland Axis Pte. Ltd. <sup>(1)</sup>	Singapore	Property development	100	100
Starland Commercial Trading Pte. Ltd. <sup>(1)</sup>	Singapore	Investment holding	100	100
<u>Subsidiary of Starland Commercial Trading Pte. Ltd.</u>				
Xiamen Starland Trading Limited <sup>(2)</sup>	People's Republic of China	Wholesale, import and export of chemical product, office furniture and clothing; consultancy on the enterprise management and business information	100	100
<u>Subsidiary of Xiamen Starland Trading Limited</u>				
Chongqing Starland Property Service Co., Ltd. <sup>(3)</sup>	People's Republic of China	Property management service	100	100
<u>Subsidiaries of Chongqing Starland Property Service Co., Ltd.</u>				
Chongqing Gangyuan Property Development Co., Ltd. <sup>(3)</sup>	People's Republic of China	Property development, marketing planning of property; sales of construction material, decoration material and low voltage electronic apparatus	100	100
Chongqing Tianhu Land Co., Ltd. <sup>(4)</sup>	People's Republic of China	Property development, marketing planning of property; sales of construction material, decoration material and low voltage electronic apparatus	100	100

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

### Starland Holdings Limited and its subsidiaries

#### Notes to the financial statements For the financial year ended 30 September 2015

#### 11. Investment in subsidiaries (cont'd)

- (1) Audited by Ernst & Young LLP, Singapore.
- (2) Audited by FuJian ZhongHao Certified Public Accountants Co., Ltd., and audited by member firm of Ernst & Young Global in China for group consolidation purposes.
- (3) Audited by member firm of Ernst & Young Global in China for group consolidation purposes.
- (4) Audited by Chongqing Wanlong Fangzheng Certified Public Accountants Co., Ltd., and audited by member firm of Ernst & Young Global in China for group consolidation purposes.

#### 12. Deferred tax assets/(liabilities)

	Group	
	2015 RMB'000	2014 RMB'000
Deferred tax assets	1,002	3,242
Deferred tax liabilities	(5,138)	(2,594)

The following are the deferred tax assets and liabilities recognised by the Group and movements thereon during the current and prior reporting years:

Group	Undistributed retained profits			Total
	RMB'000	Tax credits RMB'000	Tax losses RMB'000	
<b>Cost</b>				
At 30 September 2013	(2,594)	397	1,301	(896)
Charge to income statement for the year	-	475	1,069	1,544
At 30 September 2014	(2,594)	872	2,370	648
Charge to income statement for the year	(871)	(2,230)	(1,683)	(4,784)
At 30 September 2015	(3,465)	(1,358)	687	(4,136)

#### Temporary differences relating to investment in subsidiaries

In accordance with the PRC tax circular (Guoshuihan [2008] 112) effective from 1 January 2008, PRC withholding income tax at the rate of 10% is applicable to dividends payable by the PRC subsidiaries based on their profits generated from 1 January 2008 onwards to its "non-resident" investors who do not have an establishment or place of business in the PRC.

#### Unrecognised temporary differences relating to investments in subsidiaries

At end of the reporting period, deferred tax liability has not been recognised for withholding taxes that would be payable on the undistributed earnings of certain of the Group's subsidiaries, as the Group has determined that undistributed earnings of these subsidiaries will not be distributed in the foreseeable future.

Such temporary differences for which no deferred tax liability has been recognised aggregate to RMB30,343,000 (2014: RMB26,322,000). The deferred tax liability is estimated to be RMB3,034,000 (2014: RMB2,632,000).

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

### 12. Deferred tax assets/(liabilities) (cont'd)

#### Tax losses

The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. Pursuant to PRC tax regulations, for the years on which the tax losses are incurred, tax losses may be carried forward for 5 years subject to the conditions imposed by law including the retention of majority shareholders as defined.

The unused tax losses at years ended 30 September 2015 and 2014 is as follows:

	Group	
	2015 RMB'000	2014 RMB'000
<u>Expiry of unused tax losses</u>		
Not later than 1 year	–	549
Later than 1 year but not later than 5 years	2,444	8,931
	2,444	9,480

### 13. Trade and other payables

	Group		Company	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Trade payables	366	74,706	–	–
Deposits from contractors	7,883	10,811	–	–
Deposits from tenants	1,448	325	–	–
Other payables due to third parties	729	321	266	290
Accrued expenses	2,856	1,689	1,908	566
Other payables due to subsidiaries	–	–	2,227	2,227
Other Payables and accruals	12,916	13,146	4,401	3,083
Financial liabilities measured at amortised cost	13,282	87,852	4,401	3,083

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

### 13. Trade and other payables (cont'd)

	Group		Company	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Advance rental	239	156	-	-
Advance receipt from the sale of properties	4,771	291,680	-	-
Other current liabilities	5,010	291,836	-	-
<b>Total trade and other payables</b>	<b>18,292</b>	<b>379,688</b>	<b>4,401</b>	<b>3,083</b>

The Group's and Company's other payables that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
Renminbi	-	-	2,227	2,227

### 14. Advances from a director

Advances from a director are non-trade, unsecured, interest-free and repayable on demand.

### 15. Loans and borrowings

	Maturity	Group		Company	
		2015 RMB'000	2014 RMB'000	2015 RMB'000	2014 RMB'000
<b>Non-current</b>					
Bank loan					
- financing facility	2015/2016	23,891	25,971	-	-
<b>Current</b>					
Bank loan					
- revolving credit facility	2015/2016	13,110	6,039	13,110	6,039
- money market loan	2015/2016	7,999	2,416	-	-
		21,109	8,455	13,110	6,039
<b>Total loans and borrowings</b>		<b>45,000</b>	<b>34,426</b>	<b>13,110</b>	<b>6,039</b>

---

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

---

### Starland Holdings Limited and its subsidiaries

#### Notes to the financial statements For the financial year ended 30 September 2015

---

#### 15. Loans and borrowings (cont'd)

##### Financing facility

The Group has a property development financing facility (the "facility") for a property development project in Singapore. The facility comprises of a land loan, and a construction loan. The Group has drawdown the land loan on 25 September 2013.

Interest is charged at 2.50% per annum over the bank's cost of funds or 2.50% per annum over the applicable SWAP Offer Rate as determined by the bank on the day of transaction, whichever is the higher or at such other rate at the sole discretion of the bank for an interest period of 3 months.

The loan shall be fully repaid in one lump sum within 6 months after the issuance of the Temporary Occupation Permit or on 31 December 2016, whichever is the earliest.

The facility is secured and guaranteed by the following:

- a) First legal mortgage over the acquired property in Singapore and the proposed development to be erected thereon;
- b) Fixed deposit of S\$773,000 (approximately RMB3,435,000) (2014: S\$773,000, approximately RMB3,736,000) pledged with the bank;
- c) Existing Legal assignment of all rights, title and interests in the construction contract, insurance policies, performance bonds (if any), tenancy agreements and sale and purchase agreements in respect of the proposed development;
- d) Personal guarantee for S\$8,991,000 (approximately RMB39,957,000) (2014: S\$8,991,000, approximately RMB43,885,000) by a director of the Company; and
- e) Corporate guarantee for S\$8,991,000 (approximately RMB39,957,000) (2014: S\$8,991,000, approximately RMB43,885,000) by the Company.

##### Revolving credit facility

The Group and the Company has also obtained a Revolving Credit Facility (the "RCF") for general working capital purposes. The Group and the Company has drawn down partial of the facility, amounting to S\$2,950,000 (approximately RMB13,110,000) as at 30 September 2015.

Interest is charged at 1.5% per annum over the bank's cost of fund. The tenure for the drawdown is 1 month.

The RCF is secured and guaranteed by the following:

- a) Standby Letter of Credit ("SBLC") for not less than RMB17,000,000 issued by another bank;
- b) Fixed deposit of RMB17,000,000 had been pledged with the bank since 2014; and
- c) A personal guarantee of S\$3,050,000 (approximately RMB13,555,000) by a director of the Company.

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

### 15. Loans and borrowings (cont'd)

#### Money market loan

The Group has also obtained a Money Market Loan (the "MML") for general working capital purposes. The Group has drawn down S\$1,800,000 (approximately RMB7,999,000) as at 30 September 2015.

Interest is charged at 0.70% per annum over the Singapore Inter Bank Offer Rate ("SIBOR") prevailing as determined by the bank on the date of transaction, or at such other rate at the sole discretion of the bank. The tenure for the drawdown ranges from 3 to 6 months.

The MML is secured and guaranteed by the following:

- a) Standby Letter of Credit ("SBLC") for not less than RMB10,000,000 issued by another bank;
- b) Fixed deposit of RMB10,000,000 (2014: RMB5,000,000) pledged with the bank;
- c) A personal guarantee of S\$1,800,000 (approximately RMB7,999,000) by a director of the Company; and
- d) A corporate guarantee for S\$1,800,000 (approximately RMB7,999,000) by the Company.

### 16. Share capital

	Group and Company			
	2015		2014	
	No. of shares '000	RMB'000	No. of shares '000	RMB'000
<b>Issued and fully paid ordinary shares</b>				
At the beginning and the end of financial year	144,733	24,471	144,733	24,471

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

### Starland Holdings Limited and its subsidiaries

#### Notes to the financial statements For the financial year ended 30 September 2015

#### 17. Other reserves

##### Capital reserve

Arising from the restructuring exercise in financial year 2012, advances from shareholders amounted to RMB132,036,000 less tax of RMB33,009,000 that were waived by the shareholders are included as capital reserve.

##### Merger reserve

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

##### Statutory reserve

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

##### Translation reserve

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

#### 18. Revenue

	Group	
	2015 RMB'000	2014 RMB'000
Income from sale of properties	335,558	11,307
Property management income	268	673
Rental income	1,225	1,590
	337,051	13,570

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

**19. Other operating income**

	Group	
	2015 RMB'000	2014 RMB'000
Interest income	2,444	698
Gain on disposal of equipment	–	82
Others	112	50
	2,556	830
	2,556	830

**20. Other operating expenses**

	Group	
	2015 RMB'000	2014 RMB'000
Interest expenses	617	74
Impairment loss on development property	–	3,465
Write off of receivables	–	139
Others	80	264
	697	3,942
	697	3,942

**21. Profit/(loss) before tax**

Profit/(loss) before tax has been arrived at after charging/(crediting):

	Group	
	2015 RMB'000	2014 RMB'000
Depreciation of equipment	423	396
Amortisation of land	300	300
Net foreign exchange gain	(839)	(132)
Employee benefits expense (including directors' remuneration):		
Defined contribution plans	515	396
Salaries and other short-term benefits	6,376	4,563
Total employee benefits expense	6,891	4,959
Audit fees:		
- auditors of the Company	257	254
- affiliates of auditors of the Company	441	488
- other auditors	35	51
Non-audit fees:		
- other auditors	129	140
- auditors of the Company	17	15
Cost of completed properties for sale recognised as expenses	233,021	2,072
	233,021	2,072

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

### 22. Income tax expense

	Group	
	2015 RMB'000	2014 RMB'000
Current tax:		
PRC enterprise income tax	23,535	1,370
PRC land appreciation tax	962	3,902
	24,497	5,272
Deferred tax:		
Origination of temporary differences	2,230	-
Unused tax losses and tax credits	(500)	(1,544)
	26,227	3,728
<b>Total income tax expense</b>	<b>26,227</b>	<b>3,728</b>

The Group is subject to income tax on an entity basis on profits from the jurisdictions in which members of the Group are domiciled and operate.

Singapore income tax is calculated at 17% (2014: 17%) of the estimated assessable profit for the year. No provision for Singapore income tax has been made as the Group did not derive any taxable income in Singapore during the financial year.

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax ("New Law") by Order No.63 of the President of the PRC, with an effective date of 1 January 2008. On 28 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. Due to the New Law and Implementation Regulations, the PRC subsidiaries will be subject to 25% Enterprise Income Tax, commencing 1 January 2008. Accordingly, taxation arising in the PRC is calculated at the prevailing rate of 25% (2014: 25%) for subsidiaries in the PRC.

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

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

### 22. Income tax expense (cont'd)

#### Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 30 September 2015 and 2014 is as follows:

	Group	
	2015 RMB'000	2014 RMB'000
Profit/(Loss) before tax	91,843	(6,005)
Income tax expense at statutory rate of the respective entities	23,616	(1,873)
Non-deductible items	1,404	1,649
Deferred tax (utilised) / benefits not recognised	(385)	76
Effect of land appreciation tax	721	3,902
Withholding tax on undistributed profits	871	–
Others	–	(26)
Total income tax expense	26,227	3,728

### 23. Earnings/(loss) per share

Earning per share for 30 September 2015 was calculated by dividing profit for the year attributable to owners of the Company of RMB65,616,000 by the weighted average number of ordinary shares outstanding during the year of 144,733,000 shares.

Loss per share for 30 September 2014 has been calculated by dividing loss for the year attributable to owners of the Company of RMB9,733,000 by the weighted average number of ordinary shares outstanding during the year of 144,733,000 shares.

Basic and diluted earnings per share are the same as there is no dilutive potential ordinary share outstanding during the year.

### 24. Segment information

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

Accordingly, the above are the Group's reportable segments under FRS 108 *Operating Segments*. Information regarding the Group's reportable segments is presented below.

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

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

### 24. Segment information (cont'd)

Segment	Principal activities
(a) Property development	Development of residential, commercial and other properties.
(b) Property management	Provision of property management and other services.
(c) Rental income	Leasing of properties held for sale to generate rental income.

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

#### Segment revenues and results

	Revenue		Profit/(loss)	
	2015	2014	2015	2014
	RMB'000	RMB'000	RMB'000	RMB'000
Property development	335,558	11,307	102,537	8,557
Rental income	1,225	673	1,041	1,590
Property management	268	1,590	123	209
Revenue / Gross Profit	337,051	13,570	103,701	10,356
Unallocated expense			(14,302)	(13,594)
Impairment loss on development property			-	(3,465)
Interest income			2,444	698
Profit/(Loss) before income tax			91,843	(6,005)
Income tax			(26,227)	(3,728)
Combined profit/(loss)			65,616	(9,733)

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the year (2014: Nil).

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment profit represents profit earned by each segment without allocation of interest income.

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

Starland Holdings Limited and its subsidiaries

Notes to the financial statements  
For the financial year ended 30 September 2015

### 24. Segment information (cont'd)

#### Geographical segment

Development properties information based on the geographical location of assets respectively are as follows:

	<b>Development properties</b>	
	<b>2015</b>	<b>2014</b>
	RMB'000	RMB'000
People's Republic of China	9,592	400,080
Singapore	33,833	36,225
	43,425	436,305

The Group's operations are mainly located in the PRC, hence no analysis by geographical area of operations is provided.

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

### 25. Operating lease arrangements

#### As lessor

The Group rents out its properties held for sale in the PRC under operating leases. The leases are negotiated for terms between 1 to 6 years and rentals are fixed during the term of the lease. Property rental income earned during the year was RMB1,225,000 (2014: RMB1,590,000).

At the end of the reporting period, the Group has contracted with tenants for the following future minimum lease payments:

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	RMB'000	RMB'000
Within one year	1,491	1,344
In the second to fifth years inclusive	523	2,437
	2,014	3,781

## APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015

### Starland Holdings Limited and its subsidiaries

#### Notes to the financial statements For the financial year ended 30 September 2015

#### 25. Operating lease arrangements (cont'd)

##### As lessee

The Group has entered into operating lease for its office premises. The leases are negotiated for terms between 1 to 5 years and rentals are fixed during the term of the lease.

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	RMB'000	RMB'000
Minimum lease payments under operating lease recognised as an expense in the financial year	135	133
	135	133

At the end of the reporting period, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	RMB'000	RMB'000
Within one year	90	73
In the second to fifth years inclusive	78	-
	168	73

#### 26. Expenditure commitments - contracted

Estimated amounts committed for following future expenditures but not provided for in the financial statements at the end of the reporting period:

	<b>Group</b>	
	<b>2015</b>	<b>2014</b>
	RMB'000	RMB'000
Construction of properties	545	81,671
	545	81,671

#### 27. Contingent liability

The Company has provided a corporate guarantee of S\$10,791,000 (approximately RMB47,956,000) (2014: S\$10,791,000 (approximately RMB52,580,000)) to a bank for a loan taken by a subsidiary in Note 15.

---

## **APPENDIX 4: AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF THE GROUP FOR FY2015**

---

**Starland Holdings Limited and its subsidiaries**

**Notes to the financial statements  
For the financial year ended 30 September 2015**

---

**28. Events occurring after balance sheet date**

On 14 October 2015, the Company announced a pre-conditional mandatory cash offer was made by GRP Chongqing Land Pte Ltd (the "Offeror"), a wholly-owned subsidiary of GRP Land Pte. Ltd. which is in turn wholly-owned by GRP Limited ("GRP"). GRP is listed on the main board of the Singapore Exchange Securities Trading Limited (SGX-ST). A conditional sale and purchase agreement ("SPA") was entered into in relation to the sale and purchase of 120,000,000 ordinary shares, which representing 82.91% of the total issued shares for a cash consideration of S\$0.236 per sale share, amounting to an aggregate purchase consideration of S\$28,320,000 (RMB125,856,912).

**29. Authorisation of financial statements for issue**

The financial statements for the year ended 30 September 2015 were authorised for issue in accordance with a resolution of the Directors on 16 December 2015.

## APPENDIX 5: VALUATION CERTIFICATES

This **Appendix 5** to the Circular sets out the Valuation Certificates in respect of the Subject Properties as set out in the list below. Copies of the Valuation Certificates are available for inspection at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898 during normal business hours for the period during which the Offer remains open for acceptance.

### List of Subject Properties

	Subject Properties	Location	Independent Valuer
	<b>Singapore</b>		
1.	Jalan Nipah	8 Jalan Nipah Bedok Ria Singapore 488814	GB Global Pte Ltd
	<b>PRC</b>		
2.	Singapore Garden (新加坡花苑)	8 Wubao Road Fuling District Chongqing, PRC	Jones Lang LaSalle Corporate Appraisal and Advisory Limited
3.	University Town (学府新城)	89 Julong Road Fuling District Chongqing, PRC	
4.	Royal Waterhouse (江畔豪庭)	Dianyi Residential Committee Fuling District Chongqing, PRC	

---

## APPENDIX 5: VALUATION CERTIFICATES

---



Jones Lang LaSalle Corporate Appraisal and Advisory Limited  
6/F Three Pacific Place 1 Queen's Road East Hong Kong  
tel +852 2846 5000 fax +852 2169 6001  
Licence No.: C-030171

仲量聯行企業評估及諮詢有限公司  
香港皇后大道東1號太古廣場三期6樓  
電話 +852 2846 5000 傳真 +852 2169 6001  
牌照號碼: C-030171

The Board of Directors  
**Starland Holdings Limited**  
80 Robinson Road  
#02-00  
Singapore 068898

Dear Sirs,

In accordance with your instructions to value the selected property interests held by the Starland Holdings Pte. Ltd. (the “**Company**”) and its subsidiaries (hereinafter together referred to as the “**Group**”) in the People’s Republic of China (the “**PRC**”), we confirm that we have carried out inspections, made relevant enquiries and searches and obtained such further information as we consider necessary for the purpose of providing you with our opinion on the market values of the property interests as at 29 January 2016 (the “**valuation date**”).

Our valuation is carried out on a market value basis. Market value is defined as “the estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in an arm’s-length transaction after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion”.

We have valued the properties held by the Group for sale and for future development by the comparison approach assuming sale of the property interests in their existing states with the benefit of immediate vacant possession and by making reference to comparable sales transactions as available in the market. This approach rests on the wide acceptance of the market transactions as the best indicator and pre-supposes that evidence of relevant transactions in the market place can be extrapolated to similar properties, subject to allowances for variable factors.

Our valuation has been made on the assumption that the seller sells the property interests in the market without the benefit of a deferred term contract, leaseback, joint venture, management agreement or any similar arrangement, which could serve to affect the values of the property interests.

No allowance has been made in our report for any charge, mortgage or amount owing on any of the property interests valued nor for any expense or taxation which may be incurred in effecting a sale. Unless otherwise stated, it is assumed that the properties are free from encumbrances, restrictions and outgoing of an onerous nature, which could affect their value.

In valuing the property interests, we have complied with all requirements contained in the RICS Valuation - Professional Standards published by the Royal Institution of Chartered Surveyors; the HKIS Valuation Standards published by the Hong Kong Institute of Surveyors; and the International Valuation Standards published by the International Valuation Standards Council.

---

## APPENDIX 5: VALUATION CERTIFICATES

---



We have relied to a very considerable extent on the information given by the Group and have accepted advice given to us on such matters as tenure, planning approvals, statutory notices, easements, particulars of occupancy, lettings, and all other relevant matters.

We have been shown copies of various title documents including the Real Estate Title Certificates, Construction Work Planning Permits, Construction Work Commencement Permits, Pre-sales Permits, Construction Work Completion and Inspection Certificates, tenancy agreements and official plans relating to the property interests and have made relevant enquiries. Where possible, we have examined the original documents to verify the existing title to the property interests in the PRC and any material encumbrance that might be attached to the property interests. It is assumed that the copies of the documents obtained are consistent with their originals.

We have had no reason to doubt the truth and accuracy of the information provided to us by the Group. We have also sought confirmation from the Group that no material factors have been omitted from the information supplied. We consider that we have been provided with sufficient information to arrive an informed view, and we have no reason to suspect that any material information has been withheld.

We have not carried out detailed measurements to verify the correctness of the areas in respect of the properties but have assumed that the areas shown on the title documents and official site plans handed to us are correct. All documents and contracts have been used as reference only and all dimensions, measurements and areas are approximations. No on-site measurement has been taken.

We have inspected the exterior and, where possible, the interior of the properties. However, we have not carried out investigation to determine the suitability of the ground conditions and services for any development thereon. Our valuation has been prepared on the assumption that these aspects are satisfactory and that no unexpected cost and delay will be incurred during construction. Moreover, no structural survey has been made, but in the course of our inspection, we did not note any serious defect. We are not, however, able to report whether the property is free of rot, infestation or any other structural defect. No tests were carried out on any of the services.

The site inspection was carried out on 25 January 2016 by Mr. Jake Zhong who has 3 years' experience in property valuation in the PRC.

All monetary figures stated in this report are in Renminbi (RMB).

---

## APPENDIX 5: VALUATION CERTIFICATES

---



Our valuation is summarized below and the valuation certificates are attached.

Yours faithfully,  
for and on behalf of  
**Jones Lang LaSalle Corporate Appraisal and Advisory Limited**

A handwritten signature in black ink, appearing to read 'Eddie Yiu', is centered on the page.

**Eddie T. W. Yiu**  
*MRICS MHKIS RPS (GP)*  
*Director*

*Note:*

*Eddie T. W. Yiu is a Chartered Surveyor who has 22 years' experience in the valuation of properties in Hong Kong and the PRC as well as relevant experience in the Asia-Pacific region.*

## APPENDIX 5: VALUATION CERTIFICATES



### SUMMARY OF VALUES

#### Group I - Property interests held for sale by the Group in the PRC

No.	Property	Market value in existing state as at the valuation date <i>RMB</i>
1.	314 unsold residential units, 28 retail units and 251 car parking spaces of Singapore Garden (新加坡花苑) located at No. 8 Wubao Road Fuling District Chongqing The PRC	73,870,000
2.	11 unsold retail units and 56 car parking spaces of University Town (学府新城) located at No. 89 Julong Road Fuling District Chongqing The PRC	42,190,000
<b>Sub-total:</b>		<b><u>116,060,000</u></b>

#### Group II – Property interest held for future development by the Group in the PRC

No.	Property	Market value in existing state as at the valuation date <i>RMB</i>
3.	A parcel of land located at Dianyi Residential Committee Fuling District Chongqing The PRC	32,130,000
<b>Sub-total:</b>		<b><u>32,130,000</u></b>
<b>Grand Total:</b>		<b><u>148,190,000</u></b>

## APPENDIX 5: VALUATION CERTIFICATES



### VALUATION CERTIFICATE

#### Group I - Property interests held for sale by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>										
1.	314 unsold residential units, 28 retail units and 251 car parking spaces of Singapore Garden (新加坡花苑) located at No. 8 Wubao Road Fuling District Chongqing The PRC	<p>Singapore Garden is located at No. 8 Wubao Road. The locality is well-served with public transportation. The surrounding environment comprises primarily residential developments.</p> <p>The property comprises 314 residential units, 28 retail units and 251 car parking spaces of Singapore Garden which was completed in 2015.</p> <p>The property has a total gross floor area of approximately 43,929.70 sq.m., the details of which are set out as below:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: center;">Usage</th> <th style="text-align: center;">Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Residential</td> <td style="text-align: right;">30,978.25</td> </tr> <tr> <td>Retail</td> <td style="text-align: right;">4,242.05</td> </tr> <tr> <td>Carparking spaces</td> <td style="text-align: right;">8,709.40</td> </tr> <tr> <td><b>Total:</b></td> <td style="text-align: right;"><b>43,929.70</b></td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for terms expiring on 7 May 2078 for residential and commercial uses.</p>	Usage	Gross Floor Area (sq.m.)	Residential	30,978.25	Retail	4,242.05	Carparking spaces	8,709.40	<b>Total:</b>	<b>43,929.70</b>	The property is currently vacant for sale.	73,870,000
Usage	Gross Floor Area (sq.m.)													
Residential	30,978.25													
Retail	4,242.05													
Carparking spaces	8,709.40													
<b>Total:</b>	<b>43,929.70</b>													

*Notes:*

- Pursuant to a Real Estate Title Certificate – 303 Fang Di Zheng 2010T Zi Di No. 000218, the land use rights of a parcel of land with a site area of approximately 32,616.1 sq.m. were granted to Chongqing Tianhu Real Estate Co., Ltd. (重庆天湖置业有限公司, “Chongqing Tianhu”, a wholly-owned subsidiary of the Company) for terms with the expiry dates on 7 May 2078 for residential and commercial uses.
- Pursuant to 2 Construction Work Planning Permits – Jian Zi Di No. 500102201200050 and Jian Zi Di No. 500102201200049 in favour of Chongqing Tianhu, 10 buildings with a total gross floor area of approximately 107,492.71 sq.m. have been approved for construction.

## APPENDIX 5: VALUATION CERTIFICATES



3. Pursuant to 4 Construction Work Commencement Permits – Nos. 500102201208220201, 500102201208220201, 500102201306040101 and 500102201306040201 in favour of Chongqing Tianhu, permissions by the relevant local authority were given to commence the construction of Nos. 1 to 10 buildings and underground car parking spaces of Singapore Garden with a total gross floor area of approximately 107,492.00 sq.m.
4. Pursuant to 3 Construction Work Completion and Inspection Certificates in favour of Chongqing Tianhu, the construction of Nos. 1 to 10 Buildings with a total gross floor area of approximately 107,899.45 sq.m. has been completed and passed the inspection acceptance.
5. Pursuant to 4 Pre-sales Permits – Fu Fang Guan 2013 Yu Zi Di Nos. 15, 34, 47 and Fu Fang Guan 2012 Yu Zi Di No. 36 in favour of Chongqing Tianhu, the Company is entitled to sell Nos. 1 to 3, 5 to 9 buildings of Singapore Garden (representing a total gross floor area of approximately 83,090.09 sq.m.) to purchasers.
6. Pursuant to a Real Estate Title Certificate – 303 Fang Di Zheng 2015 Zi No. 19955, a retail unit with a gross floor area of approximately 1,355.56 sq.m. is owned by Chongqing Tianhu for retail use.
7. Pursuant to a Real Estate Title Certificate – 303 Fang Di Zheng 2015 Zi No. 19959, 3 retail units, 251 carparking spaces and several ancillary units with a total gross floor area of approximately 10,530.1 sq.m. are owned by Chongqing Tianhu for retail, carparking and ancillary uses (including 3 retail units of 576.61 sq.m. and 251 carparking spaces of 8,709.40 sq.m. of the property).
8. For the remaining 24 retail units with a total gross floor area of approximately 2,309.88 sq.m. and 314 residential units with a total gross floor area of approximately 30,978.25 sq.m., we have not been provided with any title certificate. And as advised by the Group, they are now applying for the relevant permits from the local housing bureau.
9. In the valuation of this property, we have attributed no commercial value to 24 retail units and 314 residential units with a total gross floor area of approximately 30,978.25 sq.m. which lacks valid title certificate. However, for reference purpose, we are of the opinion that the market value of the units as at the valuation date would be RMB211,240,000 assuming the relevant title certificates have been obtained and they could be freely transferred.
10. According to the information provided by the Group, the gross floor area of the property is set out as below:

Usage	Units/Spaces	Gross Floor Area (sq.m.)
Residential	314	30,987.25
Retail	28	4,242.05
Carparking spaces	251	8,709.40
<b>Total</b>		<b><u>43,929.70</u></b>

11. Our valuation has been made on the following basis and analysis:
  - a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB5,900 to RMB6,200 per sq.m. for residential unit, RMB16,000 to RMB19,500 per sq.m. for retail unit and RMB150,000 to RMB200,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at an assumed unit rate for the property.
12. Our valuation has been made on the following assumptions:
  - a. all land premium payments and other costs such as resettlement and ancillary utilities services have been paid in full and there is no requirement for payment of further land premium or other onerous payments to the government;
  - b. the design and construction of the property are in compliance with the local planning regulations

---

## APPENDIX 5: VALUATION CERTIFICATES

---



仲量聯行

and have been approved by the relevant government authorities and all necessary authorizations and permits have been obtained in respect of the construction works; and

- c. all requisite title certificates have been obtained and the property can be freely transferred, leased or mortgaged by Starland Holdings Pte. Ltd. without payment of any further land premium or transfer fees.

13. A summary of major certificates/approvals is shown as follows:

- |  |         |
|--|---------|
| a. Real Estate Title Certificates (for land only)                | Yes     |
| b. Construction Work Planning Permit                             | Yes     |
| c. Construction Work Commencement Permit                         | Yes     |
| d. Pre-sale Permit   | Portion |
| e. Construction Work Completion and Inspection Certificate/Table | Yes     |
| f. Real Estate Title Certificates                                | Portion |

## APPENDIX 5: VALUATION CERTIFICATES



### VALUATION CERTIFICATE

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>								
2.	11 unsold retail units and 56 car parking spaces of University Town (学府新城) located at No. 89 Julong Road Fuling District Chongqing The PRC	<p>Project University Town is located at No. 89 Julong Road. The locality is well-served with public transportation. The surrounding environment comprises several residential developments. Project University Town has a total gross floor area of approximately 43,672.39 sq.m. The project was completed in 2011.</p> <p>The property comprises 11 retail units and 56 car parking spaces of University Town.</p> <p>The property has a total gross floor area of approximately 6,748.57 sq.m., the details of which are set out as below:</p> <table border="1" style="margin-left: 20px;"> <thead> <tr> <th style="text-align: center;">Usage</th> <th style="text-align: center;">Gross Floor Area (sq.m.)</th> </tr> </thead> <tbody> <tr> <td>Retail</td> <td style="text-align: right;">3,899.73</td> </tr> <tr> <td>Car parking spaces</td> <td style="text-align: right;">2,848.84</td> </tr> <tr> <td><b>Total:</b></td> <td style="text-align: right;"><b><u>6,748.57</u></b></td> </tr> </tbody> </table> <p>The land use rights of the property have been granted for terms expiring on 17 June 2078 for residential and commercial uses.</p>	Usage	Gross Floor Area (sq.m.)	Retail	3,899.73	Car parking spaces	2,848.84	<b>Total:</b>	<b><u>6,748.57</u></b>	<p>10 retail units of the property with a total gross floor area of 3,803.75 sq.m. are leased to various parties at a current total annual rental of RMB1,330,000, except for a retail unit with a gross floor area of approximately 95.98 sq.m. and 56 car parking spaces which are currently vacant.</p>	42,190,000
Usage	Gross Floor Area (sq.m.)											
Retail	3,899.73											
Car parking spaces	2,848.84											
<b>Total:</b>	<b><u>6,748.57</u></b>											

*Notes:*

- Pursuant to 2 Real Estate Title Certificates dated 15 October 2008, the land use rights of 2 parcels of land with a total site area of approximately 19,330.30 sq.m. were granted to Chongqing Gangyuan Real Estate Development Co., Ltd. (重庆港源房地产开发有限公司, "Chongqing Gangyuan", a wholly-owned subsidiary of the Company) for terms with the expiry dates on 17 June 2078 for residential and commercial uses.
- Pursuant to 11 Real Estate Title Certificates, 11 retail units with a total gross floor area of approximately 3,899.73 sq.m. are owned by Chongqing Gangyuan for retail use. The details are set out

## APPENDIX 5: VALUATION CERTIFICATES



仲量聯行

as follows:

No.	Certificate No.	Building/Portion	Gross Floor Area (sq.m.)	Registration Date
(1)	303 Fang Di Zheng 2011 Zi Di No.13396	Room 1-1 Building 1	95.98	02/08/2011
(2)	304 Fang Di Zheng 2011 Zi Di No.13566	Room 1-1 & 2-1 Building 7	107.06	02/08/2011
(3)	305 Fang Di Zheng 2011 Zi Di No.13554	Room 1-2 & 2-2 Building 7	124.72	02/08/2011
(4)	306 Fang Di Zheng 2011 Zi Di No.13550	Room 1-8 & 2-8 Building 7	203.86	02/08/2011
(5)	307 Fang Di Zheng 2011 Zi Di No.13635	Level 1, Building 8	1,532.16	02/08/2011
(6)	308 Fang Di Zheng 2011 Zi Di No.13633	Level 2, Building 8	1,490.98	02/08/2011
(7)	309 Fang Di Zheng 2011 Zi Di No.12904	Room 1-1 Building 9	91.04	02/08/2011
(8)	310 Fang Di Zheng 2011 Zi Di No.12905	Room 1-2 Building 9	75	02/08/2011
(9)	311 Fang Di Zheng 2011 Zi Di No.12908	Room 1-5 Building 9	105.57	02/08/2011
(10)	312 Fang Di Zheng 2011 Zi Di No.12911	Room 1-7 Building 9	37.3	02/08/2011
(11)	313 Fang Di Zheng 2011 Zi Di No.12910	Room 1-8 Building 9	36.06	02/08/2011
<b>Total</b>			<b>3,899.73</b>	

3. Pursuant to 56 Real Estate Title Certificates, 56 carparking spaces with a total gross floor area of approximately 2,848.84 sq.m. are owned by Chongqing Gangyuan for carparking use. The details are set out as follows:

No.	Certificate No.	Building/Portion	Gross Floor Area (sq.m.)	Registration Date
(1)	303 Fang Di Zheng 2014 Zi Di No.14698	No.1, Level -1, Building 8	50.91	28/07/2014
(2)	303 Fang Di Zheng 2014 Zi Di No.14699	No.2, Level -1, Building 8	50.91	28/07/2014
(3)	303 Fang Di Zheng 2014 Zi Di No.14702	No.5, Level -1, Building 8	48.79	28/07/2014
(4)	303 Fang Di Zheng 2014 Zi Di No.14705	No.8, Level -1, Building 8	50.91	28/07/2014
(5)	303 Fang Di Zheng 2014 Zi Di No.14707	No.10, Level -1, Building 8	50.91	28/07/2014
(6)	303 Fang Di Zheng 2014 Zi Di No.14710	No.13, Level -1, Building 8	50.91	28/07/2014
(7)	303 Fang Di Zheng 2014 Zi Di No.14711	No.14, Level -1, Building 8	50.91	28/07/2014
(8)	303 Fang Di Zheng 2014 Zi Di No.14712	No.15, Level -1, Building 8	50.91	28/07/2014
(9)	303 Fang Di Zheng 2014 Zi Di No.14718	No.21, Level -1, Building 8	50.91	28/07/2014
(10)	303 Fang Di Zheng 2014 Zi Di No.14719	No.22, Level -1, Building 8	50.91	28/07/2014
(11)	303 Fang Di Zheng 2014 Zi Di No.14720	No.23, Level -1, Building 8	50.91	28/07/2014
(12)	303 Fang Di Zheng	No.24, Level -1, Building 8	50.91	28/07/2014

## APPENDIX 5: VALUATION CERTIFICATES



仲量聯行

No.	Certificate No.	Building/Portion	Gross Floor Area (sq.m.)	Registration Date
	2014 Zi Di No.14721			
(13)	303 Fang Di Zheng	No.25, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14722			
(14)	303 Fang Di Zheng	No.28, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14725			
(15)	303 Fang Di Zheng	No.29, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14726			
(16)	303 Fang Di Zheng	No.30, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14727			
(17)	303 Fang Di Zheng	No.31, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14728			
(18)	303 Fang Di Zheng	No.33, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14730			
(19)	303 Fang Di Zheng	No.36, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14733			
(20)	303 Fang Di Zheng	No.39, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14736			
(21)	303 Fang Di Zheng	No.41, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14738			
(22)	303 Fang Di Zheng	No.42, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14739			
(23)	303 Fang Di Zheng	No.43, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14740			
(24)	303 Fang Di Zheng	No.44, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14741			
(25)	303 Fang Di Zheng	No.46, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14743			
(26)	303 Fang Di Zheng	No.47, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14744			
(27)	303 Fang Di Zheng	No.48, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14745			
(28)	303 Fang Di Zheng	No.49, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14746			
(29)	303 Fang Di Zheng	No.50, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14747			
(30)	303 Fang Di Zheng	No.51, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14748			
(31)	303 Fang Di Zheng	No.52, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14749			
(32)	303 Fang Di Zheng	No.54, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14661			
(33)	303 Fang Di Zheng	No.55, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14662			
(34)	303 Fang Di Zheng	No.56, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14663			
(35)	303 Fang Di Zheng	No.57, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14664			
(36)	303 Fang Di Zheng	No.64, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14671			
(37)	303 Fang Di Zheng	No.67, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14674			
(38)	303 Fang Di Zheng	No.69, Level -1, Building 8	50.91	28/07/2014

## APPENDIX 5: VALUATION CERTIFICATES



仲量聯行

No.	Certificate No.	Building/Portion	Gross Floor Area (sq.m.)	Registration Date
	2014 Zi Di No.14676			
(39)	303 Fang Di Zheng	No.70, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14677			
(40)	303 Fang Di Zheng	No.71, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14678			
(41)	303 Fang Di Zheng	No.72, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14679			
(42)	303 Fang Di Zheng	No.73, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14680			
(43)	303 Fang Di Zheng	No.74, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14681			
(44)	303 Fang Di Zheng	No.75, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14682			
(45)	303 Fang Di Zheng	No.76, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14683			
(46)	303 Fang Di Zheng	No.77, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14684			
(47)	303 Fang Di Zheng	No.81, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14688			
(48)	303 Fang Di Zheng	No.82, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14689			
(49)	303 Fang Di Zheng	No.83, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14690			
(50)	303 Fang Di Zheng	No.84, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14691			
(51)	303 Fang Di Zheng	No.85, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14692			
(52)	303 Fang Di Zheng	No.86, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14693			
(53)	303 Fang Di Zheng	No.87, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14694			
(54)	303 Fang Di Zheng	No.88, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14695			
(55)	303 Fang Di Zheng	No.89, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14696			
(56)	303 Fang Di Zheng	No.90, Level -1, Building 8	50.91	28/07/2014
	2014 Zi Di No.14697			
<b>Total:</b>			<b>2,848.84</b>	

4. Pursuant to 10 Tenancy Agreements, 10 retail units of the property with a total gross floor area of approximately 3,803.75 sq.m. are rented to various parties for various terms with the expiry dates between 31 March 2016 and 26 November 2017 at a total annual rent of approximately RMB1,330,000.
5. Our valuation has been made on the following basis and analysis:
  - a. we have identified and analyzed various relevant sales evidences in the locality which have similar characteristics as the property. The unit price of these comparable properties ranges from RMB10,000 to RMB15,000 per sq.m. for retail units and RMB80,000 to RMB100,000 per space for car parking spaces. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at an assumed unit rate for the property.
6. Our valuation has been made on the following assumptions:

---

## APPENDIX 5: VALUATION CERTIFICATES

---



仲量聯行

- a. all land premium payments and other costs such as resettlement and ancillary utilities services have been paid in full and there is no requirement for payment of further land premium or other onerous payments to the government;
  - b. the design and construction of the property are in compliance with the local planning regulations and have been approved by the relevant government authorities and all necessary authorizations and permits have been obtained in respect of the construction works; and
  - c. all requisite title certificates have been obtained and the property can be freely transferred, leased or mortgaged by Starland Holdings Pte. Ltd. without payment of any further land premium or transfer fees.
7. A summary of major certificates/approvals is shown as follows:
- a. Real Estate Title Certificates Yes

## APPENDIX 5: VALUATION CERTIFICATES



### VALUATION CERTIFICATE

#### Group II – Property interest held for future development by the Group in the PRC

No.	Property	Description and tenure	Particulars of occupancy	Market value in existing state as at the valuation date <i>RMB</i>
3.	A parcel of land located at Dianyi Residential Committee Fuling District Chongqing The PRC	<p>The property comprises a parcel of land with a site area of approximately 25,559.6 sq.m.</p> <p>Due to the re-zoning activity currently undertaken by the local authorities, the relevant permits and licences for the development of the property cannot be issued to the Group. Hence, the future development potential of the property cannot be ascertained and the property is not being developed as at the valuation date.</p> <p>The land use rights of the property have been granted for terms with the expiry dates on 10 July 2048 and 10 July 2058 for commercial and residential uses respectively.</p>	The property is currently occupied by some buildings which are to be demolished.	32,130,000

*Notes:*

1. Pursuant to a State-owned Land Use Rights Grant Contract dated 10 July 2008, the land use rights of the property was contracted to be granted to Chongqing Gangyuan Real Estate Development Co., Ltd. (重庆港源房地产开发有限公司, “Chongqing Gangyuan”, a wholly-owned subsidiary of the Company) for terms with the expiry dates on 10 July 2048 and 10 July 2058 for commercial and residential uses respectively and the plot ratio is 1.0.
2. Pursuant to a Real Estate Title Certificate – 303 Fang Di Zheng 2010T Zi Di No. 000214, the land use rights of a parcel of land with a site area of approximately 25,559.6 sq.m. were granted to Chongqing Gangyuan for terms with the expiry dates on 10 July 2048 and 10 July 2058 for commercial and residential uses respectively.
3. Our valuation has been made on the following basis and analysis:
  - a. We have made reference to sales prices of land within the locality which have the similar characteristics comparable to the property. The accommodation value of these comparable land sites range from about RMB1,200 to RMB1,300 per sq.m. for residential use. And the maximum plot ratio is from 1 to 1.05. Appropriate adjustments and analysis are considered to the differences in location, size and other characters between the comparable properties and the property to arrive at our assumed unit rate.
4. Our valuation has been made on the following assumptions:
  - a. all land premium payments and other costs such as resettlement and ancillary utilities services have been paid in full and there is no requirement for payment of further land premium or other onerous payments to the government.

---

## APPENDIX 5: VALUATION CERTIFICATES

---



仲量聯行

5. A summary of major certificates/approvals is shown as follows:
- a. Real Estate Title Certificate Yes

---

## APPENDIX 5: VALUATION CERTIFICATES

---

GB GLOBAL::

### VALUATION CERTIFICATE

Ref: EL.VC.201601.109

1 February 2016

**Starland Holdings Limited**  
20 Upper Circular Road  
#01-17 The Riverwalk  
Singapore 058416

- 1. Property Address** : **8 Jalan Nipah Bedok Ria Singapore 488814**
- 2. Purpose of Valuation** : To determine the open market value of the property for the mandatory unconditional cash offer for Starland Holdings Limited as at 29 January 2016
- 3. Property Details**
  - Existing Property Type : Vacant land
  - Land Area : 700 square metres (7,541 square feet)
  - Legal Description : MK27-98518N
  - Tenure : Freehold
  - 2014 Master Plan Zoning : Residential
- 4. Basis of Valuation** : The valuation is carried out on the property in its continued existing use without taking into account any redevelopment potential it may have.  
  
As at the valuation date, the property is not being developed. Starland Holdings Limited has no definite plans to develop the property and hence the property is regarded as without any development potential at the valuation date.
- 5. Method of Valuation** : Comparable sales method
- 6. Open Market Value** : **S\$7,800,000/- as at 29 January 2016**  
**Singapore Dollars Seven Million And Eight Hundred Thousand Only**

**Declaration:**

We have been instructed by Starland Holdings Limited to prepare this valuation certificate. This valuation certificate is confidential to and for use only by Starland Holdings Limited and for the specific purpose to which it refers.

**Notes:**

1. We have made no investigation of, and assume no responsibility for titles to, or liabilities against, the property appraised.
2. We certify that we have neither present nor prospective interest in the property appraised or in the value reported.

For and on behalf of  
**GB GLOBAL PTE LTD**



Yick Keng Hang  
Managing Director, MSISV  
Appraiser's Licence No. AD041-2002007E

**GB Global Pte Ltd** 140 Paya Lebar Road #10-09 Singapore 409015  
Tel: 9853 1411 Fax: 6673 0149

*This page has been intentionally left blank.*

*This page has been intentionally left blank.*



