



Company No. 201131382E

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**Unaudited Financial Statements And Dividend Announcement for the Six Months Ended 31/03/2016**

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

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

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

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

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX MONTHS ENDED 31 MARCH 2016**

	Group		
	Six Months Ended		Change
	31/03/2016	31/03/2015	
	RMB'000	RMB'000	%
<b>Revenue</b>	17,528	1,468	NM
<b>Cost of Sales</b>	(9,834)	(537)	NM
<b>Gross Profit</b>	7,694	931	NM
Other Income	1,591	1,515	5.0%
Other Operating Expenses	(13,954)	(107)	NM
Selling Expenses	(655)	(581)	12.7%
Administrative Expenses	(6,243)	(4,598)	35.8%
<b>Profit/(Loss) before income tax</b>	<b>(11,567)</b>	<b>(2,840)</b>	<b>NM</b>
Income Tax Expense	(1,520)	(60)	NM
<b>Profit/(Loss) for the financial period</b>	<b>(13,087)</b>	<b>(2,900)</b>	<b>NM</b>
<i>Other comprehensive income</i>			
Currency translation differences	(1,255)	129	NM
<b>Total comprehensive income for the financial period</b>	<b>(14,342)</b>	<b>(2,771)</b>	<b>NM</b>
NM = Not Meaningful			

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

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

	Group		
	Six Months Ended		Change
	31/03/2016	31/03/2015	
	RMB'000	RMB'000	%
Interest income	(1,499)	(1,503)	-0.3%
Rental Income	(1,111)	(378)	NM
Interest expense	741	107	NM
Equipment written off	47	-	100%
Impairment loss provision for Singapore development properties	13,164	-	100%
Depreciation and amortisation	210	226	-7.1%

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

**CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2016 AND 30 SEPTEMBER 2015**

	Group		Company	
	As at		As at	
	31/03/2016	30/09/2015	31/03/2016	30/09/2015
	RMB'000	RMB'000	RMB'000	RMB'000
<i>Non-Current Assets</i>				
Equipment	517	773	-	56
Investments in Subsidiaries	-	-	9,773	9,773
Deferred Tax Assets	1,036	1,002	-	-
	1,553	1,775	9,773	9,829
<i>Current Assets</i>				
Cash and Cash Equivalents	75,242	79,086	708	537
Other Receivables and Deposits	2,469	2,445	42	84
Due from Subsidiary	-	-	3,988	3,468
Properties Held for Sale	158,606	168,135	-	-
Development Properties	33,205	43,425	-	-
	269,522	293,091	4,738	4,089
<i>Current Liabilities</i>				
Trade Payables	354	366	-	-
Due to Subsidiary	-	-	21,846	2,227
Other Payables and Accruals	7,841	13,155	460	2,174
Advance Receipt from Sale of Properties	10,473	4,770	-	-
Short-term Loans	34,385	21,109	-	13,110
Income Tax Payable	44,728	43,939	-	-
	97,781	83,339	22,306	17,511
<b>Net Current Assets / (Liabilities)</b>	<b>171,741</b>	<b>209,752</b>	<b>(17,568)</b>	<b>(13,422)</b>
<i>Non-Current Liabilities</i>				
Deferred Tax Liabilities	5,138	5,138	-	-
Long-term Loans	-	23,891	-	-
	5,138	29,029	-	-
<b>Net Assets / (Liabilities)</b>	<b>168,156</b>	<b>182,498</b>	<b>(7,795)</b>	<b>(3,593)</b>
<i>Capital and Reserves</i>				
Share Capital	24,471	24,471	24,471	24,471
Capital Reserve	99,027	99,027	-	-
Merger Reserve	628	628	628	628
Statutory Reserve	7,363	7,363	-	-
Translation Reserve	(944)	311	(273)	684
Retained Earnings/(Accumulated Losses)	37,611	50,698	(32,621)	(29,376)
<b>Total Capital and Reserves</b>	<b>168,156</b>	<b>182,498</b>	<b>(7,795)</b>	<b>(3,593)</b>

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

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

As at 31/03/2016		As at 30/09/2015	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
34,385	-	21,109	-

**Amount repayable after one year**

As at 31/03/2016		As at 30/09/2015	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
-	-	23,891	-

**Details of any collateral**

The Group has obtained a property development financing facility (the "Facility") of S\$7,698,000 for a property development project in Singapore. The Facility comprises of a land loan and a construction loan. As at 31 March 2016, the Group has drawdown the land loan of S\$5,376,000 (approximately RMB 25,760,000).

The Facility is secured and guaranteed by the following:-

- a) First legal mortgage over the acquired property in Singapore and the proposed development to be erected thereon;
- b) Fixed deposit of S\$773,000 (approximately RMB3,704,000) pledge with the bank;
- c) Existing legal assignment of all rights, title and interests in the construction contract, insurance policies, performance bonds (if any), tenancy agreements and sales and purchase agreements in respect of the proposed development;
- d) A personal guarantee for S\$8,991,000 (approximately RMB43,081,000) by an ex-director of the Company. The Bank is in process of discharging this personal guarantee; and
- e) A corporate guarantee for S\$8,991,000 (approximately RMB43,081,000) by the Company.

### Revolving Credit Facility

The Group and the Company had obtained a Revolving Credit Facility (the “**RCF**”) of S\$3,050,000 from the Bank of China for general working capital purposes. The Group and the Company has no drawn down and no outstanding balance as at 31 March 2016.

### **Details of any collateral**

Bank of China is in the process of discharging of a personal guarantee of S\$3,050,000 (approximately RMB14,614,000) by an ex-director of the Company.

### Money Market Loan

The Group has also obtained a Money Market Loan (the “**MML**”) of S\$1,800,000 from the United Overseas Bank for general working capital purposes. The Group has drawn down S\$1,800,000 (approximately RMB8,625,000) as at 31 March 2016.

The MML is secured and guaranteed by the following:-

- a) Standby Letter of Credit (“**SBLC**”) for not less than RMB10 million issued by the United Overseas Bank (China) Limited, Chengdu Branch; and
- b) A personal guarantee of S\$1,800,000 (approximately RMB8,625,000) by an ex-director of the Company. The Bank is in process of discharging this personal guarantee; and
- c) A corporate guarantee for S\$1,800,000 (approximately RMB8,625,000) by the Company; and
- d) Fixed deposits of RMB10,000,000 pledged with the bank.

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

**CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE SIX MONTHS ENDED 31 MARCH 2016**

	Six Months Ended	
	31/03/2016 RMB'000	31/03/2015 RMB'000
<b>Operating activities</b>		
Loss before income tax	(11,567)	(2,840)
Adjustments for:		
Equipment written off	47	-
Depreciation and amortisation	210	226
Impairment loss provision for Singapore development properties	13,164	
Interest income	(1,499)	(1,503)
Interest expense	741	107
Operating cash flows before movements in working capital	<u>1,096</u>	<u>(4,010)</u>
Decrease in properties held for sale	9,529	524
(Increase)/decrease in development properties	(790)	10,791
(Increase) / decrease in other receivables and deposits	(25)	1,263
Decrease in trade payables	(11)	(32,294)
Increase in other payables	<u>379</u>	<u>13,772</u>
Cash flows generated from / (used in) operations	10,178	(9,954)
Interest received	1,499	1,503
Interest paid	(741)	(107)
Income tax paid	<u>(731)</u>	<u>(1,372)</u>
<b>Net cash generated from / (used in) operating activities</b>	<b><u>10,205</u></b>	<b><u>(9,930)</u></b>
<b>Investing activities</b>		
Purchase of equipment	-	(3)
<b>Net cash used in from investing activities</b>	<b><u>-</u></b>	<b><u>(3)</u></b>
<b>Financing activities</b>		
Decrease / (Increase) in bank deposits pledged	16,727	(4,715)
Proceeds from drawdown of bank borrowings	479	-
Repayment to an ex-director	-	(6,008)
Repayment of bank borrowings	<u>(14,614)</u>	<u>5,251</u>
<b>Net cash generated from / (used in) financing activities</b>	<b><u>2,592</u></b>	<b><u>(5,472)</u></b>
Net increase / (decrease) in cash and cash equivalents	12,797	(15,405)
Effect of foreign exchange rate changes	86	129
Cash and cash equivalents at beginning of financial period	<u>48,576</u>	<u>65,738</u>
<b>Cash and cash equivalents at end of financial period *</b>	<b><u>61,459</u></b>	<b><u>50,462</u></b>
* Note to consolidated statement of cash flows		
Cash and cash equivalents	75,242	88,037
Less: Deposits pledged	<u>(13,783)</u>	<u>(37,575)</u>
	<u>61,459</u>	<u>50,462</u>

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

**GROUP**

**Equity attributable to owners of the parents**

	Share Capital RMB'000	Capital Reserve RMB'000	Merger Reserve RMB'000	Statutory Reserve RMB'000	Translation Reserve RMB'000	Retained earnings (accumulated losses) RMB'000	Total RMB'000
Balance at 1 October 2014	24,471	99,027	628	3,222	141	(10,777)	116,712
Total comprehensive income for the financial year	-	-	-	-	129	(2,900)	(2,771)
Balance at 31 March 2015	24,471	99,027	628	3,222	270	(13,677)	113,941
Balance at 1 October 2015	24,471	99,027	628	7,363	311	50,698	182,498
Total comprehensive income for the financial year	-	-	-	-	(1,255)	(13,087)	(14,342)
Balance at 31 March 2016	24,471	99,027	628	7,363	(944)	37,611	168,156

**COMPANY**

	Share Capital RMB'000	Capital Reserve RMB'000	Merger Reserve RMB'000	Statutory Reserve RMB'000	Translation Reserve RMB'000	Accumulated Losses RMB'000	Total RMB'000
Balance at 1 October 2014	24,471	-	628	-	99	(23,261)	1,937
Total comprehensive income for the financial year	-	-	-	-	528	(2,087)	(1,559)
Balance at 31 March 2015	24,471	-	628	-	627	(25,348)	378
Balance at 1 October 2015	24,471	-	628	-	684	(29,376)	(3,593)
Total comprehensive income for the financial year	-	-	-	-	(957)	(3,245)	(4,202)
Balance at 31 March 2016	24,471	-	628	-	(273)	(32,621)	(7,795)

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

The Company's share capital remained unchanged at RMB24,471,000 comprising 144,733,000 shares as at 30 September 2015 and 31 March 2016.

The Company did not have any outstanding options, convertibles or treasury shares as at 31 March 2016 and as at 31 March 2015.

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

	<b>Company</b>	
	31 March 2016	30 September 2015
Total number of issued shares excluding treasury shares	144,733,000	144,733,000

The Company did not have any treasury shares as at 31 March 2016 and 30 September 2015.

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

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

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

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

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

Not applicable.

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

Except for the adoption of Singapore Financial Reporting Standard (“**FRS**”) that is effective for the current financial year as disclosed in Note 5 below, the Group and the Company had applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as in the most recent audited financial statements for the financial year ended 30 September 2015.

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

The adoption of the new standards and interpretations beginning or after 1 October 2015 has no material impact on the financial statements in the current reporting period.

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

	<b>Group</b>	
	Six months ended 31/03/2016	Six months ended 31/03/2015
<b>(Loss)/Earnings per share</b> (RMB cents)		
- Based on weighted average number of post-invitation shares in issue	(9.04)	(2.00)
- Based on fully diluted basis	(9.04)	(2.00)
Weighted average number of post-invitation shares during the financial period applicable to basic and diluted (loss) earning per share ('000)	144,733	144,733

**Notes:**

- 1) The basic and diluted earnings and loss per share for the respective financial periods under review were the same as the Company did not have potentially dilutive ordinary shares as at 31 March 2016 and 31 March 2015 respectively.

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

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

	<b>Group</b>	
	31/03/2016	30/09/2015
<b>Net Asset Value Per Ordinary Share</b>		
- Based on issued share capital at the end of financial period (RMB)	1.16	1.26
- Number of ordinary shares at the end of financial period ('000)	144,733	144,733
	<b>Company</b>	
	31/03/2016	30/09/2015
<b>Net Asset Value Per Ordinary Share</b>		
- Based on issued share capital at the end of financial period (RMB)	(0.05)	(0.02)
- Number of ordinary shares at the end of financial period ('000)	144,733	144,733

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

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

**Six months ended 31 March 2016 ("HY2016") vs. Six months ended 31 March 2015 ("HY2015")**

**Revenue**

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

Revenue increased by RMB16.06 million from RMB1.47 million in HY2015 to RMB17.53 million in HY2016 due to revenue recognition from the sale of units from our Singapore Garden Project at Chongqing, Fuling.

	1 HY2016	1 HY2015
	RMB'000	RMB'000
Sales of properties	15,774	811
Property management income	643	-
Rental income	1,111	657
	17,528	1,468

### ***Sales of properties and carpark spaces***

The Group sold 23 residential units and 20 carpark spaces for Singapore Garden Project for HY2016 as compared to sales of 14 carpark spaces in University Town Project in HY2015.

The revenue from the sale of Singapore Garden residential units and carpark spaces was RMB15.77 million and accounted for 90.0% of the Group's total revenue for HY2016 as compared to revenue amounting to RMB0.81 million from the sales of 14 carpark spaces in University Town Project which accounted for 55.3% in HY2015.

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

Property management income and carpark fee increased by RMB0.64 million to RMB0.64 million in HY2016 as compared to HY2015. This income derived from the Singapore Garden Project, which was completed in second half FY2015.

Rental income for HY2016 was RMB1.11 million and accounted for 6.3% of our total revenue for HY2016, as compared to RMB0.66 million for HY2015 which accounted for 44.8% of the total revenue for HY2015. The Group's rental income is derived from the leasing of the Group's commercial units of the University Town Project which are held for sale. The increase in rental income for HY2016 as compared to HY2015 was due to the renting of bigger commercial units in HY2016.

### **Cost of sales**

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

Costs of sales increased by RMB9.30 million in HY2016 as compared to HY2015. This is in line with the higher revenue in HY2016.

### **Gross Profit**

Gross profit increased from RMB0.93 million in HY2015 to RMB7.69 million in HY2016 mainly due to the increase in revenue. Gross profit margin decreased from 63.4% in HY2015 to 43.9% in HY2016. This was mainly due to mixed sales of both carpark spaces and residential units in Singapore Garden Project in HY2016 as compared to sales of only carpark spaces from the University Town Project in HY2015.

### **Other operating expenses**

Other operating expenses increased by RMB13.84 million in HY2016 from RMB0.11 million in HY2015 to RMB13.95 million in HY2016 was mainly due to an impairment loss for the Singapore development properties amounting to RMB13.16 million and higher finance costs incurred in Singapore. The higher finance costs incurred in Singapore was mainly due to interest expenses capitalised as development properties in HY2015. With the cessation of the development project, the interest expenses were expensed off in HY2016.

### **Operating expenses**

The Group's operating expenses comprise selling expenses and administrative expenses. The Group's total operating expenses increased by RMB1.72 million or 33.2% from RMB5.18 million in HY2015 to RMB6.90 million in HY2016.

The Group's selling expenses comprise mainly sales and marketing staff costs, advertisement and promotional expenses and documentation charges for property transfers. Selling expenses accounted for 9.5% and 11.2% of total operating expenses for HY2016 and HY2015, respectively. The Group's selling expenses increased by RMB0.07 million from RMB0.58 million in HY2015 to RMB0.66 million in HY2016. The increase in selling expenses was mainly attributable to marketing activities and promotional expenses for the Singapore Garden Project in February 2016.

Administrative expenses comprise mainly staff costs, depreciation, travelling and transport, and professional expenses. Administrative expenses accounted for 90.5% and 88.8% of total operating expenses for HY2016 and HY2015, respectively. Administrative expenses increased by RMB1.6 million, or 35.8% from RMB4.6 million in HY2015 to RMB6.2 million in HY2016 mainly attributable to professional fees incurred for the general offer made to the Company's shareholders.

### **Income tax expenses**

Income tax expenses incurred were related to enterprise income tax and land appreciation tax in the People's Republic of China ("PRC"). Income tax expenses amounted to RMB1.52 million and RMB0.06 million for HY2016 and HY2015, respectively. The increase in HY2016 was mainly due to the enterprise income tax derived from the earned profits on the sale of residential units and carpark spaces for the Singapore Garden Project.

### **Balance Sheet**

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

As at 31 March 2016, non-current assets of RMB1.55 million consist of equipment and deferred tax assets.

As at 31 March 2016, the carrying amount of equipment decreased by RMB0.26 million to RMB0.52 million as a result of the depreciation charge, amounting to RMB0.21 million and equipment written off amounting to RMB0.05 million.

Deferred tax assets remained unchanged at RMB1.0 million were mainly due to the unutilised tax losses from subsidiaries in the PRC.

### **Current assets**

As at 31 March 2016, current assets amounted to RMB269.52 million mainly consist of cash and cash equivalents, other receivables and deposits, properties held for sale and development properties.

Properties held for sale are completed but unsold units of University Town Project and Singapore Garden Project, which amounted to RMB12.11 million and RMB146.50 million respectively as at 31 March 2016. This is a decrease of RMB9.53 million from RMB168.14 million as at 30 September 2015. The decline is due to the sale of residential units and carpark spaces from the Singapore Garden Project in HY2016.

Development properties decreased by RMB10.22 million to RMB33.21 million due to an impairment provision of RMB13.16 million on Singapore development properties partially offset by the appreciation of Singapore dollars against RMB of RMB2.70 million in HY2016 as compared to 30 September 2015.

### **Current liabilities**

#### Company

The increase in the current liabilities at Company level by RMB 4.8 million from RMB17.51 million as at 30 September 2015 to RMB22.31 million. The increase is mainly due to a RMB19 million advance from a PRC subsidiary to the Company. The fund was mainly utilised to repay the Company's short term loan in HY2016.

#### Group

As at 31 March 2016, current liabilities of RMB97.78 million consisted of trade and other payables, advance receipt from sale of properties, short-term loan and income tax payable.

Other payables and accruals, which mainly comprise deposits from tenants, advance rental and accrued expenses, decreased by RMB5.31 million to RMB7.84 million from RMB13.16 million as at 30 September 2015 is mainly attributable to the payment of an ex-director's incentive bonus and salaries and payment of accrued professional fees in HY2016.

Advance receipts from the sale of properties from the Singapore Garden Project amounted to RMB10.47 million, resulted in an increase of RMB5.7 million from RMB4.77 million as at 30 September 2015.

Our income tax payable amounted to RMB44.73 million, an increase of RMB0.79 million as at 30 September 2015 due to increase of enterprise income tax in HY2016 as at 31 March 2016.

Short-term loans amounted to RMB34.39 million and RMB21.11 million as at 31 March 2016 and 30 September 2015 respectively. The increase is mainly due to the loans being due for repayment within the next 12 months from 31 March 2016.

### **Non-Current Liabilities**

As at 31 March 2016, non-current liabilities of RMB5.14 million consisted of deferred tax liabilities.

As at 31 March 2016, there were no long-term loans as they were reclassified to short-term loans.

### **Shareholders' equity**

Shareholders' equity consists of issued share capital, capital reserve, merger reserve, statutory reserve and retained earnings. As at 31 March 2016, our shareholders' equity amounted to RMB168.16 million.

### **Cash Flow**

For HY2016, the Group generated a positive operating cash flow before movements in working capital of RMB1.10 million. The positive net cash from operating activities of RMB10.18 million was mainly attributable to the following :

- (a) Continual sales of Singapore Garden Project resulting in a decrease in properties held for sale of RMB9.53 million; and
- (b) Increase in other payables of RMB0.38 million.

Net cash flow generated from financing activities amounted to RMB2.59 million in HY2016, which was mainly due to decrease in bank deposits pledged partially offset by the repayment of bank borrowings.

As at 31 March 2016, our cash and cash equivalents were at RMB75.24 million. Included in this balance is RMB13.78 million deposits pledged to the banks.

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

Not applicable as there was no specific forecast previously given.

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

The current property market for both Singapore and China remained weak. However, the long term demand for property in China is strongly supported by urbanization and income growth. In February 2016, the China's central bank announced that the required down payment for second residential properties was lowered to 30 percent from 40 percent and for first time buyers, the required down payment is 20 percent, a reduction from 25 percent.

The Group has launched all blocks of residential units of Singapore Garden Project. For the remaining of FY2016, the Group will continue to sell the residual residential and carpark spaces of Singapore Garden Project as well as the commercial units and carpark spaces of the University Town Project.

Management expects demand in both Singapore and Chongqing property markets to remain weak for the next 12 months.

In addition to the above, the Company has announced on 13 April 2016 that it has entered into a non-binding memorandum of understanding with Ayondo Holding AG (“**Ayondo**”) in relation to the proposed acquisition of the entire interest in Ayondo by the Company (“**Proposed Acquisition**”).

The Proposed Acquisition, if undertaken and completed, is expected to result in a “Reverse Take-over” of the Company as defined under Chapter 10 of Section B: Rules of Catalist of the listing manual of the Singapore Exchange Securities Trading Limited.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

No.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared for the six months ended 31 March 2016.

**13. Confirmation pursuant to Rule 720 (1) of the SGX-ST Listing Manual.**

The Company confirms that it has procured undertakings from all its Directors and Executive Officers (in the format set out in Appendix 7H) pursuant to Rule 720 (1) of the SGX-ST Listing Manual Section B: Rules of Catalist.

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

The Group does not have a general mandate for IPT.

There were no IPTs valued at S\$100,000 or more for HY2016.

**15. Confirmation by Directors pursuant to Rule 705(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited.**

The Board of Directors of the Company confirms that, to the best of their knowledge, nothing has come to the attention of the Board of Directors that may render the unaudited financial statements for the six months ended 31 March 2016 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

**Peng Peck Yen  
Executive Director**

**12 May 2016**