

CIRCULAR DATED 7 JULY 2020

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant, financial, tax or other professional adviser immediately.

If you have sold or transferred all your shares in the capital of Starland Holdings Limited (the “**Company**”), you should immediately forward this Circular, the Notice of Extraordinary General Meeting and the accompanying Proxy Form to the purchaser, transferee or to the bank, stockbroker or other agent through whom you effected the sale or transfer for onward transmission to the purchaser or transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, UOB Kay Hian Private Limited (the “**Sponsor**”) for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist.

This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes 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, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.



STARLAND HOLDINGS LIMITED
(Company Registration No. 201131382E)
(Incorporated in the Republic of Singapore)

CIRCULAR TO SHAREHOLDERS

In relation to

THE PROPOSED APPOINTMENT OF BAKER TILLY TFW LLP AS NEW AUDITORS

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	: 21 July 2020 at 11.00 a.m.
Date and time of Extraordinary General Meeting	: 24 July 2020 at 11.00 a.m.
Place of Extraordinary General Meeting	: The Extraordinary General Meeting will be held by electronic means

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DEFINITIONS

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

“AGM”	: The annual general meeting of the Company held on 5 June 2020
“Audit Committee”	: The audit committee of the Company, comprising Mr Foong Daw Ching (Chairman), Mr Tan Chade Phang and Mr Lim See Yong as at the date of this Circular
“ACRA”	: The Accounting and Corporate Regulatory Authority of Singapore
“Baker Tilly”	: Baker Tilly TFW LLP
“Board”	: The board of directors of the Company as at the date of this Circular or from time to time, as the case may be
“Catalist Rules”	: The SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, supplemented or modified from time to time
“CDP”	: The Central Depository (Pte) Limited
“Circular”	: This circular to Shareholders dated 7 July 2020 in respect of the Proposed Appointment of New Auditors
“Companies Act”	: The Companies Act, Cap. 50 of Singapore, as may be amended, supplemented or modified from time to time
“Company”	: Starland Holdings Limited
“Director”	: A director of the Company as at the date of this Circular or from time to time, as the case may be
“EGM”	: The extraordinary general meeting of the Company to be convened and held, notice of which is issued together with this Circular
“EY”	: Ernst & Young LLP
“Group”	: The Company and its subsidiaries collectively
“Latest Practicable Date”	: 6 July 2020, being the latest practicable date prior to the issuance of this Circular
“Notice of EGM”	: The notice of EGM which is issued together with this Circular
“Proposed Appointment of New Auditors”	: The proposed appointment of Baker Tilly TFW LLP as auditors of the Company
“Proxy Form”	: The proxy form in respect of the EGM which is issued together with this Circular
“Securities Accounts”	: The securities accounts maintained by Depositors with CDP, but not including the securities accounts maintained with a Depository Agent
“SFA”	: The Securities and Futures Act, Cap. 289 of Singapore, as may be amended, supplemented or modified from time to time
“SGX-ST”	: Singapore Exchange Securities Trading Limited

DEFINITIONS

“Shareholders”	: The registered holders of Shares, except that where the registered holder is CDP, the term “Shareholders” in relation to Shares held by CDP shall mean the persons named as Depositors in the Depository Register maintained by CDP and to whose Securities Accounts such Shares are credited
“Shares”	: Ordinary shares in the capital of the Company
“Sponsor”	: UOB Kay Hian Private Limited, the sponsor of the Company
“Substantial Shareholder”	: A person who has an interest or interests in one or more voting Shares in the Company and the total votes attached to that Share, or those Shares, is not less than 5% of the total votes attached to all the voting Shares in the Company
“%”	: Per centum or percentage

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the respective meanings ascribed to them in Section 81SF of the SFA, Chapter 289 of Singapore.

The terms “**subsidiary**” and “**related corporations**” shall have the meanings ascribed to them respectively in the Companies Act.

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

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

Any reference in this Circular to “**Rule**” or “**Chapter**” is a reference to the relevant rule or chapter in the Catalist Rules.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the Catalist Rule or any modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act or the Catalist Rules or any modification thereof, as the case may be.

Any reference to a time of day and date in this Circular shall be a reference to Singapore time and date, unless otherwise stated.

Any discrepancies in tables included in this Circular between the listed amounts and the totals are due to rounding; accordingly, the figures shown as totals in certain tables may not be an aggregation of the figures that precede them.

LETTER TO SHAREHOLDERS

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

Directors

Foong Daw Ching (*Non-Executive Independent Chairman*)
Kwan Chee Seng (*Non-Executive Director*)
Tan Chade Phang (*Independent Director*)
Lim See Yong (*Independent Director*)
Peng Peck Yen (*Executive Director*)

Registered office:

80 Robinson Road, #02-00, Singapore
068898

7 July 2020

To: The Shareholders of Starland Holdings Limited

Dear Sir/Madam

THE PROPOSED APPOINTMENT OF BAKER TILLY TFW LLP AS NEW AUDITORS

1. INTRODUCTION

1.1 EGM

The Board is convening an EGM to seek Shareholders' approval in relation to the Proposed Appointment of New Auditors.

1.2 Circular

The purpose of this Circular is to provide Shareholders with relevant information relating to, and to seek Shareholders' approval for, the Proposed Appointment of New Auditors. Shareholders' approval will be sought at the EGM to be convened and held, notice of which is set out in this Circular.

2. THE PROPOSED APPOINTMENT OF NEW AUDITORS

2.1 Background and rationale for the Proposed Appointment of New Auditors

The former auditors of the Company, Ernst & Young LLP ("EY"), retired at the last AGM held on 5 June 2020 and was not re-appointed by the shareholders of the Company as auditors. In connection therewith, the Company is required to appoint new auditors.

The appointment of Baker Tilly as auditors of the Company will take effect upon approval of the Proposed Appointment of New Auditors by Shareholders at the EGM and, if appointed, Baker Tilly will hold office until the conclusion of the next AGM.

There will be no change in the scope of the audit to be undertaken with the Proposed Appointment of New Auditors.

LETTER TO SHAREHOLDERS

2.2 Information on Baker Tilly and the audit engagement partner

The information on Baker Tilly and the audit engagement partner provided below was provided to the Company by Baker Tilly and its representatives. The Directors have not conducted an independent review or verification of the accuracy of the statements and information below.

About Baker Tilly

Baker Tilly is a firm of Chartered Accountants in Singapore registered with ACRA. It is one of the top 10 largest accounting and business advisory firms in Singapore and has 16 partners and staff strength of about 300. It has significant experience acting as auditors for companies listed on the SGX-ST. Baker Tilly is an independent member of Baker Tilly International, which is globally the 10 largest accounting and business advisory network by combined revenue and is represented by 126 firms in 145 countries. The proposed audit team comprises professionals with experience in distribution and retail, property investment and property development industries to conduct the audit of the Group. For more information about Baker Tilly, please visit Baker Tilly's website at www.bakertilly.sg.

About the Audit Engagement Partner

The audit engagement partner-in-charge, Ms. Tay Guat Peng, is a fellow member of the Association of Chartered Certified Accountants, practising member of the Institute of Singapore Chartered Accountants and a public accountant registered with ACRA. She will be supported by a team of between 4 to 6 members for the audit. Ms. Tay has over twenty (20) years of experience in the audit of local, multinational and public listed companies in diverse industries. Prior to joining Baker Tilly, Ms. Tay spent 10 years in an international accounting firm in Singapore. Her experience in listed companies includes investment holdings, property developer, trading and distribution, hospitality, construction, property investment and logistics services. She has been involved in the audits of companies in the distribution and retail, electronics, construction, oil and gas, property investment and property development industries. Ms. Tay is also the engagement partner of other companies listed on SGX-ST.

Ms. Tay passed her last Practice Monitoring Programme review by ACRA in 2015.

2.3 Compliance with Rule 712 of the Catalist Rules

Baker Tilly is a professional audit firm registered with the ACRA. The Audit Committee and the Board, having considered various factors, including but not limited to the adequacy of the resources and experience of Baker Tilly, the audit engagement partner assigned to the audit, Baker Tilly's other audit engagements, the size and complexity of the Group, and the number and experience of supervisory and professional staff to be assigned to the audit, is of the opinion that Baker Tilly will be able to fulfil the audit requirements of the Group.

In accordance with the requirements of Rule 712(3) of the Catalist Rules:

- (i) EY has confirmed to Baker Tilly, via its professional clearance letter dated 6 July 2020 (the "**Professional Clearance Letter**"), that save as mentioned in the Basis for Qualified Opinion section of its audit report dated 15 April 2020 which stated that EY was unable to obtain sufficient audit evidence to conclude whether the fund transfers aggregating RMB68.0 million made by certain subsidiaries of the Company in the People's Republic of China ("PRC") to unrelated third-party PRC entities and the fund transfers of S\$12.9 million received by a Singapore subsidiary of the Company from a Singapore licensed remittance agent during the financial year ended 31 December 2019 are in compliance with applicable law and regulations in the PRC and Singapore. It is not aware of any other professional reasons why Baker Tilly should not accept the appointment as auditors of the Company;
- (ii) The Company confirms that there were no disagreements with EY on accounting treatments within the last 12 months up to the Latest Practicable Date;

LETTER TO SHAREHOLDERS

- (iii) The Company confirms that it is not aware of any circumstances connected with the Proposed Appointment of New Auditors that should be brought to the attention of Shareholders which has not been disclosed in this Circular;
- (iv) The specific reasons for the Proposed Appointment of New Auditors are disclosed in Section 2.1 of this Circular. EY retired at the last AGM held on 5 June 2020 and was not re-appointed by the shareholders of the Company; and
- (v) The Company confirms that it complies with Rules 712, 715 and 716 of the Catalist Rules in relation to the appointment of Baker Tilly as its new auditors.

2.4 Compliance with Rules 715 and 716 of the Catalist Rules

Upon obtaining Shareholders' approval on the Proposed Appointment of New Auditors, Baker Tilly will be appointed as the auditors of the Company as well as its Singapore-incorporated subsidiaries.

The Company's foreign-incorporated subsidiaries that are incorporated in People's Republic of China will be audited by an independent member firm of Baker Tilly International for the purposes of preparing the consolidated financial statements of the Group. The foreign-incorporated subsidiaries that are incorporated in Malaysia are currently audited by BDO LLP. As these Malaysia subsidiaries are newly acquired in February 2020, the Company retains BDO LLP as the auditor of the Malaysia subsidiaries to ensure continuity of its accounting and auditing records. The Group expects the Malaysia subsidiaries to become significant and intends to change the auditors of these Malaysia subsidiaries to an independent member firm of Baker Tilly in year ending 31 December 2021. The Directors and the Audit Committee confirm that they are satisfied that such audit arrangements would not compromise the standard and effectiveness of the audit of the Company and the Group.

3. DIRECTORS' AND SUBSTANTIAL SHAREHOLDERS' INTERESTS

The interests of the Directors and Substantial Shareholders in the Shares as at the Latest Practicable Date are set out below:

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Directors				
Foong Daw Ching	-	-	-	-
Kwan Chee Seng	6,921,713	4.78	120,376,155 ⁽¹⁾	83.17
Tan Chade Phang	-	-	-	-
Lim See Yong	466,304	0.32	65 ⁽²⁾	*
Peng Peck Yen	2,040	*	-	-
* – Less than 0.01%				
Substantial Shareholders				
GRP Chongqing Land Pte. Ltd.	120,376,155	83.17	-	-
GRP Land Pte. Ltd.	-	-	120,376,155 ⁽³⁾	83.17
GRP Limited	-	-	120,376,155 ⁽⁴⁾	83.17

Notes:

- (1) Kwan Chee Seng has a shareholding interest of approximately 35.50% in GRP Limited. By virtue of Section 7 of the Companies Act, Cap. 50, he is deemed interested in the Shares held by GRP Chongqing Land Pte. Ltd. ("**GRP CHQ**").
- (2) Lim See Yong is deemed interested in 65 Shares held by his spouse.
- (3) By virtue of Section 7 of the Companies Act, Cap. 50, GRP Land Pte. Ltd. is deemed interested in 120,376,155 Shares held through GRP CHQ, a wholly owned subsidiary of GRP Land Pte. Ltd.
- (4) By virtue of Section 7 of the Companies Act, Cap. 50, GRP Limited is deemed interested in 120,376,155 Shares held through GRP Land Pte. Ltd., a wholly owned subsidiary of GRP Limited.

LETTER TO SHAREHOLDERS

None of the Directors and/or Substantial Shareholder has any interest, direct or indirect, in the Proposed Appointment of New Auditors other than through their respective shareholdings in the Company.

4. **AUDIT COMMITTEE'S RECOMMENDATION**

The Audit Committee recommends the appointment of Baker Tilly as the new auditors of the Company, after taking into account, among other things, the suitability and independence of Baker Tilly to meet the audit requirements of the Group, the various factors set out in Section 2 of this Circular and compliance with the requirements of the Catalist Rules.

The Audit Committee had not considered the Audit Quality Indicators Disclosure Framework (the “**AQI Framework**”) in its entirety when selecting the new auditors as the adoption of the AQI Framework is voluntary. However, the Audit Committee has based its selection of Baker Tilly as the proposed new auditors of the Company based on the Company’s internal criteria, which includes costs, quality and scope of audit, and adequacy of the resources, experiences and reputation of the audit firm.

5. **DIRECTORS' RECOMMENDATION**

The Directors having considered, among other things, the rationale and information relating to the Proposed Appointment of New Auditors as set out in this Circular, and the Audit Committee’s recommendation, are of the opinion that the Proposed Appointment of New Auditors is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the Proposed Appointment of New Auditors at the EGM.

6. **DIRECTORS' RESPONSIBILITY STATEMENT**

The Directors collectively and individually 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, this Circular constitutes full and true disclosure of all material facts about the Proposed Appointment of New Auditors, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the Circular in its proper form and context.

7. **EXTRAORDINARY GENERAL MEETING**

The EGM, notice of which is issued together with this Circular, will be held by electronic means as set out in the Notice of EGM for the purpose of considering and, if thought fit, passing, with or without any modification, the ordinary resolution relating to the Proposed Appointment of New Auditors set out in the Notice of EGM.

8. **ACTION TO BE TAKEN BY SHAREHOLDERS**

Due to the mandatory safe distancing measures issued by the Singapore Ministry of Health in relation to the Covid-19 outbreak, the Company will conduct the EGM by electronic means only and Shareholders will not be able to physically attend the EGM. Instead, alternative arrangements have been put in place to allow Shareholders to participate at the EGM by (a) watching the EGM proceedings via “live” webcast or listening to the EGM proceedings via “live” audio feed, (b) submitting questions in advance of the EGM, and/or (c) voting by proxy at the EGM. Please refer to Notice of EGM for further details.

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Shareholders who wish to attend and vote at the EGM must complete, sign and return the proxy form in accordance with the instructions printed thereon as soon as possible and in any event, not less than seventy-two (72) hours before the time fixed for the EGM.

9. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company at 80 Robinson Road, #02-00, Singapore 068898 from the date of this Circular up to and including the date of the EGM:

- (i) the Constitution of the Company;
- (ii) EY's professional clearance letter to Baker Tilly dated 6 July 2020; and
- (iii) Baker Tilly's letter to the Company dated 7 July 2020 in respect of its consent to act as auditors of the Company.

Yours faithfully
For and on behalf of the Board of Directors of
STARLAND HOLDINGS LIMITED

PENG PECK YEN
Executive Director