

STARLAND HOLDINGS LIMITED



Company No. 201131382E

Unaudited Financial Statements And Dividend Announcement for the Six-Month Financial Period Ended 31/12/2016

This announcement has been prepared by the Starland Holdings Limited (the "Company") and its contents have been reviewed by the Company's sponsor, UOB Kay Hian Private Limited. (the "Sponsor") for compliance with the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

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

The contact persons for the Sponsor are Mr Alvin Soh, Head of Catalist Operations, Senior Vice President, and Mr Augustine Cheong, Assistant Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 65906881.

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL PERIOD ENDED 31 DECEMBER 2016

	6 Months ended 31 Dec 2016	6 Months ended 31 Dec 2015	Change
	RMB'000	RMB'000	%
Revenue	24,776	334,614	-92.6
Cost of Sales	(15,839)	(232,525)	-93.2
Gross Profit	8,937	102,089	-91.2
Other Income	441	845	-47.8
Other Operating Expenses	(683)	(822)	-16.9
Selling Expenses	(410)	(666)	-38.4
Administrative Expenses	(13,496)	(8,914)	51.4
(Loss)/profit before income tax	(5,211)	92,532	N.M
Income tax credit / (expense)	1,132	(25,903)	N.M
Net (loss)/profit after tax for the financial period	(4,079)	66,629	N.M
Other Comprehensive Income <i>-Items that are or may be reclassified subsequently to profit or loss</i>			
Foreign currency translation differences (at nil tax)	449	(229)	N.M
Total comprehensive income for the financial period	(3,630)	66,400	N.M

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

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

	6 Months ended 31 Dec 2016	6 Months ended 31 Dec 2015	Change
	RMB'000	RMB'000	%
Interest income	(377)	(846)	-55.4
Interest expense	519	811	-36.0
Rental income	(617)	(632)	-2.4
Depreciation and amortisation	319	516	-38.2
Expenses relating to the ayondo acquisition (Refer to Note 10)	6,153	-	100

NM = Not Meaningful

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2016 AND 30 JUNE 2016

	Group		Company	
	As at		As at	
	31/12/2016	30/06/2016	31/12/2016	30/06/2016
<i>Non-current assets</i>				
Equipment	274	438	17	19
Investment in subsidiaries	-	-	9,773	9,773
Deferred tax assets	891	704	-	-
Total non-current assets	1,165	1,142	9,790	9,792
<i>Current assets</i>				
Cash and bank balances	100,711	86,217	322	34
Other receivables and deposits	3,974	4,693	743	76
Due from subsidiaries	-	-	14,543	4,275
Properties held for sale	134,159	149,614	-	-
Development properties	37,174	37,982	-	-
Total current assets	276,018	278,506	15,608	4,385
<i>Current liabilities</i>				
Trade payables	4	45	-	-
Due to subsidiaries	-	-	24,268	21,846
Due to ultimate holding company	2,580	1,371	2,580	1,371
Other payables and accruals	10,605	17,985	5,195	1,157
Advance receipt from sale of properties	13,503	7,184	-	-
Short-term loans	38,206	35,333	13,422	-
Income tax payable	48,201	46,848	-	-
Total current liabilities	113,099	108,766	45,465	24,374
Net current assets/(liabilities)	162,919	169,740	(29,857)	(19,989)
<i>Non-current liabilities</i>				
Deferred tax liabilities	8,296	11,464	-	-
Total non-current liabilities	8,296	11,464	-	-
Net assets/(liabilities)	155,788	159,418	(20,067)	(10,197)
<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	7,742	7,605	-	-
Translation reserve	(943)	(1,392)	(184)	(282)
Retained earnings/(accumulated losses)	24,863	29,079	(44,982)	(35,014)
Total capital and reserves	155,788	159,418	(20,067)	(10,197)

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

Amount repayable in one year or less, or on demand

Group			
As at 31/12/2016		As at 30/06/2016	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
38,206	-	35,333	-

Amount repayable after one year

Group			
As at 31/12/2016		As at 30/06/2016	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
-	-	-	-

Details of any collateral

The Group has obtained a land loan facility (the "**Land Loan Facility**") of S\$4,128,000 for a property development project in Singapore. As at 31 December 2016, the Group has an outstanding land loan of S\$3,360,000 (RMB16,138,000).

The Land Loan Facility is secured and guaranteed by the following:-

- a) First legal mortgage over the acquired property in Singapore and the proposed development to be erected thereon;
- b) Fixed deposit of S\$778,000 (RMB3,737,000) pledge with the bank;
- c) Existing legal assignment of all rights, title and interests in the construction contract, insurance policies, performance bonds (if any), tenancy agreements and sales and purchase agreements in respect of the proposed development;
- d) A corporate guarantee for S\$4,128,000 (RMB19,827,000) by the Company.

Revolving Credit Facility

The Group and the Company had obtained a Revolving Credit Facility (the “**RCF**”) of S\$4,050,000 from United Overseas Bank for general working capital purposes. The Group and the Company has an outstanding balance of S\$2,795,000 (RMB 13,422,000) as at 31 December 2016.

The RCF is secured and guaranteed by the following:-

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

Money Market Loan

The Group has also obtained a Money Market Loan (the “**MML**”) of S\$1,800,000 from the United Overseas Bank for general working capital purposes. The Group has an outstanding balance of S\$1,800,000 (approximately RMB8,646,000) as at 31 December 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 corporate guarantee for S\$1,800,000 (approximately RMB8,646,000) by the Company; and
- c) 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 FINANCIAL PERIOD ENDED 31 DECEMBER 2016

	6 months ended 31 Dec 2016	6 months ended 31 Dec 2015
	RMB'000	RMB'000
Operating activities		
(Loss)/profit before income tax	(5,211)	92,532
Adjustments for:		
Depreciation and amortisation	319	516
Interest income	(377)	(846)
Interest expense	519	811
Operating cash flows before movements in working capital	(4,750)	93,013
Decrease/(increase) in properties held for sale	15,455	(155,344)
Decrease in development properties	-	381,970
Decrease in other receivables and deposits	719	1,861
Decrease in trade payables	(41)	(23,262)
Decrease in other payables	(1,061)	(309,551)
Cash flows generated from/(used in) operations	10,322	(11,313)
Interest received	377	846
Interest paid	(519)	(811)
Income tax paid	(870)	(2,565)
Net cash generated from/(used in) operating activities	9,310	(13,843)
Investing activities		
Purchase of equipment	(5)	-
Net cash used in investing activities	(5)	-
Financing activities		
(Increase)/decrease in bank deposits pledged	(25,826)	6,996
Proceeds from drawdown of bank borrowings	13,653	5,385
Due to ultimate holding company	1,209	-
Repayment of bank borrowing	(9,508)	-
Net cash (used in)/generated from financing activities	(20,472)	12,381
Effects of foreign exchange rate changes	(165)	1,665
Net (decrease)/increase in cash and cash equivalents	(11,332)	203
Cash and cash equivalents at beginning of financial period	72,332	47,846
Cash and cash equivalents at end of financial period*	61,000	48,049
* Note to consolidated statement of cash flows		
Cash and bank balances	100,711	78,684
Less deposits pledged	(39,711)	(30,635)
	61,000	48,049

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
6 months ended 31 December 2015							
Balance at 1 July 2015	24,471	99,027	628	3,222	237	(14,761)	112,824
Total comprehensive income for the financial period	-	-	-	-	(229)	66,629	66,400
Transfer to statutory reserve	-	-	-	4,141	-	(4,141)	-
Balance at 31 December 2015	24,471	99,027	628	7,363	8	47,727	179,224

6 months ended 31 December 2016

Balance at 1 July 2016	24,471	99,027	628	7,605	(1,392)	29,079	159,418
Total comprehensive income for the financial period	-	-	-	-	449	(4,079)	(3,630)
Transfer to statutory reserve	-	-	-	137	-	(137)	-
Balance at 31 December 2016	24,471	99,027	628	7,742	(943)	24,863	155,788

COMPANY

6 months ended 31 December 2015

	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 July 2015	24,471	-	628	-	530	(26,313)	(684)
Total comprehensive income for the financial period	-	-	-	-	(245)	(4,962)	(5,207)
Balance at 31 December 2015	24,471	-	628	-	285	(31,275)	(5,891)

6 months ended 31 December 2016

Balance at 1 July 2016	24,471	-	628	-	(282)	(35,014)	(10,197)
Total comprehensive income for the financial period	-	-	-	-	98	(9,968)	(9,870)
Balance at 31 December 2016	24,471	-	628	-	(184)	(44,982)	(20,067)

- 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 June 2016 and 31 December 2016.

The Company did not have any outstanding options, convertibles or treasury shares as at 30 June 2016 and as at 31 December 2016.

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

	Company	
	31 December 2016	30 June 2016
Total number of issued shares	144,733,000	144,733,000

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

- 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 Standards ("FRS") that is effective for the current financial period/year as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current reporting period as in the most recent audited financial statements for the financial period ended 30 June 2016.

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

The adoption of the new standards and interpretations beginning on or after 1 July 2016 has no material impact on the financial statements in the current reporting period.

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

	Group	
	6 months ended 31 Dec 2016	6 months ended 31 Dec 2015
(Loss)/earnings per share (RMB cents)		
- Based on weighted average number of shares in issue	(2.82)	46.04
- Based on fully diluted basis	(2.82)	46.04
Weighted average number of shares during the financial period applicable to basic and diluted (loss)/earning per share ('000)	144,733	144,733

Note:-

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

	Group	
	31/12/2016	30/06/2016
Net Asset Value Per Ordinary Share		
- Based on issued share capital at the end of financial period (RMB)	1.08	1.10
- Number of ordinary shares at the end of financial period ('000)	144,733	144,733
	Company	
	31/12/2016	30/06/2016
Net Asset Value Per Ordinary Share		
- Based on issued share capital at the end of financial period (RMB)	(0.14)	(0.07)
- Number of ordinary shares at the end of financial period ('000)	144,733	144,733

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

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

STATEMENT OF COMPREHENSIVE INCOME

Six months ended 31 December 2016 ("1HY2017") vs. Six months ended 31 December 2015 ("1HY2016")

Revenue

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

Revenue decreased by RMB309.84 million from RMB334.61 million in 1HY2016 to RMB 24.78 million in 1HY2017 due to a decrease in revenue recognition from the sale of units from Singapore Garden Project at Chongqing, Fuling.

	1HY2017	1HY2016
	RMB'000	RMB'000
Sales of properties	23,397	333,505
Property management income	761	477
Rental income	618	632
	24,776	334,614

Sales of properties

The Group sold 39 residential units and 6 carpark spaces for the Singapore Garden project, 4 commercial units and 8 carpark spaces for University Town project for 1HY2017 as compared to the Group sold 695 units for Singapore Garden project, 2 commercial units and 1 carpark spaces for University Town project in 1HY2016.

The revenue from the sale of properties was RMB23.40 million and accounted for 94.43% of the Group's total revenue for 1HY2017 as compared to revenue amounting to RMB333.51 million which accounted for 99.67% in 1HY2016.

With the sales in 1HY2017, the Group has 7 commercial units and 39 carpark spaces left for University Town project and 252 residential units, 28 commercial units and 225 carpark spaces left for Singapore Garden project.

Property management income and rental income

Property management income and carpark fee increased by RMB0.28 million to RMB0.76 million in 1HY2017, as compared to RMB0.48 million in 1HY2016. This income is derived from the Singapore Garden project, which was completed in the month of September 2015.

Rental income for 1HY2017 was RMB0.62 million and accounted for 2.49% of our total revenue for 1HY2017, as compared to RMB0.63 million for 1HY2016 which accounted for 0.19% of the total revenue for 1HY2016. The Group's rental income is derived from the leasing of the Group's commercial units of the University Town Project. The decrease in rental income for 1HY2017 as compared to 1HY2016 was due to the sale of 4 commercial units in 1HY2017 which was previously under lease.

Cost of sales

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

Costs of sales decreased by RMB216.69 million from RMB232.53 million in 1HY2017 to RMB15.84 million in 1HY2016. This is in line with the lower revenue in 1HY2017.

Gross Profit and Profit Margin

Gross profit decreased from RMB102.09 million in 1HY2016 to RMB8.9 million in 1HY2017 mainly due to the decrease in revenue. However, gross profit margin increased from 30.51% in 1HY2016 to 36.07% in 1HY2017, due to higher proportion of commercial unit sales in 1HY2017 as compared to 1HY2016.

Other operating expenses

Other operating expenses decreased by RMB0.14 million in 1HY2017 from RMB0.82 million in 1HY2016 to RMB0.68 million in 1HY2017. This was mainly due to lower interest costs incurred in Singapore.

The Group’s operating expenses comprise selling expenses and administrative expenses. The Group’s total operating expenses increased by RMB4.33 million or 45.16% from RMB9.58 million in 1HY2016 to RMB13.91 million in 1HY2017.

The Group’s selling expenses comprise mainly sales and marketing staff costs, advertisement and promotional expenses and documentation charges for property transfers. Selling expenses accounted for 2.9% and 6.9% of total operating expenses for 1HY2017 and 1HY2016, respectively. The Group’s selling expenses decreased by RMB0.26 million from RMB 0.67million in 1HY2016 to RMB0.41 million in 1HY2017. The decrease in selling expenses was mainly attributable to marketing activities and promotional expenses for the significant sales of 695 residential units of the Singapore Garden Project in 1HY2016.

Administrative expenses comprise mainly staff costs, depreciation, management fee payable to ultimate holding company, travelling and transport, and professional expenses. Administrative expenses accounted for 97.1% and 93.1% of total operating expenses for 1HY2017 and 1HY2016, respectively. Administrative expenses increased by RMB4.58 million, or 51.40% from RMB8.91 million in 1HY2016 to RMB13.50 million in 1HY2017. The increase was mainly attributable to professional fees amounting to RMB6.15 million incurred for the ayondo acquisition.

Income tax expenses

Income tax expenses related to enterprise income tax and land appreciation tax in the People’s Republic of China (the “PRC”) as well as write back on withholding tax on undistributed profits of the PRC subsidiaries, which was previously accounted. Income tax credit amounted to RMB1.13million for 1HY2017 as compared to income tax expense of RMB25.90 million in 1HY2016. Out of the RMB1.13 million, for 1HY2017, a tax credit of RMB3.23 million relates to write back on withholding tax on undistributed profits offset by corporate income tax of RMB1.30 million and land appreciation tax of RMB0.80 million.

Balance Sheet

Non-current assets

As at 31 December 2016, non-current assets of RMB1.17 million consist of equipment and deferred tax assets.

As at 31 December 2016, the carrying amount of equipment decreased by RMB0.16 million to RMB0.27 million as a result of depreciation charge amounting to RMB0.17 million.

Deferred tax assets increased by RMB0.19 million to RMB0.89 million as at 31 December 2016. This was mainly due to tax credits provided for and due to the amortisation of land use rights of a property development project in the People's Republic of China ("PRC") and Land Appreciation Tax ("LAT") being provided for the University Town Project but not paid.

Current assets

As at 31 December 2016, current assets amounted to RMB276.02 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 Singapore Garden Project and University Town Project, which amounted to RMB124.62 million and RMB9.54 million respectively as at 31 December 2016. This is a decrease of RMB15.46 million from RMB149.61 million as at 30 June 2016. The decline was due to the sales in the Singapore Garden Project and University Town Project in 1HY2017.

Development properties decreased by RMB0.81 million to RMB37.17 million due to a depreciation of Singapore dollars against RMB as at 31 December 2016 as compared to 30 June 2016, on the development property located in Singapore.

Current liabilities

Company

The increase in the current liabilities at Company level by RMB21.1 million from RMB24.37 million as at 30 June 2016 to RMB45.47 million as at 31 December 2016. The increase is mainly due to a RMB2.42 million advance from a PRC subsidiary to the Company and a RMB 13.42 million loan facility obtained for working capital and to finance the professional fees relating to the ayondo acquisition.

Group

As at 31 December 2016, current liabilities of RMB113.10 million consisted of trade and other payables, advance receipt from sale of properties, short-term loans and income tax payable.

Other payables and accruals, which mainly comprise deposits from tenants, advance rental and accrued expenses, decreased by RMB7.38 million to RMB10.61 million from RMB17.99 million as at 30 June 2016 is mainly attributable to the payment of Additional Buyer Stamp Duty for the Singapore development property during the period under review.

Advance receipt from sale of properties for the Singapore Garden Project amounted to RMB13.50 million, resulted in an increase of RMB6.32 million from RMB7.18 million as at 30 June 2016.

Income tax payable amounted to RMB48.20 million, an increase of RMB1.35 million as compared to the balance as at 30 June 2016 due to enterprise income tax payable in 1HY2017.

Short-term loans amounted to RMB38.21 million and RMB35.33 million as at 31 December 2016 and 30 June 2016, respectively. The increase is mainly due to additional short term loans taken up by the Company.

Non-Current Liabilities

As at 31 December 2016, non-current liabilities of RMB8.30 million consisted of deferred tax liabilities.

Shareholders' equity

Shareholders' equity consists of issued share capital, capital reserve, merger reserve, statutory reserve and retained earnings. As at 31 December 2016, our shareholders' equity amounted to RMB155.79 million.

Cash Flow

For 1HY2017, the Group generated a positive net cash from operating activities of RMB9.31 million was mainly attributable to the following:

- (a) Continual sales of Singapore Garden Project resulting in a decrease in properties held for sale of RMB15.46 million; and
- (b) Decrease in other payables of RMB1.06 million.

Net cash flow used in financing activities amounted to RMB20.47 million in 1HY2017, which was mainly due to increase in bank deposits pledged, amounts due to ultimate holding company and repayment of bank loan, partially offset by proceeds from drawdown of bank borrowings.

As at 31 December 2016, our cash and cash equivalents were at RMB61.00 million.

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

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

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

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

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

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/recommended, a statement to that effect.

No dividend has been declared for 1HY2017.

13. Confirmation by the issuer pursuant to Rule 720(1)

The Company has procured the undertakings from all its Directors and executive officers as required under Rule 720(1) of the Catalist Rules.

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

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920	Aggregated value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000
GRP Limited -Management fee expense	S\$210,000 (RMB1,024,000)	-

The Group does not have a general mandate for IPT.

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 December 2016 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Peng Peck Yen
Executive Director
8 February 2017