

STARLAND HOLDINGS LIMITED



Company No. 201131382E

Unaudited Financial Statements And Dividend Announcement for the Six-Month Financial Period Ended 30/06/2019

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

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

The contact person for the Sponsor is Ms Joey Ko, 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 30 JUNE 2019

	6 Months ended 30 June 2019	6 Months ended 30 June 2018	Change
	RMB'000	RMB'000	%
Revenue	23,125	16,920	36.7
Cost of sales	(10,640)	(10,362)	2.7
Gross profit	12,485	6,558	90.4
Other operating income	309	13,603	-97.7
Interest income	1,235	670	84.3
Other operating expenses	(2,357)	(4,538)	-48.1
Interest expense	(97)	(638)	-84.8
Selling expenses	(373)	(203)	83.7
Administrative expenses	(4,771)	(6,159)	-22.5
Profit before income tax	6,431	9,293	-30.8
Income tax expense	(5,837)	(1,193)	NM
Profit after tax for the financial period	594	8,100	-92.7
Other Comprehensive Income <i>-Items that are or may be reclassified subsequently to profit or loss</i>			
Foreign currency translation differences (at nil tax)	(375)	(12)	NM
Total comprehensive income for the financial period	219	8,088	-97.3

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

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

	6 Months ended 30 June 2019	6 Months ended 30 June 2018	Change
	RMB'000	RMB'000	%
Interest income	1,235	670	84.3
Interest expense	(97)	(638)	-84.8
Rental income	1,107	1,128	-1.9
Depreciation and amortisation	(157)	(186)	-15.6
Fair value loss on held for trading equity securities	(2,357)	(5,242)	-55.0
Gain from settlement agreements with ayondo	-	13,260	NM
Writeback relating to the ayondo acquisition	-	744	NM

NM = Not Meaningful

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2019 AND 31 DECEMBER 2018

	Group		Company	
	As at		As at	
	30/06/2019	31/12/2018	30/06/2019	31/12/2018
	RMB'000	RMB'000	RMB'000	RMB'000
<i>Non-current assets</i>				
Equipment	100	107	7	9
Investment in subsidiaries	-	-	9,773	9,773
Deferred tax assets	1,328	836	-	-
Total non-current assets	1,428	943	9,780	9,782
<i>Current assets</i>				
Cash and bank balances	140,613	150,909	63,773	51,592
Trade receivables	1,971	2,669	-	-
Other receivables and deposits	1,674	1,920	51	27
Due from subsidiaries	-	-	29,772	29,334
Held for trading equity securities	-	2,377	-	2,377
Properties held for sale	48,478	58,932	-	-
Development properties	8,754	8,866	-	-
Total current assets	201,490	225,673	93,596	83,330
<i>Current liabilities</i>				
Trade payables	1	1,514	-	-
Due to subsidiaries	-	-	75,321	38,051
Due to ultimate holding company	-	443	-	443
Other payables and accruals	4,934	5,198	663	770
Advance receipt from sale of properties	6,243	5,941	-	-
Short-term loans	4,570	10,134	-	-
Income tax payable	39,345	34,318	-	-
Total current liabilities	55,093	57,548	75,984	39,264
Net current assets	146,397	168,125	17,612	44,066
<i>Non-current liabilities</i>				
Deferred tax liabilities	2,534	2,383	-	-
Total non-current liabilities	2,534	2,383	-	-
Net assets	145,291	166,685	27,392	53,848
<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	8,568	8,568	-	-
Translation reserve	(231)	144	1,666	1,706
Retained earnings	12,828	33,847	627	27,043
Total capital and reserves	145,291	166,685	27,392	53,848

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 30/06/2019		As at 31/12/2018	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
4,570	-	10,134	-

Amount repayable after one year

Group			
As at 30/06/2019		As at 31/12/2018	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
-	-	-	-

Details of any collateral

Term Loan

The Group has obtained a banking facility of S\$978,000. The facility comprised of a term loan of S\$210,000 and Performance Guarantee in favour of Controller of Residential Property of S\$768,000. The term loan of S\$210,000 was drawdown in October 2018 and the term loan was repaid in June 2019.

The banking facility is secured and guaranteed by the following:-

- a) Fixed deposit of S\$978,000 (RMB4,966,000) pledged with the bank;
- b) A corporate guarantee for S\$978,000 (RMB4,966,000) by the Company;
- c) Existing corporate guarantee for S\$8,991,000 (RMB45,654,000) by 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. As at 30 June 2019, the Group has an outstanding balance of S\$900,000 (approximately RMB4,570,000).

The MML is secured and guaranteed by the following:-

- a) Standby Letter of Credit for not less than RMB5,000,000 issued by the United Overseas Bank (China) Limited, Chengdu Branch; and
- b) A corporate guarantee for S\$1,800,000 (approximately RMB9,140,000) by the Company; and
- c) Fixed deposits of RMB5,650,000 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 30 JUNE 2019

	6 months ended 30 Jun 2019	6 months ended 30 Jun 2018
	RMB'000	RMB'000
Operating activities		
Profit before income tax	6,431	9,293
Adjustments for:		
Depreciation of equipment	7	35
Amortisation of land use right	150	151
Fair value changes on held for trading equity securities	2,357	5,242
Interest income	(1,235)	(670)
Interest expense	97	638
Gain from conversion settlement agreement with ayondo	-	(8,269)
Unrealised foreign exchange differences	(418)	-
Operating cash flows before movements in working capital	7,389	6,420
Decrease/(increase) in properties held for sale	10,549	(18,051)
(Increase)/decrease in development properties	(38)	28,138
Decrease in trade and other receivables and deposits	862	4,853
Decrease in other payables and accruals	(1,475)	(4,107)
Cash flows generated from operations	17,287	17,253
Interest received	1,317	670
Interest paid	(97)	(638)
Income tax (paid)/refund	(1,151)	4,712
Net cash generated from operating activities	17,356	21,997
Financing activities		
Decrease in bank deposits pledged	10,687	10
Dividend paid	(21,613)	(3,468)
(Repayment to)/due to ultimate holding company	(476)	570
Proceeds from drawdown of bank borrowings	-	4,302
Repayment of bank borrowing	(5,528)	-
Net cash generated (used in)/from financing activities	(16,930)	1,414
Effects of foreign exchange rate changes	(14)	150
Net increase in cash and cash equivalents	426	23,411
Cash and cash equivalents at beginning of financial period	134,551	124,497
Cash and cash equivalents at end of financial period*	134,963	148,058
* Note to consolidated statement of cash flows		
Cash and bank balances	140,613	162,685
Less deposits pledged	(5,650)	(14,627)
	134,963	148,058

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 parent						
	Share capital	Capital reserve	Merger reserve	Statutory reserve	Translation reserve	Retained earnings/(accumulated losses)	Total
6 months ended 30 June 2018	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2018	24,471	99,027	628	7,930	(144)	28,791	160,703
Impact of adoption of SFRS(I) 1	-	-	-	-	144	(144)	-
Restated balance at 1 January 2018	24,471	99,027	628	7,930	-	28,647	160,703
Dividend	-	-	-	-	-	(3,468)	(3,468)
Total comprehensive income for the financial period	-	-	-	-	(12)	8,100	8,088
Balance as at 30 June 2018	24,471	99,027	628	7,930	(12)	33,279	165,323
6 months ended 30 June 2019							
Balance at 1 January 2019	24,471	99,027	628	8,568	144	33,847	166,685
Dividend	-	-	-	-	-	(21,613)	(21,613)
Total comprehensive income for the financial period	-	-	-	-	(375)	594	219
Balance as at 30 June 2019	24,471	99,027	628	8,568	(231)	12,828	145,291
Company	Share capital	Capital reserve	Merger reserve	Statutory reserve	Translation reserve	Accumulated losses	Total
6 months ended 30 June 2018	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2018	24,471	-	628	-	(195)	(56,878)	(31,974)
Dividend	-	-	-	-	-	(3,468)	(3,468)
Total comprehensive income for the financial period	-	-	-	-	(544)	76,252	75,708
Balance as at 30 June 2018	24,471	-	628	-	(739)	15,906	40,266
6 months ended 30 June 2019							
Balance at 1 January 2019	24,471	-	628	-	1,706	27,043	53,848
Dividend	-	-	-	-	-	(21,612)	(21,612)
Total comprehensive income for the financial period	-	-	-	-	(40)	(4,804)	(4,844)
Balance as at 30 June 2019	24,471	-	628	-	1,666	627	27,392

- 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

The Company's share capital remained unchanged at RMB24,471,000 comprising 144,733,000 shares as at 30 June 2019 and 31 December 2018.

The Company did not have any outstanding convertibles as at 30 June 2019 and 30 June 2018.

The Company did not have any treasury shares and subsidiary holdings as at 30 June 2019 and 30 June 2018.

- 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	
	30 June 2019	31 December 2018
Total number of issued shares	144,733,000	144,733,000

The Company did not have any treasury shares as at 30 June 2019 and 31 December 2018.

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

Not applicable.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable.

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as those adopted in the most recently audited financial statements for the financial year ended 31 December 2018, except that the Group has adopted all new and revised standards of Singapore Financial Reporting Standards (International) ("SFRS(I)") which are effective for annual financial periods beginning on 1 January 2019 as shown in Section 5 below.

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

The Group adopted the new/revised SFRS(I)s that are effective for annual periods beginning on or after 1 January 2019. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective SFRS(I)s, SFRS(I) interpretations and amendments to SFRS(I)s.

The following are the new or amended SFRS(I)s, and SFRS(I) Interpretations that are relevant to the Group:

Description	Effective for annual periods beginning on or after
SFRS(I) 16 <i>Leases</i>	1 January 2019
SFRS(I) INT 23 <i>Uncertainty over Income Tax Treatments</i>	1 January 2019
Amendments to SFRS(I) 9 <i>Prepayment Features with Negative Compensation</i>	1 January 2019
Annual Improvements to SFRS(I)s 2015-2017 Cycle	1 January 2019

The adoption of the above SFRS(I)s, SFRS(I) Interpretations and amendments to SFRS(I) did not have any significant impact on the financial statements of the Group.

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 30 June	
Earnings per share (RMB)	2019	2018
- Based on weighted average number of shares in issue	0.004	0.06
- Based on fully diluted basis ⁽¹⁾	0.004	0.06
Weighted average number of shares during the financial period applicable to basic and diluted earnings 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 30 June 2019 and as at 30 June 2018 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	
	30/06/2019	31/12/2018
Net Asset Value Per Ordinary Share		
- Based on issued share capital at the end of financial period (RMB)	1.00	1.15
- Number of ordinary shares at the end of financial period ('000)	144,733	144,733
	Company	
	30/06/2019	31/12/2018
Net Asset Value Per Ordinary Share		
- Based on issued share capital at the end of financial period (RMB)	0.19	0.37
- Number of ordinary shares at the end of financial year ('000)	144,733	144,733

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

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

STATEMENT OF COMPREHENSIVE INCOME

Six months ended 30 June 2019 ("1HY2019") vs. Six months ended 30 June 2018 ("1HY2018")

Revenue

Our revenue is derived from the sale of properties, sale of carpark space, rental income from leasing of our properties. The following table shows the breakdown of the revenue:

	1HY2019	1HY2018
	RMB'000	RMB'000
Sales of properties	22,072	15,803
Rental income	1,053	1,117
	23,125	16,920

Sales of properties

The Group sold 9 residential units, 1 commercial unit and 19 carpark spaces for the Singapore Garden project, 1 commercial unit and 2 carpark spaces for the University Town project during 1HY2019 as compared to the Group's sales of 23 residential units and 31 carpark spaces for the Singapore Garden project in 1HY2018.

The increase in sale of properties in 1HY2019 as compared to 1HY2018 is mainly because the Group sold 2 commercial units in 1HY2019 as compared to none sold in 1HY2018.

The revenue from the sale of properties was RMB22.1 million and accounted for 95.4% of the Group's total revenue for 1HY2019 as compared to revenue amounting to RMB15.8 million which accounted for 93.4% of the Group's total revenue in 1HY2018.

After taking into account the sales in 1HY2019, the remaining unsold units as at 30 June 2019 are 21 residential units, 23 commercial units and 107 carpark spaces for the Singapore Garden project, 2 commercial units and 33 carpark spaces for the University Town project in China and 1 semi-detached unit for the Jalan Nipah project in Singapore.

Rental income

Rental income for 1HY2019 was RMB1.05 million and accounted for 4.6% of the Group's total revenue for 1HY2019, as compared to RMB1.12 million for 1HY2018 which accounted for 6.6% of the Group's total revenue for 1HY2018. The Group's rental income is derived from the leasing of the Group's commercial units at both University Town project and Singapore Garden project.

The Group leased out 6 commercial units of the Singapore Garden project and 2 commercial units of the University Town project as at 30 June 2019. The rental income decreased by RMB 0.07 million in 1HY2019 as compared to 1HY2018 due to 2 commercial units terminated their rental agreements during the period under review.

Cost of sales

Cost of sales mainly comprises costs incurred directly for our property development activities. It is determined by apportionment of the total land costs and development costs based on the gross floor area of which the properties have been successfully delivered to the customers.

Cost of sales increased by RMB0.3 million in 1HY2019 as compared to 1HY2018 in line with the higher revenue recorded in 1HY2019.

Gross profit and Profit margin

Gross profit increased from RMB6.6 million in 1HY2018 to RMB12.5 million in 1HY2019. This is mainly due to the sale of 2 commercial units in 1HY2019.

Gross profit margin improved from 38.8% in 1HY2018 to 54.0% in 1HY2019 as a result of the sale of the commercial units.

Other operating income

Other operating income decreased by RMB13.3 million in 1HY2019 as compared to 1HY2018. The decrease is mainly due to cash settlement of RMB5.1 million received from ayondo Holdings AG ("**ayondo**") and 6.5 million ayondo shares (equivalent to RMB8.2 million of held for trading equity securities) received in 1HY2018. These settlements related to expenses incurred in prior years in connection with the proposed acquisition of equity interest of ayondo, as announced by the Company on 23 March 2018.

Interest income

Interest income increased by RMB0.6 million in 1HY2019 as compared to 1HY2018. This is mainly due to the interest received under the joint development arrangement of the Jalan Nipah project in Singapore and the fixed deposit placed by the Company during 1HY2019.

Other operating expenses

Other operating expenses of RMB2.4 million in 1HY2019 was RMB2.2 million lower than in 1HY2018. The decrease is due to a RMB2.4 million fair value loss on held for trading equity securities in 1HY2019 following the fair value adjustment on ayondo shares in 1HY2019 as compared to a RMB5.2 million fair value loss on held for trading equity securities in 1HY2018.

Interest expense

Interest expense relates to interest on short-term loan which decreased from RMB0.6 million in 1HY2018 to RMB0.01 million in 1HY2019. The decrease is due to the reduction in short-term loan in 1HY2019.

Selling expenses

The Group's selling expenses mainly comprise of sales and marketing staff costs, advertisement and promotional expenses and documentation charges for property transfers. The increase of selling expenses by RMB0.2 million in 1HY2019 as compared to 1HY2018 is in line with the increase in sales in 1HY2019.

Administrative expenses

Administrative expenses comprise mainly staff costs, depreciation, management fee payable to ultimate holding company, travelling and transport, professional expenses and value added taxes ("VAT") payable to the People's Republic of China ("PRC") tax authority. Administrative expenses decreased by RMB1.4 million in 1HY2019 mainly due to lower staff costs incurred during the period under review.

Income tax expenses

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

The increase in income tax expense of RMB4.7 million is mainly due to higher LAT of RMB2.2 million and increased income tax amount of RMB2.5 million in 1HY2019 as compared to 1HY2018.

The increase in LAT is a result of the sale of 2 commercial units in 1HY2019.

Balance Sheet

Non-current assets

As at 30 June 2019, non-current assets of RMB1.4 million consist of equipment and deferred tax assets.

Deferred tax asset increased by RMB0.5 million as at 30 June 2019. This is due to timing difference resulted from LAT incurred in 1HY2019.

Current assets

As at 30 June 2019, current assets amounted to RMB201.5 million mainly consist of cash and cash equivalents, trade receivables, other receivables and deposits, properties held for sale and development properties.

Trade receivables decreased by RMB0.7 million to RMB2.0 million as at 30 June 2019. This is due to the collection of receivables in 1HY2019 for a semi-detached unit of Jalan Nipah project in Singapore which was sold in FY2018.

Other receivables and deposits decreased by RMB0.2 million as at 30 June 2019 as compared to 31 December 2018. This is a result of lesser remaining unsold units as the property projects are reaching the tail end.

Held for trading equity securities relate to the fair value of 6.5 million ayondo shares received as settlement of expenses incurred in connection with the proposed acquisition of the equity interest of ayondo. The Group has fully impaired these shares as at 30 June 2019.

Properties held for sale comprise the completed but unsold units of Singapore Garden project and University Town project in China, and Jalan Nipah project in Singapore, which amounted to RMB26.5 million, RMB8.5 million and RMB13.5 million respectively as at 30 June 2019. The decrease is due to the continual sale of properties in the Singapore Garden project and University Town project in 1HY2019.

Development properties amounting to RMB8.8 million related to the Royal Waterhouse land in China.

Current liabilities

As at 30 June 2019, current liabilities of RMB55.1 million consist of trade payables, other payables and accruals, advance receipt from sale of properties, short-term loans and income tax payable.

Trade payables decreased by RMB1.5 million is mainly due to the settlement of the outstanding payment to developer for the Jalan Nipah project in Singapore.

Other payables and accruals, which mainly comprise deposits from tenants, advance rental and accrued expenses, decreased by RMB0.3 million mainly attributed to refund of deposits to shop tenants.

Advance receipt from sale of properties increased by RMB0.3 million to RMB6.2 million as at 30 June 2019 mainly due to deposits collected from the developer for Jalan Nipah project in Singapore and partially offset by reduced deposit from buyers of Singapore Garden project and University Town project in 1HY2019.

Short-term loans amounted to RMB4.6 million and RMB10.1 million as at 30 June 2019 and 31 December 2018 respectively. The decrease is attributed to the repayment of term loan during the period under review.

Income tax payable increased by RMB5.0 million in 1HY2019. This is mainly due to the additional LAT amount of RMB2.4 million and higher income tax amount of RMB1.6 million incurred following the sale of a commercial unit in Singapore Garden project as at 30 June 2019. In addition, there is an increase of RMB1.0 million in VAT and income tax provision on the inter-company loan interest under the PRC Corporate Income Tax Laws and its implementation rules in 1HY2019.

Non-Current Liabilities

As at 30 June 2019, non-current liabilities of RMB2.5 million consist of deferred tax liabilities. Deferred tax liabilities increased by RMB0.2 million as at 30 June 2019 as compared to 31 December 2018 due to an additional RMB0.2 million LAT provision in 1HY2019.

Shareholders' equity

Shareholders' equity consists of issued share capital, capital reserve, merger reserve, statutory reserve and retained earnings. As at 30 June 2019, shareholders' equity amounted to RMB145.3 million.

Cash Flow

For 1HY2019, net cash generated from operating activities of RMB17.4 million was mainly attributed to the following:

- (a) Decrease in properties held for sale of RMB10.6 million due to continual sale of Singapore Garden project and University Town project.
- (b) Decrease in trade and other receivables and deposits of RMB0.9 million.
- (c) Decrease in other payables and accruals of RMB1.5 million.
- (d) Interest received of RMB1.3 million.
- (e) Income tax paid amounting to RMB1.2 million.

Net cash flow used in financing activities amounted to RMB16.9 million in 1HY2019, which was mainly due to the repayment of bank borrowing of RMB5.5 million, repayment to ultimate holding company of RMB0.5 million and dividend paid of RMB21.6 million offsets by decrease in bank deposits pledged RMB10.7 million during 1HY2019.

As at 30 June 2019, cash and cash equivalents amounted to RMB135.0 million.

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

No forecast or prospect statement has been previously disclosed to shareholders.

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

The Group will continue to sell the residual residential (22 units), commercial units (25 units) and carpark spaces (140 lots).

The residential property market in Singapore as well as Fuling District of Chongqing, where our completed property projects are located, the demand side remains challenging.

On 22 July 2019, the Company announced that Starland Axis Pte Ltd ("**Axis**"), a wholly owned subsidiary of the Company has entered into a convertible loan agreement with Luminor Capital (Malaysia) Sdn. Bhd. ("**Luminor**"). Under the agreement, Axis is to provide a S\$2,333,333 loan to Luminor. The purpose of the loan is to facilitate Luminor's business growth and investment. Axis has the option to convert S\$1,333,333 of the principal amount for 51% interest in the enlarged share capital of Luminor. The right to exercise the option shall commence at any time from date of drawdown to the date of full repayment of the loan.

11. Dividend

If a decision regarding dividend has been made:-

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

No dividend has been declared for 1HY2019.

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

No dividend has been declared for 1HY2018.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfer receive by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.

Not applicable.

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

No dividend has been declared for 1HY2019.

The Company does not have a formal dividend policy and in view that the retained earning of the Company as at 30 June 2019 is RMB627,000, the Board deems it prudent to defer any decision on dividends till the end of the financial year.

13. Confirmation pursuant to Rule 720(1) of the Catalist Rules

The Company has procured the undertakings from all its Directors and executive officers (in the format set out in Appendix 7H) as required under Rule 720(1) of the Catalist Rules.

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

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920	Aggregated value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000
GRP Limited -Management fee expense	S\$210,000 (RMB1,066,000)	-

The Group does not have a general mandate for IPT.

- 15. Confirmation pursuant to Rule 705(5) of the Catalist Rules**

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 30 June 2019 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Peng Peck Yen
Executive Director
13 August 2019