

STARLAND HOLDINGS LIMITED



Company No. 201131382E

Unaudited Financial Statements And Dividend Announcement for the Financial Year Ended 31/12/2018

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 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 FINANCIAL YEAR ENDED 31 DECEMBER 2018

	Group		
	Year ended 31 December		
	2018	2017	+ / (-)
	RMB'000	RMB'000	%
Revenue	67,096	101,071	(33.6)
Cost of sales	(51,890)	(69,834)	(25.7)
Gross profit	15,206	31,237	(51.3)
Other operating income	13,668	376	NM
Interest income	3,149	1,514	NM
Other operating expenses	(5,215)	(6,422)	(18.8)
Interest expense	(1,152)	(1,192)	(3.4)
Selling expenses	(234)	(819)	(71.4)
Administrative expenses	(11,600)	(11,477)	1.1
Profit before income tax	13,822	13,217	4.6
Income tax expenses	(4,660)	(8,158)	(42.9)
Net profit after tax for the financial year	9,162	5,059	81.1
Other Comprehensive Income <i>-Items that are or may be reclassified subsequently to profit or loss</i>			
Foreign currency translation differences (at nil tax)	288	(144)	NM
Total comprehensive income for the financial year	9,450	4,915	92.3

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

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

	Group		
	Year ended 31 December		
	2018	2017	+ / (-)
	RMB'000	RMB'000	%
Interest income	3,149	1,514	NM
Interest expense	(1,152)	(1,192)	(3.4)
Rental income	2,262	1,486	52.2
Depreciation and amortisation	(340)	(441)	(22.9)
Properties held for sale written down	-	(117)	NM
Fair value changes on held for trading equity securities	(5,916)	-	NM
Gain from settlement agreements with ayondo	13,287	-	NM
Writeback/(Expenses) relating to the Ayondo Acquisition	744	(6,277)	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 31 DECEMBER 2018 AND 31 DECEMBER 2017

	Group			Company		
	As at			As at		
	31/12/2018	31/12/2017	01/01/2017	31/12/2018	31/12/2017	01/01/2017
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
		Restated**	Restated**		Restated**	Restated**
<i>Non-current assets</i>						
Equipment	107	138	274	9	13	17
Investment in subsidiaries	-	-	-	9,773	9,773	9,773
Deferred tax assets	836	846	891	-	-	-
Total non-current assets	943	984	1,165	9,782	9,786	9,790
<i>Current assets</i>						
Cash and bank balances	150,909	139,134	100,711	51,592	291	322
Trade receivables	2,669	4,964	-	-	-	-
Other receivables and deposits	1,920	2,646	3,974	27	25	743
Due from subsidiaries	-	-	-	29,334	15,186	14,543
Held for trading equity securities	2,377	-	-	2,377	-	-
Properties held for sale	58,932	65,200	134,159	-	-	-
Development properties	8,866	37,337	37,174	-	-	-
Total current assets	225,673	249,281	276,018	83,330	15,502	15,608
<i>Current liabilities</i>						
Trade payables	1,514	10	4	-	-	-
Due to subsidiaries	-	-	-	38,051	36,610	24,268
Due to ultimate holding company	443	18,776	2,580	443	18,776	2,580
Other payables and accruals	5,198	6,351	10,605	770	1,876	5,195
Advance receipt from sale of properties	5,941	11,189	13,503	-	-	-
Short-term loans	10,134	20,749	38,206	-	-	13,422
Income tax payable	34,318	22,989	48,201	-	-	-
Total current liabilities	57,548	80,064	113,099	39,264	57,262	45,465
Net current assets/(liabilities)	168,125	169,217	162,919	44,066	(41,760)	(29,857)
<i>Non-current liabilities</i>						
Deferred tax liabilities	2,383	9,498	8,296	-	-	-

	Group			Company		
	As at			As at		
	31/12/2018	31/12/2017	01/01/2017	31/12/2018	31/12/2017	01/01/2017
RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	
	Restated**	Restated**		Restated**	Restated**	
Total non-current liabilities	2,383	9,498	8,296	-	-	-
Net assets/(liabilities)	166,685	160,703	155,788	53,848	(31,974)	(20,067)
<i>Capital and reserves</i>						
Share capital	24,471	24,471	24,471	24,471	24,471	24,471
Capital reserve	99,027	99,027	99,027	-	-	-
Merger reserve	628	628	628	628	628	628
Statutory reserve	8,568	7,930	7,742	-	-	-
Translation reserve	144	(144)	-	1,706	(11)	-
Retained earnings/(accumulated losses)	33,847	28,791	23,920	27,043	(57,062)	(45,166)
Total capital and reserves	166,685	160,703	155,788	53,848	(31,974)	(20,067)

**** Restated due to the adoption of SFRS(I) 1, please refer to paragraph 5 for details.**

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 31/12/2018		As at 31/12/2017	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
10,134	-	20,749	-

Amount repayable after one year

Group			
As at 31/12/2018		As at 31/12/2017	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
-	-	-	-

Details of any collateral

Land Loan Facility

The Group had a land loan facility (the "**Facility**") of S\$4,128,000 for a property development project in Singapore. The deadline for the repayment of the Facility was on 30 November 2018. The loan was fully repaid during the year ended 31 December 2018.

Term Loan

The Group obtained a new term loan facility (the "**Term Loan**") of S\$978,000 during the year under review. As at 31 December 2018, the Group has an outstanding loan of S\$210,000 (equivalent to RMB1,058,778).

The term loan is secured and guaranteed by the followings:-

- a) Fixed deposit of S\$978,000 (equivalent to RMB4,930,880) pledged with the bank;
- b) A corporate guarantee for S\$978,000 (equivalent to RMB4,930,880) 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. The Group has an outstanding balance of S\$1,800,000 (equivalent to RMB9,075,240) as at 31 December 2018.

The MML is secured and guaranteed by the followings:-

- a) Standby Letter of Credit for not less than RMB10,000,000 issued by the United Overseas Bank (China) Limited, Chengdu Branch; and
- b) A corporate guarantee for S\$1,800,000 (approximately RMB9,075,240) by the Company; and
- c) Fixed deposits of RMB11,300,616 pledged with the United Overseas Bank (China) Limited, Chengdu Branch.

- 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 YEAR ENDED 31 DECEMBER 2018

	Group	
	Year ended 31 December	
	2018	2017
	RMB'000	RMB'000
Operating activities		
Profit before income tax	13,822	13,217
Adjustments for:		
Depreciation of equipment	42	136
Amortisation of land use right	298	305
Properties held for sale written down	-	117
Fair value changes on held for trading equity securities	5,916	-
Interest income	(3,149)	(1,514)
Interest expense	1,152	1,192
Gain on disposal of equipment	(39)	-
Gain from settlement agreement with ayondo	(13,287)	-
Unrealised foreign exchange differences	57	168
Operating cash flows before movements in working capital	4,812	13,621
Decrease in properties held for sale	7,334	68,842
Decrease/(increase) in development properties	28,099	(76)
Decrease/(increase) in trade and other receivables and deposits	2,724	(3,195)
Decrease in other payables and accruals	(4,897)	(6,562)
Cash flows generated from operations	38,072	72,630
Interest received	3,446	1,073
Interest paid	(1,152)	(1,192)
Income tax paid	(436)	(32,123)
Net cash generated from operating activities	39,930	40,388
Investing activities		
Purchase of equipment	(29)	-
Proceeds from disposal of equipment	57	-
Proceeds from ayondo settlement agreement	5,113	-
Net cash generated from/(used in) investing activities	5,141	-
Financing activities		
(Increase)/decrease in bank deposits pledged	(1,593)	25,074
Dividend paid	(3,468)	-
Proceeds from drawdown of bank borrowings	5,366	10,144
(Repayment to)/due to ultimate holding company	(19,026)	16,134
Repayment of bank borrowing	(17,031)	(28,305)
Net cash generated from/(used in) financing activities	(35,752)	23,047
Net increase in cash and cash equivalents	9,319	63,435
Effects of foreign exchange rate changes	735	62
Cash and cash equivalents at beginning of financial year	124,497	61,000
Cash and cash equivalents at end of financial year*	134,551	124,497
* Note to consolidated statement of cash flows		
Cash and bank balances	150,909	139,134

	Group	
	Year ended 31 December	
	2018	2017
Less deposits pledged	(16,358)	(14,637)
	134,551	124,497

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
12 months ended 31 December 2017	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2017	24,471	99,027	628	7,742	(943)	24,863	155,788
Impact of adoption of SFRS(I) 1	-	-	-	-	943	(943)	-
Restated balance as at 1 January 2017	24,471	99,027	628	7,742	-	23,920	155,788
Total comprehensive income for the financial year	-	-	-	-	(144)	5,059	4,915
Transfer to statutory reserve	-	-	-	188	-	(188)	-
Balance as at 31 December 2017	24,471	99,027	628	7,930	(144)	28,791	160,703
12 months ended 31 December 2018							
Balance at 1 January 2018	24,471	99,027	628	7,930	(144)	28,791	160,703
Dividend	-	-	-	-	-	(3,468)	(3,468)
Total comprehensive income for the financial year	-	-	-	-	288	9,162	9,450
Transfer to statutory reserve	-	-	-	638	-	(638)	-
Balance as at 31 December 2018	24,471	99,027	628	8,568	144	33,847	166,685
Company	Share capital	Capital reserve	Merger reserve	Statutory reserve	Translation reserve	Accumulated losses	Total
12 months ended 31 December 2017	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
Balance at 1 January 2017	24,471	-	628	-	(184)	(44,982)	(20,067)
Impact of adoption of SFRS(I) 1	-	-	-	-	184	(184)	-
Restated balance as at 1 January 2017	24,471	-	628	-	-	(45,166)	(20,067)
Total comprehensive income for the financial year	-	-	-	-	(11)	(11,896)	(11,907)
Balance as at 31 December 2017	24,471	-	628	-	(11)	(57,062)	(31,974)
12 months ended 31 December 2018							
Balance at 1 January 2018	24,471	-	628	-	(11)	(57,062)	(31,974)
Dividend	-	-	-	-	-	(3,468)	(3,468)
Total comprehensive income for the financial year	-	-	-	-	1,717	87,573	89,290
Balance as at 31 December 2018	24,471	-	628	-	1,706	27,043	53,848

- 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 31 December 2018 and 30 June 2018.

The Company did not have any outstanding convertibles as at 31 December 2018 and 31 December 2017.

The Company did not have any treasury shares and subsidiary holdings as at 31 December 2018 and 31 December 2017.

- 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	
	31/12/2018	31/12/2017
Total number of issued shares	144,733,000	144,733,000

The Company did not have any treasury shares as at 31 December 2018 and 31 December 2017.

- 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.**

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 year ended 31 December 2017.

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.

For annual financial period beginning on or after 1 January 2018, Singapore-incorporated companies listed on the Singapore Exchange will apply Singapore Financial Reporting Framework (International) (“SFRS(I)”), a new financial reporting framework identical to International Financial Reporting Standards. The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the financial year ended 31 December 2017.

SFRS(I) 1 allows a first-time adopter to zeroise the cumulative translation differences for all foreign operations that existed at the date of transition to SFRS(I) and the gain or loss on a subsequent disposal of any foreign operation shall exclude translation differences that arose before the date of transition to SFRS(I) and shall include later translation differences.

The impact on the Group’s financial statements arising from the adoption of SFRS(I) 1 is disclosed in 1d(i) statement of changes in equity - 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	
	Year ended 31 December	
Earnings per share (RMB)	2018	2017
- Based on weighted average number of shares in issue	0.06	0.03
- Based on fully diluted basis ⁽¹⁾	0.06	0.03
Weighted average number of shares during the financial period applicable to basic and diluted earnings/(loss) per share ('000)	144,733	144,733

Note:-

1) The basic and diluted earnings/(loss) per share for the respective financial year under review were the same as the Company did not have potentially dilutive ordinary shares as at 31 December 2018 and as at 31 December 2017 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	
	31/12/2018	31/12/2017
Net Asset Value Per Ordinary Share		
- Based on issued share capital at the end of financial year (RMB)	1.15	1.11

- Number of ordinary shares at the end of financial year ('000)	144,733	144,733
	Company	
	31/12/2018	31/12/2017
Net Asset Value Per Ordinary Share		
- Based on issued share capital at the end of financial year (RMB)	0.37	(0.22)
- 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

Financial year ended 31 December 2018 ("FY2018") vs. Financial year ended 31 December 2017 ("FY2017")

Revenue

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

	FY2018	FY 2017
	RMB'000	RMB'000
Sales of properties	64,834	97,827
Property management income	-	1,758
Rental income	2,262	1,486
	67,096	101,071

Sales of properties

The Group sold 40 residential units, 51 carpark spaces and 4 commercial units for the Singapore Garden project, 2 carpark spaces and 1 commercial unit for the University Town project in FY2018 as compared to the Group's sales of 182 residential units and 45 carpark spaces for the Singapore Garden project, 2 carpark spaces and 3 commercial units for the University Town project in FY2017.

The Group completed the Jalan Nipah project in Singapore which consisted of 2 semi-detached units during FY2018. The Group sold 1 unit of the semi-detached house and recovered the land cost on that unit during the year under review.

The decrease in sale of properties in FY2018 as compared to FY2017 is because the Group is at the tail end of the projects as there were only 70 residential units, 32 commercial units and 214 carpark spaces remaining unsold at the beginning of FY2018.

The revenue from the sale of properties was RMB64.8 million and accounted for 96.6% of the Group's total revenue for FY2018 compared to revenue amounting to RMB97.8 million which accounted for 96.8% in FY2017.

After taking into account the sales in FY2018, the remaining unsold units as at 31 December 2018 are 30 residential units, 24 commercial units and 126 carpark spaces for Singapore Garden Project, 3 commercial units and 35 carpark spaces for University Town project, and 1 semi-detached unit for Jalan Nipah project in Singapore.

Property management income and rental income

We outsourced our property management to third party with effect from January 2018 and as a result, there is no property management income for FY2018.

Rental income for FY2018 was RMB2.3 million and accounted for 3.4% of the Group's total revenue for FY2018, as compared to RMB1.5 million for FY2017 which accounted for 1.5% of the Group's total revenue for FY2017. The Group's rental income is derived from leasing of the Group's commercial units at both University Town project and Singapore Garden project.

We leased out 8 commercial units for Singapore Garden project as at 31 December 2018 as compared to 3 commercial units during FY2017, which resulted in the increase in rental income for FY2018 as compared to FY2017.

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 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.

Cost of sales decreased by RMB17.9 million in FY2018 as compared to FY2017 due to lower revenue in FY2018.

Gross Profit and Profit Margin

Gross profit decreased from RMB31.2 million in FY2017 to RMB15.2 million in FY2018. This is in line with the lower revenue in FY2018.

Gross profit margin decreased from 30.9% in FY2017 to 22.7% in FY2018, this is mainly due to sale of 1 unit of semi-detached house in the Jalan Nipah project in Singapore. There is no profit margin from this project. It is a recovery of land cost.

The Jalan Nipah project is a joint development with a third party construction company, under the arrangement, the construction company undertakes the construction and sale of project. The Group is to recover the land cost plus interest.

Other operating income

Other operating income increased by RMB13.3 million in FY2018 as compared to FY2017. The increase is mainly due to a RMB5.1 million cash settlement from ayondo Holdings AG (“ayondo”) and 6.5 million ayondo shares (equivalent to RMB8.2 million of held for trading equity securities) received in FY2018. 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 RMB1.6 million in FY2018 as compared to FY2017. This is due to increased bank balance and interest received under the joint development arrangement of the Jalan Nipah project in Singapore.

Other operating expenses

Other operating expenses of RMB5.2 million in FY2018 is RMB1.2 million lower than in FY2017. The decrease is due to (i) the absence of RMB6.3 million expenses incurred in FY2017 in relation to the acquisition of equity interest in ayondo, (ii) a RMB0.7 million writeback of expenses in relation to the acquisition of equity interest in ayondo, and partially offset by a RMB5.9 million fair value changes on held for trading equity securities in FY2018 following the fair value adjustment on ayondo shares in FY2018.

Selling expenses

The Group's selling expenses comprise mainly sales and marketing staff cost, advertisement and promotional expenses and documentation charges for property transfers. The decrease of selling expenses by RMB0.6 million in FY2018 as compared to FY2017 is in line with the decrease in sales in FY2018.

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 PRC tax authority. Administrative expenses increased by RMB0.1 million. This is mainly due to the additional VAT incurred in FY2018 as compared to FY2017.

Income tax expenses

Income tax expenses relate to enterprise income tax and land appreciation tax in the People's Republic of China (the "PRC") as well as provision of withholding tax on undistributed profits of the PRC subsidiaries.

The decrease in income tax expenses of RMB3.5 million is mainly attributable to lower taxable profit and withholding tax on undistributed profit in FY2018 as compared to FY2017.

Balance Sheet

Non-current assets

As at 31 December 2018, non-current assets of RMB0.9 million consist of equipment and deferred tax assets.

Current assets

As at 31 December 2018, current assets amounted to RMB225.7 million mainly consist of cash and cash equivalents, trade receivables, other receivables and deposits, held for trading equity securities, properties held for sale and development properties.

Trade receivables decreased by RMB2.3 million to RMB2.7 million as at 31 December 2018. This is mainly due to lower sale in FY2018 as compared to FY2017.

Other receivables and deposits decreased by RMB0.7 million to RMB1.9 million as at 31 December 2018 as compared to 31 December 2017. This is mainly due to reversal of prepayment following the settlement of expenses by ayondo.

Held for trading equity securities in ayondo of RMB2.4 million relates 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.

Properties held for sale comprise the completed but unsold units of Singapore Garden and University Town projects in the PRC, and the Jalan Nipah project in Singapore, which amounted to RMB36.9 million, RMB8.6 million and RMB13.4 million respectively as at 31 December 2018. The decrease of RMB6.3 million is due to the sale of properties in the Singapore Garden project and University Town project in FY2018 partially offset by the reclassification of the Jalan Nipah project in Singapore from development properties to properties held for sale following the completion of construction in FY2018.

Development properties amounted to RMB8.9 million and RMB37.3 million as at 31 December 2018 and 31 December 2017 respectively. The decrease in development properties is mainly due to RMB28.2 million reclassification from development properties to properties held for sale following the completion of the Jalan Nipah project in Singapore during FY2018.

Current liabilities

As at 31 December 2018, current liabilities of RMB57.5 million consisted of trade payables, due to ultimate holding company, other payables and accruals, advance receipt from sale of properties, short-term loans and income tax payable.

Amount due to ultimate holding company decreased by RMB18.3 million to RMB0.4 million as at 31 December 2018. This is due to repayment made during the year.

The trade payable balance of RMB1.5 million as at 31 December 2018 relates to amount payable 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 RMB1.2 million mainly attributable to (i) the absence of professional fees accrued in relation to the ayondo acquisition and (ii) refund of deposits to shop tenants.

Advance receipt from sale of properties for the Singapore Garden project decreased by RMB5.2 million to RMB5.9 million as at 31 December 2018. This is mainly due to reduced deposit on number of units pending for the issue of completion certificate or handing over of keys to the buyers.

Short-term loans amounted to RMB10.1 million and RMB20.7 million as at 31 December 2018 and 31 December 2017 respectively. The decrease is mainly due to net repayment of RMB10.6 million.

Income tax payable increased by RMB11.3 million in FY2018 as compared to FY2017. The increase is mainly due to a RMB1.0 million higher withholding tax payable on dividend declared by the PRC subsidiaries in FY2018. In addition to this is a reduction of RMB3.1 million prepaid income tax and a RMB7.2 million refundable Land Appreciation Tax (“LAT”) in FY2018.

Non-Current Liabilities

As at 31 December 2018, non-current liabilities of RMB2.4 million consisted of deferred tax liabilities. Deferred tax liabilities decreased by RMB7.1 million on 31 December 2018 as compared to 31 December 2017 largely due to payment of RMB4.3 million withholding tax on dividend declared by subsidiaries of the Company, reclassification of RMB1.0 million unpaid

withholding tax on dividend declared to Income tax payable and a RMB1.9 million reduction in LAT provision in FY2018.

Shareholders' equity

Shareholders' equity consists of issued share capital, capital reserve, merger reserve, statutory reserve, translation reserve and retained earnings. As at 31 December 2018, shareholders' equity amounted to RMB166.7 million.

Cash Flow

For FY2018, net cash generated from operating activities of RMB39.9 million was mainly attributable to the followings:

- (a) Gain from settlement agreement with ayondo of RMB13.3 million, offset by the fair value changes on held for trading equity securities of RMB5.9 million.
- (b) Decrease in properties held for sale of RMB7.3 million and decrease in development properties of RMB28.1 million. This is due to continual sale of Singapore Garden project, University Town project and Jalan Nipah project in Singapore.
- (c) Decrease in trade and other receivables and deposits of RMB2.7 million.

Net cash generated from investing activities amounted to RMB5.1 million in FY2018. This is mainly related to RMB5.1 million proceeds from ayondo settlement.

Net cash flow used in financing activities amounted to RMB35.8 million in FY2018, which was mainly due to (i) dividend paid of RMB3.5 million (ii) payment to ultimate holding company of RMB19.0 million and (iii) net repayment of bank borrowing of RMB11.7 million.

As at 31 December 2018, cash and cash equivalents are at RMB134.6 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 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 (30 units), commercial units (27 units) and carpark spaces (161 lots).

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

11. Dividend

If a decision regarding dividend has been made:-

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

Yes.

Name of Dividend	Final Dividend
Dividend Type	Cash
Dividend Rate	SGD 0.03 per share
Tax Rate	Tax exempt

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

Yes.

Name of Dividend	Final Dividend
Dividend Type	Cash
Dividend Rate	SGD 0.005 per share
Tax Rate	Tax exempt

(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).

Tax exempt.

(d) The date the dividend is payable.

To be announced at a later date.

(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.

To be announced at a later date.

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

Not applicable.

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

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\$420,000 (RMB2,031,533)	-

The Group does not have a general mandate for IPT.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

(This part is not applicable to Q1, Q2, Q3 or Half Year Result)

15. Segmented revenue and results for operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for immediately preceding year.

The Group's reportable operating segments comprise property development, property management and rental income. Property development covers development of residential, commercial and other properties.

(I) Below are the Group's reportable segments as required under FRS 108 Operating Segments.

(RMB'000)	Revenue		Profit/(Loss)	
	12 months ended 31/12/2018	12 months ended 31/12/2017	12 months ended 31/12/2018	12 months ended 31/12/2017
Property development	64,834	97,827	12,944	28,698
Rental income	2,262	1,486	2,262	1,486
Property management	-	1,758	-	1,053
	67,096	101,071	15,206	31,237
Unallocated expenses			(4,125)	(12,065)
Interest expenses			(1,152)	(1,192)
Expenses relating to the Ayondo Acquisition			744	(6,277)
Interest Income			3,149	1,514
Profit before income tax			13,822	13,217
Income tax expenses			(4,660)	(8,158)
Combined profit after tax			9,162	5,059
Other comprehensive income			288	(144)
Total comprehensive income for the financial year			9,450	4,915

Revenue reported above represents revenue generated from external parties and there were no inter-segment sales during FY2018 (FY2017: NIL).

(II) Below are the Geographical segments by location of customers.

(RMB'000)	Revenue	
	2018	2017
Singapore	31,941	-
People's Republic of China	35,155	101,071
Total	67,096	101,071

The Group's assets are mainly related to property development; hence no analysis of segmented assets is provided.

The Group has a large number of customers, the sale of 1 unit of semi-detached house in Singapore during FY2018 accounted for 47.6% of total revenue.

16. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

Please refer to Section 8 – Review of performance – for further details.

17. A breakdown of sales.

	Group	
	12 months ended 31/12/2018	12 months ended 31/12/2017
	RMB'000	RMB'000
Sales reported for first half year	16,920	56,457
Profit/(loss) after tax reported for first half year	8,100	(564)
Sales reported for second half year	50,176	44,614
Profit/(loss) after tax reported for second half year	1,062	5,623

18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

<i>(RMB'000)</i>	2018	2017
Proposed final dividend	21,891	3,468

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10). If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with the CEO, any director, and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any during the year
Kelvin Kwan Chee Hong	65	Brother of Mr Kwan Chee Seng, non-executive director of the Company and executive director and substantial shareholder of GRP Limited, ultimate holding company.	General Manager Date of appointment: 18 Feb 2016	NA

BY ORDER OF THE BOARD

Peng Peck Yen
Executive Director
11 February 2019