

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

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**QUALIFIED OPINION BY AUDITOR ON THE CONSOLIDATED FINANCIAL  
STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020**

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Pursuant to Rule 704(4) of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited, the Board of Directors (“**Board**”) of Starland Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Company’s auditor, Messrs Baker Tilly TFW LLP (“**Baker Tilly**”), has issued their Independent Auditor’s Report (“**Auditor’s Report**”) with an “except for” qualified opinion in respect of the consolidated financial statements of the Group, the balance sheet and the statement of changes in equity of the Company for the financial year ended 31 December 2020 (“**FY2020**”).

**Basis for Qualified Opinion**

On 19 June 2020, the Company became aware that certain People’s Republic of China (“**PRC**”) banks had frozen certain PRC bank accounts of Chongqing Tianhu Land Co., Ltd. and Chongqing Gangyuan Property Development Co., Ltd. These PRC bank accounts had been unfrozen on 24 November 2020. The Management had obtained verbal confirmation from the officer-in-charge of the case that these PRC bank accounts may be used for normal business operations.

Further, the auditor’s report on the Group’s financial statements for the financial year ended 31 December 2019, issued by the Company’s previous auditors, Messrs Ernst & Young LLP, included a qualification due to the auditor’s inability to obtain sufficient audit evidence on whether the fund transfers are in compliance with applicable laws and regulations in the PRC and Singapore.

As a result of the matters above, Baker Tilly is unable to obtain sufficient audit evidence on:

- (i) Whether the Group has the rights and ability to recover the bank balances in the PRC bank accounts; and
- (ii) Whether the fund transfers are in compliance with applicable laws and regulations in the PRC and Singapore. It is not practicable to estimate the potential financial impact, if any, to the Group in the event of any breach of applicable laws and regulations.

Further details on the basis for the “except for” qualified opinion is contained in the Auditor’s Report. The Auditor’s Report may be found on page 73 to page 78 of the Company’s Annual Report for FY2020 released via the SGXNet on 12 April 2021. Shareholders of the Company are advised to read this announcement in conjunction with the Auditor’s Report and the Company’s Annual Report for FY2020 and to read the aforementioned documents in their entirety.

The Board and the Management of the Company wish to provide their comments and views in relation to certain matters raised in the Auditor’s Report which formed the basis of the qualification:

- (1) As at the date of this announcement, while the matter is still under investigations, the bank accounts maintained in the PRC by our wholly owned subsidiaries, Chongqing Tianhu Land Co., Ltd. (“**Tianhu**”) and Chongqing Gangyuan Property Development Co., Ltd. (“**Gangyuan**”) (collectively, the “**PRC Subsidiaries**”) had been unfrozen on 24 November 2020. The Management of the Company had obtained verbal confirmation from the officer-in-charge (“**OIC**”) of the case in Yan Ta police station, Shanxi Province Xi’an City, PRC that these PRC bank accounts may be used for normal business operations.
- (2) The Company had obtained a legal opinion from a firm of PRC legal counsel, which has confirmed that the transfer of RMB Funds from the PRC Subsidiaries to certain unrelated PRC entities as designated by the Singapore licensed remittance agent (the “**Agent**”) did not contravene any PRC laws or regulations. Further, relating to the arrangement for transfer of the SGD Funds to the Singapore subsidiary, the Company has also obtained legal opinion from a firm of Singapore legal counsel to confirm that the Agent held a remittance license issued by the Monetary Authority of Singapore in accordance with the Money-Changing and Remittance Act (Chapter 187 of Singapore). The Agent’s license was valid for the period commencing 1 January 2017 to 31 December 2019 (both dates inclusive) when the fund transfers took place.
- (3) The Management had submitted all requested documents to the OIC by 25 January 2021 and since then the OIC has not requested for additional documents or information. The Company will continue to co-operate fully with the OIC on the matters. The Company is of the view that at this juncture it remains premature to determine whether there would be any material financial impact on the Group relating to this matter.

The Board is of the opinion that sufficient information has been disclosed for the trading of the Company’s securities to continue in an orderly manner; and confirmed that all material disclosures have been provided for the trading of the Company’s shares to continue. Shareholders of the Company are advised to exercise caution when dealing in the shares of

the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisers.

**BY ORDER OF THE BOARD**

Kwan Yu Wen  
Executive Director  
12 April 2021

*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 relevant rules of 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.*

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