

# STARLAND HOLDINGS LIMITED



Company No. 201131382E

---

## Unaudited Financial Statements And Dividend Announcement for the Financial Year Ended 31/12/2019

---

*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 Mr Lance Tan, Senior Vice President, at 8 Anthony Road, #01-01, Singapore 229957, telephone (65) 6590 6881.*

**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**

	Group		
	Year ended 31 December		
	2019	2018	+ / (-)
	RMB'000	RMB'000	%
<b>Revenue</b>	29,638	67,096	(55.8)
Cost of sales	(13,811)	(51,890)	(73.4)
<b>Gross profit</b>	<b>15,827</b>	<b>15,206</b>	<b>4.1</b>
Other income	557	13,668	(95.9)
Interest income	2,867	3,149	(9.0)
Other expenses	(2,450)	(5,215)	(53.0)
Finance costs	(127)	(1,152)	(89.0)
Selling expenses	(741)	(234)	NM
Administrative expenses	(8,405)	(11,600)	(27.5)
<b>Profit before tax</b>	<b>7,528</b>	<b>13,822</b>	<b>(45.5)</b>
Income tax expenses	(5,988)	(4,660)	28.5
<b>Profit for the year attributable to owners of the Company</b>	<b>1,540</b>	<b>9,162</b>	<b>(83.2)</b>
Other Comprehensive Income <i>- Items that are or may be reclassified subsequently to profit or loss</i>			
Foreign currency translation	(175)	288	NM
<b>Total comprehensive income for the year attributable to owners of the Company</b>	<b>1,365</b>	<b>9,450</b>	<b>(85.6)</b>

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

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

	Group		
	Year ended 31 December		
	2019	2018	+ / (-)
	RMB'000	RMB'000	%
Interest income	2,867	3,149	(9.0)
Finance costs	(127)	(1,152)	(89.0)
Rental income	2,066	2,262	(8.7)
Depreciation and amortisation	(314)	(340)	(7.6)
Fair value loss on held for trading equity securities	(2,357)	(5,916)	(60.2)
Gain from settlement agreements with ayondo	-	13,287	NM
Writeback relating to the ayondo acquisition	-	744	NM
Gain on disposal of equipment	193	39	NM
Unrealised foreign exchange differences	463	(57)	NM
Adjustments for overprovision of value added tax ("VAT")	334	-	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**

	Group		Company	
	As at		As at	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	RMB'000	RMB'000	RMB'000	RMB'000
<i>Non-current assets</i>				
Equipment	68	107	6	9
Investment in subsidiaries	-	-	-*	9,773
Deferred tax assets	931	836	-	-
<b>Total non-current assets</b>	<b>999</b>	<b>943</b>	<b>6</b>	<b>9,782</b>
<i>Current assets</i>				
Cash and bank balances	125,199	150,909	82,288	51,592
Trade receivables	337	2,669	-	-
Other receivables and deposits	1,475	1,920	109	27
Due from subsidiaries	-	-	29,393	29,334
Held for trading equity securities	-	2,377	-	2,377
Debt securities	12,080	-	-	-
Properties held for sale	45,856	58,932	-	-
Development properties	8,642	8,866	-	-
<b>Total current assets</b>	<b>193,589</b>	<b>225,673</b>	<b>111,790</b>	<b>83,330</b>
<i>Current liabilities</i>				
Trade payables	1	1,514	-	-
Due to subsidiaries	-	-	42,735	38,051
Due to ultimate holding company	439	443	439	443
Other payables and accruals	5,048	5,198	693	770
Advance receipt from sale of properties	6,100	5,941	-	-
Loans and borrowings	-	10,134	-	-
Income tax payable	33,390	34,318	-	-
<b>Total current liabilities</b>	<b>44,978</b>	<b>57,548</b>	<b>43,867</b>	<b>39,264</b>
<b>Net current assets</b>	<b>148,611</b>	<b>168,125</b>	<b>67,923</b>	<b>44,066</b>
<i>Non-current liabilities</i>				
Deferred tax liabilities	3,175	2,383	-	-
<b>Total non-current liabilities</b>	<b>3,175</b>	<b>2,383</b>	<b>-</b>	<b>-</b>
<b>Net assets</b>	<b>146,435</b>	<b>166,685</b>	<b>67,929</b>	<b>53,848</b>
<i>Capital and reserves</i>				
Share capital	24,471	24,471	24,471	24,471
Capital reserve	-	99,027	-	-
Merger reserve	628	628	628	628
Statutory reserve	8,568	8,568	-	-
Translation reserve	(31)	144	3,640	1,706
Retained earnings	112,799	33,847	39,190	27,043
<b>Total capital and reserves</b>	<b>146,435</b>	<b>166,685</b>	<b>67,929</b>	<b>53,848</b>

\* Denotes amounts less than RMB1,000

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

**Amount repayable in one year or less, or on demand**

<b>Group</b>			
<b>As at 31/12/2019</b>		<b>As at 31/12/2018</b>	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
-	-	10,134	-

**Amount repayable after one year**

<b>Group</b>			
<b>As at 31/12/2019</b>		<b>As at 31/12/2018</b>	
Secured RMB'000	Unsecured RMB'000	Secured RMB'000	Unsecured RMB'000
-	-	-	-

- 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**

	<b>Group</b>	
	<b>Year ended 31 December</b>	
	<b>2019</b>	<b>2018</b>
	<b>RMB'000</b>	<b>RMB'000</b>
<b>Operating activities</b>		
Profit before tax	7,528	13,822
<b>Adjustments for:</b>		
Depreciation of equipment	13	42
Amortisation of land use right	301	298
Fair value loss on held for trading equity securities	2,357	5,916
Interest income	(2,867)	(3,149)
Interest expense	127	1,152
Gain on disposal of equipment	(193)	(39)
Gain from settlement agreement with ayondo	-	(13,287)
Unrealised foreign exchange differences	(463)	57
<b>Operating cash flows before changes in working capital</b>	<b>6,803</b>	<b>4,812</b>
Decrease in properties held for sale	13,435	7,334
(Increase)/decrease in development properties	(77)	28,099
Decrease in trade and other receivables and deposits	2,852	2,724
Decrease in trade and other payables	(1,504)	(4,897)
<b>Cash flows generated from operations</b>	<b>21,509</b>	<b>38,072</b>
Interest received	2,792	3,446
Interest paid	(127)	(1,152)
Income tax paid	(6,220)	(436)
<b>Net cash flows generated from operating activities</b>	<b>17,954</b>	<b>39,930</b>
<b>Investing activities</b>		
Purchase of equipment	(1)	(29)
Proceeds from disposal of equipment	220	57
Proceeds from ayondo settlement agreement	-	5,113
Purchase of debt securities	(11,727)	-
<b>Net cash flows (used in)/generated from investing activities</b>	<b>(11,508)</b>	<b>5,141</b>
<b>Financing activities</b>		
Decrease/(increase) in bank deposits pledged	12,377	(1,593)
Dividends paid	(21,615)	(3,468)
Proceeds from drawdown of bank borrowings	-	5,366
Due to/(repayment to) ultimate holding company	33	(19,026)
Repayment of loans and borrowings	(10,183)	(17,031)
<b>Net cash flows used in financing activities</b>	<b>(19,388)</b>	<b>(35,752)</b>
Net (decrease)/increase in cash and cash equivalents	(12,942)	9,319
Effects of foreign exchange rate changes	(458)	735
Cash and cash equivalents at beginning of financial year	134,551	124,497
<b>Cash and cash equivalents at end of financial year*</b>	<b>121,151</b>	<b>134,551</b>

	<b>Group</b>	
	<b>Year ended 31 December</b>	
	<b>2019</b>	<b>2018</b>
	<b>RMB'000</b>	<b>RMB'000</b>
* Note to consolidated statement of cash flows		
Cash and bank balances	125,199	150,909
Less deposits pledged	(4,048)	(16,358)
	<b>121,151</b>	<b>134,551</b>

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	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>12 months ended 31 December 2018</b>							
Balance at 1 January 2018	24,471	99,027	628	7,930	(144)	28,791	160,703
Dividends on ordinary shares	-	-	-	-	-	(3,468)	(3,468)
Total comprehensive income for the financial year	-	-	-	-	288	9,162	9,450
Transfer to statutory reserve	-	-	-	638	-	(638)	-
<b>Balance as at 31 December 2018</b>	<b>24,471</b>	<b>99,027</b>	<b>628</b>	<b>8,568</b>	<b>144</b>	<b>33,847</b>	<b>166,685</b>
<b>12 months ended 31 December 2019</b>							
Balance at 1 January 2019	24,471	99,027	628	8,568	144	33,847	166,685
Dividends on ordinary shares	-	-	-	-	-	(21,615)	(21,615)
Total comprehensive income for the financial year	-	-	-	-	(175)	1,540	1,365
Transfer to revenue reserve	-	(99,027)	-	-	-	99,027	-
<b>Balance as at 31 December 2019</b>	<b>24,471</b>	<b>-</b>	<b>628</b>	<b>8,568</b>	<b>(31)</b>	<b>112,799</b>	<b>146,435</b>

Company	Equity attributable to owners of the company						
	Share capital	Capital reserve	Merger reserve	Statutory reserve	Translation reserve	(Accumulated losses)/retained earnings	Total
	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000	RMB'000
<b>12 months ended 31 December 2018</b>							
Balance at 1 January 2018	24,471	-	628	-	(11)	(57,062)	(31,974)
Dividends on ordinary shares	-	-	-	-	-	(3,468)	(3,468)
Total comprehensive income for the financial year	-	-	-	-	1,717	87,573	89,290
<b>Balance as at 31 December 2018</b>	<b>24,471</b>	<b>-</b>	<b>628</b>	<b>-</b>	<b>1,706</b>	<b>27,043</b>	<b>53,848</b>
<b>12 months ended 31 December 2019</b>							
Balance at 1 January 2019	24,471	-	628	-	1,706	27,043	53,848
Dividends on ordinary shares	-	-	-	-	-	(21,615)	(21,615)
Total comprehensive income for the financial year	-	-	-	-	1,934	33,762	35,696
<b>Balance as at 31 December 2019</b>	<b>24,471</b>	<b>-</b>	<b>628</b>	<b>-</b>	<b>3,640</b>	<b>39,190</b>	<b>67,929</b>



- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 2019 and 30 June 2019.

The Company did not have any outstanding convertibles as at 31 December 2019 and 31 December 2018.

The Company did not have any treasury shares and subsidiary holdings as at 31 December 2019 and 31 December 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.**

	<b>Company</b>	
	<b>31/12/2019</b>	<b>31/12/2018</b>
Total number of issued shares	144,733,000	144,733,000

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

**3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-**

- (a) Updates on the efforts taken to resolve each outstanding audit issue.**
- (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.**

**This is not required for any audit issue that is a material uncertainty relating to going concern.**

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:

<b>Description</b>	<b>Effective for annual periods beginning on or after</b>
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.**

	<b>Group</b>	
	<b>Year ended 31 December</b>	
	<b>2019</b>	<b>2018</b>
Earnings per share (RMB)		
- Based on weighted average number of shares in issue	0.01	0.06
- Based on fully diluted basis <sup>(1)</sup>	0.01	0.06
Weighted average number of shares during the financial year applicable to basic and diluted earnings per share ('000)	144,733	144,733

**Note:-**

- 1) The basic and diluted earnings 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 2019 and as at 31 December 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.**

	<b>Group</b>	
	<b>31/12/2019</b>	<b>31/12/2018</b>
	Net Asset Value Per Ordinary Share	
- Based on issued share capital at the end of financial year (RMB)	1.01	1.15
- Number of ordinary shares at the end of financial year ('000)	144,733	144,733

	<b>Company</b>	
	<b>31/12/2019</b>	<b>31/12/2018</b>
	Net Asset Value Per Ordinary Share	
- Based on issued share capital at the end of financial year (RMB)	0.47	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**

**Financial year ended 31 December 2019 ("FY2019") vs. Financial year ended 31 December 2018 ("FY2018")**

**Revenue**

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

	<b>FY2019</b>	<b>FY 2018</b>
	<b>RMB'000</b>	<b>RMB'000</b>
Sales of properties	27,572	64,834
Rental income	2,066	2,262
	<b>29,638</b>	<b>67,096</b>

### ***Sales of properties***

The Group sold 12 residential units, 43 carpark spaces and 1 commercial unit for the Singapore Garden project, 3 carpark spaces and 1 commercial unit for the University Town project in FY2019. In comparison 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 the People's Republic of China (the "PRC") and 1 unit of the semi-detached house for Jalan Nipah project in Singapore in FY2018.

Much lesser units were sold in FY2019 as compared to FY2018 largely due to the weak China economy and also we are at the tail end of the projects as there were only 31 residential units, 27 commercial units and 161 carpark spaces remaining unsold at the beginning of FY2019.

After taking into account the sales in FY2019, the remaining unsold units as at 31 December 2019 are 18 residential units, 23 commercial units and 83 carpark spaces for Singapore Garden Project, 2 commercial units and 32 carpark spaces for University Town project, and 1 semi-detached house for Jalan Nipah project in Singapore.

The revenue from the sale of properties was RMB27.6 million and accounted for 93.0% of the Group's total revenue for FY2019 as compared to revenue amounting to RMB64.8 million which accounted for 96.6% of the Group's total revenue in FY2018.

### ***Rental income***

Rental income for FY2019 was RMB2.1 million and accounted for 7.0% of the Group's total revenue for FY2019, as compared to RMB2.3 million for FY2018 which accounted for 3.4% of the Group's total revenue for FY2018. The Group's rental income is derived from leasing of the Group's commercial units at both University Town and Singapore Garden projects.

We leased out 5 commercial units for Singapore Garden project as at 31 December 2019 as compared to 8 commercial units as at 31 December 2018, which resulted in the decrease in rental income for FY2019 as compared to FY2018.

### **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 RMB38.1 million in FY2019 as compared to FY2018 due to lower revenue in FY2019.

### **Gross Profit and Profit Margin**

Gross profit increased from RMB15.2 million in FY2018 to RMB15.8 million in FY2019. Gross profit margin was 53.4% in FY2019 as compared to 22.7% in FY2018. This is because of the sale of 1 unit of semi-detached house for the Jalan Nipah project in Singapore in FY2018 for which only land cost of that unit was recovered and no gross profit was recognised.

### **Other income**

Other income decreased by RMB13.1 million in FY2019 as compared to FY2018. The decrease is mainly due to non-recurring cash settlement of RMB5.1 million and RMB8.2 million worth of shares received from ayondo Holdings AG (“**ayondo**”) 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. This is partially offset by gain on the disposal of equipment of RMB0.2 million.

### **Interest income**

Interest income decreased by RMB0.3 million in FY2019 as compared to FY2018. This is due to decreased interest income RMB0.3 million on the reduced bank balance during FY2019 and decreased interest received RMB0.3 million under the joint development arrangement of the Jalan Nipah project in Singapore partially offset by arranger fee of RMB0.3 million received from Luminor Capital (Malaysia) Sdn Bhd (“**Luminor Malaysia**”) in FY2019. The arranger fee related to the granting of convertible loan to Luminor Malaysia as announced by the Company on 22 July 2019.

### **Other expenses**

Other expenses of RMB2.5 million in FY2019 is RMB2.8 million lower than in FY2018. The decrease is mainly due to lower fair value loss provided on the 6.5 million ayondo shares held by the Company in FY2019 as compared to FY2018. The amount of RMB2.4 million is provided in FY2019 as compared to RMB5.9 million provided in FY2018.

### **Finance costs**

Finance costs related to the interest on loans and borrowings. The amount decreased from RMB1.2 million in FY2018 to RMB0.1 million in FY2019, as a result of full repayment of the loans during FY2019.

### **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 increase of selling expenses by RMB0.5 million in FY2019 as compared to FY2018 is due to higher commission paid to the sale and marketing staff for the sales of 2 commercial units sold in FY2019.

### **Administrative expenses**

Administrative expenses comprise mainly staff costs, depreciation, management fee payable to ultimate holding company, travelling and transport, professional expenses and VAT payable to PRC tax authority. Administrative expenses decreased by RMB3.2 million. This is mainly due to lower staff cost and reversal of overprovided VAT in FY2019.

### **Income tax expenses**

Income tax expenses related to enterprise income tax and land appreciation tax (“**LAT**”) in the PRC as well as provision of withholding tax on undistributed profits of the PRC subsidiaries.

The increase in income tax expenses of RMB1.3 million is mainly due to increased LAT of RMB2.4 million and withholding tax on undistributed profit of RMB0.7 million partially offset by decreased corporate tax of RMB1.8 million in FY2019 as compared to FY2018.

The increased in LAT is a result of the sale of 2 commercial units in FY2019.

## **STATEMENT OF FINANCIAL POSITION**

### ***Non-current assets***

As at 31 December 2019, non-current assets of RMB1.0 million consist of equipment and deferred tax assets.

### ***Current assets***

As at 31 December 2019, current assets amounted to RMB193.6 million mainly consist of cash and cash equivalents, trade receivables, other receivables and deposits, held for trading equity securities, debt securities, properties held for sale and development properties.

Trade receivables decreased by RMB2.3 million to RMB0.3 million as at 31 December 2019. This is mainly due to lower sales in FY2019 as compared to FY2018.

Other receivables and deposits decreased by RMB0.4 million to RMB1.5 million as at 31 December 2019. This is a result of reduced unsold units as the property projects are at their tail end.

Held for trading equity securities related to 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 during FY2019.

Debt securities of RMB12.1 million related to the convertible loan granted to Luminor Malaysia as announced by the Company on 22 July 2019.

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 RMB23.8 million, RMB8.4 million and RMB13.7 million respectively as at 31 December 2019. The decrease of RMB13.1 million is due to the continual sale of properties in the Singapore Garden project and University Town project in FY2019.

Development properties amounting to RMB8.6 million related to the Royal Waterhouse land in the PRC.

### ***Current liabilities***

As at 31 December 2019, current liabilities of RMB45.0 million consisted of trade payables, due to ultimate holding company, other payables and accruals, advance receipt from sale of properties, loans and borrowings and income tax payable.

The trade payables decreased by RMB1.5 million as a result of settlement of the outstanding balances with the developer of Jalan Nipah project in Singapore during FY2019.

Other payables and accruals, which mainly comprise deposits from tenants, advance rental and accrued expenses, decreased by RMB0.2 million mainly attributable to refund of rental deposits to shop tenants.

Advance receipt from sale of properties increased by RMB0.2 million to RMB6.1 million as at 31 December 2019. This is mainly due to increased deposit 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 the PRC in FY2019.

Loans and borrowings of RMB10.1 million as at 31 December 2018 were fully repaid during FY2019.

Income tax payable decreased by RMB0.9 million in FY2019 as compared to FY2018. The decrease is mainly due to prepaid income tax of RMB1.3 million offset by an increase LAT payable of RMB0.4 million in FY2019.

### ***Non-Current Liabilities***

As at 31 December 2019, non-current liabilities of RMB3.2 million consisted of deferred tax liabilities. Deferred tax liabilities increased by RMB0.8 million in FY2019 as compared to FY2018. This is mainly due to an additional RMB0.7 million withholding tax provision on the undistributed profit in FY2019.

### ***Shareholders' equity***

Shareholders' equity consists of issued share capital, other reserves and retained earnings. As at 31 December 2019, shareholders' equity amounted to RMB146.4 million.

Capital reserve of RMB99.0 million as at 31 December 2018 was fully transferred to retained earnings in FY2019. The capital reserve arose from the restructuring exercise prior to the Group's Initial Public Offering on SGX, advances from shareholders amounted to RMB132 million less tax of RMB33 million were waived by the shareholders.

## **STATEMENT OF CASH FLOWS**

For FY2019, net cash generated from operating activities of RMB18.0 million was mainly attributable to the following:

- (a) Decrease in properties held for sale of RMB13.4 million due to continual sale of Singapore Garden project and University Town project in the PRC.
- (b) Decrease in trade and other receivables and deposits of RMB2.8 million.
- (c) Decrease in trade and other payables of RMB1.5 million.
- (d) RMB2.8 million interest received.
- (e) Income tax paid amounting to RMB6.2 million.

Net cash used in investing activities amounted to RMB11.5 million in FY2019. This is mainly related to the convertible loan granted to Luminor Malaysia.

Net cash flow used in financing activities amounted to RMB19.4 million in FY2019, which was mainly due to the following:

- (a) Discharge of pledged bank deposits RMB12.4 million as a result of the repayment of loans.
- (b) Dividend of RMB21.6 million.
- (c) Repayment of loans and borrowings of RMB10.2 million.

As at 31 December 2019, cash and cash equivalents are at RMB121.2 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 residential units (19 units), commercial units (25 units) and carpark spaces (115 lots) in Fuling District of Chongqing and Singapore.

In view of the weak China economy, ongoing US-China trade war and the recent coronavirus outbreak, the property markets in PRC and Singapore are expected to remain challenging.

The Group has exercised the option under the convertible loan agreement with Luminor Malaysia as announced on 5 February 2020. This is a continuing part of the Group's strategy to venture into the financial solution business in Malaysia.

**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 0.03 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 and the reason(s) for the decision.**

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 (RMB2,174,382)	-

The Group does not have a general mandate for IPT.

**15. Disclosure of Acquisition (including incorporations) and sale of shares under Catalist Rule 706A.**

Not applicable. The Company did not acquire and dispose shares in any companies during the period reported on.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**  
**(This part is not applicable to Q1, Q2, Q3 or Half Year Result)**

**16. 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 and rental income. Property development covers development of residential, commercial and other properties. Rental income covers the leasing of properties held for sale to generate rental income.

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

<b>(RMB'000)</b>	<b>Revenue</b>		<b>Profit/(loss)</b>	
	<b>12 months ended 31/12/2019</b>	<b>12 months ended 31/12/2018</b>	<b>12 months ended 31/12/2019</b>	<b>12 months ended 31/12/2018</b>
Property development	27,572	64,834	13,761	12,944
Rental income	2,066	2,262	2,066	2,262
	29,638	67,096	15,827	15,206
Unallocated expenses			(11,039)	(4,125)
Interest expenses			(127)	(1,152)
Writeback relating to the ayondo acquisition			-	744
Interest Income			2,867	3,149
Profit before tax			7,528	13,822
Income tax expenses			(5,988)	(4,660)
Profit for the year attributable to owners of the Company			1,540	9,162
Other comprehensive (expense)/income			(175)	288
Total comprehensive income for the financial year			1,365	9,450

Revenue reported above represents revenue generated from external parties and there were no inter-segment sales during FY2019 (FY2018: NIL).

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

<b>(RMB'000)</b>	<b>Revenue</b>	
	<b>2019</b>	<b>2018</b>
Singapore	-	31,941
People's Republic of China	29,638	35,155
Total	29,638	67,096

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 commercial unit amount of RMB12.8 million in Singapore Garden project in the PRC during FY2019 accounted for 43.2% of total revenue.

**17. 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.

**18. A breakdown of sales.**

	Group	
	12 months ended 31/12/2019	12 months ended 31/12/2018
	RMB'000	RMB'000
Sales reported for first half year	23,125	16,920
Profit/(loss) after tax reported for first half year	594	8,100
Sales reported for second half year	6,513	50,176
Profit/(loss) after tax reported for second half year	946	1,062

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

(RMB'000)	2019	2018
Proposed final dividend	22,479	21,891

**20. 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	66	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 2020