



GOODLAND GROUP LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No.: 200405522N

RESPONSE TO SGX QUERIES ON ANNUAL REPORT FOR FINANCIAL YEAR ENDED 30 SEPTEMBER 2019

The Board of Directors of Goodland Group Limited (the “**Company**”), and together with its subsidiaries (the “**Group**”), refers to the Company’s Annual Report for the financial year ended 30 September 2019 which was despatched to its shareholders and uploaded on the website of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 6 January 2020. The Company would like to provide the following additional information in reply to the queries raised by SGX-ST on 4 February 2020:-

SGX Query 1

With reference to the audited consolidated statement of comprehensive income on page 44 of the Company’s Annual Report 2019, please provide an explanation for the material discrepancies in the amounts of the following items, as compared to the unaudited financial results announcement of the Company for the financial year ended 30 September 2019:-

1. The profit before tax of approximately \$275,645 as compared to the amount of \$164,000; and
2. The profit after tax of approximately \$210,780 as compared to the amount of \$99,000.

Company’s Response

	Audited Annual Report	Unaudited Results Announcement	Change
	\$’000	\$’000	\$’000
Share of associates’ results	4,075	3,964	111
Profit before tax	275	164	111
Profit after tax	210	99	111

The change was due to a change in financial statements of an associate made by associate’s auditor subsequent to the release of the Company’s full year financial results announcement. The financial statements of an associate changed and was adjusted after a further audit review by associate’s auditor on the Agenda Decision issued by the IFRS Interpretations Committee that affects the financial statements retrospectively.

The Agenda Decision issued by the IFRS Interpretations Committee is in connection with SFRS(I) 15 related to the capitalisation of borrowing costs for the construction of residential multi-unit estate developments where revenue is recognised over time, the Group ceases capitalisation of borrowing

costs at the point when the property development project is ready for sales launch, instead of when the temporary occupation permit is obtained.

SGX Query 2

With reference to the audited consolidated statement of cash flows on pages 47 and 48 of the Company's Annual Report 2019, please provide an explanation for the material discrepancies in the amounts of the following items, as compared to the unaudited financial results announcement of the Company for the financial year ended 30 September 2019:-

1. The net cash used in investing activities of approximately \$3,887,161 as compared to the amount of \$899,000; and
2. The net cash generated from financing activities of approximately \$27,043,823 as compared to the amount of \$24,053,000.

Company's Response

	Audited Annual Report	Unaudited Results Announcement	Change
	\$'000	\$'000	\$'000
Net cash used in investing activities	(3,887)	(898)	(2,989)
Repayment from associate	153	-	153
Advances to associates	(3,142)	-	(3,142)
Net cash generated from financing activities	27,043	24,053	(2,990)
Repayment from associate	-	153	153
Advances to associates	-	(3,142)	(3,142)
Rounding difference	-	(1)	(1)

The change was mainly due to the reclassification of the repayment from and advances to associates amounting to \$153,530 and \$3,141,988 respectively from financing activities to investing activities, resulting in an increase in net cash used in investing activities and a corresponding increase in net cash generated from financing activities.

The reclassification was advised by our auditor, Foo Kon Tan LLP. They initially considered advances were loan in nature, any repayment or advances made to associates should be considered as financing activities. However, after further audit review of the nature of the transactions subsequent to the release of the Company's full year financial results announcement, our auditor was in the view that the transactions were investment in nature, thus, the cash flow items were reclassified from financing activities to investing activities.

BY ORDER OF THE BOARD
GOODLAND GROUP LIMITED

Hor Swee Liang
Company Secretary
6 February 2020