



GOODLAND GROUP LIMITED

良園集團

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

Unaudited Third Quarter and Nine Months Financial Statements
and Dividend Announcement for the Financial Period Ended 30 June 2018



PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), 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.

Statement of Comprehensive Income

	Group			Group		
	3 months ended 30/6/2018 (3Q2018)	3 months ended 30/6/2017 (3Q2017)	Increase/ (Decrease) %	9 months ended 30/6/2018 (9M2018)	9 months ended 30/6/2017 (9M2017)	Increase/ (Decrease) %
	S\$'000	S\$'000		S\$'000	S\$'000	
Revenue	3,775	18,626	(80)	30,726	54,889	(44)
Cost of sales	(3,084)	(15,412)	(80)	(29,420)	(47,081)	(38)
Gross profit	691	3,214	(79)	1,306	7,808	(83)
Other operating income	129	284	(55)	614	691	(11)
Finance income	10	13	(23)	14	19	(26)
Administrative expenses	(1,305)	(1,296)	N/M	(4,166)	(4,279)	(3)
Finance costs	(299)	(432)	(31)	(992)	(1,216)	(18)
Other operating expenses	-	-	N/M	(425)	-	N/M
Share of results of associates (net of tax)	1,649	139	N/M	5,319	204	N/M
Profit before taxation	875	1,922	(54)	1,670	3,227	(48)
Income tax	-	(316)	N/M	6	(439)	N/M
Profit for the period	875	1,606	(46)	1,676	2,788	(40)
Other comprehensive income:						
Revaluation surplus resulting from the reclassification of property, plant and equipment to investment properties	-	-	N/M	-	1,525	(100)
Foreign currency translation differences	(1,075)	2,449	N/M	7,534	(687)	N/M
Total comprehensive income	(200)	4,055	N/M	9,210	3,626	154
Profit attributable to:						
Equity holders of the Company, net of tax	879	1,608	(45)	1,673	2,801	(40)
Non-controlling interests, net of tax	(4)	(2)	100	3	(13)	N/M
	875	1,606	(46)	1,676	2,788	(40)
Total comprehensive income attributable to:						
Equity holders of the Company, net of tax	126	3,324	(96)	6,950	3,842	81
Non-controlling interests, net of tax	(326)	731	N/M	2,260	(216)	N/M
	(200)	4,055	N/M	9,210	3,626	154

N/M : Not meaningful



1(a)(ii) Breakdown and explanatory notes to the income statement:

Loss/(profit) after income tax is arrived at:

	Group			Group		
	3 months ended 30/6/2018 (3Q2018) S\$'000	3 months ended 30/6/2017 (3Q2017) S\$'000	Increase/ (Decrease) %	9 months ended 30/6/2018 (9M2018) S\$'000	9 months ended 30/6/2017 (9M2017) S\$'000	Increase/ (Decrease) %
After charging:						
Depreciation of property, plant and equipment	125	125	0	370	428	(14)
Finance costs	299	432	(31)	992	1,216	(18)
Loss on disposal of property, plant and equipment	-	172	(100)	9	172	(95)
Fair value loss on financial assets, through profit or loss	31	-	N/M	-	-	N/M
Write down in value of development properties for sale	-	-	N/M	416	-	N/M
and crediting:						
Finance income	10	13	(23)	14	19	(26)
Rental income	144	87	66	390	255	53
Fair value gain on financial assets, through profit or loss	-	12	(100)	56	46	22

N/M: 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.

Statement of Financial Position

	Group Unaudited 30/6/2018 S\$'000	Group Audited 30/9/2017 S\$'000	Company Unaudited 30/6/2018 S\$'000	Company Audited 30/9/2017 S\$'000
Non-current assets				
Property, plant and equipment	2,838	2,914	-	-
Investment properties	87,711	86,793	-	-
Subsidiaries	-	-	11,519	10,808
Associates	7,568	1,909	-	-
Available-for-sale financial asset	10,010	10,010	-	-
Deferred tax assets	301	301	-	-
	108,428	101,927	11,519	10,808
Current assets				
Trade and other receivables	19,834	52,360	65,721	66,507
Other current assets	41	53	45	20
Development properties for sale	198,513	196,952	-	-
Other financial assets	427	172	-	-
Cash and cash equivalents	10,334	25,075	6,639	1,822
	229,149	274,612	72,405	68,349
Less:-				
Current liabilities				
Obligations under finance leases	35	37	-	-
Convertible bond	-	-	-	-
Trade and other payables	9,220	6,746	26,982	22,699
Bank borrowings	44,007	91,725	-	-
Current tax payable	175	436	-	-
	53,437	98,944	26,982	22,699
Net current assets	175,712	175,668	45,423	45,650
Non-current liabilities				
Obligations under finance leases	141	51	-	-
Bank borrowings	14,872	15,265	-	-
Deferred tax liabilities	11,132	10,737	-	-
	26,145	26,053	-	-
Net assets	257,995	251,542	56,942	56,458
Capital and reserves				
Share capital	63,280	63,280	63,280	63,280
Retained earnings	89,455	91,029	2,790	2,306
Merger reserve	(485)	(485)	-	-
Treasury shares	(9,357)	(9,357)	(9,357)	(9,357)
Currency translation reserve	(15,909)	(21,186)	-	-
Acquisition reserve	78,743	78,743	-	-
Fair value reserve	(468)	(468)	-	-
Revaluation surplus reserve	3,224	3,224	-	-
Equity reserve	229	229	229	229
Equity attributable to owners of the Company	208,712	205,009	56,942	56,458
Non-controlling interests	49,283	46,533	-	-
Total equity	257,995	251,542	56,942	56,458



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

Amount repayable in one year or less, or on demand

As at 30/06/2018		As at 30/09/2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
44,042	-	91,762	-

Amount repayable after one year

As at 30/06/2018		As at 30/09/2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
15,013	-	15,316	-

Details of any collateral

Bank borrowings are secured by:

- 1) Corporate guarantee by Goodland Group Limited.
- 2) Mortgages on the Group's property, plant and equipment, investment properties and development properties for sale.
- 3) Assignment of rights, titles and benefits with respect to the Group's properties.
- 4) Assignment of performance bond, insurances, proceeds and construction contract.
- 5) Legal assignment of rental proceeds and charge over bank account(s) into which rental proceeds shall be paid.
- 6) Assignment of developer's rights and benefits in sale and purchase agreements.
- 7) Leased assets for finance leases.



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1(c) A statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows

	Group		Group	
	Unaudited 3 months ended 30/06/2018 (3Q2018) S\$'000	Unaudited 3 months ended 30/06/2017 (3Q2017) S\$'000	Unaudited 9 months ended 30/06/2018 (9M2018) S\$'000	Unaudited 9 Months ended 30/6/2017 (9M2017) S\$'000
Cash flows from operating activities				
Profit before taxation	875	1,922	1,670	3,227
Adjustments for:-		-		
Depreciation of property, plant and equipment	125	125	370	428
Write down in value of development properties for sale	-	-	416	-
Loss on disposal of property, plant and equipment	-	(172)	9	(172)
Fair value changes on financial assets, at fair value through profit	31	(12)	(56)	(46)
Interest expense	299	432	992	1,216
Interest income	(10)	(13)	(14)	(19)
Dividend income	(9)	-	(12)	(2)
Share of profit from associates	(1,649)	(139)	(5,319)	(204)
Operating cash flow before working capital changes	(338)	2,143	(1,944)	4,428
Change in trade and other receivables and other current assets	5,132	(2,106)	35,649	(3,301)
Change in trade and other payables	(2,277)	488	(327)	(1,239)
Change in development properties for sale	(4,421)	11,326	6,010	32,927
Cash generated from operations	(1,904)	11,851	39,388	32,815
Interest received	10	13	14	19
Income tax (paid)/refund	(42)	-	(172)	72
Net cash (used in)/generated from operating activities	(1,936)	11,864	39,230	32,906
Cash flows from investing activities				
Purchase of property, plant and equipment (Note B)	(10)	(3)	(296)	(175)
Purchase of investment securities	-	-	(199)	-
Additions to investment properties	-	(76)	(1)	(76)
Payment for investment in associated companies	-	-	(680)	-
Proceeds from disposal of property, plant and equipment	-	2,753	4	2,753
Repayment from associated companies	-	-	3,995	5,100
Advances to associated companies	(3,068)	(313)	(7,107)	(401)
Dividend received from other equity investments	9	-	12	2
Net cash (used in)/generated from investing activities	(3,069)	2,361	(4,272)	7,203
Cash flows from financing activities				
Proceeds from bank loans	5,507	-	14,272	4,316
Proceeds from finance lease liabilities	-	-	127	-
Repayment of bank loans	(129)	(7,010)	(62,382)	(43,749)
Repayment of finance lease liabilities	(15)	(12)	(38)	(35)
Advances from associated company	3,060	-	3,060	480
Interest paid	(380)	(908)	(1,492)	(2,573)
Dividend paid	(1,082)	(1,082)	(3,246)	(2,164)
Net cash generated from/(used in) financing activities	6,961	(9,012)	(49,699)	(43,725)
Net changes in cash and cash equivalents	1,956	5,213	(14,741)	(3,616)
Cash and cash equivalents at beginning of financial year	8,378	21,402	25,075	30,231
Cash and cash equivalents at end of financial year (Note A)	10,334	26,615	10,334	26,615



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Note A

Cash and cash equivalents comprise fixed deposit and cash and bank balances

	As at 30/06/2018 S\$'000	As at 30/6/2017 S\$'000
Fixed deposits with banks	1,002	338
Cash and bank balances	9,332	25,709
	10,334	26,047
Bank overdraft	-	(535)
	10,334	25,512

Note B

Purchases of property, plant and equipment were financed as follows:

	3 months ended 30/06/2018 (3Q2018) S\$'000	3 months ended 30/06/2017 (3Q2017) S\$'000	9 months ended 30/06/2018 (9M2018) S\$'000	9 Months ended 30/6/2017 (9M2017) S\$'000
Additions to property, plant and equipment	10	3	296	175
Acquired under finance lease agreements	-	-	-	-
Cash payments	10	3	296	175



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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.

Statement of Changes in Equity

The Group	Attributable to equity holders of the Company										Non-Controlling Interests S\$'000	Total Equity S\$'000
	Share Capital S\$'000	Treasury Shares S\$'000	Acquisition Reserve S\$'000	Currency Translation Reserve S\$'000	Equity Reserve S\$'000	Fair Value Reserve S\$'000	Revaluation Surplus Reserve S\$'000	Merger Reserve S\$'000	Retained Earnings S\$'000	Subtotal S\$'000		
At 1 October 2016	63,280	(9,357)	78,743	(21,635)	229	6	1,699	(485)	76,591	189,071	46,348	235,419
Total comprehensive income for the period												
Profit(loss) for the period	-	-	-	-	-	-	-	-	1,193	1,193	(11)	1,182
Other comprehensive income												
Exchange differences arising from transaction	-	-	-	(2,200)	-	-	-	-	-	(2,200)	(936)	(3,136)
Revaluation surplus resulting from reclassification of property, plant and equipment to investment properties	-	-	-	-	-	-	1,525	-	-	1,525	-	1,525
Total other comprehensive income	-	-	-	(2,200)	-	-	1,525	-	-	(675)	(936)	(1,611)
Total comprehensive income for the period	-	-	-	(2,200)	-	-	1,525	-	1,193	518	(947)	(429)
Transactions with owners, recognised directly in equity												
Contributions by and distributions to owners												
Dividend paid	-	-	-	-	-	-	-	-	(1,082)	(1,082)	-	(1,082)
Total contributions by and distributions to owners and total transactions with owners	-	-	-	-	-	-	-	-	(1,082)	(1,082)	-	(1,082)
Balance as at 31 March 2017	63,280	(9,357)	78,743	(23,835)	229	6	3,224	(485)	76,702	188,507	45,401	233,908
Total comprehensive income for the period												
Profit(loss) for the period	-	-	-	-	-	-	-	-	1,608	1,608	(2)	1,606
Other comprehensive income												
Exchange differences arising from transaction	-	-	-	1,715	-	-	-	-	-	1,715	733	2,448
Total other comprehensive income	-	-	-	1,715	-	-	-	-	-	1,715	733	2,448
Total comprehensive income for the period	-	-	-	1,715	-	-	-	-	1,608	3,323	731	4,054
Transactions with owners, recognised directly in equity												
Contributions by and distributions to owners												
Dividend paid	-	-	-	-	-	-	-	-	(1,082)	(1,082)	-	(1,082)
Total contributions by and distributions to owners and total transactions with owners	-	-	-	-	-	-	-	-	(1,082)	(1,082)	-	(1,082)
Balance as at 30 June 2017	63,280	(9,357)	78,743	(22,120)	229	6	3,224	(485)	77,228	190,748	46,132	236,881
At 1 October 2017	63,280	(9,357)	78,743	(21,186)	229	(468)	3,224	(485)	91,029	205,009	46,533	251,542
Total comprehensive income for the period												
Profit for the period	-	-	-	-	-	-	-	-	793	793	8	801
Other comprehensive income												
Exchange differences arising from transaction	-	-	-	6,030	-	-	-	-	-	6,030	2,579	8,609
Total other comprehensive income	-	-	-	6,030	-	-	-	-	-	6,030	2,579	8,609
Total comprehensive income for the period	-	-	-	6,030	-	-	-	-	793	6,823	2,587	9,410
Transactions with owners, recognised directly in equity												
Contributions by and distributions to owners												
Dividend paid	-	-	-	-	-	-	-	-	(2,164)	(2,164)	-	(2,164)
Total contributions by and distributions to owners and total transactions with owners	-	-	-	-	-	-	-	-	(2,164)	(2,164)	-	(2,164)
Balance as at 31 March 2018	63,280	(9,357)	78,743	(15,156)	229	(468)	3,224	(485)	89,658	209,668	49,120	258,788
Total comprehensive income for the period												
Profit for the period	-	-	-	-	-	-	-	-	879	879	(4)	875
Other comprehensive income												
Exchange differences arising from transaction	-	-	-	(753)	-	-	-	-	-	(753)	(323)	(1,076)
Total other comprehensive income	-	-	-	(753)	-	-	-	-	-	(753)	(323)	(1,076)
Total comprehensive income for the period	-	-	-	(753)	-	-	-	-	879	126	(327)	(201)
Transactions with owners, recognised directly in equity												
Contributions by and distributions to owners												
Dividend paid	-	-	-	-	-	-	-	-	(1,082)	(1,082)	-	(1,082)
Total contributions by and distributions to owners and total transactions with owners	-	-	-	-	-	-	-	-	(1,082)	(1,082)	-	(1,082)
Changes in ownership interests in subsidiaries												
Acquisition of subsidiary	-	-	-	-	-	-	-	-	-	-	490	490
Total changes in ownership interests in subsidiaries	-	-	-	-	-	-	-	-	-	-	490	490
Total transactions with owners	-	-	-	-	-	-	-	-	(1,082)	(1,082)	490	(592)
Balance as at 30 June 2018	63,280	(9,357)	78,743	(15,909)	229	(468)	3,224	(485)	89,455	208,712	49,283	257,995



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The Company	Share Capital S\$'000	Treasury Share S\$'000	Warrants Reserve S\$'000	Equity Reserve S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
At 1 October 2016	63,280	(9,357)	-	229	4,002	58,154
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(267)	(267)
Total comprehensive income for the period	-	-	-	-	(267)	(267)
Transaction with owners, recognised directly in equity						
Contribution by and distributions to owners						
Dividend paid	-	-	-	-	(1,082)	(1,082)
Total contribution by and distributions to owners	-	-	-	-	(1,082)	(1,082)
Total transactions with owners	-	-	-	-	(1,082)	(1,082)
Balance as at 31 March 2017	63,280	(9,357)	-	229	2,653	56,805
Total comprehensive income for the period						
Loss for the period	-	-	-	-	(61)	(61)
Total comprehensive income for the period	-	-	-	-	(61)	(61)
Transaction with owners, recognised directly in equity						
Contribution by and distributions to owners						
Dividend paid	-	-	-	-	(1,082)	(1,082)
Total contribution by and distributions to owners	-	-	-	-	(1,082)	(1,082)
Total transactions with owners	-	-	-	-	(1,082)	(1,082)
Balance as at 30 June 2017	63,280	(9,357)	-	229	1,510	55,662
At 1 October 2017	63,280	(9,357)	-	229	2,306	56,458
Total comprehensive income for the period						
Loss for the period	-	-	-	-	1,828	1,828
Total comprehensive income for the period	-	-	-	-	1,828	1,828
Transaction with owners, recognised directly in equity						
Contribution by and distributions to owners						
Dividend paid	-	-	-	-	(2,164)	(2,164)
Total contribution by and distributions to owners	-	-	-	-	(2,164)	(2,164)
Total transactions with owners	-	-	-	-	(2,164)	(2,164)
Balance as at 31 March 2018	63,280	(9,357)	-	229	1,970	56,122
Total comprehensive income for the period						
Profit for the period	-	-	-	-	1,902	1,902
Total comprehensive income for the period	-	-	-	-	1,902	1,902
Transaction with owners, recognised directly in equity						
Contribution by and distributions to owners						
Dividend paid	-	-	-	-	(1,082)	(1,082)
Total contribution by and distributions to owners	-	-	-	-	(1,082)	(1,082)
Total transactions with owners	-	-	-	-	(1,082)	(1,082)
Balance as at 30 June 2018	63,280	(9,357)	-	229	2,790	56,942



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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.

During the period under review, there were no changes in the Company's share capital.

The Company	Number of shares issued and fully paid	Shares capital S\$'000	Number of Treasury Shares	Treasury Shares S\$'000
As at 1 October 2017	394,066,518	63,280	33,371,600	9,357
Changes in share capital	-	-	-	-
As at 30 June 2018	394,066,518	63,280	33,371,600	9,357

The total number of issued shares excluding treasury shares of the Company as at 30 June 2018 was 360,694,918 (30 June 2017: 360,694,918). The Company held 33,371,600 treasury shares, constituting 9.25% of the total number of ordinary shares outstanding excluding treasury shares, as at 30 June 2018 and 30 June 2017.

The Company had no subsidiary holdings as at 30 June 2018 and 30 June 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.

	30/06/2018	30/09/2017
Total number of issued shares	394,066,518	394,066,518
Total number of treasury shares	(33,371,600)	(33,371,600)
Total number of issued shares excluding treasury shares	<u>360,694,918</u>	<u>360,694,918</u>

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

As at 30 June 2018, there were no sales, transfers, cancellation and/or use of treasury shares.

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.

As at 30 June 2018, there were no subsidiary holdings.

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 auditor.

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

Not applicable as the figures have not been audited or reviewed.



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

Save as disclosed in paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those applied in the most recently audited financial statements of the Group for the financial year ended 30 September 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.

The Group has adopted all new and/or revised Singapore Financial Reporting Standards ("FRSs") and interpretation of FRSs ("INT FRSs") that are relevant to its operations and effective for the financial period beginning on or after 1 October 2017.

The adoption of these new/revised FRSs and INT FRSs does not result in changes in the Group's accounting policies and has no material impact on the financial statements reported for the current financial period or prior financial periods.

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 (Unaudited)			
	3 months ended 30/06/2018 (3Q2018)	3 months ended 30/06/2017 (3Q2017)	9 months ended 30/06/2018 (9M2018)	9 months ended 30/06/2017 (9M2017)
Earnings per ordinary share for the period based on the Group's net profit:				
(a) Basic (cents)	0.24	0.45	0.46	0.78
Weighted average number of ordinary shares in issue (excluding treasury shares)	360,694,918	360,694,918	360,694,918	360,694,918
(b) Diluted ⁽¹⁾ (cents)	0.24	0.44	0.46	0.77
Weighted average number of ordinary shares in issue (excluding treasury shares)	360,694,918	365,272,344	360,694,918	365,272,344

⁽¹⁾ Diluted earnings per ordinary share in Item 6(b) was computed based on the weighted average issued ordinary shares, which is adjusted for the effects of all dilutive potential ordinary shares, which comprise number of shares to be issued upon redemption of convertible bonds, where applicable.

As at 30 June 2017, the number of ordinary shares that may be issued on conversion of non-interest bearing convertible bonds, issued as part of the purchase consideration for the acquisition of a subsidiary, namely Citrine Assets Pte Ltd, was 4,577,426. With reference to the Company's announcement dated 19 September 2017, the convertible bonds were fully redeemed by the Company upon maturity. The Company had no outstanding convertibles as at 30 June 2018.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	Group		Company	
	30/06/2018	30/09/2017	30/06/2018	30/09/2017
Net asset value per ordinary share, based on issued share capital (excluding treasury shares)	57.86 cents	56.84 cents	15.79 cents	15.66 cents
Number of issued shares (excluding treasury shares)	360,694,918	360,694,918	360,694,918	360,694,918



Net asset value is represented as equity attributable to owners of the Company.

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**
 - (b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Revenue

3Q2018 vs 3Q2017

Revenue decreased by \$14.8 million to \$3.8 million in 3Q2018 from \$18.6 million in 3Q2017 mainly due to higher revenue recognised in 3Q2017 from the sales of

- (i) mixed residential/commercial project, The Citron and Citron Residences; and
- (ii) strata terrace landed residential project, The Morris Residences,

as compared to the revenue generated from the sale of a landed terrace house in 3Q2018.

9M2018 vs 9M2017

Revenue decreased by \$24.2 million to \$30.7 million in 9M2018 from \$54.9 million in 9M2017, mainly due to higher revenue recognised in 9M2017 from

- (i) mixed residential/commercial project, The Citron and Citron Residences; and
- (ii) residential apartment project, The Bently Residences@Kovan,

as compared to the revenue generated from the sales of strata terrace landed residential project, The Morris Residences in 9M2018.

Cost of sales and gross profit

3Q2018 vs 3Q2017

Cost of sales decreased by \$12.3 million to \$3.1 million in 3Q2018 from \$15.4 million in 3Q2017, in line with decrease in revenue. Therefore, gross profit for 3Q2018 was \$0.7 million compared to \$3.2 million in 3Q2017. Gross profit margin increased by 1.0% to 18.3% in 3Q2018 from 17.3% in 3Q2017, mainly due to higher margin from sale of a landed terrace house in 3Q2018.

9M2018 vs 9M2017

Cost of sales decreased by \$17.7 million to \$29.4 million in 9M2018 from \$47.1 million in 9M2017, in line with decrease in revenue. Therefore, gross profit for 9M2018 was \$1.3 million compared to \$7.8 million in 9M2017. Gross profit margin decreased by 10.0% to 4.2% in 9M2018 from 14.2% in 9M2017, mainly due to lower margins from sale of development properties in 9M2018.

Administrative expenses

3Q2018 vs 3Q2017

Administrative expenses remained relatively stable at \$1.3 million in 3Q2018 and 3Q2017.

9M2018 vs 9M2017

Administrative expenses decreased by \$0.1 million to \$4.2 million in 9M2018 from \$4.3 million in 9M2017, mainly due to lower depreciation charged during the period partially offset by higher salaries and related expenses for employees of the Group in 9M2018.

Finance costs

3Q2018 vs 3Q2017

Finance costs decreased by \$0.1 million to \$0.3 million in 3Q2018 from \$0.4 million in 3Q2017, mainly due to repayment of bank loans.

9M2018 vs 9M2017

Finance costs decreased by \$0.2 million to \$1.0 million in 9M2018 from \$1.2 million in 9M2017, mainly due to repayment of bank loans partially offset by the project-related finance costs being expensed off after obtaining temporary occupation permit for The Citron and Citron Residences.



Other operating expenses

9M2018 vs 9M2017

Other operating expenses incurred in 9M2018 was mainly due to write down in value of development properties for sale of \$0.4 million.

Share of results of associates

3Q2018 vs 3Q2017

Share of results of associate changed by \$1.5 million to a profit of \$1.6 million in 3Q2018 from \$0.1 million in 3Q2017. This was mainly due to share of profits from an associate.

1H2018 vs 1H2017

Share of results of associate changed by \$5.1 million to a profit of \$5.3 million in 9M2018 from \$0.2 million in 9M2017. This was mainly due to share of profits from an associate.

Profit before taxation

3Q2018 vs 3Q2017

Profit before taxation was \$0.9 million in 3Q2018, compared to profit before taxation of \$1.9 million in 3Q2017. This was mainly attributable to decrease in gross profit of \$2.5 million, partially offset by increase in share of results of associates of \$1.5 million.

9M2018 vs 9M2017

Profit before taxation was \$1.7 million in 9M2018, compared to profit before taxation of \$3.2 million in 9M2017. This was mainly attributable to decrease in gross profit of \$6.5 million, and write down in value of development properties for sale of \$0.4 million, partially offset by increase in share of results of associates of \$5.1 million and decrease in finance costs and administrative expenses of \$0.2 million and \$0.1 million respectively.

Other comprehensive income

3Q2018 vs 3Q2017

Foreign currency translation differences arose mainly from the depreciation in Malaysia Ringgit in 3Q2018 and appreciation in Malaysia Ringgit in 3Q2017 for the investments in Malaysian entities.

9M2018 vs 9M2017

In 9M2017, reclassification of property, plant and equipment to investment properties resulted in a revaluation surplus of \$1.5 million. Foreign currency translation differences arose mainly from the appreciation in Malaysia Ringgit in 9M2018 and depreciation in Malaysia Ringgit in 9M2017 for the investments in Malaysian entities.

Assets

Property, plant and equipment decreased by \$0.1 million to \$2.8 million as at 30 June 2018 from \$2.9 million as at 30 September 2017 mainly due to depreciation charged for the period.

Investment properties increased by \$0.9 million to \$87.7 million in 30 June 2018 from \$86.8 million in 30 September 2017 mainly due to translation differences arising from Malaysian investment properties.

Associates increased by \$5.7 million to \$7.6 million as at 30 June 2018 from \$1.9 million as at 30 September 2017 mainly due to share of results and investments in associates.

Trade and other receivables decreased by \$32.5 million to \$19.8 million as at 30 June 2018 from \$52.3 million as at 30 September 2017 mainly due to collections from buyers of development properties.

Development properties for sale increased by \$1.6 million to \$198.5 million as at 30 June 2018 from \$196.9 million as at 30 September 2017 mainly due to acquisition of landed properties for redevelopment, costs incurred on new and on-going projects and translation differences arising from Malaysian development properties, partially offset by the recognition of development properties sold.

Liabilities

Trade and other payables increased by \$2.5 million to \$9.2 million as at 30 June 2018 from \$6.7 million as at 30 September 2017 mainly due to increase in amounts payable to suppliers and subcontractors.



Bank borrowings decreased by \$48.1 million to \$58.9 million as at 30 June 2018 from \$107.0 million as at 30 September 2017 mainly due to repayment of bank loans of development properties.

Deferred tax liabilities increased by \$0.4 million to \$11.1 million as at 30 June 2018 from \$10.7 million as at 30 September 2017 mainly due to translation differences arising from Malaysian development properties.

Net Working Capital

The Group's net working capital remained relatively stable at \$175.7 million as at 30 June 2018 and 30 September 2017.

Capital and reserves

Retained earnings decreased by \$1.6 million to \$89.4 million as at 30 June 2018 from \$91.0 million as at 30 September 2017 mainly due to profit attributable to equity holders for the period and dividends paid.

Statement of cash flows

3Q2018

The net cash used in operating activities for 3Q2018 was \$1.9 million. This was mainly due to increase in development properties for sale of \$4.4 million, decrease in trade and other payables of \$2.3 million and share of profit of associates of \$1.6 million, partially offset by profit before tax of \$0.9 million, decrease in trade and other receivables of \$5.1 million, adjustments amounting to \$0.3 million for interest expense and \$0.1 million for depreciation.

The net cash used in investing activities for 3Q2018 was \$3.1 million. This was mainly due to advances to associated companies.

The net cash generated from financing activities for 3Q2018 was \$7.0 million. This was mainly due to proceeds from bank loans of \$5.5 million and advances from associated company of \$3.1 million, partially offset by repayment of bank loans of \$0.1 million, interest paid of \$0.4 million and dividend paid of \$1.1 million.

9M2018

The net cash generated from operating activities for 9M2018 was \$39.2 million. This was mainly due to profit before tax of \$1.7 million, decrease in trade and other receivables of \$35.6 million, decrease in development properties for sale of \$6.0 million, adjustments amounting to \$1.0 million for interest expense, \$0.4 million for depreciation and write-down in value of development properties for sale of \$0.4 million, partially offset by decrease in trade and other payables of \$0.3 million, income tax paid amounting to \$0.2 million and share of profits of associates of \$5.3 million.

The net cash used in investing activities for 9M2018 was \$4.3 million. This was mainly due to advances to associated companies of \$7.1 million and payment for investment in associated companies of \$0.7 million, purchase of investment securities of \$0.2 million, purchase of property, plant and equipment of \$0.3 million, partially offset by repayment from associated companies of \$4.0 million .

The net cash used in financing activities for 9M2018 was \$49.7 million. This was mainly due to repayment of bank loans of \$62.4 million, interest paid of \$1.5 million and dividend paid of \$3.2 million, partially offset by proceeds from bank loans of \$14.3 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.



10. A commentary at the date of the announcement of the 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

According to URA real estate statistics released on 27 July 2018, the private residential property index increased by 4.9 points from 144.1 points in 1st Quarter 2018 to 149.0 points in 2nd Quarter 2018, representing an increase of 3.4%, compared with the 3.9% increase in the previous quarter. On 5 July 2018, the Government announced that it was raising Additional Buyer's Stamp Duty (ABSD) rates by 5 percentage points for citizens and permanent residents buying second and subsequent homes to 12 percent and by 10 percentage points for entities. An additional ABSD of 5 per cent, which is non-remittable under the Remission Rules, will also be introduced for developers purchasing residential properties for housing development. The new cooling measures also include tightening loan-to-value (LTV) limits on residential property purchases by 5 percentage points to 75 per cent for a borrower with no outstanding housing loan for the purchase of another residential property and 45 per cent for a borrower with an outstanding housing loan for the purchase of another residential property.

The Group believes the outlook for Singapore residential property market remains challenging in the next 12 months. We will exercise prudence when replenishing our land bank in view of rising land and project development costs. The Group will continue to monitor supply and demand in the Singapore property market and refine our investment strategy. The Group remains committed to the Singapore market, whilst actively exploring opportunities overseas.

11. Dividend

(a) Current Financial Period Reported On

Dividend declared for the current financial period reported on.

Name of Dividend	Interim
Type of Dividend	Cash
Dividend amount per ordinary share	0.15 Singapore cent
Tax Rate	Tax exempt (one-tier)

(b) Corresponding Period of the Immediately Preceding Financial Year

Dividend declared for the immediately preceding financial period reported on:

Name of Dividend	Interim
Type of Dividend	Cash
Dividend amount per ordinary share	0.3 Singapore cent
Tax Rate	Tax exempt (one-tier)

(c) Date payable

On or about 31 August 2018.

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 21 August 2018 for the purpose of determining members' entitlements to the interim tax exempt (one-tier) dividend of 0.15 Singapore cent ("Interim Dividend") per ordinary share.

Duly completed registrable transfers in respect of the shares in the Company received up to the close of business at 5.00 p.m. on 21 August 2018 by the Company's Share Registrar, B.A.C.S. Private Limited, 8 Robinson Road, #03-00 ASO Building, Singapore 048544 will be registered to determine members' entitlements to the Interim Dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares in the Company as at 5.00 p.m. on 21 August 2018 will be entitled to the Interim Dividend.

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



13. **Interested Person Transactions**

Not applicable.

For the 9-month financial period ended 30 June 2018:

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000.00 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual)	Description of the transaction entered into with the interested person during the financial period under review	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than S\$100,000.00)
Tan Chee Beng ("Mr Tan") ⁽¹⁾	\$122,680	<p>As at 30 June 2018, construction works on common infrastructures on the entire plot of land covering the Included Plots and Excluded Plots had been carried out.</p> <p>The construction costs attributable to Citrine Capital Pte Ltd ("Citrine Capital") for the Excluded Plots recharged by the Group to Citrine Capital is \$122,680 for the period under review.</p> <p>Further details are as set out in the Circular dated 15 Sep 2014.</p>	Nil

Note:

- ⁽¹⁾ Tan Chee Beng ("Mr Tan") is an "Interested Person" within the meaning of Chapter 9 of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual (the "Listing Manual") by virtue of the following:
- (a) Mr Tan is an executive director and the Executive Chairman of the Company;
 - (b) Mr Tan is deemed a controlling shareholder of the Company; and
 - (c) Mr Tan is deemed to have a 100% equity interest in Citrine Capital Pte Ltd, a private company incorporated in Singapore.

There were no other IPTs entered into with Mr Tan or all other interested parties for the 9-month financial period ended 30 June 2018.

Other than as mentioned above, the Company does not have a general mandate from its shareholders for recurrent interested person transactions.

14. **Confirmation by the Board pursuant to Rule 705(5) of the SGX Listing Manual**

The Directors of the Company confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company to be false or misleading in any material aspect.

15. **Confirmation pursuant to Rule 720(1) of the SGX-ST Listing Manual**

Pursuant to Rule 720(1) of the SGX Listing Manual, the Company has procured undertakings from all its directors and executive officers.

BY ORDER OF THE BOARD

Alvin Tan Chee Tiong
Chief Executive Officer

8 August 2018

