



GOODLAND GROUP LIMITED

良園集團

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

Unaudited Second Quarter Financial Statements Announcement for
the Financial Period Ended 31 March 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 31/3/2018 (2Q2018)	3 months ended 31/3/2017 (2Q2017)	Increase/ (Decrease) %	6 months ended 31/3/2018 (1H2018)	6 months ended 31/3/2017 (1H2017)	Increase/ (Decrease) %
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Revenue	16,733	18,855	-11	26,951	36,263	-26
Cost of sales	(16,578)	(15,849)	5	(26,336)	(31,669)	-17
Gross profit	155	3,006	-95	615	4,594	-87
Other operating income	292	223	31	485	407	19
Finance income	-	2	N/M	4	6	-33
Administrative expenses	(1,681)	(1,632)	N/M	(2,862)	(2,983)	-4
Finance costs	(432)	(433)	N/M	(693)	(784)	-12
Other operating expenses	(416)	-	N/M	(425)	-	N/M
Share of results of associates (net of tax)	2,616	66	N/M	3,670	65	N/M
Profit before taxation	534	1,232	N/M	794	1,305	N/M
Income tax	6	(169)	N/M	6	(123)	N/M
Profit for the period	540	1,063	N/M	800	1,182	N/M
Other comprehensive income:						
Revaluation surplus resulting from the reclassification of property, plant and equipment to investment properties	-	-	N/M	-	1,525	N/M
Foreign currency translation differences	4,723	(3,387)	N/M	8,609	(3,136)	N/M
	4,723	(3,387)	N/M	8,609	(1,611)	N/M
Total comprehensive income	5,263	(2,324)	N/M	9,409	(429)	N/M
Profit attributable to:						
Equity holders of the Company, net of tax	535	1,065	N/M	792	1,193	N/M
Non-controlling interests, net of tax	5	(2)	N/M	8	(11)	N/M
	540	1,063	N/M	800	1,182	N/M
Total comprehensive income attributable to:						
Equity holders of the Company, net of tax	3,844	(1,308)	N/M	6,823	518	N/M
Non-controlling interests, net of tax	1,419	(1,016)	N/M	2,586	(947)	N/M
	5,263	(2,324)	N/M	9,409	(429)	N/M

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 31/3/2018 (2Q2018) S\$'000	3 months ended 31/3/2017 (2Q2017) S\$'000	Increase/ (Decrease) %	6 months ended 31/3/2018 (1H2018) S\$'000	6 months ended 31/3/2017 (1H2017) S\$'000	Increase/ (Decrease) %
After charging:						
Depreciation of property, plant and equipment	125	153	(18)	245	303	(19)
Finance costs	432	433	(0)	693	784	(12)
Loss on disposal of property, plant and equipment	-	-	N/M	9	-	N/M
Write down in value of development properties for sale	416	-	N/M	416	-	N/M
and crediting:						
Finance income	-	2	(100)	4	6	(33)
Rental income	145	87	67	246	168	46
Fair value gain on financial assets, through profit or loss	58	13	346	87	34	156

N/M: Not meaningful



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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 31/03/2018 S\$'000	Group Audited 30/9/2017 S\$'000	Company Unaudited 31/03/2018 S\$'000	Company Audited 30/9/2017 S\$'000
Non-current assets				
Property, plant and equipment	2,954	2,914	-	-
Investment properties	87,833	86,793	-	-
Subsidiaries	-	-	11,008	10,808
Associates	5,919	1,909	-	-
Available-for-sale financial asset	10,010	10,010	-	-
Deferred tax assets	301	301	-	-
	<u>107,017</u>	<u>101,927</u>	<u>11,008</u>	<u>10,808</u>
Current assets				
Trade and other receivables	21,742	52,360	67,114	66,507
Other current assets	62	53	71	20
Development properties for sale	194,527	196,952	-	-
Other financial assets	458	172	-	-
Cash and cash equivalents	8,378	25,075	3,756	1,822
	<u>225,167</u>	<u>274,612</u>	<u>70,941</u>	<u>68,349</u>
Less:-				
Current liabilities				
Obligations under finance leases	42	37	-	-
Trade and other payables	8,350	6,746	25,827	22,699
Bank borrowings	38,501	91,725	-	-
Current tax payable	165	436	-	-
	<u>47,058</u>	<u>98,944</u>	<u>25,827</u>	<u>22,699</u>
Net current assets	<u>178,109</u>	<u>175,668</u>	<u>45,114</u>	<u>45,650</u>
Non-current liabilities				
Obligations under finance leases	149	51	-	-
Bank borrowings	15,001	15,265	-	-
Deferred tax liabilities	11,188	10,737	-	-
	<u>26,338</u>	<u>26,053</u>	<u>-</u>	<u>-</u>
Net assets	<u>258,788</u>	<u>251,542</u>	<u>56,122</u>	<u>56,458</u>
Capital and reserves				
Share capital	63,280	63,280	63,280	63,280
Retained earnings	89,658	91,029	1,970	2,306
Merger reserve	(485)	(485)	-	-
Treasury shares	(9,357)	(9,357)	(9,357)	(9,357)
Currency translation reserve	(15,155)	(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	<u>209,669</u>	<u>205,009</u>	<u>56,122</u>	<u>56,458</u>
Non-controlling interests	49,119	46,533	-	-
Total equity	<u>258,788</u>	<u>251,542</u>	<u>56,122</u>	<u>56,458</u>



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

Amount repayable in one year or less, or on demand

As at 31/03/2018		As at 30/09/2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
38,543	-	91,762	-

Amount repayable after one year

As at 31/03/2018		As at 30/09/2017	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
15,150	-	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 31/3/2018 (2Q2018) S\$'000	Unaudited 3 months ended 31/3/2017 (2Q2017) S\$'000	Unaudited 6 months ended 31/3/2018 (1H2018) S\$'000	Unaudited 6 Months ended 31/3/2017 (1H2017) S\$'000
Cash flows from operating activities				
Profit before taxation	534	1,232	794	1,305
Adjustments for:-		-		
Depreciation of property, plant and equipment	125	153	245	303
Write down in value of development properties for sale	416	-	416	-
Loss on disposal of property, plant and equipment	-	-	9	-
Fair value changes on financial assets, at fair value through profit	(58)	(13)	(87)	(34)
Interest expense	432	433	693	784
Interest income	-	(2)	(4)	(6)
Dividend income	-	-	(3)	(2)
Share of profit from associates	(2,616)	(66)	(3,670)	(65)
Operating cash flow before working capital changes	(1,167)	1,737	(1,607)	2,285
Change in trade and other receivables and other current assets	25,418	(1,152)	30,518	(1,166)
Change in trade and other payables	666	(711)	1,950	(1,727)
Change in development properties for sale	7,480	10,637	10,431	21,601
Cash generated from operations	32,397	10,511	41,292	20,993
Interest received	-	2	4	6
Income tax (paid)/refund	(130)	-	(130)	72
Net cash generated from operating activities	32,267	10,513	41,166	21,071
Cash flows from investing activities				
Purchase of property, plant and equipment (Note B)	(234)	(89)	(286)	(172)
Purchase of investment securities	(199)	-	(199)	-
Additions to investment properties	-	-	(1)	-
Payment for investment in associated company	-	-	(680)	-
Proceeds from disposal of property, plant and equipment	1	-	4	-
Repayment from associated company	1,000	5,100	3,995	5,100
Advances to associated companies	(1,580)	(20)	(4,039)	(88)
Dividend received from other equity investments	-	-	3	2
Net cash used in investing activities	(1,012)	4,991	(1,203)	4,842
Cash flows from financing activities				
Proceeds from bank loans	4,371	2,900	8,765	4,316
Proceeds from finance lease liabilities	127	-	127	-
Repayment of bank loans	(42,446)	(33,081)	(62,253)	(36,739)
Repayment of finance lease liabilities	(10)	(11)	(23)	(23)
Advances from associated companies	-	250	-	480
Interest paid	(557)	(821)	(1,112)	(1,665)
Dividend paid	(2,164)	(1,082)	(2,164)	(1,082)
Net cash used in financing activities	(40,679)	(31,845)	(56,660)	(34,713)
Net changes in cash and cash equivalents	(9,424)	(16,371)	(16,697)	(8,828)
Cash and cash equivalents at beginning of financial year	17,802	37,774	25,075	30,231
Cash and cash equivalents at end of financial year (Note A)	8,378	21,403	8,378	21,403



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Note A

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

	As at	As at
	31/3/2018	31/3/2017
	S\$'000	S\$'000
Fixed deposits with banks	-	1,000
Cash and bank balances	8,378	20,403
	<u>8,378</u>	<u>21,403</u>
Bank overdraft	-	-
	<u>8,378</u>	<u>21,403</u>

Note B

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

	3 months	3 months	6 months	6 Months
	ended	ended	ended	ended
	31/3/2018	31/3/2017	31/3/2018	31/3/2017
	(2Q2018)	(2Q2017)	(1H2018)	(1H2017)
	S\$'000	S\$'000	S\$'000	S\$'000
Additions to property, plant and equipment	234	89	286	172
Acquired under finance lease agreements	-	-	-	-
Cash payments	<u>234</u>	<u>89</u>	<u>286</u>	<u>172</u>



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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	Total Equity
	Share Capital	Treasury Shares	Acquisition Reserve	Currency Translation Reserve	Equity Reserve	Fair Value Reserve	Revaluation Surplus Reserve	Merger Reserve	Retained Earnings	Subtotal			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	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	-	-	-	-	-	-	-	-	128	128		(9)	119
Other comprehensive income													
Exchange differences arising from transaction	-	-	-	173	-	-	-	-	-	173		78	251
Revaluation surplus resulting from reclassification of property, plant and equipment to investment properties	-	-	-	-	-	-	1,525	-	-	1,525		-	1,525
Total other comprehensive income	-	-	-	173	-	-	1,525	-	-	1,698		78	1,776
Total comprehensive income for the period	-	-	-	173	-	-	1,525	-	128	1,826		69	1,895
Balance as at 31 December 2016	63,280	(9,357)	78,743	(21,462)	229	6	3,224	(485)	76,719	190,897		46,417	237,314
Total comprehensive income for the period													
Profit/(loss) for the period	-	-	-	-	-	-	-	-	1,065	1,065		(2)	1,063
Other comprehensive income													
Exchange differences arising from transaction	-	-	-	(2,373)	-	-	-	-	-	(2,373)		(1,014)	(3,387)
Total other comprehensive income	-	-	-	(2,373)	-	-	-	-	-	(2,373)		(1,014)	(3,387)
Total comprehensive income for the period	-	-	-	(2,373)	-	-	-	-	1,065	(1,308)		(1,016)	(2,324)
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)	77,784	189,589		45,401	234,990
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	-	-	-	-	-	-	-	-	258	258		3	261
Other comprehensive income													
Exchange differences arising from transaction	-	-	-	2,721	-	-	-	-	-	2,721		1,164	3,885
Total other comprehensive income	-	-	-	2,721	-	-	-	-	-	2,721		1,164	3,885
Total comprehensive income for the period	-	-	-	2,721	-	-	-	-	258	2,979		1,167	4,146
Balance as at 31 December 2017	63,280	(9,357)	78,743	(18,465)	229	(468)	3,224	(485)	91,287	207,988		47,700	255,688
Total comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	535	535		5	540
Other comprehensive income													
Exchange differences arising from transaction	-	-	-	3,310	-	-	-	-	-	3,310		1,414	4,724
Total other comprehensive income	-	-	-	3,310	-	-	-	-	-	3,310		1,414	4,724
Total comprehensive income for the period	-	-	-	3,310	-	-	-	-	535	3,845		1,419	5,264
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	(15,155)	229	(468)	3,224	(485)	89,658	209,669		49,119	258,788



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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
<i>Total comprehensive income for the period</i>						
Loss for the period	-	-	-	-	(65)	(65)
<i>Total comprehensive income for the period</i>	-	-	-	-	(65)	(65)
Balance as at 31 December 2016	63,280	(9,357)	-	229	3,937	58,089
<i>Total comprehensive income for the period</i>						
Loss for the period	-	-	-	-	(202)	(202)
<i>Total comprehensive income for the period</i>	-	-	-	-	(202)	(202)
<i>Transaction with owners, recognised directly in equity</i>						
Contribution by and distributions to owners						
Dividend paid	-	-	-	-	(1,082)	(1,082)
Total contribution by and distributions to owners	-	-	-	-	(1,082)	(1,082)
<i>Total transactions with owners</i>	-	-	-	-	(1,082)	(1,082)
Balance as at 31 March 2017	63,280	(9,357)	-	229	2,653	56,805
At 1 October 2017	63,280	(9,357)	-	229	2,306	56,458
<i>Total comprehensive income for the period</i>						
Loss for the period	-	-	-	-	(29)	(29)
<i>Total comprehensive income for the period</i>	-	-	-	-	(29)	(29)
Balance as at 31 December 2017	63,280	(9,357)	-	229	2,277	56,429
<i>Total comprehensive income for the period</i>						
Profit for the period	-	-	-	-	1,857	1,857
<i>Total comprehensive income for the period</i>	-	-	-	-	1,857	1,857
<i>Transaction with owners, recognised directly in equity</i>						
Contribution by and distributions to owners						
Dividend paid	-	-	-	-	(2,164)	(2,164)
Total contribution by and distributions to owners	-	-	-	-	(2,164)	(2,164)
<i>Total transactions with owners</i>	-	-	-	-	(2,164)	(2,164)
Balance as at 31 March 2017	63,280	(9,357)	-	229	1,970	56,122



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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 31 March 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 31 March 2018 was 360,694,918 (31 March 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 31 March 2018 and 31 March 2017.

The Company had no subsidiary holdings as at 31 March 2018 and 31 March 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.

	31/03/2018	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 31 March 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 31 March 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.



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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 31/03/2018 (2Q2018)	3 months ended 31/03/2017 (2Q2017)	6 months ended 31/03/2018 (1H2018)	6 months ended 31/03/2017 (1H2017)
Earnings per ordinary share for the period based on the Group's net profit:				
(a) Basic (cents)	0.15	0.30	0.22	0.33
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)	0.15	0.29	0.22	0.33
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 31 March 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 31 March 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	
	31/03/2018	30/09/2017	31/03/2018	30/09/2017
Net asset value per ordinary share, based on issued share capital (excluding treasury shares)	58.13 cents	56.84 cents	15.56 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

2Q2018 vs 2Q2017

Revenue decreased by \$2.1 million to \$16.8 million in 2Q2018 from \$18.9 million in 2Q2017 mainly due to

- (i) the completion of the residential project, The Bently Residences@ Kovan in FY2017 with revenue of the project being fully recognised by 2Q2017; and
- (ii) the completion of the mixed residential/commercial project, The Citron and Citron Residences in 1Q2018,

partially offset by:

- (i) the revenue generated from the sale of six strata landed units from the residential project, The Morris Residences, the only project sales in 2Q2018.

1H2018 vs 1H2017

Revenue decreased by \$9.3 million to \$27.0 million in 1H2018 from \$36.3 million in 1H2017 mainly due to

- (i) the completion of the residential project, The Bently Residences@ Kovan in FY2017 with revenue of the project being fully recognised by 1H2017; and
- (ii) the completion of the mixed residential/commercial project, The Citron and Citron Residences in 1H2018,

partially offset by:

- (i) the revenue generated from the sale of eight strata landed units from the residential project, The Morris Residences, in 1H2018.

Cost of sales and gross profit

2Q2018 vs 2Q2017

Cost of sales increased by \$0.7 million to \$16.6 million in 2Q2018 from \$15.9 million in 2Q2017 mainly due to the sale of six strata landed units from the residential project, The Morris Residences in 2Q2018. Gross profit for 2Q2018 was \$0.2 million compared to \$3.0 million in 2Q2017. Gross profit margin decreased by 15.0% to 0.9% in 2Q2018 from 15.9% in 2Q2017, mainly due to lower margins from sale of development properties during the period.

1H2018 vs 1H2017

Cost of sales decreased by \$5.3 million to \$26.3 million in 1H2018 from \$31.6 million in 1H2017 mainly due to the sale of eight strata landed units from the residential project, The Morris Residences in 1H2018. Gross profit for 1H2018 was \$0.6 million compared to \$4.6 million in 1H2017. Gross profit margin decreased by 10.4% to 2.3% in 1H2018 from 12.7% in 1H2017, mainly due to lower margins from sale of development properties during the period.

Administrative expenses

2Q2018 vs 2Q2017

Administrative expenses increased by \$0.05 million to \$1.68 million in 2Q2018 from \$1.63 million in 2Q2017, mainly due to higher salaries and related expenses for employees of the Group in 2Q2018.

1H2018 vs 1H2017

Administrative expenses decreased by \$0.12 million to \$2.86 million in 1H2018 from \$2.98 million in 1H2017, mainly due to lower depreciation charged during the period partially offset by higher salaries and related expenses for employees of the Group in 1H2018.



Finance costs

2Q2018 vs 2Q2017

Finance costs decreased by \$0.001 million to \$0.432 million in 2Q2018 from \$0.433 million in 2Q2017, 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.

1H2018 vs 1H2017

Finance costs decreased by \$0.09 million to \$0.69 million in 1H2018 from \$0.78 million in 1H2017, 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

2Q2018 vs 2Q2017

Other operating expenses incurred in 2Q2018 was mainly due to write down in value of development properties for sale of \$0.4 million.

1H2018 vs 1H2017

Other operating expenses incurred in 1HQ2018 was mainly due to write down in value of development properties for sale of \$0.4 million.

Share of results of associates

2Q2018 vs 2Q2017

Share of results of associate changed by \$2.55 million to a profit of \$2.62 million in 2Q2018 from \$0.07 million in 2Q2017. This was mainly due to share of profits from associate.

1H2018 vs 1H2017

Share of results of associate changed by \$3.60 million to a profit of \$3.67 million in 1H2018 from \$0.07 million in 1H2017. This was mainly due to share of profits from associate.

Profit before taxation

2Q2018 vs 2Q2017

Profit before taxation was \$0.5 million in 2Q2018, compared to profit before taxation of \$1.2 million in 2Q2017. This was mainly attributable to decrease in gross profit of \$2.8 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 \$2.6 million.

1H2018 vs 1H2017

Profit before taxation was \$0.8 million in 1H2018, compared to profit before taxation of \$1.3 million in 1H2017. This was mainly attributable to decrease in gross profit of \$4.0 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 \$3.6 million.

Other comprehensive income

2Q2018 vs 2Q2017

Foreign currency translation differences arose mainly from the appreciation in Malaysia Ringgit in 2Q2018 and depreciation in Malaysia Ringgit in 2Q2017 for the investments in Malaysian entities.

1H2018 vs 1H2017

In 1H2017, 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 1H2018 and depreciation in Malaysia Ringgit in 1H2017 for the investments in Malaysian entities.

Assets

Property, plant and equipment increased by \$0.04 million to \$2.95 million as at 31 March 2018 from \$2.91 million as at 30 September 2017 mainly due to purchase of property, plant and equipment partially offset by depreciation charged for the period.

Investment properties increased by \$1.0 million to \$87.8 million in 31 March 2018 from \$86.8 million in 30 September 2017 mainly due to translation differences arising from Malaysian investment properties.



Trade and other receivables decreased by \$30.6 million to \$21.7 million as at 31 March 2018 from \$52.3 million as at 30 September 2017 mainly due to collections from buyers of development properties. Development properties for sale decreased by \$2.4 million to \$194.5 million as at 31 March 2018 from \$196.9 million as at 30 September 2017 mainly due to the recognition of development properties sold, partially offset by acquisition of six units of landed properties for redevelopment, costs incurred on new and on-going projects, and translation differences arising from Malaysian development properties.

Liabilities

Trade and other payables increased by \$1.6 million to \$8.3 million as at 31 March 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 \$53.5 million to \$53.5 million as at 31 March 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 \$0.5 million to \$11.2 million as at 31 March 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 increased by \$2.4 million to \$178.1 million as at 31 March 2018 from \$175.7 million as at 30 September 2017 mainly due to decrease in bank borrowings partially offset by decrease in trade and other receivables and cash and cash equivalents.

Capital and reserves

Retained earnings decreased by \$1.4 million to \$89.7 million as at 31 March 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

2Q2018

The net cash generated from operating activities for 2Q2018 was \$32.3 million. This was mainly due to decrease in development properties for sale of \$7.5 million, decrease in trade and other receivables of \$25.4 million and increase in trade and other payables of \$0.6 million, partially offset by profit before tax of \$0.5 million, adjustments amounting to \$0.4 million for interest expense and share of profits of associates of \$2.6 million.

The net cash used in investing activities for 2Q2018 was \$1.0 million. This was mainly due to advances to associated companies of \$1.6 million partially offset by repayment from associated company of \$1.0 million.

The net cash used in financing activities for 2Q2018 was \$40.7 million. This was mainly due to repayment of bank loans of \$42.4 million, interest paid of \$0.6 million and dividend paid of \$2.2 million, partially offset by proceeds from bank loans of \$4.4 million.

1H2018

The net cash generated from operating activities for 1H2018 was \$41.2 million. This was mainly due to decrease in development properties for sale of \$10.4 million, decrease in trade and other receivables of \$30.5 million and increase in trade and other payables of \$1.9 million, partially offset by profit before tax of \$0.8 million, adjustments amounting to \$0.7 million for interest expense and share of profits of associates of \$3.7 million.

The net cash used in investing activities for 1H2018 was \$1.2 million. This was mainly due to advances to associated companies of \$4.0 million and payment for investment in an associated company of \$0.7 million partially offset by repayment from associated company of \$4.0 million .

The net cash used in financing activities for 1H2018 was \$56.7 million. This was mainly due to repayment of bank loans of \$62.3 million, interest paid of \$1.1 million and dividend paid of \$2.2 million, partially offset by proceeds from bank loans of \$8.8 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 the URA real estate statistics released on 27 April 2018, the private residential property index increased 5.4 point from 138.7 points in 4th Quarter 2017 to 144.1 points in 1st Quarter 2018, representing an increase of 3.9%, compared with the 0.8% increase in the previous quarter, after being in the downtrend for 15 quarters up to 3rd Quarter 2017. Whilst the Group holds a cautiously optimistic view of the Singapore residential property market 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	0.3 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 May 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 May 2018 for the purpose of determining members' entitlements to the interim tax exempt (one-tier) dividend of 0.3 Singapore cent ("Interim Dividend").

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 May 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 May 2018 will be entitled to the Interim Dividend.

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

Not applicable.

13. Interested Person Transactions

The Company does not have a general mandate from its shareholders for the interested person transaction. During the financial period under review, there were interested person transactions but these were less than S\$100,000 in aggregate.



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

11 May 2018