



GOODLAND GROUP LIMITED

良園集團

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

Unaudited Second Quarter and Half Year Financial Statements
Announcement for the Financial Period Ended 31 March 2016



PART 1 - 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.

Statement of Comprehensive Income

	Group(Unaudited)			Group(Unaudited)		
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
	3 months ended 31/3/2016 (2Q2016)	3 months ended 31/3/2015 (2Q2015)	Increase/ (Decrease)	6 months ended 31/3/2016 (1H2016)	6 months ended 31/3/2015 (1H2015)	Increase/ (Decrease)
Revenue	8,927	15,139	(41)	16,389	21,890	(25)
Cost of sales	(7,957)	(12,743)	(38)	(13,864)	(17,714)	(22)
Gross profit	970	2,396	(60)	2,525	4,176	(40)
Other operating income	206	144	43	354	305	16
Finance Income	⁽¹⁾	⁽¹⁾	N/M	⁽¹⁾	⁽¹⁾	N/M
Administrative expenses	(1,764)	(1,804)	(2)	(3,293)	(2,958)	11
Finance costs	(354)	(301)	18	(683)	(800)	(15)
Other operating expenses	-	-	N/M	-	(443)	N/M
Share of results of associated companies	(10)	(108)	(91)	(17)	(116)	(85)
(Loss)/Profit before taxation	(952)	327	N/M	(1,114)	164	N/M
Income tax	(11)	-	N/M	(14)	(256)	N/M
(Loss)/Net profit for the period	(963)	327	N/M	(1,128)	(92)	N/M
<u>Other comprehensive income/(loss):</u>						
Foreign currency translation differences	10,759	(30)	N/M	12,683	(39)	N/M
	10,759	(30)	N/M	12,683	(39)	N/M
Total comprehensive income/(loss)	9,796	297	N/M	11,555	(131)	N/M
(Loss)/Profit attributable to:						
Equity holders of the Company, net of tax	(965)	327	N/M	(1,120)	(92)	N/M
Non-Controlling Interests, net of tax	2	-	N/M	(8)	-	N/M
	(963)	327	N/M	(1,128)	(92)	N/M
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company, net of tax	6,576	299	N/M	7,770	(129)	N/M
Non-Controlling Interests, net of tax	3,220	(2)	N/M	3,785	(2)	N/M
	9,796	297	N/M	11,555	(131)	N/M

N/M : Not meaningful

⁽¹⁾ : Denotes a figure less than \$1,000



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

Profit after income tax is arrived at:

	Group(Unaudited)			Group(Unaudited)		
	S\$'000 3months ended 31/3/2016 (2Q2016)	S\$'000 3months ended 31/3/2015 (2Q2015)	% Increase/ (Decrease)	S\$'000 6months ended 31/3/2016 (1H2016)	S\$'000 6months ended 31/3/2015 (1H2015)	% Increase/ (Decrease)
After charging:						
Depreciation of property, plant and equipment	133	117	14	266	209	27
Interest expenses	354	301	18	683	800	(15)
Fair value loss on financial assets, at fair value through profit and loss	-	17	N/M	9	-	N/M
Loss on disposal of property, plant and equipment and investment property	-	-	N/M	-	6	N/M
Costs incurred in relation to acquisition of a subsidiary	-	-	N/M	-	(443)	N/M
and crediting:						
Interest income	_(1)	_(1)	N/M	_(1)	_(1)	N/M
Rental income	(99)	(86)	15	(202)	(163)	24
Management fees	(10)	(10)	-	(19)	(18)	6
Fair value loss on financial assets, at fair value through profit and loss	(9)	-	N/M	-	(2)	N/M
Forfeiture of deposit received	-	(49)	N/M	-	(49)	N/M

N/M : Not meaningful

(1) : Denotes a figure less than \$1,000



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 31/3/2016 S\$'000	Group Audited 30/9/2015 S\$'000	Company Unaudited 31/3/2016 S\$'000	Company Audited 30/9/2015 S\$'000
Non-current assets				
Property, plant and equipment	6,781	6,960	-	-
Investment properties	86,487	84,805	-	-
Investment in subsidiaries	-	-	10,516	10,516
Investments in associated companies	2,781	3,448	-	-
Available-for-sale financial asset	10,731	10,731	-	-
Deferred tax assets	852	929	-	-
	<u>107,632</u>	<u>106,873</u>	<u>10,516</u>	<u>10,516</u>
Current assets				
Cash and bank balances	21,137	18,396	1,508	551
Other financial assets	141	150	-	-
Trade and other receivables	34,430	30,349	63,520	63,386
Other current assets	122	128	80	35
Development properties for sale	275,875	270,422	-	-
	<u>331,705</u>	<u>319,445</u>	<u>65,108</u>	<u>63,972</u>
Less:-				
Current liabilities				
Finance lease liabilities	45	136	-	-
Trade and other payables	8,644	9,136	15,580	14,418
Borrowings	133,057	131,121	-	-
Income tax payable	26	7	-	-
	<u>141,772</u>	<u>140,400</u>	<u>15,580</u>	<u>14,418</u>
Net current assets /(liabilities)	<u>189,933</u>	<u>179,045</u>	<u>49,528</u>	<u>49,554</u>
Non-current liabilities				
Finance lease liabilities	114	51	-	-
Convertible bond	1,621	1,583	1,621	1,583
Borrowings	18,052	18,378	-	-
Deferred tax liabilities	31,049	31,041	-	-
	<u>50,836</u>	<u>51,053</u>	<u>1,621</u>	<u>1,583</u>
Net assets	<u>246,729</u>	<u>234,865</u>	<u>58,423</u>	<u>58,487</u>
Capital and reserves				
Share capital	63,280	53,981	63,280	53,981
Warrants reserve	413	960	413	960
Retained earnings	78,925	81,128	3,775	5,310
Merger reserve	(485)	(485)	-	-
Treasury shares	(9,274)	(1,993)	(9,274)	(1,993)
Currency translation reserve	(14,626)	(23,516)	-	-
Acquisition reserve	78,664	78,743	-	-
Fair value reserve	252	252	-	-
Equity option reserves	229	229	229	229
Equity attributable to owners of the parent	<u>197,378</u>	<u>189,299</u>	<u>58,423</u>	<u>58,487</u>
Non-controlling interest	49,351	45,566	-	-
Total equity	<u>246,729</u>	<u>234,865</u>	<u>58,423</u>	<u>58,487</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 31/03/2016		As at 30/09/2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
133,102	-	131,257	-

Amount repayable after one year

As at 31/03/2016		As at 30/09/2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
18,166	1,621	18,429	1,583

Details of any collateral

Bank overdraft of the Group is secured by:

- 1) Legal mortgage on the Group's investment properties and property, plant and equipment;
- 2) Assignment of all rights, titles and benefits with respect to the property; and
- 3) Corporate guarantee by Goodland Group Limited.

Bank borrowings are secured by:

- 1) Mortgages on the borrowing subsidiaries' property, plant and equipment, investment properties and development properties for sale;
- 2) Assignment of all rights, titles and benefits with respect to these properties;
- 3) Corporate guarantee by Goodland Group Limited;
- 4) Legal assignment of rental proceeds and charge over bank account(s) into which rental proceeds shall be paid;
- 5) Assignment of developer's rights and benefits in sale & purchase agreements;
- 6) Deed of subordination of all shareholders' and related corporations' loans for all monies up to the full retirement of the credit facilities;
- 7) Assignment of performance bond, insurances, proceeds and construction contract; and
- 8) Leased assets for finance leases



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 unaudited 3 months ended 31/3/2016 (2Q2016) S\$'000	Group unaudited 3 months ended 31/3/2015 (2Q2015) S\$'000	Group unaudited 6 months ended 31/3/2016 (1H2016) S\$'000	Group unaudited 6 months ended 31/3/2015 (1H2015) S\$'000
Cash flows from operating activities				
(Loss)/Profit before taxation	(952)	327	(1,114)	164
Adjustments for:-				
Depreciation of property, plant and equipment	133	117	266	209
Loss on disposal of property, plant and equipment	-	-	-	6
Fair value (gain)/loss on financial assets, at fair value through profit or loss	(9)	17	9	(2)
Interest expense	354	301	683	800
Interest income	(1)	(1)	(1)	(1)
Share of results of associated companies	10	108	17	116
Operating cash flow before working capital changes	(464)	870	(139)	1,293
Trade, other receivables and other current assets	(2,973)	(6,469)	(4,025)	(5,069)
Trade and other payables	177	(7,960)	(2,316)	(810)
Development properties for sale	4,913	6,863	7,683	(943)
Cash used in generated from operations	1,653	(6,696)	1,203	(5,529)
Income tax paid	(11)	(171)	(11)	(225)
Income tax refund	99	9	99	292
Net cash generated from/(used in) operating activities	1,741	(6,858)	1,291	(5,462)
Cash flows from investing activities				
Purchase of property, plant and equipment (Note B)	(13)	(178)	(70)	(295)
Payments for investment properties	(47)	-	(154)	-
Payment for the acquisition of subsidiary company	-	-	-	(2,176)
Proceeds from disposal of property, plant and equipment	-	-	-	2
Advances from associated companies	1,226	845	1,226	845
Repayment to associated companies	(238)	-	(476)	-
Dividend received from an associated company	650	-	650	-
Net cash generated from/(used in) investing activities	1,578	667	1,176	(1,624)
Cash flows from financing activities				
Gross proceeds from issuance of ordinary shares and exercise of warrants	3,553	18	8,752	18
Proceeds from bank loans	1,312	6,519	3,191	10,847
Repayment of bank loans	(1,133)	(787)	(1,367)	(246)
Purchase of treasury shares	(1,600)	-	(7,281)	-
Repayment of finance lease liabilities	(13)	(40)	(27)	(27)
Interest paid	(1,016)	(717)	(1,671)	(550)
Dividend paid	(1,083)	(1,683)	(1,083)	(1,683)
Net cash generated from/(used in) financing activities	20	3,310	514	8,359
Net increase / (decrease) in cash and cash equivalents	3,339	(2,881)	2,981	1,273
Cash and cash equivalents at beginning of financial year	16,160	16,829	16,508	12,683
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies	22	-	32	(8)
Cash and cash equivalents at end of financial year (Note A)	19,521	13,948	19,521	13,948

(1) : Denotes a figure less than \$1,000



Note A

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

	31/3/2016	31/3/2015
	S\$'000	S\$'000
Fixed deposits with banks	-	-
Cash and bank balances	21,137	15,807
	<u>21,137</u>	<u>15,807</u>
Fixed deposit with maturity more than 3 months	-	-
Bank overdraft	(1,616)	(1,859)
	<u>19,521</u>	<u>13,948</u>

Note B

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

	3 months ended	3 months ended	6 months ended	6 months ended
	31/3/2016	31/3/2015	31/3/2016	31/3/2015
	(2Q2016)	(2Q2015)	(1H2016)	(1H2015)
	S\$'000	S\$'000	S\$'000	S\$'000
Additions to property, plant and equipment	13	178	70	345
Acquired under finance lease agreements	-	-	-	(50)
Cash payments	<u>13</u>	<u>178</u>	<u>70</u>	<u>295</u>



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	Merger Reserve S\$'000	Treasury Shares S\$'000	Currency Translation Reserve S\$'000	Warrants Reserve S\$'000	Acquisition Reserve S\$'000	Fair Value Reserve S\$'000	Equity Option Reserve S\$'000	Retained Earnings S\$'000	Subtotal S\$'000		
At 1 October 2014 (Audited)	9,081	(485)	-	(42)	962	-	-	-	79,840	89,356	91	89,447
Issuance of ordinary shares arising from acquisition	44,869 ⁽¹⁾	-	-	-	-	-	-	-	-	44,869	-	44,869
Issuance of ordinary shares upon exercise of warrants	19	-	-	-	(1)	-	-	-	-	18	-	18
Issuance of convertible	-	-	-	-	-	-	-	229	-	229	-	229
Acquisition of a subsidiary	-	-	-	-	-	78,743 ⁽²⁾	-	-	-	78,743	54,383	133,126
Purchase of treasury shares	-	-	(1,993)	-	-	-	-	-	-	(1,993)	-	(1,993)
Net profit for the period	-	-	-	-	-	-	-	-	(419)	(419)	-	(419)
Exchange differences	-	-	-	(37)	-	-	-	-	-	(37)	-	(37)
At 31 December 2014 (Unaudited)	53,969	(485)	(1,993)	(79)	961	78,743	-	229	79,421	210,766	54,474	265,240
Net profit for the period	-	-	-	-	-	-	-	-	327	327	-	327
Dividend paid	-	-	-	-	-	-	-	-	(1,683)	(1,683)	-	(1,683)
At 31 March 2015 (Unaudited)	53,969	(485)	(1,993)	(79)	961	78,743	-	229	78,065	209,410	54,474	263,884
At 1 October 2015 (Audited)	53,981	(485)	(1,993)	(23,516)	960	78,743	252	229	81,128	189,299	45,566	234,865
Issuance of Ordinary Shares upon exercise of warrants	5,524	-	-	-	(325)	-	-	-	-	5,199	-	5,199
Convertible bond	-	-	-	-	-	(79)	-	-	-	(79)	-	(79)
Purchase of treasury shares	-	-	(5,681)	-	-	-	-	-	-	(5,681)	-	(5,681)
Net profit for the period	-	-	-	-	-	-	-	-	(155)	(155)	(10)	(165)
Exchange difference	-	-	-	1,349	-	-	-	-	-	1,349	575	1,924
At 31 December 2015 (Unaudited)	59,505	(485)	(7,674)	(22,167)	635	78,664	252	229	80,973	189,932	46,131	236,063
Issuance of ordinary shares upon exercise of warrants	3,775	-	-	-	(222)	-	-	-	-	3,553	-	3,553
Purchase of treasury shares	-	-	(1,600)	-	-	-	-	-	-	(1,600)	-	(1,600)
Net profit for the period	-	-	-	-	-	-	-	-	(965)	(965)	2	(963)
Exchange differences	-	-	-	7,541	-	-	-	-	-	7,541	3,218	10,759
Dividend paid	-	-	-	-	-	-	-	-	(1,083)	(1,083)	-	(1,083)
At 31 March 2016 (Unaudited)	63,280	(485)	(9,274)	(14,626)	413	78,664	252	229	78,925	197,378	49,351	246,729

⁽¹⁾ : Represents fair value of the purchase consideration for the acquisition of a subsidiary, namely Citrine Assets Pte Ltd at completion date, comprising issue of 144,736,842 ordinary shares of \$0.31 each.

	\$'000
Issue price before purchase price allocation	55,000
Issue price after purchase price allocation	<u>44,869</u>

⁽²⁾ : Represents bargain purchase gain arising from the acquisition of Citrine Assets Pte Ltd, a transaction with a shareholder, recognised directly in equity upon completion of FY2015 audit, previously recognised as negative goodwill through the statement of profit or loss and other comprehensive income in the 1H2015 results announcement.



	Share Capital	Treasury Shares	Warrants Reserve	Equity Option Reserve	Retained Earnings	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
The Company						
Balance as at 1 October 2014 (Audited)	9,081	-	962	-	6,010	16,053
Issuance of ordinary shares arising from acquisition	44,869 ⁽¹⁾	-	-	-	-	44,869
Issuance of ordinary shares upon exercise of warrants	19	-	(1)	-	-	18
Purchase of treasury shares	-	(1,993)	-	-	-	(1,993)
Issue of convertible bonds	-	-	-	229	-	229
Net profit for the period	-	-	-	-	(121)	(121)
Balance as at 31 December 2014 (Unaudited)	53,969	(1,993)	961	229	5,889	59,055
Dividend paid	-	-	-	-	(1,683)	(1,683)
Net profit for the period	-	-	-	-	(191)	(191)
Balance as at 31 March 2015 (Unaudited)	53,969	(1,993)	961	229	4,015	57,181
Balance as at 1 October 2015 (Audited)	53,981	(1,993)	960	229	5,310	58,487
Issuance of ordinary shares arising from acquisition	5,524	-	-	-	-	5,524
Issuance of ordinary shares upon exercise of warrants	-	-	(325)	-	-	(325)
Purchase of treasury shares	-	(5,681)	-	-	-	(5,681)
Net profit for the period	-	-	-	-	(189)	(189)
Balance as at 31 December 2015 (Unaudited)	59,505	(7,674)	635	229	5,121	57,816
Issuance of ordinary shares arising from acquisition	3,775	(1,600)	-	-	-	2,175
Purchase of treasury shares	-	-	(222)	-	-	(222)
Dividend paid	-	-	-	-	(1,083)	(1,083)
Net profit for the period	-	-	-	-	(263)	(263)
Balance as at 31 March 2016 (Unaudited)	63,280	(9,274)	413	229	3,775	58,423

⁽¹⁾ : Represents fair value of the purchase consideration for the acquisition of a subsidiary, namely Citrine Assets Pte Ltd at completion date, comprising issue of 144,736,842 ordinary shares of \$0.31 each.

	\$'000
Issue price before purchase price allocation	<u>55,000</u>
Issue price after purchase price allocation	<u>44,869</u>

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 also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total number of issued shares (excluding treasury shares) 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, the corresponding movements are as follows:

The Company	Number of shares issued and fully paid	Share capital S\$'000	Number of outstanding warrants	Warrants reserve S\$'000	Number of Treasury Shares	Treasury Shares S\$'000
As at 1 October 2015	339,363,442	53,981	112,170,200	960	7,151,000	1,993
Issuance of ordinary shares arising from acquisition	-	-	-	-	-	-
Shares repurchased and held as treasury shares	-	-	-	-	25,871,800	7,281
Issuance of ordinary shares upon exercise of warrants	54,703,076	9,299	(54,703,076)	(547)	-	-
As at 31 March 2016	394,066,518	63,280	57,467,124	413	33,022,800	9,274

The Company had no outstanding warrants as at 31 March 2016 as the expiry date for conversion of the Company's warrants was on 17 February 2016 (31 March 2015: 112,245,800).



As part of the purchase consideration for the acquisition of a subsidiary, namely Citrine Assets Pte Ltd, the Company issued non-interest bearing bonds amounting to \$1.74 million. The convertible bonds will mature on 30 September 2017 and convertible into an aggregate 4,577,426 ordinary shares at the price of \$0.38 per share.

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.

	31/03/2016	30/09/2015
Total number of issued shares	394,066,518	339,363,442
Total number of treasury shares	(33,022,800)	(7,151,000)
Total number of issued shares excluding treasury shares	<u>361,043,718</u>	<u>332,212,442</u>

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

As at 31 March 2016, there were no sales, transfers, disposals, cancellation and/or use of treasury shares.

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 2015.

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 2015.

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 31/03/2016 (2Q2016)	3 months ended 31/03/2015 (2Q2015)	6 months ended 31/03/2016 (1H2016)	6 months ended 31/03/2015 (1H2015)
Earnings per ordinary share for the period based on the Group's net profit:				
(a) Basic (cents)	(0.27)	0.10	(0.32)	(0.03)
(b) Diluted (cents)	(0.27)	0.08	(0.32)	(0.02)

Earnings per ordinary share ("**EPS**") for the 3 months ended 31 March 2016 ("**2Q2016**") in Item 6(a) was computed based on the weighted average issued share capital of 354,076,198 ordinary shares.

Diluted EPS for 2Q2016 in Item 6(b) was computed based on the weighted average issued share capital of 358,653,624 ordinary shares, which is adjusted for the effects of all dilutive potential ordinary shares, which comprise the number of shares to be issued upon redemption of convertible bonds.

EPS for the 3 months ended 31 March 2015 in Item 6(a) was computed based on the weighted average issued share capital of 335,865,139 ordinary shares.

Diluted EPS for 2Q2015 in Item 6(b) was computed based on the weighted average issued share capital of 389,099,220 ordinary shares, which is adjusted for the effects of all dilutive potential ordinary shares, which comprise warrants and the number of shares to be issued upon redemption of convertible bonds.

Earnings per ordinary share ("**EPS**") for the 6 months ended 31 March 2016 ("**1H2016**") in Item 6(a) was computed based on the weighted average issued share capital of 346,716,501 ordinary shares.

Diluted EPS for 1H2016 in Item 6(b) was computed based on the weighted average issued share capital of 351,293,927 ordinary shares, which is adjusted for the effects of all dilutive potential ordinary shares, which comprise the number of shares to be issued upon redemption of convertible bonds.

EPS for the 6 months ended 31 March 2015 in Item 6(a) was computed based on the weighted average issued share capital of 337,529,536 ordinary shares.

Diluted EPS for 1H2015 in Item 6(b) was computed based on the weighted average issued share capital of 389,654,568 ordinary shares, which is adjusted for the effects of all dilutive potential ordinary shares, which comprise warrants and the number of shares to be issued upon redemption of convertible bonds.



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	
	31/03/2016	30/09/2015	31/03/2016	30/09/2015
Net asset value per ordinary share based on issued share capital	68.34 cents	70.70 cents	16.18 cents	17.61 cents

Net asset value per share is computed based on the net assets of the Group and the Company respectively, and the issued ordinary share capital of 361,043,718 shares, excluding treasury shares and 332,212,442 shares, excluding treasury shares as at 31 March 2016 and 30 September 2015 respectively.

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

2Q2016 vs 2Q2015

The revenue decreased by \$6.2 million to \$8.9 million in 2Q2016 from \$15.1 million 2Q2015, mainly due to the recognition of lower revenue using the percentage of completion method, from progress made in the construction of a residential project and a mixed residential/commercial project in Singapore namely, The Bently Residences@Kovan and The Citron and Citron Residences respectively.

1H2016 vs 1H2015

The revenue decreased by \$5.5 million to \$16.4 million in 1H2016 from \$21.9 million in 1H2015, mainly due to lower revenue recognition based on percentage of completion method, from progress made in the construction of a residential project and a mixed residential/commercial project in Singapore namely, The Bently Residences@Kovan and The Citron and Citron Residences respectively.

Cost of sales and Gross Profit

2Q2016 vs 2Q2015

Cost of sales decreased by \$4.8 million to \$7.9 million in 2Q2016 from \$12.7 million in 2Q2015, in line with decrease in revenue.

Therefore, gross profit for 2Q2016 was \$1.0 million compared to \$2.4 million in 2Q2015. Gross profit margin decreased by 4.9% to 10.9% in 2Q2016 from 15.8% in 2Q2015, due mainly to lower margins from sale of development properties.

1H2016 vs 1H2015

Cost of sales decreased by \$3.8 million to \$13.9 million in 1H2016 from \$17.7 million in 1H2015, in line with decrease in revenue.

Therefore, gross profit for 1H2016 was \$2.5 million compared to \$4.2 million in 1H2015. Gross profit margin decreased by 3.7% to 15.4% in 1H2016 from 19.1% in 1H2015, due mainly to lower margins from sale of development properties.

Other operating income

2Q2016 vs 2Q2015

Other income increased by \$0.06 million to \$0.20 million in 2Q2016 from \$0.14 million in 2Q2015, mainly due to increase in sales of scrap material of \$0.03 million and receipt of government grants of \$0.03 million.

1H2016 vs 1H2015

Other income increased by \$0.05 million to \$0.35 million in 1H2016 from \$0.30 million in 1H2015, mainly due to increase in sales of scrap material.

Administrative expenses

2Q2016 vs 2Q2015

Administrative expenses decreased by \$0.04 million to \$1.76 million in 2Q2016 from \$1.8 million in 2Q2015, mainly due to higher salaries and related expenses for employees of the Group in 2Q2015.



1H2016 vs 1H2015

Administrative expenses increased by \$0.3 million to \$3.3 million in 1H2016 from \$3.0 million in 1H2015, mainly due to increase in property taxes paid of \$0.14 million, higher depreciation arising from additions to office and construction equipment of \$0.1 million.

Other operating expenses

2Q2016 vs 2Q2015

There were no other operating expenses incurred in 2Q2016 and 2Q2015.

1H2016 vs 1H2015

There were no other operating expenses incurred in 1H2016. Other operating costs in 1H2015 of \$0.4 million represent transaction costs incurred in relation to the acquisition of a subsidiary, namely Citrine Assets Pte Ltd.

Finance costs

2Q2016 vs 2Q2015

Finance costs increased by \$0.05 million to \$0.35 million in 2Q2016 from \$0.3 million in 2Q2015, mainly due to increase in interest expenses on additional credit facilities utilised.

1H2016 vs 1H2015

Finance costs decreased by \$0.1 million from \$0.7 million in 1H2016 to \$0.8 million in 1H2015, mainly due to interest income forgone on the conversion of the investment in Citrine Capital Pte Ltd into 6% equity interest in 1H2015.

Share of results of associated companies

2Q2016 vs 2Q2015

Share of results of associated companies changed by \$0.1 million to a loss of \$0.01 million in 2Q2016 from a loss of \$0.11 million in 2Q2015. This was mainly due to lower share of losses of associated companies.

1H2016 vs 1H2015

Share of results of associated companies changed by \$0.1 million to a loss of \$0.02 million in 1H2016 from a loss of \$0.12 million in 1H2015. This was mainly due to lower share of losses of associated companies.

Profit before taxation

2Q2016 vs 2Q2015

Loss before taxation was \$1.0 million in 2Q2016, compared to profit before taxation of \$0.3 million in 2Q2015. This was mainly attributable to:

- (i) decrease in gross profit of \$1.4 million; and
- (ii) increase in finance costs of \$0.05 million

partially offset by:

- (i) increase in other operating income of \$0.06 million;
- (ii) decrease in administrative expenses of \$0.04 million; and
- (iii) change in share of results from associated companies of \$0.1 million.



1H2016 vs 1H2015

Loss before taxation was \$1.1 million in 1H2016, compared to profit before taxation of \$0.2 million in 1H2015. This was mainly attributable to:

- (i) decrease in gross profit of \$1.7 million; and
- (ii) increase in administrative expenses of \$0.3 million;

partially offset by:

- (i) increase in other operating income of \$0.05 million;
- (ii) decrease in finance costs of \$0.12 million;
- (iii) decrease in other operating costs of \$0.44 million; and
- (iv) change in share of results from associated companies of \$0.1million.

Assets

Trade and other receivables increased by \$4.1 million to \$34.4 million as at 31 March 2016 from \$30.3 million as at 30 September 2015. This was due mainly to increase in progress billings to buyers of development properties amounting to \$5.4 million, partially offset by decrease in deposits placed for the purpose of the Company's share-buyback exercise, amounting to \$1.0 million.

Development properties for sale increased by \$5.5 million to \$275.9 million as at 31 March 2016 from \$270.4 million as at 30 September 2015. This was due mainly to foreign currency translation differences arising from development properties overseas denominated in Malaysian Ringgit amounting to \$11.2 million, partially offset by the recognition of development properties sold in cost of sales less accumulation of development costs.

Property, plant and equipment decreased by \$0.2 million to \$6.8 million as at 31 March 2016 from \$7.0 million as at 30 September 2015 due mainly to depreciation for the period.

Investment properties increased by \$1.7 million to \$86.5 million in 31 March 2016 from \$84.8 million in 30 September 2015, mainly due to foreign currency translation differences arising from development properties overseas denominated in Malaysian Ringgit. The Group does not reassess valuation of investment properties for interim reporting purposes.

Investments in associated companies decreased by \$0.6 million to \$2.8 million as at 31 March 2016 from \$3.4 million as at 30 September 2015 due mainly to dividend received from an associated company.

Liabilities

Current trade and other payables decreased by \$0.5 million to \$8.6 million as at 31 March 2016 from \$9.1 million as at 30 September 2015 mainly due to decrease in deposits received from sales of development properties during the financial period.

Borrowings increased by \$1.6 million to \$151.3 million as at 31 March 2016 from \$149.7 million as at 30 September 2015 mainly due to higher financing obtained for construction costs.

Net Working Capital

The Group's net working capital increased by \$10.9 million to \$189.9 million as at 31 March 2016 from \$179.0 million as at 30 September 2015 mainly due to the increase in cash and bank balances, development properties for sales and trade and other receivables, partially offset by increase in borrowings.



Capital and reserves

Share capital increased by \$9.3 million to S\$63.3 million as at 31 March 2016 from \$54.0 million as at 30 September 2015 as 54,703,676 new ordinary shares amounting to \$9.3 million were issued during 1H2016 from the conversion of warrants.

Retained earnings decreased by \$2.2 million to \$78.9 million as at 31 March 2016 from \$81.1 million as at 30 September 2015. This was due mainly to loss for 1H2016 of \$1.1 million and dividend paid of \$1.1 million.

Statement of cash flows

2Q2016

- (i) The net cash flows generated from operating activities for 2Q2016 was \$1.7 million. This was mainly due to decrease in development properties of \$4.9 million and adjustments amounting to \$0.5 million for interest expense and depreciation, partially offset by loss before taxation of \$1.0 million and increase in trade and other receivables and other current assets of \$3.0 million;
- (ii) The net cash flow generated from investing activities for 2Q2016 was \$1.6 million. This was mainly due to advances from an associated company of \$1.2 million and dividend received from an associated company of \$0.6 million, partially offset by repayment to an associated company of \$0.2 million; and
- (iii) The net cash flow generated from financing activities for 2Q2016 was \$0.02 million. This was mainly due to gross proceeds from conversion of warrants of \$3.6 million and proceeds from borrowings of \$1.3 million, partially offset by purchase of treasury shares of \$1.6 million, repayment of borrowings of \$1.1 million, dividend paid of \$1.1 million and interests paid of \$1.0 million.

1H2016

- (i) The net cash flows generated from operating activities for 1H2016 was \$1.3 million. This was mainly due to decrease in development properties of \$7.7 million and adjustments amounting to \$0.9 million for interest expense and depreciation, partially offset by loss before taxation of \$1.1 million, increase in trade and other receivables and other current assets of \$4.0 million and decrease in trade and other payables of \$2.3 million;
- (ii) The net cash flow generated from investing activities for 1H2016 was \$1.2 million. This was mainly due to advances from an associated company of \$1.2 million and dividend received from an associated company of \$0.6 million, partially offset by repayment to an associated company of \$0.5 million; and
- (iii) The net cash flow generated from financing activities for 1H2016 was \$0.5 million. This was mainly due to gross proceeds from conversion of warrants of \$8.8 million and proceeds from borrowings of \$3.2 million; partially offset by purchase of treasury shares of \$7.3 million, repayment of borrowings of \$1.4 million, interests paid of \$1.7 million and dividend paid of \$1.1 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

Prices of private homes in Singapore have continued to fall amid growing economic uncertainty and lingering concerns over various property cooling measures put in place by the government in recent years. According to the Urban Redevelopment Authority, prices of private residential properties declined 0.7% in the first three months of 2016 over the last quarter of 2015. This followed a 3.7% drop in prices for the whole of last year.

Despite the subdued outlook for the local property market, the Group is still making some headway. The Bently Residences, a freehold development in Kovan launched in 2014, is more than 70% sold. The Group's Citron Residences, a freehold mixed-use development near Farrer Park MRT station, is fully sold following its launch in August 2014.

Even as the Group continues to explore development opportunities in Singapore, it will explore opportunities in real estate sectors abroad, including Malaysia and Cambodia.

11. Dividend

(a) Current Financial Period Reported On

No dividend was declared/ recommended for the current financial period reported on.

(b) Corresponding Period of the Immediately Preceding Financial Year

No dividend was declared/ recommended for the corresponding period of the immediately preceding financial year.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared/recommended for the six-month period ended 31 March 2016.



13. Interested Person Transactions

For the six-month financial period ended 31 March 2016:

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⁾	S\$175,717	<p>As at 31 March 2016, construction works on common infrastructures on the entire plot of land covering the Included Plots⁽²⁾ and Excluded Plots⁽²⁾ 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 S\$175,717 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**") in relation to the **Equity Conversion** "Interested Person Transaction" ("**IPT**") 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 six-month financial period ended 31 March 2016.

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

14. Update on use of proceeds from exercise of warrants

The proceeds from the exercise of warrants amounting to \$9,213,068 have been fully utilized for local and regional expansion (\$8.0 million) and general working capital purposes (\$1.21 million) consisting mainly of finance costs, in accordance with the intended use as described in the Offer Information Statement dated 18 January 2011.

15. 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.



16. Confirmation pursuant to Rule 720(1) of the SGX Listing Manual

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

ON BEHALF OF THE BOARD

Alvin Tan Chee Tiong
Chief Executive Officer
13 May 2016