
Unaudited Half Year Financial Statement for the Period Ended 31 March 2010

Goodland Group Limited (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 8 October 2009. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor").

This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 1 Raffles Place, #30-03 OUB Centre, Singapore 048616, telephone (65) 6229 8088.

PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

	Group		
	S\$'000		%
	6 months ended 31/03/2010 (1H2010)	6 months ended 31/03/2009 (1H2009)	Increase/ (Decrease)
Revenue	3,220	6,415	(49.8)
Cost of sales	(2,343)	(5,350)	(56.2)
Gross profit	877	1,065	(17.7)
Other operating income	251	325	(22.8)
Administrative expenses	(1,313)	(701)	87.3
Other operating expenses	(12)	(58)	(79.3)
Operating (loss) / profit	(197)	631	NM
Interest income	3	1	200.0
Finance costs	(181)	(158)	14.6
Share of results of associated companies	(5)	(215)	(97.7)
(Loss) / Profit before income tax	(380)	259	NM
Income tax	-	(8)	(100.0)
(Loss) / Profit for the period	(380)	251	NM
Other comprehensive (loss) / income			
Exchange differences arising from translation, net of tax	25	1	2,400.0
Total comprehensive (loss) / income	(355)	252	NM
(Loss) / Profit attributable to:			
Owners of the parent, net of tax	(376)	251	NM
Minority interest, net of tax	(4)	_(⁽¹⁾)	NM
	(380)	251	NM
Total comprehensive (loss) / income attributable to:			
Owners of the parent, net of tax	(351)	252	NM
Minority interest, net of tax	(4)	_(⁽¹⁾)	NM
	(355)	252	NM

Note:

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

Notes			
	S\$'000		%
	6 months ended 31/03/2010 (1H2010)	6 months ended 31/03/2009 (1H2009)	Increase/ (Decrease)
(Loss) / Profit after income tax is arrived at:			
After charging:			
Depreciation of property, plant and equipment	39	41	(4.9)
Fair value loss on financial assets, at fair value through profit or loss	-	58	(100.0)
Interest expense	181	158	14.6
Loss on disposal of property, plant and equipment	12	-	NM
and crediting:			
Interest income	(3)	(1)	200.0
Gain on disposal of financial assets, at fair value through profit or loss	-	(5)	(100.0)
Gain on disposal of property, plant and equipment	-	(9)	(100.0)
Dividend income	(2)	(1)	100.0

NM = Not Meaningful

1(b)(i) A balance sheet (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	Group	Company	Company
	31/03/2010	30/09/2009	31/03/2010	30/09/2009
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current assets				
Property, plant and equipment	1,593	1,031	-	-
Investment properties	12,397	15,247	-	-
Development properties for sale	13,360	-	-	-
Investments in associate companies	1,365	370	-	-
Investment in subsidiaries	-	-	2,616	1,816
	<u>28,715</u>	<u>16,648</u>	<u>2,616</u>	<u>1,816</u>
Current assets				
Cash and bank balances	958	1,419	289	489
Financial assets, at fair value through profit or loss	134	134	-	-
Trade and other receivables	3,231	2,263	1,609	186
Other current assets	17	2,135	-	2,089
Development properties for sale	4,292	-	-	-
	<u>8,632</u>	<u>5,951</u>	<u>1,898</u>	<u>2,764</u>
Less:-				
Current liabilities				
Trade and other payables	1,900	2,787	486	3,734
Finance lease liabilities	26	17	-	-
Borrowings	6,036	2,234	-	-
Income tax payable	533	735	-	-
	<u>8,495</u>	<u>5,773</u>	<u>486</u>	<u>3,734</u>
Net current assets /(liabilities)	<u>137</u>	<u>178</u>	<u>1,412</u>	<u>(970)</u>
Non-current liabilities				
Finance lease liabilities	75	65	-	-
Borrowings	15,189	6,214	-	-
Deferred tax liabilities	306	306	-	-
	<u>15,570</u>	<u>6,585</u>	<u>-</u>	<u>-</u>
Net assets	<u><u>13,282</u></u>	<u><u>10,241</u></u>	<u><u>4,028</u></u>	<u><u>846</u></u>
Capital and reserves				
Share capital	4,312	916	4,312	916
Retained earnings	9,361	9,737	(284)	(70)
Other reserves	(482)	(508)	-	-
Equity attributable to owners of the parent	<u>13,191</u>	<u>10,145</u>	<u>4,028</u>	<u>846</u>
Minority interest	91	96	-	-
Total equity	<u><u>13,282</u></u>	<u><u>10,241</u></u>	<u><u>4,028</u></u>	<u><u>846</u></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 31/03/2010		As at 30/09/2009	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
6,036	-	2,234	-

Amount repayable after one year

As at 31/03/2010		As at 30/09/2009	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
15,189	-	6,214	-

Details of any collateral

Bank overdraft of the Group is secured by:-

- 1) Legal mortgage on the subsidiary's property
- 2) Assignment of all rights, interest and benefits with respect to the property
- 3) Deed of Subordination of all shareholders' and directors' loans for all monies up to the full retirement of the credit Facilities
- 4) Corporate Guarantee by Goodland Group Limited

Bank borrowings are secured by:-

- 1) Legal mortgages on the borrowing subsidiaries' property, plant and equipment, investment properties and development properties for sale
- 2) Assignment of all rights, interest and benefits with respect to these properties
- 3) Deed of Subordination of all shareholders' and directors' loans for all monies up to the full retirement of the credit Facilities
- 4) Charge on cash deposit
- 5) Corporate Guarantee by Goodland Group Limited
- 6) Joint and several guarantees from certain directors

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

CONSOLIDATED STATEMENT OF CASH FLOWS

	31/03/2010	31/03/2009
	S\$'000	S\$'000
Cash flows from operating activities		
(Loss) / Profit before income tax	(380)	259
Adjustments for:-		
Loss / (Gain) on disposal of property, plant and equipment	12	(9)
Loss / (Gain) on disposal of financial assets, at fair value through profit or loss	-	(5)
Fair value loss on financial assets, at fair value through profit or loss	-	58
Depreciation of property, plant and equipment	39	41
Interest expense	181	158
Dividend income	(2)	(1)
Interest income	(3)	(1)
Share of results of associated companies	5	215
Operating cash flow before working capital changes	(148)	715
Trade and other receivables	1,151	50
Trade and other payables	(886)	424
Development properties for sale	(14,802)	2,331
Cash (used in) / generated from operations	(14,685)	3,520
Interest received	3	1
Income tax paid	(203)	(290)
Net cash flow (used in) / generated from operating activities	(14,885)	3,231
Cash flows from investing activities		
Purchase of property, plant and equipment (Note B)	(157)	(124)
Purchase of financial assets, at fair value through profit or loss	-	(87)
Investment in associated company	(1,000)	-
Proceeds from disposal of property, plant and equipment	23	9
Proceeds from disposal of financial assets, at fair value through profit or loss	-	5
Dividend received	2	1
Net cash used in investing activities	(1,132)	(196)
Cash flows from financing activities		
Proceeds from issuance of ordinary shares, net	3,396	-
Proceeds from / (repayment of) borrowings, net	13,266	(2,211)
Repayment of finance lease liabilities	(11)	(15)
Repayment/advances to shareholders, net	-	(17)
Interest paid	(181)	(158)
Net cash generated from / (used in) financing activities	16,470	(2,401)
Effects of foreign exchange on translation	25	1
Net increase in cash and cash equivalents	478	635
Cash and cash equivalents at beginning of financial period	(519)	(228)
Cash and cash equivalents at end of financial period (Note A)	(41)	407

Note A

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

	31/03/2010	31/03/2009
	S\$'000	S\$'000
Fixed deposits with banks	438	815
Cash and cash at bank	520	885
Bank overdraft	(999)	(1,293)
	<u>(41)</u>	<u>407</u>

Note B

Purchases of plant and equipment were financed as follows:

	31/03/2010	31/03/2009
	S\$'000	S\$'000
Additions to plant and equipment	636	167
Acquired under finance lease agreements	(30)	(43)
Acquired through bank borrowings	(449)	-
Cash payments	<u>157</u>	<u>124</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 owners of the parent					Minority Interest S\$'000	Total Equity S\$'000
	Share Capital S\$'000	Merger Reserves S\$'000	Currency Translation Reserves S\$'000	Retained Earnings S\$'000	Total S\$'000		
Balance as at 1 October 2009	916	(485)	(22)	9,737	10,146	95	10,241
Proceeds received arising from issuance of ordinary shares pursuant to the IPO exercise	6,000	-	-	-	6,000	-	6,000
Shares issue expenses	(2,604)	-	-	-	(2,604)	-	(2,604)
Total comprehensive loss for the period	-	-	25	(376)	(351)	(4)	(355)
Balance as at 31 March 2010	4,312	(485)	3	9,361	13,191	91	13,282

The Group	Attributable to owners of the parent					Minority Interest S\$'000	Total Equity S\$'000
	Share Capital S\$'000	Capital Reserves S\$'000	Currency Translation Reserves S\$'000	Retained Earnings S\$'000	Total S\$'000		
Balance as at 1 October 2008	431	349	(11)	8,904	9,673	78	9,751
Total comprehensive income for the period	-	-	1	251	252	-(1)	252
Balance as at 31 March 2009	431	349	(10)	9,155	9,925	78	10,003

Note:

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

The Company	Share Capital S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
Balance as at 1 October 2009	916	(70)	846
Proceeds received arising from issuance of ordinary shares pursuant to the IPO exercise	6,000	-	6,000
Shares issue expenses	(2,604)	-	(2,604)
Total comprehensive loss for the period	-	(214)	(214)
Balance as at 31 March 2010	4,312	(284)	4,028
Balance as at 1 October 2008	400	(15)	385
Total comprehensive loss for the period	-	(1)	(1)
Balance as at 31 March 2009	400	(16)	384

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 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.

Company	Number of shares issued	Share capital S\$'000
Issued and fully paid:		
As at 1 October 2009	129,860,000	916
Issue of new shares pursuant to the Placement	30,000,000	6,000
Share issue expenses	-	(2,604)
As at 31 March 2010	159,860,000	4,312

The Company had on 6 October 2009 issued 30 million new Shares (which raised gross proceeds of \$6.0 million) pursuant to its IPO exercise.

There were no outstanding options or convertibles as at 31 March 2010 and 31 March 2009.

There were no treasury shares as at 31 March 2010 and 31 March 2009.

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.

	Group	
	Unaudited	Audited
Company	31/03/2010	30/09/2009
Total number of issued shares (excluding treasury shares)	159,860,000	129,860,000

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

Not applicable as the Company did not have any treasury shares for the current period reported on.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard

The figures have not been audited or reviewed by our auditors.

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

Not applicable.

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

The unaudited financial statements have been prepared by applying policies and methods of computation consistent with those used in the preparation of the most recently audited financial statements.

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

There were no changes in the accounting policies and methods of computation used in the preparation of the financial information in this announcement.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group	
	31/03/2010	31/03/2009
Earnings per ordinary share after deducting any provision for preference dividends:-		
(a) Basic	(0.24) cents	0.45 cents
(b) Diluted	(0.24) cents	0.45 cents

Earnings per ordinary share for the financial period ended 31 March 2010 (“**1H2010**”) in Item 6(a) is computed based on weighted average issued share capital 159,035,824 ordinary shares.

Earnings per ordinary share for the financial period ended 31 March 2009 (“**1H2009**”) in Item 6(a) is computed based on weighted average issued share capital of 56,000,000 ordinary shares, adjusted for the share split.

Diluted earnings per share for the financial period ended 31 March 2010 and 31 March 2009 were the same as basic earnings per share because no potential dilutive ordinary shares existed during the respective financial period.

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

	Group		Company	
	31/03/2010	30/09/2009	31/03/2010	30/09/2009
Net asset value per ordinary share based on issued share capital	8.25 cents	7.81 cents	2.52 cents	0.65 cents

Net asset value per share is computed based on the net assets of the Group and the Company, and the issued ordinary share capital of 159,860,000 shares and 129,860,000 shares as at 31 March 2010 and 30 September 2009 respectively.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group’s business. The review must discuss 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. It must also discuss any material factors that affected the cash flow, working capital, asset or liabilities of the group during the current financial period reported on.

Revenue

The Group adopts the completion method for the sale of development properties, in which revenue is booked after Temporary Occupation Permit (“**TOP**”) is obtained.

For the six months period ended 31 March 2010 (“1H2010”), Group’s revenue decreased by \$3.2 million, or 49.8%, from \$6.4 million reported in the six months period ended 31 March 2009 (“1H2009”) to \$3.2 million in 1H2010. In 1H2010, the Group did not recognize revenue from sale of development properties as they have not been completed and their respective TOPs have not been obtained, compared to \$3.1 million revenue being recognized in 1H2009 from the sale of its development property at Sembawang Road. Some of the Group’s existing projects are expected to be completed in the second half of FY2010. Revenue from the construction services remained relatively constant for 1H2010 compared to 1H2009. They are recorded in accordance to the stage of completion.

Cost of sales / Gross profit

Cost of sales reduced from \$5.4 million in 1H2009 to \$2.3 million in 1H2010, in line with the decline in revenue. During 1H2009, the downward pressure on selling prices and higher material cost incurred has resulted in higher cost of sales and thus lower profit margin of 16.6% as compared to 27.2% in the current financial period.

Other operating income

Other operating income decreased from \$325,000 to \$251,000 mainly due to a decline in rental income. This was due to lower rental rate compared to last corresponding period and units not being rented out for the purpose of undertaking renovation works to improve future rental rate.

Administrative expenses

Administrative expenses increased by \$0.6 million, due to more hires of qualified management staff and personnel for the expansion in the Group’s business and higher expenses incurred for professional services as compared to last corresponding period.

Other operating expenses

Other operating expenses of \$12,000 for 1H2010 related to loss on disposal of property, plant and equipment while the \$58,000 in the last corresponding period related to fair value loss on financial assets.

Finance costs

Finance costs increased from \$158,000 in 1H2009 to \$181,000 in 1H2010 as the Group increased the borrowings to finance purchase of property, plant and equipment and for working capital.

Loss Before Income Tax

Loss before income tax was \$380,000 in 1H2010 as compared to profit of \$259,000 in the last financial period. The loss was mainly due to the lower revenue as no development property obtained TOP during the reporting period and thus resulted in lower gross profit. Lower rental income and higher administrative expenses also contributed to the loss.

Current assets

Cash and bank balances decreased from \$1.4 million as at 30 September 2009 to \$1.0 million as at 31 March 2010. This was mainly due to the expansion of land bank, payment of the Group’s trade and other payables and the purchase of property, plant and equipment.

Trade and other receivables increased from \$2.3 million as at 30 September 2009 to \$3.2 million as at 31 March 2010 as amount due from an associate company increased and also due to deposit paid for purchase of land bank. Other current assets reduced as the amount related to IPO expenses was transferred to share capital upon the Company’s IPO.

The Group is actively sourcing for suitable land parcels for generating good potential returns. In this aspect, the Group has increased the development properties for sale that will obtain TOP in the next 12 months to \$4.3 million as at 31 March 2010.

Non-current assets

Property, plant and equipment increased from \$1.0 million to \$1.6 million mainly due to the purchase of a strata-titled factory unit at Northstar for ancillary office and warehousing usage of the construction arm.

Investment properties reduced from \$15.2 million as at 30 September 2009 to \$12.4 million as at 31 March 2010 as the Group commenced to develop the properties at Punggol previously held as investment properties.

Development properties that will obtain TOP beyond 12 months have increased to \$13.4 million as the Group is currently developing the new land parcels acquired so as to keep a continued flow of future revenue from development projects.

Investment in associate companies increased by \$1.0 million as the Group invested 50% in the share capital of Goodland Sunny Pte Ltd. Goodland Sunny will be seeking new opportunities in the development of residential properties in Singapore and China.

Current and Non-current liabilities

Trade and other payables reduced from \$2.8 million as at 30 September 2009 to \$1.9 million as at 31 March 2010 as the Group paid the IPO expenses that remained outstanding as at 30 September 2009.

Finance leases and borrowings increased as the Group obtained financing for the purchase of property, plant and equipment and to finance the purchase of land bank and the construction cost..

Capital and reserves

Share capital increased from \$916,000 as at 30 September 2009 to \$4,312,000 as at 31 March 2010 as the Company issued 30,000,000 new shares at \$0.20 pursuant to the IPO and offset \$2,604,000 of shares issue expenses.

Total reserves reduced from \$9.2 million as at 30 September 2009 to \$8.9 million as at 31 March 2010 mainly due to the loss incurred for the period.

Net cash flow from operating activities

The deficit in cash from operations was mainly attributable to the higher development properties for sale as explained in earlier paragraph and the loss for the period.

Cash obtained from financing activities

The cash obtained from financing activities was mainly used in expanding land bank, development of properties for sale, purchase of property, plant and equipment and the investment in associated company so as to expand the group's business further.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

No profit forecast has been issued.

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 statistics released by Urban Redevelopment Authority (“URA”), overall prices of private residential properties increased by 5.6% in the first quarter 2010. Prices of landed properties increased by 8.3%. Specifically, the prices of detached, semi-detached and terrace houses increased by 9.6%, 7.5% and 7.4% respectively. Despite the outlook of the residential property market remains strong, the Group is cautious on the potential impact of further intervention measures that may be introduced to help create a non-speculative property market.

Riding on the current strong demand, the Group intends to launch certain landed properties projects in the second half of FY2010 and expects them to be completed by end of this calendar year. The Group will also be launching other freehold residential properties which completion may take place in FY2011 and beyond, depending on the progress of construction. In the meantime, the Group is continually expanding the land bank for future development projects.

The two on-going projects, The Vetro and The Aristo @ Amber that are being developed by our associated companies are expected to contribute positively to the Group’s profit within the next two financial years.

On the construction arm, there is a healthy project pipeline in Singapore and the Group is exploring opportunities outside of the Group other than supporting our own development projects.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current period? No

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

Not applicable

13. Update on use of IPO proceeds

Intended Use	Forecasted Use S\$'000	Actual Utilised To-Date S\$'000	Amount unutilized S\$'000
Expanding land bank	3,000	2,835	165
Expansion of Group's business	1,000	1,000	-
Working Capital	485	485	-
Listing expenses	1,515	1,515	-
	6,000	5,835	165

BY ORDER OF THE BOARD

Tan Chee Tiong
Chief Executive Officer
12 May 2010

CONFIRMATION OF NEGATIVE ASSURANCE ON INTERIM RESULTS BY THE BOARD OF DIRECTORS (THE “BOARD”) OF GOODLAND GROUP LIMITED (THE “COMPANY”) PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

For the result announcement for the half year ended 31 March 2010

We, Mr Tan Chee Beng and Mr Tan Chee Tiong, being two directors of Goodland Group Limited (“Company”), do hereby confirm on behalf of the board of directors of the company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the unaudited half year financial results for the period ended 31 March 2010 to be false and misleading in any material aspects.

On behalf of the board of directors

Tan Chee Beng
Executive Chairman

Tan Chee Tiong
Chief Executive Officer and
Group Managing Director

Date: 12 May 2010