GOODLAND GROUP LIMITED

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

Unaudited Half Year Financial Statements
For the Six Months Financial Period Ended
31 March 2012

This announcement has been prepared by Goodland Group Limited (the "Company") and its contents have been reviewed by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.

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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		
	S$'000		%
	6 months ended 31/03/2012 ("1H2012")	**6 months ended 31/03/2011 ("1H2011") (Restated)#**	**Increase/ (Decrease)**
Revenue	22,721	9,628	136
Cost of sales	(14,711)	(5,421)	171
Gross profit	8,010	4,207	90
Other operating income	295	253	17
Administrative expenses	(2,152)	(1,532)	40
Operating profit	6,153	2,928	110
Interest income	21	2	950
Finance costs	103	(221)	N/M
Share of results of associated companies	766	233	229
Profit before income tax	**7,043**	**2,942**	**139**
Income tax	(1,678)	(446)	276
Profit for the period	**5,365**	**2,496**	**115**
Other comprehensive income Exchange differences arising from translation, net of tax	(3)	(9)	(67)
Total comprehensive income	5,362	2,487	116
Profit attributable to:			
Owners of the parent, net of tax	5,365	2,496	115
Non-controlling interest, net of tax	-(1)	-(1)	N/M
	5,365	2,496	115
Total comprehensive income attributable to:			
Owners of the parent, net of tax	5,362	2,487	116
Non-controlling interest, net of tax	-(1)	-(1)	N/M
	5,362	2,487	116

N/M : Not meaningful
(1) : Denotes a figure less than S$1,000
: Please refer to explanatory note in paragraph 5

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

Profit after income tax is arrived at:

	S$'000		%
	6 months ended 31/03/2012 (1H2012)	6 months ended 31/03/2011 (1H2011)	Increase/ (Decrease)
After charging:			
Depreciation of property, plant and equipment	63	63	-
Interest expense*	92	221	(58)
Exchange loss, net	-	4	N/M
and crediting:			
Interest income	(21)	(2)	950
Gain on disposal of financial assets, at fair value through profit and loss	-	(2)	N/M
Dividend income	-	(2)	N/M
N/M = Not meaningful			

With the adoption of INT FRS 115, profit attributable to shareholders for 1H2011 is restated from the previously reported profit of $0.6 million to a profit of $2.5 million, mainly due to profit recognition from the Group's uncompleted projects in Singapore, which were previously recognised only upon completion. Please refer to paragraph 5 for further details on the effects from the adoption of INT FRS 115.

* : Please refer to explanation in paragraph 8 for finance cost.

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 31/03/2012 S$'000	Group 30/09/2011 S$'000 (Restated)#	Group 01/10/2010 S$'000 (Restated)#	Company 31/03/2012 S$'000	Company 31/03/2011 S$'000	Company 01/10/2010 S$'000
Non-current assets						
Property, plant and equipment	1,598	1,606	1,626	-	-	-
Investment properties	15,506	15,506	13,355	-	-	-
Development properties for sale	7,029	39,262	8,647	-	-	-
Investments in associated companies	4,485	3,718	3,685	-	-	-
Investment in subsidiaries	-	-	-	5,541	5,541	2,641
Deferred tax assets	937	937	141	-	-	-
	29,555	61,029	27,454	5,541	5,541	2,641
Current assets						
Cash and bank balances	15,429	12,950	3,648	3,603	177	3
Financial assets, at fair value through profit or loss	114	114	157	-	-	-
Trade and other receivables	12,563	8,578	5,758	1,283	4,792	1,386
Other current assets	249	97	292	63	12	-
Development properties for sale	54,558	15,434	13,254	-	-	-
	82,913	37,173	23,109	4,949	4,981	1,389
Less:-						
Current liabilities						
Trade and other payables	6,970	4,948	8,070	677	1,663	167
Finance lease liabilities	24	35	27	-	-	-
Borrowings	46,616	20,363	16,106	-	-	-
Income tax payable	3,061	892	415	-	-	-
	56,671	26,238	24,618	677	1,663	167
Net current assets /(liabilities)	26,242	10,935	(1,509)	4,272	3,318	1,222
Non-current liabilities						
Finance lease liabilities	36	63	61	-	-	-
Trade and other payables	-	3,379	-	-	-	-
Borrowings	21,738	37,283	-	-	-	-
Deferred tax liabilities	252	963	9,494	-	-	-
	22,026	41,688	9,555	-	-	-
Net assets	33,771	30,276	16,390	9,813	8,859	3,863
Capital and reserves						
Share capital	8,726	8,666	4,312	8,726	8,666	4,312
Warrants	983	986	-	983	986	-
Retained earnings	24,481	21,040	12,480	104	(793)	(449)
Other reserves	(517)	(514)	(502)	-	-	-
Equity attributable to owners of the parent	33,673	30,178	16,290	9,813	8,859	3,863
Non-controlling interest	98	98	100	-	-	-
Total equity	33,771	30,276	16,390	9,813	8,859	3,863

\# : Please refer to explanatory note in paragraph 5.

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

Amount repayable in one year or less, or on demand

As at 31/03/2012		As at 30/09/2011	
Secured	**Unsecured**	**Secured**	**Unsecured**
S$'000	S$'000	S$'000	S$'000
46,616	-	20,363	-

Amount repayable after one year

As at 31/03/2012		As at 30/09/2011	
Secured	**Unsecured**	**Secured**	**Unsecured**
S$'000	S$'000	S$'000	S$'000
21,738	-	37,283	-

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 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) Assignment of performance bond, insurances, proceeds and construction contract
4) Credit agreement
5) Deed of subordination of all shareholders' and directors' loans for all monies up to the full retirement of the credit facilities
6) Charge on cash deposit
7) Corporate guarantee by Goodland Group Limited
8) Joint and several guarantees from certain directors

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

Consolidated Statement of Cash Flows

	6 months ended 31/03/2012 S$'000	6 months ended 31/03/2011 S$'000 (Restated)#
Cash flows from operating activities		
Profit before income tax	7,043	2,942
Adjustments for:-		
Depreciation of property, plant and equipment	63	63
Interest expense	(103)	221
Dividend income	-	(2)
Interest income	(21)	(2)
Share of results of associated companies	(766)	(233)
Operating cash flow before working capital changes	6,216	2,989
Trade, other receivables and other current assets	(4,137)	(1,439)
Trade and other payables	(1,357)	(111)
Development properties for sale	(6,891)	(31,039)
Cash used in operations	(6,169)	(29,600)
Interest received	21	2
Income tax paid	(219)	(322)
Net cash used in operating activities	(6,367)	(29,920)
Cash flows from investing activities		
Purchase of property, plant and equipment (Note B)	(55)	(107)
Purchase of financial assets, at fair value through profit or loss	-	(76)
Proceeds from disposal of financial assets, at fair value through profit or loss	-	78
Dividend received	-	352
Net cash (used in) / generated from investing activities	(55)	247
Cash flows from financing activities		
Net proceeds from issuance of ordinary shares	-	4,311
Net proceeds from conversion / issuance of warrants	60	989
Proceeds from /(Repayment of) borrowings, net	10,895	28,772
Pledged deposits	-	65
Repayment of finance lease liabilities	(38)	(14)
Interest paid	(92)	(591)
Dividend paid	(1,924)	-
Net cash generated from financing activities	8,901	33,532
Net increase in cash and cash equivalents	2,479	3,859
Cash and cash equivalents at beginning of financial period	12,854	2,072
Cash and cash equivalents at end of financial period (Note A)	15,333	5,931

: Please refer to explanatory note in paragraph 5.

Note A

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

	31/03/2012	31/03/2011
	S$'000	S$'000
Fixed deposits with banks	5,103	80
Cash and bank balances	10,326	7,701
Bank overdraft	-	(1,770)
Fixed deposits with maturity more than 3 months	(15)	(55)
Pledged fixed deposits	(81)	(25)
	15,333	5,931

Note B

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

	6 months ended 31/03/2012 (1H2012)	6 months ended 31/03/2011 (1H2011)
	S$'000	S$'000
Additions to property, plant and equipment	55	107
Acquired under finance lease agreements	-	-
Cash payments	55	107

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	Currency Translation Reserve S$'000	Warrants Reserve S$'000	Retained Earnings S$'000	Subtotal S$'000		
At 1 October 2011, as previously reported	8,666	(485)	(29)	986	14,417	23,555	98	23,653
Effect of change in accounting policy for income recognition	-	-	-	-	6,623	6,623	-	6,623
As 1 October 2011, as restated	8,666	(485)	(29)	986	21,040	30,178	98	30,276
Issue of ordinary shares pursuant to the Share Placement exercise	60	-	-	(3)	-	57	-	57
Dividend paid	-	-	-	-	(1,924)	(1,924)	-	(1,924)
Net profit for the period	-	-	-	-	5,365	5,365	-	5,365
Other comprehensive income for the period - Exchange differences arising from consolidation	-	-	(3)	-	-	(3)	-	(3)
Total comprehensive income for the period	-	-	-	-	5,365	5,362	-	5,362
At 31 March 2012	8,726	(485)	(32)	983	24,481	33,673	98	33,771

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	Currency Translation Reserve S$'000	Warrants Reserve S$'000	Retained Earnings S$'000	Subtotal S$'000		
At 1 October 2010, as previously reported	4,312	(485)	(17)	-	11,157	14,967	100	15,067
Effect of change in accounting policy for income recognition	-	-	-	-	1,323	1,323	-	1,323
As 1 October 2010, as restated	4,312	(485)	(17)	-	12,480	16,290	100	16,390
Issue of ordinary shares pursuant to the Share Placement exercise	4,480	-	-	-	-	4,480	-	4,480
Share issue expenses	(169)	-	-	-	-	(169)	-	(169)
Issuance of warrants	-	-	-	1,150	-	1,150	-	1,150
Warrants issue expenses	-	-	-	(161)	-	(161)	-	(161)
Net profit for the period, as previously reported	-	-	-	-	631	631	-	631
Effect of change of accounting policy for income recognition	-	-	-	-	1,865	1,865	-	1,865
Other comprehensive income for the period - Exchange differences arising from consolidation	-	-	(9)	-	-	(9)	-	(9)
Total comprehensive income for the period	-	-	-	-	2,496	2,487	-	2,487
At 31 March 2011, as restated	8,623	(485)	(26)	989	14,976	24,077	100	24,177

The Company	Share Capital S$'000	Warrants Reserve S$'000	Retained Earnings S$'000	Total Equity S$'000
Balance as at 1 October 2011	8,666	986	(793)	8,859
Issuance of Ordinary Shares upon exercise of warrants	60	(3)	-	57
Dividend paid	-	-	(1,924)	(1,924)
Total comprehensive income for the period	-	-	2,821	2,821
Balance as at 31 March 2012	8,726	983	104	9,813

The Company	Share Capital S$'000	Warrants Reserve S$'000	Retained Earnings S$'000	Total Equity S$'000
Balance as at 1 October 2010	4,312	-	(449)	3,863
Issue of ordinary shares pursuant to the Share Placement exercise	4,480	-	-	4,480
Share issue expenses	(169)	-	-	(169)
Issuance of warrants	-	1,150	-	1,150
Warrants issue expenses	-	(161)	-	(161)
Total comprehensive loss for the year	-	-	(161)	(161)
Balance as at 31 March 2011	8,623	989	(610)	9,002

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 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.

354,000 warrants were exercised during the six months ended 31 March 2012. The corresponding movements in share capital and warrants reserve are as follows:

The Company	**Number of shares issued and fully paid-up**	**Share capital S$'000**	**Number of outstanding warrants**	**Warrants reserve S$'000**
As at 1 October 2011	191,998,000	8,666	114,798,800	986
Issuance of Ordinary Shares upon exercise of warrants	354,000	60	(354,000)	(3)
As at 31 March 2012	192,352,000	8,726	114,444,800	983

The Company had 114,444,800 outstanding warrants as at 31 March 2012 (115,048,800 outstanding warrants as at 31 March 2011). Each warrant carries the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S$0.16 per share. The Company did not have treasury shares, outstanding options and/or other convertibles as at 31 March 2012 and 31 March 2011.

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.

	31/03/2012	30/09/2011
Total number of issued shares (excluding treasury shares)	192,352,000	191,998,000

The Company did not have treasury shares as at 31 March 2012 and 30 September 2011.

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 during and as at the end of the current financial 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 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 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 2011.

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.

INT FRS 115 Agreements for the Construction of Real Estate

On 26 August 2010, the Accounting Standards Council issued INT FRS 115 with an accompanying note that explains the application of the Interpretation to property development sales in Singapore by considering the Singapore legal framework. INT FRS 115 supersedes the Recommended Accounting Practice ("**RAP**") 11 Pre-Completion Contracts for the Sale of Development Property ("**RAP 11**") and became effective for financial periods beginning on or after 1 January 2011. When adopted, INT FRS 115 is to be applied retrospectively.

INT FRS 115, which is effective for the Group's financial period commencing 1 Oct 2011, clarifies when revenue and related expenses from a sale of a real estate unit should be recognised if an agreement between a developer and a buyer is reached before the construction of the real estate is completed. INT FRS 115 clarifies that contracts which do not classify as construction contracts in accordance with FRS 11 Construction Contracts can only be accounted for using the percentage of completion ("**POC**") method if the entity continuously transfers to the buyer control and the significant risks and rewards of ownership of the work-in-progress in its current state as construction progresses.

Prior to the adoption of INT FRS 115, the Group's accounting policy for development properties for sale was to recognise income based on the completion of construction method.

Consequently, the Group will adopt the POC method of revenue recognition for residential projects under progressive payment schemes in Singapore. Hence for these contracts, revenue is recognised as work progresses.

For the residential projects under deferred payment scheme as well as industrial and commercial development projects in Singapore, the revenue and expenses will be accounted for under the completion of construction method as stipulated in INT FRS 115, where applicable.

The effects on the comparative information arising from the adoption of INT FRS 115 are as follows:

Group

Statement of comprehensive income	**6 months ended 31/03/2011 S$'000**		
	As previously reported	**Effects of adopting INT FRS 115**	**As restated**
Revenue	5,988	3,640	9,628
Cost of sales	(3,707)	(1,714)	(5,421)
Share of results of associated companies	(36)	269	233
Income tax	(116)	(330)	(446)
Profit for the period	631	1,865	2,496
Attributable to:			
Owners of the Company	631	1,865	2,496
Non-controlling interest	-(1)	-(1)	-(1)
	631	1,865	2,496
Earnings per share (cents):			
Basic	0.34	0.99	1.33
Diluted	0.21	0.62	0.83
(1) : Denotes a figure less than $1,000			

Statement of financial position	**As at 30/09/2011 S$'000**		
	As previously reported	**Effects of adopting INT FRS 115**	**As restated**
Development Properties for Sale	44,302	(5,040)	39,262
Investments in Associates	1,797	1,921	3,718
Trade and Other Payables	15,653	(10,705)	4,948
Deferred tax liabilities	-	963	963
Net Assets	23,653	6,623	30,276
Retained Earnings	14,417	6,623	21,040
Equity attributable to owners of the Company	23,555	6,623	30,178
Non-controlling interests	98	-	98
Total equity	23,653	6,623	30,276

Statement of financial position	**As at 1/10/2010 S$'000**		
	As previously reported	**Effects of adopting INT FRS 115**	**As restated**
Investments in Associates	2,362	1,323	3,685
Net Assets	15,067	1,323	16,390
Retained Earnings	11,157	1,323	12,480
Equity attributable to owners of the Company	14,967	1,323	16,290
Non-controlling interests	100	-	100
Total equity	15,067	1,323	16,390

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	
	6 months ended 31/03/2012	6 months ended 31/03/2011 (Restated)#
Earnings per ordinary share for the period based on the Group's net profit/(loss):		
(a) Basic	2.79 cents	1.33 cents
(b) Diluted	1.75 cents	0.83 cents
# : Please refer to explanatory note in paragraph 5.		

Earnings per ordinary share ("**EPS**") for 1H2012 in Item 6(a) was computed based on the weighted average issued share capital of 192,144,000 ordinary shares.

Diluted EPS for 1H2012 in Item 6(b) was computed based on the weighted average issued share capital of 306,588,800 ordinary shares. The computation was based on the assumption that the outstanding warrants as at 31 March 2012 will be converted into ordinary shares because the average market price of ordinary shares during the current financial period under review is above the exercise price of the warrants.

EPS for 1H2011 in Item 6(a) was computed based on the weighted average issued share capital of 187,192,571 ordinary shares.

Diluted EPS for 1H2011 in Item 6(b) was computed based on the weighted average issued share capital of 302,241,371 ordinary shares. The computation was based on the assumption that the outstanding warrants as at 31 March 2011 will be converted into ordinary shares because the average market price of ordinary shares during the previous financial period under review was above the exercise price of the warrants.

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 period reported on and (b) immediately preceding financial year**

	Group		Company	
	31/03/2012	30/09/2011 (Restated)	31/03/2012	30/09/2011
Net asset value per ordinary share based on issued share capital	17.56 cents	15.77 cents	5.10 cents	4.61 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 192,352,000 shares and 191,998,000 shares as at 31 March 2012 and 30 September 2011 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, asset or liabilities of the Group during the current financial period reported on.**

Statement of comprehensive Income

The Group adopted INT FRS 115 with effect from the financial period commencing on 1 October 2011. Consequently, the statement of comprehensive income for the six months ended 31 March 2011 and the statement of financial position as at 30 September 2011 have been restated to reflect the adoption of INT FRS 115.

Revenue

Revenue increased by $13.1 million from $9.6 million in 1H2011 to $22.7 million in 1H2012.

In 1H2012, the Group recognised revenue from development projects of higher value compared to those in 1H2011. These projects included Suites @ Topaz and Royce Residences.

Cost of sales

Cost of sales increased from $5.4 million in 1H2011 to $14.7 million in 1H2012 and was largely due to the increase in revenue.

Gross profit margin

Gross profit margin declined from 43.7% in 1H2011 to 35.3% in 1H2012 in an increasing costs environment.

Other operating income

Other operating income increased slightly by $0.1 million from $0.2 million in 1H2011 to $0.3 million in 1H2012. This was due mainly to the increase in rental income from investment properties.

Administrative expenses

Administrative expenses increased by $0.7 million from $1.5 million in 1H2011 to $2.2 million in 1H2012. This was due mainly to higher salaries, bonuses and related costs paid out to the existing employees of the Group.

Interest Income

Finance income increased by $0.020 million to $0.022 million in 1H2012 due to the increase in interest earned from fixed deposits placed.

Finance costs

Finance cost decreased due to the reclassification of certain project-related interest expenses into development properties for sale and cost of sales.

Share of results of associated companies

Share of profits of associated companies increased by $0.5 million from $0.2 million in 1H2011 to $0.7 million in 1H2012. This was due mainly to higher percentage of completion in 1H2012 as compared to 1H2011 for a development project, namely Aristo @ Amber, which was undertaken by an associated company, AG Capital Pte Ltd.

Profit before Income Tax

Profit before income tax was $7.0 million in 1H2012 as compared to $2.9 million in 1H2011. This was due mainly to:

(i) higher revenue recognised from development properties of higher value; and

(ii) higher share of profits from an associated company.

These were partially offset by higher administrative expenses in 1H2012.

Current assets

Trade and other receivables increased by $4.0 million from $8.6 million as at 30 September 2011 to $12.6 million as at 31 March 2012. The increase was due mainly to the recognition of revenue from buyers of a development property, namely Suites @ Topaz, for which construction was completed during 1H2012.

Other current assets increased by $0.15 million from $0.10 million as at 30 September 2011 to $0.25 million as at 31 March 2012. This was due mainly to the initial deposit and stamp duty paid upfront for the acquisition of a development property; as well as prepayments made in respect of insurance and other operating expenses.

Development properties for sale classified as current assets increased by $39.2 million from $15.4 million as at 30 September 2011 to $54.6 million as at 31 March 2012. Non-current development properties for sale decreased by $32.3 million from $39.3 million as at 30 September 2011 to $7.0 million as at 31 March 2012. The net increase of $6.9 million in development properties for sale was due mainly to accretion of costs incurred for development properties that are currently under construction.

Non-current assets

Property, plant and equipment decreased by $8,000 as at 31 March 2012 due to depreciation of $63,000, partially offset by acquisitions of $55,000.

Investments in associated companies increased by $0.8 million from $3.7 million as at 30 September 2011 to $4.5 million as at 31 March 2012. This was due mainly to an increase in share of profits from an associated company as mentioned above.

Current and Non-current liabilities

Trade and other payables decreased by $1.3 million from $8.3 million as at 30 September 2011 to $7.0 million as at 31 March 2012. This was due mainly to the recognition of revenue from deposits received from buyers of development properties for which construction was completed; and partially offset by further deposits received for ongoing projects which are not yet recognised as revenue under the POC method.

Finance leases liabilities decreased from $0.1 million as at 30 September 2011 to $0.06 million in 1H2012 due to the settlement of hire purchase obligations during 1H2012.

Borrowings increased by $10.8 million from $57.6 million as at 30 September 2011 to $68.4 as at 31 March 2012 due mainly to higher financing obtained for the acquisition of land banks and for construction costs.

Income tax payable increased by $2.2 million from $0.9 million as at 30 September 2011 to $3.1 million as at 31 March 2012. This was due mainly to income tax provided for profits from development projects for which construction was completed during 1H2012.

The Group had a positive working capital of $26.2 million as at 31 March 2012 as compared to $10.9 million as at 30 September 2011, an increase of $15.3 million.

Capital and reserves

Share capital increased by $0.06 million from $8.67 million as at 30 September 2011 to $8.73 million as at 30 March 2012 as 354,000 warrants amounting to $60,000 were exercised and converted into ordinary shares during 1H2012.

Retained earnings increased by $3.5 million from $21.0 million as at 30 September 2011 to $24.5 million as at 31 March 2012. This was due to the net profit earned for the current reporting period ($5.4 million) less dividend payment ($1.9 million).

Statement of Cashflows

Net cash used in operating activities of $6.4 million was mainly due to the:

(i) higher development of properties for sale ($6.9 million);
(ii) higher trade, other receivables and other current assets ($4.1 million);
(iii) lower trade and other payables ($1.4 million); and
(iv) income tax payment ($0.2 million).

Net cash generated from financing activities of $8.9 million was mainly due to the net proceeds from borrowings of $10.9 million; and was partially offset by:

(i) dividend payment ($1.9 million); and
(ii) interest paid ($0.1 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 as no profit forecast or prospect statement had been disclosed previously.

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.

Demand for residential properties in Singapore has been softened by various cooling measures such as the recent introduction of the additional buyer's stamp duty (ABSD) on foreign buyers. Data for Q1 2012 released in April 2012 by the Urban Redevelopment Authority (URA) showed prices for residential properties dipping for the first time since Q2 2009. Notwithstanding, landed property prices remain resilient, posting a marginal increase in Q1 2012.

If the government introduces further cooling measures, there could be further negative impact on sentiments. The uncertain global economic outlook further adds challenges to the business environment of the Group in this market. However, the current low interest rate and ample liquidity environment may be able to sustain demand for residential properties.

Given the present market conditions, the Group will continue to exercise caution.

11. Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

No dividend was declared 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 months financial period ended 31 March 2012.

13. Interested Person Transactions

The Company does not have a general mandate from its shareholders for recurrent interested person transactions. There were no interested person transactions of S$100,000 or more for 1H2012.

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE RULES OF CATALIST

The Board of Directors of the Company ("**Board**") hereby confirms that, to the best of our knowledge, nothing has come to the Board's attention which may render the unaudited half year financial results for the six month period ended 31 March 2012 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Alvin Tan Chee Tiong
Chief Executive Officer
15 May 2012