



GOODLAND GROUP LIMITED

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

RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON VARIANCES BETWEEN THE AUDITED FINANCIAL STATEMENTS AND THE PRELIMINARY UNAUDITED FULL-YEAR RESULTS ANNOUNCEMENTS FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2015

The Board of Directors (the “**Board**”) of Goodland Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its unaudited full year results announcement for the financial year ended 30 September 2015 (“**FY2015**”) announced on 8 January 2016 (“**Preliminary Unaudited Results 2015**”). In this regard, the Board would like to respond to the following queries raised by the Singapore Exchange Securities Trading Limited on 11 February 2016 (the “**SGX Query**”) as follows:

SGX Query (a)

With reference to the audited Statements of Financial Position on pages 44 to 45 of the Annual Report 2015, please disclose the reasons for the material difference in amounts for the following, as compared to the announced financial results of the Company of 8 January 2016:-

- i. The 2015 “Other current assets” of \$128,950 as compared to the amount of approximately \$1,238,000;
- ii. The 2015 current tax payable of \$6,672 as compared to the amount of approximately \$570,000

Company’s Response to SGX Query (a)

- i. The difference of S\$1.109 million is due to reclassification of deposit from other current assets to trade and other receivables.
- ii. The difference of S\$0.563 million is due to reclassification from current tax to deferred tax liability.

SGX Query (b)

With reference to the audited consolidated Statement of Cash Flows on pages 49 to 50 of the Annual Report 2015, please disclose the reasons for the material difference in amounts for the following, as compared to the announced financial results of the Company of 8 January 2016:-

- i. The 2015 net cash used in operating activities of \$4,298,415 as compared to the amount of approximately \$8,239,000;
- ii. The 2015 net cash used in investing activities of \$11,141,743 as compared to the amount of approximately \$9,982,000;
- iii. The 2015 net cash generated from financing activities of \$19,265,490 as compared to the amount of approximately \$22,046,000; and

**Company's Response to SGX Query (b)**

| | Annual Report 2015 | Preliminary Unaudited Results 2015 | Impact - Cash inflow / (cash outflow) movement | Remarks |
|--|--------------------|------------------------------------|--|---------|
| | S\$' million | S\$' million | S\$' million | |
| Cash Flows from Operating Activities | (4,298) | (8,239) | (3,941) | |
| <i>Material differences attributable to the following:</i> | | | | |
| Operating results before working capital changes | 2.790 | 1.939 | 0.851 | CF 1 |
| Trade and other receivables and other current assets | (13.592) | (12.385) | (1.207) | CF 2 |
| Development properties for sale | 9.340 | 5.219 | 4.121 | CF 3 |
| Cash Flows from Investing Activities | (11,142) | (9,982) | (1,160) | |
| <i>Material differences attributable to the following:</i> | | | | |
| (Repayment to) / advances from associated companies, joint venture and a related party | (8.971) | (7.713) | (1.258) | CF 2 |
| Cash Flows from Financing Activities | 19,265 | 22,046 | (2,781) | |
| <i>Material differences attributable to the following:</i> | | | | |
| Interest paid | (3.514) | (0.962) | (2.552) | CF 4 |

CF1. The increase of S\$0.851 million is mainly due to adjustment of non-cash item – “write down in value of development properties for sale” of S\$0.801 million. In the Preliminary Unaudited Results 2015, this amount was classified as a cash inflow under “development properties for sales” (CF3).

CF2. The net decrease of S\$1.207 million is mainly due to:

- decrease of S\$2.284 million arising from the transfer of loan / interest receivable to “available-for-sale financial assets”, a non-cash movement. In the Preliminary Unaudited Results 2015, the non-cash movement was presented as a cash inflow under “Trade and other receivables and other current assets” and as a cash outflow under “development properties for sale” (CF3). In the Annual Report 2015, the non-cash movement was excluded as a cash inflow under “Trade and other receivables and other current assets” and excluded as a cash outflow under “development properties for sale” (CF3).
- increase of S\$1.258 million arising mainly from impairment of allowance of other receivables from associate company, a non-cash movement. In the Preliminary Unaudited Results 2015, the non-cash movement was presented as a cash outflow under “Trade and other receivables and other current assets” and as a cash inflow under “repayment to / advances from associated companies, joint venture and a related party”. In the Annual Report 2015, the non-cash movement was excluded as a cash outflow under “Trade and other receivables and other current assets” and excluded as a cash inflow under “repayment to / advances from associated companies, joint venture and a related party”.

CF3. The increase of S\$4.121 million is mainly due to reclassifications to/from CF1, CF2 and CF4 as described.

CF4. The decrease of S\$2.552 million is mainly due to reclassification from interest capitalised in “development properties for sale” which should be presented as interest paid under financing activities instead of movement in development properties for sales under operating activities.



SGX Query (c)

It is disclosed on page 32 of the Annual Report 2015, “In the above table, Mdm. Koh Chin Kim is the mother, and Ms. Mindy Tan Bee Leng is the sister, of the Executive Directors, Mr. Ben Tan Chee Beng, Mr. Alvin Chee Tiong and Ms. Melanie Tan Bee Bee... Save for the above-mentioned, none of the employees who are immediate family members of a Director or the CEO received remuneration exceeding S\$150,000 during FY2015”.

Paragraph 9.4 of the Code of Corporate Governance 2012 (the “Code”) states that for transparency, the annual remuneration report should disclose the details of the remuneration of employees who are immediate family members of a director or the CEO, and whose remuneration exceeds S\$50,000 during the year. This will be done on a named basis with clear indication of the employee’s relationship with the relevant director or the CEO. Disclosure of remuneration should be in incremental bands of S\$50,000. The Company need only show the applicable bands.

As required under Listing Rule 710, please make disclosures as recommended in the Code or otherwise explain the reason(s) for the deviation.

Company’s Response to SGX Query (c)

As mentioned on page 32 of the Annual Report 2015, the Company disclosed that the remuneration of each individual Director and top five key executives of the Group is however not disclosed as the Company believes that disclosure may be prejudicial to its business interests given highly competitive environment it is operating in as well as competitive pressures in the talent market. In this respect, the remuneration of its Directors, the CEO and its top five executives who are not also Directors of the Company are disclosed in bands of \$250,000. For the same reason, the remuneration of the Mdm Koh and Ms Mindy Tan, immediate family members of the executive directors and the CEO, are also disclosed in bands of \$250,000.

Also, on page 32 of the Annual Report 2015, the statement in relation to the remuneration limit of employees who are immediate family members of a Director or the CEO should be as follows:

“Save for the above-mentioned, none of the employees who are immediate family members of a Director or the CEO received remuneration exceeding S\$50,000 during FY2015.”

BY ORDER OF THE BOARD

Hor Swee Liang
Company Secretary

17 February 2016