



GOODLAND GROUP LIMITED

良園集團

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

Unaudited Third Quarter and Nine Months Financial Statements
Announcement for the Financial Period Ended 30 June 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			Group		
	S\$'000 3 months ended 30/6/2016 (3Q2016)	S\$'000 3 months ended 30/6/2015 (3Q2015)	% Increase/ (Decrease)	S\$'000 9 months ended 30/6/2016 (9M2016)	S\$'000 9 months ended 30/6/2015 (9M2015)	% Increase/ (Decrease)
Revenue	20,170	6,159	227	36,559	28,048	30
Cost of sales	(18,896)	(4,960)	281	(32,760)	(22,674)	44
Gross profit	1,274	1,199	6	3,799	5,374	(29)
Other operating income	135	113	19	489	418	17
Finance Income	1	3	(67)	1	4	(75)
Administrative expenses	(1,414)	(878)	61	(4,707)	(3,836)	23
Finance costs	(661)	(75)	781	(1,344)	(876)	53
Other operating expenses	(2,052)	-	N/M	(2,052)	(443)	363
Share of results of associated companies	173	(10)	N/M	156	(126)	N/M
(Loss)/Profit before taxation	(2,544)	352	N/M	(3,658)	515	N/M
Income tax	78	(157)	N/M	64	(412)	N/M
(Loss)/Net profit for the period	(2,466)	195	N/M	(3,594)	103	N/M
<u>Other comprehensive income/(loss):</u>						
Foreign currency translation differences	(5,808)	(25)	N/M	6,875	(62)	N/M
	(5,808)	(25)	N/M	6,875	(62)	N/M
Total comprehensive (loss)/income	(8,274)	170	N/M	3,281	41	N/M
(Loss)/Profit attributable to:						
Equity holders of the Company, net of tax	(2,462)	199	N/M	(3,582)	107	N/M
Non-Controlling Interests, net of tax	(4)	(4)	N/M	(12)	(4)	N/M
	(2,466)	195	N/M	(3,594)	103	N/M
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company, net of tax	(6,533)	179	N/M	1,237	50	N/M
Non-Controlling Interests, net of tax	(1,741)	(9)	N/M	2,044	(9)	N/M
	(8,274)	170	N/M	3,281	41	N/M

N/M: Not meaningful



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

Profit after income tax is arrived at:

	Group			Group		
	S\$'000 3months ended 30/6/2016 (3Q2016)	S\$'000 3months ended 30/6/2015 (3Q2015)	% Increase/ (Decrease)	S\$'000 9months ended 30/6/2016 (9M2016)	S\$'000 9months ended 30/6/2015 (9M2015)	% Increase/ (Decrease)
After charging:						
Depreciation of property, plant and equipment	159	114	39	425	323	32
Finance cost	661	75	781	1,344	876	53
Changes in fair value of financial assets through profit and loss	5	12	(58)	14	10	40
Loss on disposal of property, plant and equipment	-	-	N/M	-	6	N/M
Loss on disposal of investment property	650	-	N/M	650	-	N/M
Impairment of development properties	1,402	-	N/M	1,402	-	N/M
Costs incurred in relation to acquisition of a subsidiary	-	-	N/M	-	443	N/M
and crediting:						
Finance income	(1)	(3)	(67)	(1)	(4)	(75)
Rental income	(88)	(64)	38	(283)	(227)	25
Management fees	(6)	(6)	N/M	(25)	(24)	4
Forfeiture of deposit received	-	(49)	N/M	-	(49)	N/M
Gain on disposal of property, plant and equipment	(39)	-	N/M	(39)	-	N/M

N/M: Not meaningful



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 30/6/2016 S\$'000	Group 30/9/2015 S\$'000	Company 30/6/2016 S\$'000	Company 30/9/2015 S\$'000
Non-current assets				
Property, plant and equipment	6,716	6,960	-	-
Investment properties	83,940	84,805	-	-
Investment in subsidiaries	-	-	10,516	10,516
Investments in associated companies	1,954	3,448	-	-
Available-for-sale financial asset	10,731	10,731	-	-
Deferred tax assets	873	929	-	-
	<u>104,214</u>	<u>106,873</u>	<u>10,516</u>	<u>10,516</u>
Current assets				
Cash and bank balances	26,047	18,396	16	551
Other financial assets	136	150	-	-
Trade and other receivables	47,400	30,349	66,148	63,386
Other current assets	78	128	138	35
Development properties for sale	254,053	270,422	-	-
	<u>327,714</u>	<u>319,445</u>	<u>66,302</u>	<u>63,972</u>
Less:-				
Current liabilities				
Finance lease liabilities	55	136	-	-
Trade and other payables	8,528	9,136	16,895	14,418
Borrowings	134,204	131,121	-	-
Income tax payable	10	7	-	-
	<u>142,797</u>	<u>140,400</u>	<u>16,895</u>	<u>14,418</u>
Net current assets /(liabilities)	<u>184,917</u>	<u>179,045</u>	<u>49,407</u>	<u>49,554</u>
Non-current liabilities				
Finance lease liabilities	92	51	-	-
Convertible bond	1,640	1,583	1,640	1,583
Borrowings	17,895	18,378	-	-
Deferred tax liabilities	31,049	31,041	-	-
	<u>50,676</u>	<u>51,053</u>	<u>1,640</u>	<u>1,583</u>
Net assets	<u>238,455</u>	<u>234,865</u>	<u>58,283</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	76,463	81,128	3,635	5,310
Merger reserve	(485)	(485)	-	-
Treasury shares	(9,274)	(1,993)	(9,274)	(1,993)
Currency translation reserve	(18,697)	(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>190,845</u>	<u>189,299</u>	<u>58,283</u>	<u>58,487</u>
Non-controlling interest	47,610	45,566	-	-
Total equity	<u>238,455</u>	<u>234,865</u>	<u>58,283</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 30/06/2016		As at 30/09/2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
134,259	-	131,257	-

Amount repayable after one year

As at 30/06/2016		As at 30/09/2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
17,987	1,640	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



GOODLAND GROUP LIMITED
(REG. NO. 200405522N)

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 3 months ended 30/6/2016 (3Q2016) S\$'000	Group 3 months ended 30/6/2015 (3Q2015) S\$'000	Group 9 months ended 30/6/2016 (9M2016) S\$'000	Group 9 months ended 30/6/2015 (9M2015) S\$'000
Cash flows from operating activities				
(Loss)/Profit before taxation	(2,544)	352	(3,658)	515
Adjustments for:-				
Depreciation of property, plant and equipment	159	114	425	323
Impairment of development properties for sale	1,402	-	1,402	-
(Gain)/Loss on disposal of property, plant and equipment	(39)	-	(39)	6
Loss on disposal of investment property	650	-	650	-
Changes in fair value of financial assets through profit or loss	5	12	14	10
Interest expense	661	75	1,344	876
Interest income	(1)	(3)	(1)	(4)
Share of results of associated companies	(173)	10	(156)	126
Operating cash flow before working capital changes	120	560	(19)	1,852
Trade, other receivables and other current assets	(9,252)	(11,345)	(13,277)	(16,414)
Trade and other payables	(265)	3,038	(2,581)	2,228
Development properties for sale	15,942	(148)	23,626	902
Cash generated from/(used in) operations	6,545	(7,895)	7,749	(11,432)
Interest received	1	3	1	4
Income tax paid	-	(35)	(11)	(260)
Income tax refund	41	-	140	292
Net cash generated from/(used in) operating activities	6,587	(7,927)	7,879	(11,396)
Cash flows from investing activities				
Purchase of property, plant and equipment (Note B)	(100)	(443)	(171)	(738)
Payments for investment properties	(1,108)	-	(1,262)	-
Payment for investment in associated company	-	(170)	-	(170)
Payment for the acquisition of subsidiary companies	-	-	-	(2,176)
Proceeds from disposal of property, plant and equipment	41	-	41	2
Advances from associated companies	200	-	1,426	845
Advances to associated companies	(1,375)	-	(1,375)	-
Repayment of an associated company	-	-	(476)	-
Dividend received from associated companies	1,000	-	1,650	-
Net cash used in investing activities	(1,342)	(613)	(167)	(2,237)
Cash flows from financing activities				
Gross proceeds from issuance of ordinary shares and exercise of warrants	-	4	8,752	22
Proceeds from bank loans	3,128	12,462	6,320	23,309
Repayment of bank loans	(1,058)	(376)	(2,425)	(622)
Purchase of treasury shares	-	-	(7,281)	(1,993)
Repayment of finance lease liabilities	(12)	(14)	(40)	(41)
Interest paid	(1,296)	(511)	(2,968)	(1,061)
Dividend paid	-	-	(1,083)	(1,683)
Net cash generated from financing activities	762	11,565	1,275	17,931
Net increase in cash and cash equivalents	6,007	3,025	8,987	4,298
Cash and cash equivalents at beginning of financial year	19,521	13,948	16,508	12,683
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies	(16)	53	17	45
Cash and cash equivalents at end of financial year (Note A)	25,512	17,026	25,512	17,026



GOODLAND GROUP LIMITED
(REG. NO. 200405522N)

Note A

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

	30/6/2016	30/6/2015
	S\$'000	S\$'000
Fixed deposits with banks	338	-
Cash and bank balances	25,709	18,932
	<u>26,047</u>	<u>18,932</u>
Fixed deposit with maturity more than 3 months	-	-
Bank overdraft	(535)	(1,906)
	<u>25,512</u>	<u>17,026</u>

Note B

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

	3 months ended 30/6/2016 (3Q2016) S\$'000	3 months ended 30/6/2015 (3Q2015) S\$'000	9 months ended 30/6/2016 (9M2016) S\$'000	9 months ended 30/6/2015 (9M2015) S\$'000
Additions to property, plant and equipment	(100)	(443)	(171)	(738)
Acquired under finance lease agreements	-	-	-	-
Cash payments	<u>(100)</u>	<u>(443)</u>	<u>(171)</u>	<u>(738)</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	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 bond	-	-	-	-	-	-	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	-	-	-	-	-	-	-	(92)	-	(92)	-	(92)
Exchange differences	-	-	-	(37)	-	-	-	-	-	(37)	-	(37)
Dividend paid	-	-	-	-	-	-	-	(1,683)	-	(1,683)	-	(1,683)
As 31 March 2015	53,969	(485)	(1,993)	(79)	961	78,743	-	229	78,065	209,410	54,474	263,884
Issuance of ordinary shares upon exercise of warrants	4	-	-	-	-	-	-	-	-	4	-	4
Exchange differences	-	-	-	(20)	-	-	-	-	-	(20)	(5)	(25)
Net profit for the period	-	-	-	-	-	-	-	199	-	199	(4)	195
At 30 June 2015	53,973	(485)	(1,993)	(99)	961	78,743	-	229	78,264	209,593	54,465	264,058
At 1 October 2015	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	9,299	-	-	-	(547)	-	-	-	-	8,752	-	8,752
Convertible bond	-	-	-	-	-	(79)	-	-	-	(79)	-	(79)
Purchase of treasury shares	-	-	(7,281)	-	-	-	-	-	-	(7,281)	-	(7,281)
Net profit for the period	-	-	-	-	-	-	-	-	(1,120)	(1,120)	(8)	(1,128)
Exchange difference	-	-	-	8,890	-	-	-	-	-	8,890	3,793	12,683
Dividend paid	-	-	-	-	-	-	-	-	(1,083)	(1,083)	-	(1,083)
At 31 March 2016	63,280	(485)	(9,274)	(14,626)	413	78,664	252	229	78,925	197,378	49,351	246,729
Net profit for the period	-	-	-	-	-	-	-	-	(2,462)	(2,462)	(4)	(2,466)
Exchange differences	-	-	-	(4,071)	-	-	-	-	-	(4,071)	(1,737)	(5,808)
At 30 June 2016	63,280	(485)	(9,274)	(18,697)	413	78,664	252	229	76,463	190,845	47,610	238,455

⁽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>

⁽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	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
Dividend paid	-	-	-	-	(1,683)	(1,683)
Net profit for the period	-	-	-	-	(312)	(312)
Balance as at 31 March 2015	53,969	(1,993)	961	229	4,015	57,181
Issuance of ordinary shares upon exercise of warrants	4	-	(1)	-	-	4
Net profit for the period	-	-	-	-	(101)	(101)
Balance as at 30 June 2015	53,973	(1,993)	961	229	3,914	57,084
Balance as at 1 October 2015	53,981	(1,993)	960	229	5,310	58,487
Issuance of ordinary shares upon exercise of warrants	9,299	-	(547)	-	-	8,752
Purchase of treasury shares	-	(7,281)	-	-	-	(7,281)
Net profit for the period	-	-	-	-	(452)	(452)
Dividend paid	-	-	-	-	(1,083)	(1,083)
Balance as at 31 March 2015	63,280	(9,274)	413	229	3,775	58,423
Net profit for the period	-	-	-	-	(140)	(140)
Balance as at 30 June 2016	63,280	(9,274)	413	229	3,635	58,283

⁽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 30 June 2016	394,066,518	63,280	57,467,124	413	33,022,800	9,274

The Company had no outstanding warrants as at 30 June 2016 as the expiry date for conversion of the Company's warrants was on 17 February 2016 (30 June 2015: 112,223,900).

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.

	30/06/2016	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 30 June 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 30/06/2016 (3Q2016)	3 months ended 30/06/2015 (3Q2015)	9 months ended 30/06/2016 (9M2016)	9 months ended 30/06/2015 (9M2015)
Earnings per ordinary share for the period based on the Group's net profit:				
(a) Basic (cents)	(0.68)	0.06	(1.02)	0.03
Weighted average number of ordinary shares in issue (excluding treasury shares)	361,043,718	332,156,576	351,474,810	335,867,630
(b) Diluted ⁽¹⁾ (cents)	(0.68)	0.05	(1.02)	0.03
Weighted average number of ordinary shares in issue (excluding treasury shares)	361,043,718	393,492,794	351,474,810	392,851,178

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

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	
	30/06/2016	30/09/2015	30/06/2016	30/09/2015
Net asset value per ordinary share based on issued share capital	66.05 cents	70.70 cents	16.14 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 30 June 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

3Q2016 vs 3Q2015

The revenue increased by \$14.0million to \$20.2million in 3Q2016 from \$6.2million 3Q2015, mainly due to the recognition of 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, as well as the sale of detached landed and terrace houses.

9M2016 vs 9M2015

The revenue increased by \$8.6million to \$36.6million in 9M2016 from \$28.0million in 9M2015, mainly due to the recognition of 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, as well as the sale of detached landed and terrace houses.

Cost of sales and Gross profit

3Q2016 vs 3Q2015

Cost of sales increased by \$13.9million to \$18.9million in 3Q2016 from \$5.0million in 3Q2015, in line with increase in revenue.

Therefore, gross profit for 3Q2016 was \$1.3million compared to \$1.2 million in 3Q2015. Gross profit margin decreased by 13.2% to 6.3% in 3Q2016 from 19.5% in 3Q2015, due mainly to lower margins from sale of development properties.

9M2016 vs 9M2015

Cost of sales increased by \$10.1million to \$32.8million in 9M2016 from \$22.7million in 9M2015, in line with increase in revenue.

Therefore, gross profit for 9M2016 was \$3.8million compared to \$5.4million in 9M2015. Gross profit margin decreased by 8.8% to 10.4% in 9M2016 from 19.2% in 9M2015, due mainly to lower margins from sale of development properties.

Other operating income

3Q2016 vs 3Q2015

Other income increased by \$0.02million to \$0.13million in 3Q2016 from \$0.11million in 3Q2015, mainly due to increase in income from leasing of investment properties.

9M2016 vs 9M2015

Other income increased by \$0.1million to \$0.5million in 9M2016 from \$0.4million in 9M2015, mainly due to increase in income from leasing of investment properties.



Administrative expenses

3Q2016 vs 3Q2015

Administrative expenses increased by \$0.5million to \$1.4million in 3Q2016 from \$0.9million in 3Q2015, mainly due to higher salaries and related expenses for employees of the Group as well as property taxes paid in 3Q2016.

9M2016 vs 9M2015

Administrative expenses increased by \$0.9million to \$4.7million in 9M2016 from \$3.8million in 9M2015, mainly due to increase in property taxes paid, higher depreciation arising from additions to office and construction equipment as well as higher salaries and related expenses for the employees of the Group in 9M2016.

Other operating expenses

3Q2016 vs 3Q2015

Other operating expenses of \$2.1million in 3Q2016 comprise loss on disposal of investment property of \$0.65million and impairment of development properties held for sale of \$1.45million.

9M2016 vs 9M2015

Other operating expenses increased by \$1.7million to \$2.1million in 9M2016 from \$0.4million in 9M2015, mainly due to loss on disposal of investment property of \$0.65million and impairment of development properties held for sale of \$1.45million in 9M2016, compared to transaction costs incurred in relation to the acquisition of a subsidiary, namely Citrine Assets Pte Ltd of \$0.4million in 9M2015.

Finance costs

3Q2016 vs 3Q2015

Finance costs increased by \$0.6million to \$0.7million in 3Q2016 from \$0.1million in 3Q2015, mainly due to increase in interest expenses on additional credit facilities utilised.

9M2016 vs 9M2015

Finance costs increased by \$0.4million to \$1.3million in 9M2016 from \$0.9million in 9M2015, mainly due to increase in interest expenses on additional credit facilities utilised.

Share of results of associated companies

3Q2016 vs 3Q2015

Share of results of associated companies changed by \$0.18million to a profit of \$0.17million in 3Q2016 from a loss of \$0.01million in 3Q2015. This was mainly due to share of profit from an associated company.

9M2016 vs 9M2015

Share of results of associated companies changed by \$0.29million to a profit of \$0.16million in 9M2016 from a loss of \$0.13million in 9M2015. This was mainly due to share of profit from an associated company.

Profit before taxation

3Q2016 vs 3Q2015

Loss before taxation was \$2.5 million in 3Q2016, compared to profit before taxation of \$0.4 million in 3Q2015.

This was mainly attributable to:



- (i) increase in administrative expenses of \$0.5million;
- (ii) increase in finance cost of \$0.6million; and
- (iii) Increase in other operating expenses of \$2.1million.

partially offset by:

- (i) increase in gross profit of \$0.1 million; and
- (ii) change in share of results from associated companies of \$0.2million.

9M2016 vs 9M2015

Loss before taxation was \$3.7million in 9M2016, compared to profit before taxation of \$0.5million in 9M2015. This was mainly attributable to:

- (i) decrease in gross profit of \$1.6million;
- (ii) increase in administrative expenses of \$0.9million;
- (iii) increase in finance cost of \$0.4million; and
- (iv) Increase in other operating expenses of \$1.7million.

partially offset by:

- (i) change in share of results from associated companies of \$0.3million; and
- (ii) increase in other operating income of \$0.1million.

Foreign currency translation differences

3Q2016 vs 3Q2015

Foreign currency translation differences in 3Q2016 arose from Malaysian operations.

9M2016 vs 9M2015

Foreign currency translation differences in 9M2016 arose from Malaysian operations.

Assets

Trade and other receivables increased by \$17.1million to \$47.4million as at 30 June 2016 from \$30.3million as at 30 September 2015 mainly due to increase in receivables from progressive completion of development properties and sales of development properties.

Development properties for sale decreased by \$16.3million to \$254.1million as at 30 June 2016 from \$270.4million as at 30 September 2015 mainly due to the recognition of costs on properties sold, offset by costs incurred on on-going projects and translation gain on Malaysian development properties.

Property, plant and equipment decreased by \$0.3million to \$6.7million as at 30 June 2016 from \$7.0 million as at 30 September 2015 mainly due to depreciation for the period.

Investment properties decreased by \$0.9million to \$83.9million in 30 June 2016 from \$84.8million in 30 September 2015, mainly due to disposal of an investment property, partially offset by foreign currency translation differences arising from investment 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 \$1.4million to \$2.0million as at 30 June 2016 from \$3.4 million as at 30 September 2015, mainly due to dividends issued by associated companies amounting to \$1.6million, partially offset by share of results from associated companies amounting to \$0.2million.



Liabilities

Current trade and other payables decreased by \$0.6million to \$8.5million as at 30 June 2016 from \$9.1 million as at 30 September 2015 mainly due to decrease in amounts payable to suppliers and subcontractors.

Borrowings increased by \$2.5million to \$152.2million as at 30 June 2016 from \$149.7million as at 30 September 2015 mainly due to higher financing obtained for progressive completion of construction works.

Net Working Capital

The Group's net working capital increased by \$5.9million to \$184.9million as at 30 June 2016 from \$179.0 million as at 30 September 2015 mainly due to the increase in cash and bank balances, trade and other receivables, partially offset by decrease in development properties for sales and increase in borrowings.

Capital and reserves

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

Retained earnings decreased by \$4.6million to \$76.5million as at 30 June 2016 from \$81.1million as at 30 September 2015. This was due mainly to loss for 9M2016 of \$3.6million and dividend paid of \$1.0million.

Statement of cash flows

3Q2016

- (i) The net cash flows generated from operating activities for 3Q2016 was \$6.6million. This was mainly due to decrease in development properties of \$15.9million and adjustments amounting to \$0.7 million for interest expense, impairment of development properties for sale of \$1.4 million and loss on disposal of investment property of \$0.7million, partially offset by loss before taxation of \$2.5 million and increase in trade and other receivables and other current assets of \$9.3 million;
- (ii) The net cash flow used in investing activities for 3Q2016 was negative \$1.3million. This was mainly due to advances to associated companies of \$1.4million and acquisition of an investment property of \$1.1million, partially offset by dividend received from an associated company of \$1.0million; and
- (iii) The net cash flow generated from financing activities for 3Q2016 was \$0.8 million. This was mainly due to proceeds from bank loans of \$3.1million, partially offset by repayment of bank loans of \$1.1million, and interests paid of \$1.3million.

9M2016

- (i) The net cash flows generated from operating activities for 9M2016 was \$7.9million. This was mainly due to decrease in development properties of \$23.6million and adjustments amounting to \$1.8million for interest expense and depreciation, impairment of development properties of \$1.4 million, and loss on disposal of an investment property of \$0.7million, partially offset by loss before taxation of \$3.7 million, increase in trade and other receivables and other current assets of \$13.2million and decrease in trade and other payables of \$2.6 million;
- (ii) The net cash flow used in investing activities for 9M2016 was negative \$0.2million. This was mainly due to advances to associated companies of \$1.4million, repayment of an associate of \$0.5million and payments for investment properties of \$1.3million, partially offset by dividend received from associated companies of \$1.6million and advances from associated companies of \$1.4million; and



- (iii) The net cash flow generated from financing activities for 9M2016 was \$1.3million. This was mainly due to gross proceeds from conversion of warrants of \$8.8million and proceeds from bank loans of \$6.3million; partially offset by purchase of treasury shares of \$7.3million, repayment of bank loans of \$2.4million, interests paid of \$3.0million and dividend paid of \$1.1million.

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

Weak market sentiment continues to weigh on the private property market. According to the Urban Redevelopment Authority's real estate statistics for the 2nd quarter 2016, prices of private residential properties continued to decline 0.4% in the second quarter compared to a 0.7% decline in the first quarter of 2016.

With the cooling measures still in place, the property market continues to face headwinds on many fronts - from weak demand and increased supply to manpower constraints and a tough business environment. Thus, with a subdued outlook for the local property market, the Group expects the market going forward to continue to be challenging in the next 12 months.

Amidst this challenging environment, the Group will continue to refine its investment strategy to stay relevant for sustained growth. Whilst continuing to explore development opportunities in Singapore, the Group will also look out for opportunities in foreign markets, including Malaysia and Cambodia, to diversify its portfolio and to mitigate risks experienced in the local environment.

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 nine-month period ended 30 June 2016.



13. Interested Person Transactions

For the nine-month financial period ended 30 June 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\$176,273	<p>As at 30 June 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\$176,273 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") 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 nine-month financial period ended 30 June 2016.

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

14. Confirmation by the Board pursuant to Rule 705(5) of the SGX Listing Manual

The Directors of the Company confirm that, to the best of their knowledge, nothing has come to the attention of the Board of Directors which may render the unaudited interim financial results of the Group and the Company to be false or misleading in any material aspect.

15. Confirmation pursuant to Rule 720(1) of the SGX 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
08 August 2016