



GOODLAND GROUP LIMITED

Incorporated in the Republic of Singapore
Company Registration No. 20040522N

RESPONSE TO QUERIES FROM SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ON THE UNAUDITED THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENTS ANNOUNCEMENT FOR THE FINANCIAL PERIOD ENDED 30 JUNE 2016

The Board of Directors (the “**Board**”) of Goodland Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) refers to its unaudited third quarter and nine months financial statements announcement for the financial period ended 30 June 2016 (the “**Financial Period**”). In this regard, the Board would like to respond to the following queries raised by the Singapore Exchange Securities Trading Limited on 31 August 2016 (the “**SGX Query**”) as follows:

SGX Query

It is stated on page 12 of the announced financial results, “Other operating expenses of \$2.1 million in 3Q2016 comprise loss on disposal of investment property of \$0.65 million and impairment of development properties held for sale of \$1.45 million.” Please explain:-

- (a) how the impairment amount for the development properties was determined; and
- (b) whether the Board assessed the reasonableness of the methodologies used to determine the value of impairment;

Company’s Response to SGX Query

- (a) The impairment amount relates to two development properties located next to each other. The option money for one of the properties was received during the financial period. The selling price of this development property was lower as compared with its carrying amount. The option to purchase for the same property was exercised after the financial period, prior to the date of release of the financial results for the Financial Period on 8 August 2016. Consequently, the Group had recorded impairment loss, amounting to \$1.45 million, on both development properties during the Financial Period as the selling prices of the properties are expected to be lower than the carrying amounts.
- (b) The Board has assessed the reasonableness of the methodologies used to determine the value of the impairment, having considered the carrying amounts and the actual selling price of one of the development properties.

BY ORDER OF THE BOARD

Hor Swee Liang
Company Secretary