



GOODLAND GROUP LIMITED

良園集團

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

Unaudited Third Quarter and Nine Month Financial Statements
Announcement for the Financial Period Ended 30 June 2017



PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2, Q3 & Q4), 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		
	3 months ended 30/6/2017 (3Q 2017) S\$'000	3 months ended 30/6/2016 (3Q 2016) S\$'000	Increase/ (Decrease) %	9 months ended 30/6/2017 (9M 2017) S\$'000	9 months ended 30/6/2016 (9M 2016) S\$'000	Increase/ (Decrease) %
Revenue	18,626	20,170	(8)	54,889	36,559	50
Cost of sales	(15,412)	(18,896)	(18)	(47,081)	(32,760)	44
Gross profit	3,214	1,274	152	7,808	3,799	106
Other operating income	284	135	110	691	489	41
Finance income	13	1	N/M	19	1	N/M
Administrative expenses	(1,296)	(1,414)	(8)	(4,279)	(4,707)	(9)
Finance costs	(432)	(661)	(35)	(1,216)	(1,344)	(10)
Other operating expenses	-	(2,052)	N/M	-	(2,052)	N/M
Share of results of associated companies	139	173	(20)	204	156	31
Profit/(Loss) before taxation	1,922	(2,544)	N/M	3,227	(3,658)	N/M
Income tax	(316)	78	N/M	(439)	64	N/M
Profit/(Loss) for the period	1,606	(2,466)	N/M	2,788	(3,594)	N/M
Items that may be reclassified subsequently to profit or loss						
Revaluation surplus resulting from the reclassification of property, plant and equipment to investment properties	-	-	N/M	1,525	-	N/M
Foreign currency translation differences	2,449	(5,808)	N/M	(687)	6,875	N/M
Other comprehensive income/(loss)	2,449	(5,808)	N/M	838	6,875	N/M
Total comprehensive income/(loss)	4,055	(8,274)	N/M	3,626	3,281	N/M
Profit/(Loss) attributable to:						
Equity holders of the Company, net of tax	1,608	(2,462)	N/M	2,801	(3,582)	N/M
Non-controlling interests, net of tax	(2)	(4)	N/M	(13)	(12)	N/M
	1,606	(2,466)	N/M	2,788	(3,594)	N/M
Total comprehensive income/(loss) attributable to:						
Equity holders of the Company, net of tax	3,324	(6,533)	N/M	3,842	1,237	N/M
Non-controlling interests, net of tax	731	(1,741)	N/M	(216)	2,044	N/M
	4,055	(8,274)	N/M	3,626	3,281	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		
	3 months ended 30/6/2017 3Q 2017 S\$'000	3 months ended 30/6/2016 3Q 2016 S\$'000	Increase/ (Decrease) %	9 months ended 30/6/2017 9M 2017 S\$'000	9 months ended 30/6/2016 9M 2016 S\$'000	Increase/ (Decrease) %
After charging:						
Depreciation of property, plant and equipment	245	159	54	428	425	1
Finance costs	432	661	(35)	1,216	1,344	(10)
Fair value loss on financial assets, through profit or loss	-	5	N/M	-	14	N/M
Loss on disposal of investment property	-	650	N/M	-	650	N/M
Write down in value of development properties for sale	-	1,402	N/M	-	1,402	N/M
and crediting:						
Finance income	(13)	(1)	N/M	(19)	(1)	N/M
Rental income	(87)	(88)	(1)	(255)	(283)	(10)
Management fees	-	(6)	N/M	-	(25)	N/M
Fair value gain on financial assets, through profit or loss	(12)	-	N/M	(46)	-	N/M
Gain on disposal of property, plant and equipment	(172)	(39)	N/M	(172)	(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 Unaudited 30/6/2017 S\$'000	Group Audited 30/9/2016 S\$'000	Company Unaudited 30/6/2017 S\$'000	Company Audited 30/9/2016 S\$'000
Non-current assets				
Property, plant and equipment	2,903	6,080	-	-
Investment properties	86,376	85,220	-	-
Investments in subsidiaries	-	-	10,517	10,516
Investments in associated companies	2,145	1,941	-	-
Available for sale financial asset	10,485	10,485	-	-
Deferred tax assets	522	855	-	-
	<u>102,431</u>	<u>104,581</u>	<u>10,517</u>	<u>10,516</u>
Current assets				
Trade and other receivables	50,321	51,781	63,201	66,180
Other current assets	295	56	57	23
Development properties for sale	203,582	240,035	-	-
Other financial assets	183	137	-	-
Cash and cash equivalents	26,615	30,231	7,149	600
	<u>280,996</u>	<u>322,240</u>	<u>70,407</u>	<u>66,803</u>
Less:-			-	-
Current liabilities				
Obligations under finance leases	47	47	-	-
Trade and other payables	8,459	9,241	23,543	17,505
Convertible bond	1,719	1,660	1,719	1,660
Bank borrowings	94,003	131,730	-	-
	<u>104,228</u>	<u>142,678</u>	<u>25,262</u>	<u>19,165</u>
Net current assets	<u>176,768</u>	<u>179,562</u>	<u>45,145</u>	<u>47,638</u>
Non-current liabilities				
Obligations under finance leases	54	89	-	-
Bank borrowings	15,896	17,602	-	-
Deferred tax liabilities	26,369	31,033	-	-
	<u>42,319</u>	<u>48,724</u>	<u>-</u>	<u>-</u>
Net assets	<u>236,880</u>	<u>235,419</u>	<u>55,662</u>	<u>58,154</u>
Capital and reserves				
Share capital	63,280	63,280	63,280	63,280
Retained earnings	77,228	76,591	1,510	4,002
Merger reserve	(485)	(485)	-	-
Treasury shares	(9,357)	(9,357)	(9,357)	(9,357)
Currency translation reserve	(22,120)	(21,635)	-	-
Acquisition reserve	78,743	78,743	-	-
Fair value reserve	6	6	-	-
Revaluation surplus reserve	3,224	1,699	-	-
Equity option reserve	229	229	229	229
Equity attributable to owners of the Company	<u>190,748</u>	<u>189,071</u>	<u>55,662</u>	<u>58,154</u>
Non-controlling interests	46,132	46,348	-	-
Total equity	<u>236,880</u>	<u>235,419</u>	<u>55,662</u>	<u>58,154</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 30/06/2017		As at 30/09/2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
94,050	1,719	131,777	1,660

Amount repayable after one year

As at 30/06/2017		As at 30/09/2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
15,950	-	17,691	-

Details of any collateral

Bank borrowings are secured by:

- 1) Corporate guarantee by Goodland Group Limited.
- 2) Mortgages on the Group's property, plant and equipment, investment properties and development properties for sale.
- 3) Assignment of rights, titles and benefits with respect to the Group's properties.
- 4) Deed of subordination of shareholders' and related corporations' loans for monies up to the full retirement of the credit facilities.
- 5) Assignment of performance bond, insurances, proceeds and construction contract.
- 6) Legal assignment of rental proceeds and charge over bank account(s) into which rental proceeds shall be paid.
- 7) Assignment of developer's rights and benefits in sale and purchase agreements.
- 8) Leased assets for finance leases.



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		Group	
	Unaudited 3 months ended 30/6/2017 (3Q2017) S\$'000	Unaudited 3 months ended 30/6/2016 (3Q2016) S\$'000	Unaudited 9 months ended 30/6/2017 (9M2017) S\$'000	Unaudited 9 Months ended 30/6/2016 (9M2016) S\$'000
Cash flows from operating activities				
Profit / (Loss) before income taxation	1,922	(2,544)	3,227	(3,658)
Adjustments for:-				
Depreciation of property, plant and equipment	245	159	428	425
Write down in value of development properties for sale	-	1,402	-	1,402
Gain on disposal of property, plant and equipment	(172)	(39)	(172)	(39)
Loss on disposal of investment property	-	650	-	650
Change in fair value of financial assets through profit or loss	(12)	5	(46)	14
Interest expense	432	661	1,216	1,344
Interest income	(13)	(1)	(19)	(1)
Dividend income	-	-	(2)	-
Share of results of associated companies	(138)	(173)	(231)	(156)
Operating cash flow before working capital changes	2,264	120	4,401	(19)
Trade, other receivables and other current assets	(2,108)	(9,252)	(3,273)	(13,277)
Trade and other payables	368	(281)	(1,261)	(2,564)
Development properties for sale	11,326	15,942	32,927	23,626
Cash generated from operations	11,850	6,529	32,794	7,766
Interest received	13	1	19	1
Income tax (paid) / refund	-	41	72	129
Net cash generated from operating activities	11,863	6,571	32,885	7,896
Cash flows from investing activities				
Purchase of property, plant and equipment (Note B)	(3)	(100)	(175)	(171)
Payments for investment properties	(76)	(1,108)	(76)	(1,262)
Proceeds from disposal of property, plant and equipment	2,753	41	2,753	41
Repayment to associated companies	-	-	-	(476)
Repayment from associated company	-	-	5,100	-
Advances to associated companies	(313)	(1,375)	(401)	(1,375)
Dividend received from associated companies	-	1,000	-	1,650
Dividend received from other equity investments	-	-	2	-
Net cash generated from/ (used in) investing activities	2,361	(1,542)	7,203	(1,593)
Cash flows from financing activities				
Gross proceeds from issuance of ordinary shares and exercise of warrants	-	-	-	8,752
Purchase of treasury shares	-	-	-	(7,281)
Proceeds from bank loans	-	3,128	4,316	6,320
Advances from associated companies	-	200	500	1,426
Repayment of bank loans	(7,010)	(1,058)	(43,748)	(2,425)
Repayment of finance lease liabilities	(12)	(12)	(35)	(40)
Interest paid	(908)	(1,296)	(2,573)	(2,968)
Dividend paid	(1,082)	-	(2,164)	(1,083)
Net cash generated (used in) / from financing activities	(9,012)	962	(43,704)	2,701
Net changes in cash and cash equivalents	5,212	5,991	(3,616)	9,004
Cash and cash equivalents at beginning of financial year	21,403	19,521	30,231	16,508
Cash and cash equivalents at end of financial year (Note A)	26,615	25,512	26,615	25,512



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Note A

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

	As at 30/6/2017 S\$'000	As at 30/6/2016 S\$'000
Fixed deposits with banks	1,001	338
Cash and bank balances	25,614	25,709
	<u>26,615</u>	<u>26,047</u>
Bank overdraft	-	(535)
	<u>26,615</u>	<u>25,512</u>

Note B

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

	3 months ended 30/6/2017 (3Q2017) S\$'000	3 months ended 30/6/2016 (3Q2016) S\$'000	9 months ended 30/6/2017 (9M2017) S\$'000	9 months ended 30/6/2016 (9M2016) S\$'000
Additions to property, plant and equipment	3	100	175	171
Acquired under finance lease agreements	-	-	-	-
Cash payments	<u>3</u>	<u>100</u>	<u>175</u>	<u>171</u>



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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	Warrants Reserve S\$'000	Merger Reserve S\$'000	Treasury Shares S\$'000	Currency Translation Reserve S\$'000	Acquisition Reserve S\$'000	Fair Value Reserve S\$'000	Revaluation Surplus Reserve S\$'000	Equity Option Reserve S\$'000	Retained Earnings S\$'000	Subtotal S\$'000		
At 1 October 2015	53,981	960	(485)	(1,993)	(23,516)	78,743	252	-	229	81,128	189,299	45,566	234,865
Total comprehensive income for the period													
Loss for the period	-	-	-	-	-	-	-	-	-	(1,120)	(1,120)	(8)	(1,128)
Other comprehensive income													
Exchange differences arising from transaction	-	-	-	-	8,890	-	-	-	-	-	8,890	3,793	12,683
Total other comprehensive income					8,890	-	-	-	-	-	8,890	3,793	12,683
Total comprehensive income for the period					8,890	-	-	-	-	(1,120)	7,770	3,785	11,555
Transaction with owners, recognised directly in equity													
Contribution by and distributions to owners													
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)
Dividend paid	-	-	-	-	-	-	-	-	-	(1,083)	(1,083)	-	(1,083)
Total contribution by and distributions to owners	9,299	(547)	-	(7,281)	-	(79)	-	-	-	(1,083)	309	-	309
Total transactions with owners	9,299	(547)	-	(7,281)	-	(79)	-	-	-	(1,083)	309	-	309
Balance as at 31 March 2016	63,280	413	(485)	(9,274)	(14,626)	78,664	252	-	229	78,925	197,378	49,351	246,729
Total comprehensive income for the period													
Loss for the period	-	-	-	-	-	-	-	-	-	(2,462)	(2,462)	(4)	(2,466)
Other comprehensive income													
Exchange differences arising from transaction	-	-	-	-	(4,071)	-	-	-	-	-	(4,071)	(1,737)	(5,808)
Total other comprehensive income					(4,071)	-	-	-	-	-	(4,071)	(1,737)	(5,808)
Total comprehensive income for the period					(4,071)	-	-	-	-	(2,462)	(6,533)	(1,741)	(8,274)
Balance as at 30 June 2016	63,280	413	(485)	(9,274)	(18,697)	78,664	252	-	229	76,463	190,845	47,610	238,455
At 1 October 2016	63,280	-	(485)	(9,357)	(21,635)	78,743	6	1,699	229	76,591	189,071	46,348	235,419
Total comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	-	1,193	1,193	(11)	1,182
Other comprehensive income													
Exchange differences	-	-	-	-	(2,200)	-	-	-	-	-	(2,200)	(936)	(3,136)
Revaluation surplus resulting from reclassification of property, plant and equipment to investment property	-	-	-	-	-	-	-	1,525	-	-	1,525	-	1,525
Dividend paid	-	-	-	-	-	-	-	-	-	(1,082)	(1,082)	-	(1,082)
Total other comprehensive income					(2,200)	-	-	1,525	-	(1,082)	(1,757)	(936)	(2,693)
Total comprehensive income for the period					(2,200)	-	-	1,525	-	(1,082)	(1,757)	(936)	(2,693)
Balance as at 31 March 2017	63,280	-	(485)	(9,357)	(23,835)	78,743	6	3,224	229	76,702	188,507	45,401	233,908
Total comprehensive income for the period													
Profit for the period	-	-	-	-	-	-	-	-	-	1,608	1,608	(2)	1,606
Other comprehensive income													
Exchange differences	-	-	-	-	1,715	-	-	-	-	(1,082)	1,715	733	2,448
Dividend paid	-	-	-	-	-	-	-	-	-	(1,082)	(1,082)	-	(1,082)
Total other comprehensive income					1,715	-	-	-	-	(1,082)	633	733	1,366
Total comprehensive income for the period					1,715	-	-	-	-	526	2,241	731	2,972
Balance as at 30 June 2017	63,280	-	(485)	(9,357)	(22,120)	78,743	6	3,224	229	77,228	190,748	46,132	236,880



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The Company	Share Capital S\$'000	Treasury Share S\$'000	Warrants Reserve S\$'000	Equity Reserve S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
At 1 October 2015	53,981	(1,993)	960	229	5,310	58,487
<i>Total comprehensive income for the period</i>						
Loss for the period	-	-	-	-	(452)	(452)
<i>Total comprehensive income for the period</i>	-	-	-	-	(452)	(452)
<i>Transaction with owners, recognised directly in equity</i>						
Contribution by and distributions to owners						
Issuance of ordinary shares arising from acquisition	9,299	-	(547)	-	-	8,752
Purchase of treasury shares	-	(7,281)	-	-	-	(7,281)
Dividend paid	-	-	-	-	(1,083)	(1,083)
Total contribution by and distributions to owners	9,299	(7,281)	(547)	-	(1,083)	388
<i>Total transactions with owners</i>	9,299	(7,281)	(547)	-	(1,083)	388
Balance as at 31 March 2016	63,280	(9,274)	413	229	3,775	58,423
<i>Total comprehensive income for the period</i>						
Loss for the period	-	-	-	-	(140)	(140)
<i>Total comprehensive income for the period</i>	-	-	-	-	(140)	(140)
Balance as at 30 June 2016	63,280	(9,274)	413	229	3,635	58,283
As at 1 October 2016	63,280	(9,357)	-	229	4,002	58,154
<i>Total comprehensive income for the period</i>						
Loss for the period	-	-	-	-	(267)	(267)
<i>Total comprehensive income for the period</i>	-	-	-	-	(267)	(267)
<i>Transaction with owners, recognised directly in equity</i>						
Contribution by and distributions to owners						
Dividend paid	-	-	-	-	(1,082)	(1,082)
Total contribution by and distributions to owners	-	-	-	-	(1,082)	(1,082)
<i>Total transactions with owners</i>	-	-	-	-	(1,082)	(1,082)
Balance as at 31 March 2017	63,280	(9,357)	-	229	2,653	56,805
<i>Total comprehensive income for the period</i>						
Loss for the period	-	-	-	-	(61)	(61)
<i>Total comprehensive income for the period</i>	-	-	-	-	(61)	(61)
<i>Transaction with owners, recognised directly in equity</i>						
Contribution by and distributions to owners						
Dividend paid	-	-	-	-	(1,082)	(1,082)
Total contribution by and distributions to owners	-	-	-	-	(1,082)	(1,082)
<i>Total transactions with owners</i>	-	-	-	-	(1,082)	(1,082)
Balance as at 30 June 2017	63,280	(9,357)	-	229	1,510	55,662



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 under review, there were no changes in the Company's share capital.

The Company	Number of shares issued and fully paid	Shares capital S\$'000	Number of Treasury Shares	Treasury Shares S\$'000
As at 1 October 2016	394,066,518	63,280	33,371,600	9,357
Shares repurchased and held as treasury shares	-	-	-	-
As at 30 Jun 2017	394,066,518	63,280	33,371,600	9,357

The total number of issued shares held as treasury shares of the Company as at 30 June 2017 was 33,371,600 (30 June 2016: 33,022,800).

The total number of issued shares excluding treasury shares of the Company as at 30 June 2017 was 360,694,918 (30 June 2016: 361,043,718).

As part of the purchase consideration for the acquisition of a subsidiary, namely Citrine Assets Pte Ltd, the Company issued non-interest bearing convertible 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.

	30/06/2017	30/09/2016
Total number of issued shares	394,066,518	394,066,518
Total number of treasury shares	(33,371,600)	(33,371,600)
Total number of issued shares excluding treasury shares	<u>360,694,918</u>	<u>360,694,918</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 2017, 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 2016.

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 2016.

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 30/06/2017 (3Q2017)	3 months ended 30/06/2016 (3Q2016)	9 months ended 30/06/2017 (9M2017)	9 months ended 30/06/2016 (9M2016)
Earnings per ordinary share for the period based on the Group's net profit:				
(a) Basic (cents)	0.45	(0.68)	0.78	(1.02)
Weighted average number of ordinary shares in issue (excluding treasury shares)	360,694,918	361,043,718	360,694,918	351,474,810
(b) Diluted ⁽¹⁾ (cents)	0.44	(0.68)	0.77	(1.02)
Weighted average number of ordinary shares in issue (excluding treasury shares)	365,272,344	361,043,718	365,272,344	351,474,810

⁽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 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	
	30/06/2017	30/09/2016	30/06/2017	30/09/2016
Net asset value per ordinary share, based on issued share capital (excluding treasury shares)	52.88 cents	52.42 cents	15.43 cents	16.12 cents
Number of issued shares (excluding treasury shares)	360,694,918	360,694,918	360,694,918	360,694,918

Net asset value is represented as equity attributable to owners of the Company.



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

3Q2017 vs 3Q2016

Revenue decreased by \$1.5 million to \$18.6 million in 3Q2017 from \$20.1 million in 3Q2016, mainly due to:

- (i) revenue from the residential project, The Bently Residences@Kovan, having been recognised in 3Q2016 using the percentage of completion method, from progress made in the construction and fully recognised prior to 3Q2017; and
- (ii) sale of two landed houses in 3Q2016;

partially offset by:

- (i) recognition of revenue using the percentage of completion method, from progress made in the construction of the mixed residential/commercial project, The Citron and Citron Residences; and
- (ii) sale of a cluster landed house from the residential project, The Morris Residences.

9M2017 vs 9M2016

Revenue increased by \$18.3 million to \$54.9 million in 9M2017 from \$36.6 million in 9M2016, mainly due to the recognition of revenue using the percentage of completion method, from progress made in the construction of the mixed residential/commercial project, The Citron and Citron Residences.

Cost of sales and Gross profit

3Q2017 vs 3Q2016

Cost of sales decreased by \$3.5 million to \$15.4 million in 3Q2017 from \$18.9 million in 3Q2016, in line with decrease in revenue. Therefore, gross profit for 3Q2017 was \$3.2 million compared to \$1.3 million in 3Q2016. Gross profit margin increased by 11.0% to 17.3% in 3Q2017 from 6.3% in 3Q2016, mainly due to sales of development properties with higher margins.

9M2017 vs 9M2016

Cost of sales increased by \$14.3 million to \$47.1 million in 9M2017 from \$32.8 million in 9M2016, in line with increase in revenue. Therefore, gross profit for 9M2017 was \$7.8 million compared to \$3.8 million in 9M2016. Gross profit margin increased by 3.8% to 14.2% in 9M2017 from 10.4% in 9M2016, mainly due to sales of development properties with higher margins.

Other Operating Income

3Q2017 vs 3Q2016

Other operating income increased by \$0.14 million to \$0.28 million in 3Q2017 from \$0.14 million in 3Q2016 due mainly to gain on disposal of property, plant and equipment.

9M2017 vs 9M2016

Other operating income increased by \$0.20 million to \$0.69 million in 9M2017 from \$0.49 million in 9M2016 due mainly to increase in government grants and gain on disposal of property, plant and equipment.

Administrative expenses

3Q2017 vs 3Q2016

Administrative expenses decreased by \$0.1 million to \$1.3 million in 3Q2017 from \$1.4 million in 3Q2016, mainly due to lower property taxes paid and professional fees incurred in 3Q2017.



9M2017 vs 9M2016

Administrative expenses decreased by \$0.4 million to \$4.3 million in 9M2017 from \$4.7 million in 9M2016, mainly due to lower property taxes paid and professional fees incurred in 9M2017.

Other operating expenses

3Q2017 vs 3Q2016

There were no other operating expenses incurred in 3Q2017 as compared to \$2.1 million in 3Q2016, which were mainly due to loss on disposal of investment property of \$0.7 million and write down in value of development properties for sale of \$1.4 million.

9M2017 vs 9M2016

There were no other operating expenses incurred in 9M2017 as compared to \$2.1 million in 9M2016, which were mainly due to loss on disposal of investment properties of \$0.7 million and write down in value of development properties for sale of \$1.4 million in 9M2016.

Share of results of associated companies

3Q2017 vs 3Q2016

Share of results of associated companies changed by \$0.03 million to a profit of \$0.14 million in 3Q2017 from a profit of \$0.17 million in 3Q2016. This was mainly due to share of lower profits from associated companies.

9M2017 vs 9M2016

Share of results of associated companies changed by \$0.05 million to a profit of \$0.20 million in 9M2017 from a profit of \$0.15 million in 9M2016. This was mainly due to share of higher profits from associated companies.

Profit before taxation

3Q2017 vs 3Q2016

Profit before taxation was \$1.9 million in 3Q2017, compared to loss before taxation of \$2.5 million in 3Q2016. This was mainly due to the sales of development properties with higher margins and there were no other operating expenses incurred in 3Q2017.

9M2017 vs 9M2016

Profit before taxation was \$3.2 million in 9M2017, compared to loss before taxation of \$3.7 million in 9M2016. This was mainly due to the sales of development properties higher margins and there were no other operating expenses incurred in 9M2017.

Other comprehensive income

3Q2017 vs 3Q2016

Foreign currency translation differences in 3Q2016 and 3Q2017 were due mainly from investments in Malaysian entities.

9M2017 vs 9M2016

In 9M2017, reclassification of property, plant and equipment to investment properties resulted in a revaluation surplus of \$1.5 million. Foreign currency translation differences in 9M2016 and 9M2017 were due mainly from investments in Malaysian entities.

Assets

Trade and other receivables decreased by \$1.5 million to \$50.3 million as at 30 June 2017 from \$51.8 million as at 30 September 2016 mainly due to collections from buyers of development properties and repayment of advances made to an associated company, partially offset by progress billings made to buyers and increase in receivables from progressive completion of development properties.



Development properties for sale decreased by \$36.4 million to \$203.6 million as at 30 June 2017 from \$240.0 million as at 30 September 2016 mainly due to the recognition of development properties sold and translation differences arising from Malaysian development properties, offset by costs incurred on on-going projects.

Property, plant and equipment decreased by \$3.2 million to \$2.9 million as at 30 June 2017 from \$6.1 million as at 30 September 2016 mainly due to reclassification of a property from property, plant and equipment to investment properties, disposal of a property and depreciation for the period.

Investment properties increased by \$1.2 million to \$86.4 million as at 30 June 2017 from \$85.2 million as at 30 September 2016, mainly due to reclassification of a property from property, plant and equipment to investment properties, offset by translation differences arising from Malaysian investment properties.

Liabilities

Trade and other payables decreased by \$0.7 million to \$8.5 million as at 30 June 2017 from \$9.2 million as at 30 September 2016 mainly due to decrease in amounts payable to suppliers and subcontractors.

Bank borrowings decreased by \$39.4 million to \$109.9 million as at 30 June 2017 from \$149.3 million as at 30 September 2016 mainly due to repayment of bank loans of development properties.

Deferred tax liabilities decreased by \$4.6 million to \$26.4 million as at 30 June 2017 from \$31.0 million as at 30 September 2016 mainly due to translation differences arising from Malaysian development properties.

Net Working Capital

The Group's net working capital decreased by \$2.8 million to \$176.8 million as at 30 June 2017 from \$179.6 million as at 30 September 2016 mainly due to the decrease in development properties for sale partially offset by decrease in bank borrowings.

Capital and reserves

Retained earnings increased by \$0.6 million to \$77.2 million as at 30 June 2017 from \$76.6 million as at 30 September 2016 mainly due to profit attributable to equity holders for 9M2017 partially offset by dividends paid to shareholders in February and May 2017.

Statement of cash flows

3Q2017

The net cash flows generated from operating activities for 3Q2017 was \$11.9 million. This was mainly due to decrease in development properties for sale of \$11.3 million, profit before tax of \$1.9 million and adjustments amounting to \$0.4 million for interest expense, partially offset by increase in trade and other receivables of \$2.1 million and increase in trade and other payables of \$0.4 million.

The net cash flow generated from investing activities for 3Q2017 was \$2.4 million. This was mainly due to proceeds from disposal of property, plant and equipment of \$2.8 million, partially offset by advance to associated company of \$0.3 million and payments for investment properties of \$0.1 million

The net cash flow used in financing activities for 3Q2017 was \$9 million. This was mainly due to repayment of bank loans of \$7 million, interest paid of \$0.9 million and dividend paid of \$1.1 million.

9M2017

The net cash flows generated from operating activities for 9M2017 was \$32.9 million. This was mainly due to decrease in development properties for sale of \$32.9 million, profit before tax of \$3.2 million and adjustments amounting to \$1.2 million for interest expense, partially offset by increase in trade and other receivables of \$3.3 million and decrease in trade and other payables of \$1.3 million.

The net cash flow generated from investing activities for 9M2017 was \$7.2 million. This was mainly due to repayment from associated company of \$5.1 million, proceeds from disposal of property, plant and equipment of \$2.8 million, partially offset by advance to associated company of \$0.4 million and purchase of property, plant and equipment of \$0.2 million.



The net cash flow used in financing activities for 9M2017 was \$43.7 million. This was mainly due to repayment of bank loans of \$43.7 million, interest paid of \$2.6 million and dividend payment of \$2.2 million, partially offset by proceeds from bank loans of \$4.3 million and advances from associated companies of \$0.5 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.

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

The Urban Redevelopment Authority (URA) had announced on 30 June 2017 the lowering of minimum rental period for private homes from six to three months will provide more rental opportunities for property owners seeking to rent out their properties. On the other hand, according to the URA real estate statistics released on 3 July 2017, the private residential property index fell 0.4 point from 136.7 points in 1st Quarter 2017 to 136.3 points in 2nd Quarter 2017, representing a decline of 0.3%, compared with the 0.4% decline in the previous quarter. We believe the outlook for Singapore property market remains challenging in the next 12 months. The Group will continue to refine its investment strategy whilst actively exploring opportunities locally and overseas to enhance shareholders' value, including replenishing the Group's land bank.

11. Dividend

(a) Current Financial Period Reported On

Dividend declared for the current financial period reported on:

Name of Dividend	Interim
Type of Dividend	Cash
Dividend amount per ordinary share	0.3 Singapore cent
Tax Rate	Tax exempt (one-tier)

(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

On or about 28 August 2017

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 21 August 2017 for the purpose of determining members' entitlements to the interim tax exempt (one-tier) dividend of 0.3 Singapore cent ("Interim Dividend").

Duly completed registrable transfers in respect of the shares in the Company received up to the close of business at 5.00 p.m. on 21 August 2017 by the Company's Share Registrar, B.A.C.S. Private Limited, 8 Robinson Road, #03-00 ASO Building, Singapore 048544 will be registered to determine members' entitlements to the Interim Dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares in the Company as at 5.00 p.m. on 21 August 2017 will be entitled to the Interim Dividend.

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

Not applicable.



13. Interested Person Transactions

The Company does not have a general mandate from its shareholders for the interested person transaction. During the financial period under review, there were interested person transactions but these were less than S\$100,000 in aggregate.

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-ST Listing Manual

Pursuant to Rule 720(1) of the SGX Listing Manual, the Company has procured undertakings from all its directors and executive officers.

BY ORDER OF THE BOARD

Alvin Tan Chee Tiong
Chief Executive Officer

11 August 2017