



GOODLAND GROUP LIMITED

良園集團

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

Unaudited First Quarter Financial Statements Announcement for the
Financial Period Ended 31 December 2018



**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

	<u>Group</u>		Increase/ (Decrease) %
	3 months ended 31/12/2018 (1Q2019) S\$'000	3 months ended 31/12/2017 (1Q2018) S\$'000	
Revenue	3,562	10,218	-65
Cost of sales	(2,949)	(9,758)	-70
Gross profit	613	460	33
Other operating income	197	193	2
Finance income	11	3	N/M
Administrative expenses	(1,182)	(1,180)	0
Finance costs	(227)	(260)	-13
Other operating expenses	(72)	(9)	N/M
Share of associates' results (net of tax)	2,040	1,054	94
Profit/(Loss) before taxation	1,380	261	429
Income tax	-	-	N/M
Profit for the period	1,380	261	429
Other comprehensive income/(loss):			
Foreign currency translation differences	(303)	3,885	N/M
	(303)	3,885	N/M
Total comprehensive income	1,077	4,146	-74
Profit attributable to:			
Equity holders of the Company, net of tax	1,381	258	435
Non-controlling interests, net of tax	(1)	3	N/M
	1,380	261	429
Total comprehensive income/(loss) attributable to:			
Equity holders of the Company, net of tax	1,170	2,979	-61
Non-controlling interests, net of tax	(93)	1,167	N/M
	1,077	4,146	-74

N/M : Not meaningful



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

Profit after income tax is arrived at:

	Group		
	3 months ended 31/12/2018 (1Q2019) S\$'000	3 months ended 31/12/2017 (1Q2018) S\$'000	Increase/ (Decrease) %
After charging:			
Depreciation of property, plant and equipment	109	120	(9)
Finance costs	227	260	(13)
Loss on disposal of property, plant and equipment	-	9	N/M
Fair value loss on financial assets, through profit or loss	72	-	N/M
and crediting:			
Finance income	11	3	267
Rental income	168	101	66
Fair value gain on financial assets, through profit or loss	-	29	N/M

N/M: Not meaningful



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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 31/12/2018 S\$'000	Group Audited 30/9/2018 S\$'000	Company Unaudited 31/12/2018 S\$'000	Company Audited 30/9/2018 S\$'000
Non-current assets				
Property, plant and equipment	2,796	2,887	-	-
Investment properties	88,827	88,009	-	-
Subsidiaries	-	-	11,519	11,519
Associates	12,641	10,601	-	-
Available-for-sale financial asset	10,295	10,295	-	-
Deferred tax assets	59	59	-	-
	<u>114,618</u>	<u>111,851</u>	<u>11,519</u>	<u>11,519</u>
Current assets				
Trade and other receivables	19,949	16,880	65,416	64,595
Other current assets	65	44	18	15
Development properties for sale	206,872	205,590	-	-
Other financial assets	348	421	-	-
Cash and cash equivalents	6,139	8,300	3,393	4,575
	<u>233,373</u>	<u>231,235</u>	<u>68,827</u>	<u>69,185</u>
Less:-				
Current liabilities				
Obligations under finance leases	35	35	-	-
Trade and other payables	13,463	11,491	25,434	25,697
Bank borrowings	50,880	49,482	-	-
Current tax payable	37	37	-	-
	<u>64,415</u>	<u>61,045</u>	<u>25,434</u>	<u>25,697</u>
Net current assets	<u>168,958</u>	<u>170,190</u>	<u>43,393</u>	<u>43,488</u>
Non-current liabilities				
Obligations under finance leases	124	133	-	-
Bank borrowings	15,270	14,787	-	-
Deferred tax liabilities	9,476	9,492	-	-
	<u>24,870</u>	<u>24,412</u>	<u>-</u>	<u>-</u>
Net assets	<u>258,706</u>	<u>257,629</u>	<u>54,912</u>	<u>55,007</u>
Capital and reserves				
Share capital	63,280	63,280	63,280	63,280
Retained earnings	88,496	87,115	2,089	2,184
Merger reserve	(485)	(485)	-	-
Treasury shares	(9,380)	(9,380)	(9,380)	(9,380)
Currency translation reserve	(18,797)	(18,586)	-	-
Acquisition reserve	78,743	78,743	-	-
Fair value reserve	(183)	(183)	-	-
Revaluation surplus reserve	3,224	3,224	-	-
Equity reserve	229	229	(1,077)	(1,077)
Equity attributable to owners of the Company	<u>205,127</u>	<u>203,957</u>	<u>54,912</u>	<u>55,007</u>
Non-controlling interests	53,579	53,672	-	-
Total equity	<u>258,706</u>	<u>257,629</u>	<u>54,912</u>	<u>55,007</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 31/12/2018		As at 30/09/2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
51,565	-	49,517	-

Amount repayable after one year

As at 31/12/2018		As at 30/09/2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
14,744	-	14,920	-

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) Assignment of performance bond, insurances, proceeds and construction contract.
- 5) Legal assignment of rental proceeds and charge over bank account(s) into which rental proceeds shall be paid.
- 6) Assignment of developer's rights and benefits in sale and purchase agreements.
- 7) Leased assets for finance leases.



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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	
	Unaudited 3 months ended 31/12/2018 (1Q2019) S\$'000	Unaudited 3 months ended 31/12/2017 (1Q2018) S\$'000
Cash flows from operating activities		
Profit before taxation	1,380	261
Adjustments for:-		
Depreciation of property, plant and equipment	109	120
Loss on disposal of property, plant and equipment	-	9
Fair value changes on financial assets, at fair value through profit	72	(29)
Interest expense	227	261
Interest income	(11)	(3)
Dividend income	-	(3)
Share of associates' results	(2,040)	(1,054)
Operating cash flow before working capital changes	(263)	(438)
Change in trade and other receivables and other current assets	(798)	5,100
Change in trade and other payables	(455)	1,283
Change in development properties for sale	(1,406)	2,951
Cash (used in)/generated from operations	(2,922)	8,896
Interest received	11	3
Net cash (used in)/generated from operating activities	(2,911)	8,899
Cash flows from investing activities		
Purchase of property, plant and equipment (Note B)	(19)	(52)
Purchase of investment properties	(839)	-
Additions to investment properties	(13)	(1)
Payment for investment in associates	-	(680)
Proceeds from disposal of property, plant and equipment	-	3
Repayment from associates	153	2,995
Advances to associates	(2,445)	(2,459)
Dividend received	-	3
Net cash used in from investing activities	(3,163)	(191)
Cash flows from financing activities		
Proceeds from bank loans	4,031	4,394
Repayment of bank loans	(2,149)	(19,807)
Repayment of finance lease liabilities	(9)	(13)
Advances from associate	2,445	-
Interest paid	(405)	(555)
Net cash generated from/(used in) financing activities	3,913	(15,981)
Net changes in cash and cash equivalents	(2,161)	(7,273)
Cash and cash equivalents at beginning of financial year	8,300	25,075
Cash and cash equivalents at end of financial year (Note A)	6,139	17,802



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Note A

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

	As at	As at
	31/12/2018	31/12/2017
	S\$'000	S\$'000
Fixed deposits with banks	1,200	-
Cash and bank balances	4,939	17,802
	<u>6,139</u>	<u>17,802</u>
Bank overdraft	-	-
	<u>6,139</u>	<u>17,802</u>

Note B

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

	3 months	3 months
	ended	ended
	31/12/2018	31/12/2017
	(1Q2019)	(1Q2018)
	S\$'000	S\$'000
Additions to property, plant and equipment	(19)	(52)
Acquired under finance lease agreements	-	-
Cash payments	<u>(19)</u>	<u>(52)</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	Treasury Shares S\$'000	Acquisition Reserve S\$'000	Currency Translation Reserve S\$'000	Equity Reserve S\$'000	Fair Value Reserve S\$'000	Revaluation Surplus Reserve S\$'000	Merger Reserve S\$'000	Retained Earnings S\$'000	Subtotal S\$'000		
At 1 October 2017	63,280	(9,357)	78,743	(21,186)	229	(468)	3,224	(485)	91,029	205,009	46,533	251,542
Total comprehensive income for the period												
Profit for the period	-	-	-	-	-	-	-	-	258	258	3	261
Other comprehensive income												
Exchange differences arising from transaction	-	-	-	2,721	-	-	-	-	-	2,721	1,164	3,885
Total other comprehensive income	-	-	-	2,721	-	-	-	-	-	2,721	1,164	3,885
Total comprehensive income for the period	-	-	-	2,721	-	-	-	-	258	2,979	1,167	4,146
Balance as at 31 December 2017	63,280	(9,357)	78,743	(18,465)	229	(468)	3,224	(485)	91,287	207,988	47,700	255,688
At 1 October 2018	63,280	(9,380)	78,743	(18,586)	229	(183)	3,224	(485)	87,115	203,957	53,672	257,629
Total comprehensive income for the period												
Profit for the period	-	-	-	-	-	-	-	-	1,381	1,381	(1)	1,380
Other comprehensive income												
Exchange differences arising from transaction	-	-	-	(211)	-	-	-	-	-	(211)	(92)	(303)
Total other comprehensive income	-	-	-	(211)	-	-	-	-	-	(211)	(92)	(303)
Total comprehensive income for the period	-	-	-	(211)	-	-	-	-	1,381	1,170	(93)	1,077
Balance as at 31 December 2018	63,280	(9,380)	78,743	(18,797)	229	(183)	3,224	(485)	88,496	205,127	53,579	258,706

The Company	Share Capital S\$'000	Treasury Share S\$'000	Equity Reserve S\$'000	Retained Earnings S\$'000	Total Equity S\$'000
At 1 October 2017	63,280	(9,357)	229	2,306	56,458
Total comprehensive income for the period					
Loss for the period	-	-	-	(29)	(29)
Total comprehensive income for the period	-	-	-	(29)	(29)
Balance as at 31 December 2017	63,280	(9,357)	229	2,277	56,429
At 1 October 2018	63,280	(9,380)	(1,077)	2,184	55,007
Total comprehensive income for the period					
Loss for the period	-	-	-	(95)	(95)
Total comprehensive income for the period	-	-	-	(95)	(95)
Balance as at 31 December 2018	63,280	(9,380)	(1,077)	2,089	54,912



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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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 2018	394,066,518	63,280	33,471,600	9,357
Changes in share capital	-	-	-	-
As at 31 December 2018	394,066,518	63,280	33,471,600	9,357

The total number of issued shares excluding treasury shares of the Company as at 31 December 2018 was 360,594,918 (31 December 2017: 360,694,918). The Company held 33,471,600 treasury shares, constituting 9.28% of the total number of ordinary shares outstanding excluding treasury shares, as at 31 December 2018 (31 December 2017: 33,371,600 constituting 9.25% of the total number of ordinary shares outstanding excluding treasury shares).

The Company had no subsidiary holdings as at 31 December 2018 and 31 December 2017.

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.

	31/12/2018	30/09/2018
Total number of issued shares	394,066,518	394,066,518
Total number of treasury shares	(33,471,600)	(33,471,600)
Total number of issued shares excluding treasury shares	<u>360,594,918</u>	<u>360,594,918</u>

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current period reported on.

As at 31 December 2018, there were no sales, transfers, cancellation and/or use of treasury shares.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

As at 31 December 2018, there were no subsidiary holdings.

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 2018.

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 Singapore Financial Reporting Standards (International) ("SFRS(I)") and interpretations of SFRS(I) ("INT SFRS(I)s") that are relevant to its operations and effective for the financial period beginning on or after 1 October 2018.

The adoption of SFRS(I) and INT SFRS(I)s 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 31/12/2018 (1Q2019)	3 months ended 31/12/2017 (1Q2018)
Earnings per ordinary share for the period (cent)	0.38	0.07
Weighted average number of ordinary shares in issue (excluding treasury shares)	360,594,918	360,694,918

The basic and diluted earnings per share are the same as there were no potentially dilutive ordinary shares in issue as at 31 December 2018 and 30 December 2017.

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	
	31/12/2018	30/09/2018	31/12/2018	30/09/2018
Net asset value per ordinary share, based on issued share capital (excluding treasury shares)	56.88 cents	56.56 cents	15.23 cents	15.25 cents
Number of issued shares (excluding treasury shares)	360,594,918	360,594,918	360,594,918	360,594,918

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

Revenue decreased by \$6.7 million to \$3.6 million in 1Q2019 from \$10.2 million in 1Q2018 mainly due to higher revenue recognised in 1Q2018 from the sales of

- (i) mixed residential/commercial project, The Citron and Citron Residences; and
 - (ii) strata terrace landed residential project, The Morris Residences,
- as compared to the revenue generated from the sale of a landed terrace house in 1Q2019.

Cost of sales and gross profit

Cost of sales decreased by \$6.8 million to \$2.9 million in 1Q2019 from \$9.7 million in 1Q2018, in line with decrease in revenue. Therefore, gross profit for 1Q2019 was \$0.6 million compared to \$0.4 million in 1Q2018. Gross profit margin increased by 12.7% to 17.2% in 1Q2019 from 4.5% in 1Q2018, mainly due to higher margin from sale of a landed terrace house in 1Q2019.

Administrative expenses

Administrative expenses remained relatively stable at \$1.2 million in 1Q2019 and 1Q2018.

Finance costs

Finance costs decreased by \$0.03 million to \$0.23 million in 1Q2019 from \$0.26 million in 1Q2018, mainly due to repayment of bank loans.

Share of associates' results

Share of associates' results changed by \$0.9 million to a profit of \$2.0 million in 1Q2019 from a profit of \$1.1 million in 1Q2018. This was mainly due to share of profits from associate.

Profit before taxation

Profit before taxation was \$1.4 million in 1Q2019, compared to profit before taxation of \$0.3 million in 1Q2018. This was mainly attributable to increase in share of associates' results of \$0.9 million and increase in gross profit of \$0.2 million.

Other comprehensive income

Foreign currency translation differences arose mainly from the appreciation in Malaysia Ringgit in 1Q2019 and 1Q2018 for the investments in Malaysian entities.

Assets

Property, plant and equipment decreased by \$0.1 million to \$2.8 million as at 31 December 2018 from \$2.9 million as at 30 September 2018 mainly due to depreciation charged for the period.

Investment properties increased by \$0.8 million to \$88.8 million in 31 December 2018 from \$88.0 million in 30 September 2018, mainly due to the acquisition of an investment property during the period.

Trade and other receivables increased by \$3.1 million to \$19.9 million as at 31 December 2018 from \$16.9 million as at 30 September 2018 mainly due to deposits paid for the acquisition of development properties and advances made to associates.

Development properties for sale increased by \$1.3 million to \$206.9 million as at 31 December 2018 from \$205.6 million as at 30 September 2018 mainly due to costs incurred on new and on-going projects, partially offset by the recognition of a development property sold and translation differences arising from Malaysian development properties.



Liabilities

Trade and other payables increased by \$2.0 million to \$13.5 million as at 31 December 2018 from \$11.5 million as at 30 September 2018 mainly due to advances from associate.

Bank borrowings increased by \$1.9 million to \$66.3 million as at 31 December 2018 from \$64.4 million as at 30 September 2018 mainly due to project financing on investment property and development properties, partially offset by repayment of bank loans.

Deferred tax liabilities remained relatively stable at \$9.5 million as at 31 December 2018 and 30 September 2018.

Net Working Capital

The Group's net working capital decreased by \$1.2 million to \$169.0 million as at 31 December 2018 from \$170.2 million as at 30 September 2018 mainly due to decrease in cash and cash equivalents, increase in bank borrowings as well as trade and other payables, partially offset by increase in trade and other receivables and development properties for sale.

Capital and reserves

Retained earnings increased by \$1.4 million to \$88.5 million as at 31 December 2018 from \$87.1 million as at 30 September 2018 mainly due to profit attributable to equity holders for the period.

Statement of cash flows

The net cash used in operating activities for 1Q2019 was \$2.9 million. This was mainly due to increase in development properties for sale of \$1.4 million, increase in trade and other receivables of \$0.8 million and decrease in trade and other payables of \$0.5 million, partially offset by profit before tax of \$1.4 million, adjustments amounting to \$0.2 million for interest expense and share of profits of associates of \$2.0 million.

The net cash used in investing activities for 1Q2019 was \$3.2 million. This was mainly due to advances to associates of \$2.4 million and acquisition of an investment property of \$0.8 million, partially offset by repayment from associates of \$0.2 million.

The net cash generating from financing activities for 1Q2019 was \$3.9 million. This was mainly due to by proceeds from bank loans of \$4.0 million and advances from an associate of \$2.4 million, partially offset by repayment of bank loans of \$2.1 million and interest paid of \$0.4 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

According to the URA real estate statistics released on 25 January 2019, prices of private residential properties decreased by 0.1% in 4th Quarter 2018, compared with the 0.5% increase in the previous quarter. For the whole of 2018, prices of private residential properties increased by 7.9%, compared with the 1.1% increase in 2017.

The Group believes the outlook for Singapore residential property market remains challenging in the next 12 months. We will exercise prudence when replenishing our land bank in view of rising land and project development costs. The Group will continue to monitor supply and demand in the Singapore property market and refine our investment strategy. The Group remains committed to the Singapore market, whilst actively exploring opportunities overseas.



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

Dividend declared for the corresponding period of the immediately preceding financial year.

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

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

14 February 2019