



GOODLAND GROUP LIMITED

良園集團

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

Unaudited Second Quarter And Half Year Financial Statements
Announcement for the Financial Period Ended 31 March 2019



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 31/3/2019 (2Q2019) S\$'000	3 months ended 31/3/2018 (2Q2018) S\$'000	Increase/ (Decrease) %	6 months ended 31/3/2019 (1H2019) S\$'000	6 months ended 31/3/2018 (1H2018) S\$'000	Increase/ (Decrease) %
Revenue	3,791	16,733	(77)	7,352	26,951	(73)
Cost of sales	(3,426)	(16,578)	(79)	(6,375)	(26,336)	(76)
Gross profit	365	155	135	977	615	59
Other operating income	213	292	(27)	392	485	(19)
Finance income	9	-	N/M	19	4	N/M
Administrative expenses	(1,760)	(1,681)	5	(2,941)	(2,862)	3
Finance costs	(328)	(432)	(24)	(554)	(693)	(20)
Other operating expenses	-	(416)	(100)	(54)	(425)	(87)
Share of results of associated companies	1,752	2,616	(33)	3,791	3,670	3
Profit before taxation	251	534	(53)	1,630	794	105
Income tax	(63)	6	N/M	(63)	6	N/M
Profit for the period	188	540	(65)	1,567	800	96
Other comprehensive income:						
Foreign currency translation differences	1,317	4,723	(72)	1,015	8,609	(88)
	1,317	4,723	(72)	1,015	8,609	(88)
Total comprehensive income	1,505	5,263	(71)	2,582	9,409	(73)
Profit attributable to:						
Equity holders of the Company, net of tax	186	535	(65)	1,566	792	98
Non-controlling interests, net of tax	2	5	(60)	1	8	(88)
	188	540	(65)	1,567	800	96
Total comprehensive income attributable to:						
Equity holders of the Company, net of tax	1,109	3,844	(71)	2,277	6,823	(67)
Non-controlling interests, net of tax	396	1,419	(72)	305	2,586	(88)
	1,505	5,263	(71)	2,582	9,409	(73)

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 31/3/2019	3 months ended 31/3/2018	Increase/ (Decrease)	6 months ended 31/3/2019	6 months ended 31/3/2018	Increase/ (Decrease)
	(2Q2019) S\$'000	(2Q2018) S\$'000	%	(1H2019) S\$'000	(1H2018) S\$'000	%
After charging:						
Depreciation of property, plant and equipment	108	125	(14)	217	245	(11)
Finance costs	328	432	(24)	554	693	(20)
Loss on disposal of property, plant and equipment	-	-	N/M	-	9	(100)
Fair value loss on financial assets, through profit or loss	-	-	N/M	54	-	N/M
Write down in value of development properties for sale	-	416	(100)	-	416	N/M
and crediting:						
Finance income	9	-	N/M	19	4	375
Rental income	176	145	21	345	246	40
Fair value gain on financial assets, through profit or loss	18	58	(69)	-	87	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 31/3/2019 S\$'000	Group Audited 30/9/2018 S\$'000 (Restated)	Company Unaudited 31/3/2019 S\$'000	Company Audited 30/9/2018 S\$'000
Non-current assets				
Property, plant and equipment	2,695	2,887	-	-
Investment properties	88,985	88,009	-	-
Subsidiaries	-	-	11,519	11,519
Associates	14,392	10,601	-	-
Financial asset	10,295	10,295	-	-
Deferred tax assets	41	59	-	-
	<u>116,408</u>	<u>111,851</u>	<u>11,519</u>	<u>11,519</u>
Current assets				
Trade and other receivables	20,751	16,880	64,271	64,595
Other current assets	9	44	17	15
Development properties for sale	206,630	205,590	-	-
Other financial assets	366	421	-	-
Cash and cash equivalents	4,869	8,300	2,165	4,575
	<u>232,625</u>	<u>231,235</u>	<u>66,453</u>	<u>69,185</u>
Less:-				
Current liabilities				
Obligations under finance leases	35	35	-	-
Trade and other payables	13,197	11,491	24,272	25,697
Bank borrowings	51,841	49,482	-	-
Current tax payable	39	37	-	-
	<u>65,112</u>	<u>61,045</u>	<u>24,272</u>	<u>25,697</u>
Net current assets	<u>167,513</u>	<u>170,190</u>	<u>42,181</u>	<u>43,488</u>
Non-current liabilities				
Obligations under finance leases	115	133	-	-
Bank borrowings	15,131	14,787	-	-
Deferred tax liabilities	9,545	9,492	-	-
	<u>24,791</u>	<u>24,412</u>	<u>-</u>	<u>-</u>
Net assets	<u>259,130</u>	<u>257,629</u>	<u>53,700</u>	<u>55,007</u>
Capital and reserves				
Share capital	63,280	63,280	63,280	63,280
Retained earnings	66,414	65,929	877	2,184
Merger reserve	(485)	(485)	-	-
Treasury shares	(9,380)	(9,380)	(9,380)	(9,380)
Currency translation reserve	3,312	2,600	-	-
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>205,154</u>	<u>203,957</u>	<u>53,700</u>	<u>55,007</u>
Non-controlling interests	53,976	53,672	-	-
Total equity	<u>259,130</u>	<u>257,629</u>	<u>53,700</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 31/03/2019		As at 30/09/2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
51,876	-	49,517	-

Amount repayable after one year

As at 31/03/2019		As at 30/09/2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
15,246	-	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.



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 31/3/2019 (2Q2019) S\$'000	Unaudited 3 months ended 31/3/2018 (2Q2018) S\$'000	Unaudited 6 months ended 31/3/2019 (1H2019) S\$'000	Unaudited 6 Months ended 31/3/2018 (1H2018) S\$'000
Cash flows from operating activities				
Profit before taxation	251	534	1,630	794
Adjustments for:-				
Depreciation of property, plant and equipment	108	125	217	245
Write down in value of development properties for sale	-	416	-	416
Loss on disposal of property, plant and equipment	-	-	-	9
Fair value changes on financial assets, at fair value through profit	(18)	(58)	54	(87)
Interest expense	328	432	555	693
Interest income	(8)	-	(20)	(4)
Dividend income	(1)	-	(1)	(3)
Share of associates' results	(1,751)	(2,616)	(3,791)	(3,670)
Operating cash flow before working capital changes	(1,091)	(1,167)	(1,356)	(1,607)
Change in trade and other receivables and other current assets	(743)	25,418	(1,541)	30,518
Change in trade and other payables	617	666	163	1,950
Change in development properties for sale	745	7,480	(661)	10,431
Cash (used in)/generated from operations	(472)	32,397	(3,395)	41,292
Interest received	8	-	20	4
Income tax paid	-	(130)	-	(130)
Net cash (used in)/generated from operating activities	(464)	32,267	(3,375)	41,166
Cash flows from investing activities				
Purchase of property, plant and equipment (Note B)	(5)	(234)	(24)	(286)
Purchase of investment securities	-	(199)	-	(199)
Purchase of investment properties	-	-	(839)	-
Additions to investment properties	(3)	-	(16)	(1)
Payment for investment in associates	-	-	-	(680)
Proceeds from disposal of property, plant and equipment	-	1	-	4
Repayment from associates	-	1,000	153	3,995
Advances to associates	-	(1,580)	(2,445)	(4,039)
Dividend received	1	-	1	3
Net cash used in from investing activities	(7)	(1,012)	(3,170)	(1,203)
Cash flows from financing activities				
Proceeds from bank loans	821	4,371	4,852	8,765
Proceeds from finance lease liabilities	-	127	-	127
Repayment of bank loans	-	(42,446)	(2,149)	(62,253)
Repayment of finance lease liabilities	(9)	(10)	(18)	(23)
Advances from associate	-	-	2,445	-
Interest paid	(529)	(557)	(934)	(1,112)
Dividend paid	(1,082)	(2,164)	(1,082)	(2,164)
Net cash (used in)/generated from financing activities	(799)	(40,679)	3,114	(56,660)
Net changes in cash and cash equivalents	(1,270)	(9,424)	(3,431)	(16,697)
Cash and cash equivalents at beginning of financial year	6,139	17,802	8,300	25,075
Cash and cash equivalents at end of financial period (Note A)	4,869	8,378	4,869	8,378



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Note A

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

	As at 31/3/2019 S\$'000	As at 31/3/2018 S\$'000
Fixed deposits with banks	1,200	-
Cash and bank balances	3,669	8,378
	<u>4,869</u>	<u>8,378</u>
Bank overdraft	-	-
	<u>4,869</u>	<u>8,378</u>

Note B

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

	3 months ended 31/3/2019 (2Q2019) S\$'000	3 months ended 31/3/2018 (2Q2018) S\$'000	6 months ended 31/3/2019 (1H2019) S\$'000	6 Months ended 31/3/2018 (1H2018) S\$'000
Additions to property, plant and equipment	5	234	24	286
Acquired under finance lease agreements	-	-	-	-
Cash payments	<u>5</u>	<u>234</u>	<u>24</u>	<u>286</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	Total Equity
	Share Capital	Treasury Shares	Acquisition Reserve	Currency Translation Reserve	Equity Reserve	Fair Value Reserve	Revaluation Surplus Reserve	Merger Reserve	Retained Earnings	Subtotal		
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
At 1 October 2017	63,280	(9,357)	78,743	(21,186)	229	(468)	3,224	(485)	85,487	199,467	52,075	251,542
Effect of adoption of SFRS(I) 1	-	-	-	21,186	-	-	-	-	(21,186)	-	-	-
At 1 October 2017, as restated	63,280	(9,357)	78,743	-	229	(468)	3,224	(485)	64,301	199,467	52,075	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	2,721	229	(468)	3,224	(485)	64,559	202,446	53,242	255,688
Total comprehensive income for the period												
Profit for the period	-	-	-	-	-	-	-	-	536	536	5	541
Other comprehensive income												
Exchange differences arising from transaction	-	-	-	3,309	-	-	-	-	-	3,309	1,415	4,724
Total other comprehensive income	-	-	-	3,309	-	-	-	-	-	3,309	1,415	4,724
Total comprehensive income for the period	-	-	-	3,309	-	-	-	-	536	3,845	1,420	5,265
Transactions with owners, recognised directly in equity												
Contributions by and distributions to												
Dividend paid	-	-	-	-	-	-	-	-	(2,164)	(2,164)	-	(2,164)
Total contributions by and distributions to owners and total transactions with owners	-	-	-	-	-	-	-	-	(2,164)	(2,164)	-	(2,164)
Balance as at 31 March 2018	63,280	(9,357)	78,743	6,030	229	(468)	3,224	(485)	62,931	204,127	54,662	258,789
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
Effect of adoption of SFRS(I) 1	-	-	-	21,186	-	-	-	-	(21,186)	-	-	-
At 1 October 2018, as restated	63,280	(9,380)	78,743	2,600	229	(183)	3,224	(485)	65,929	203,957	53,672	257,629
Total comprehensive income for the period												
Profit/(loss) 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	2,389	229	(183)	3,224	(485)	67,310	205,127	53,579	258,706
Total comprehensive income for the period												
Profit for the period	-	-	-	-	-	-	-	-	186	186	2	188
Other comprehensive income												
Exchange differences arising from transaction	-	-	-	923	-	-	-	-	-	923	395	1,317
Total other comprehensive income	-	-	-	923	-	-	-	-	-	923	395	1,317
Total comprehensive income for the period	-	-	-	923	-	-	-	-	186	1,109	397	1,505
Transactions with owners, recognised directly in equity												
Contributions by and distributions to												
Dividend paid	-	-	-	-	-	-	-	-	(1,082)	(1,082)	-	(1,082)
Total contributions by and distributions to owners and total transactions with owners	-	-	-	-	-	-	-	-	(1,082)	(1,082)	-	(1,082)
Balance as at 31 March 2019	63,280	(9,380)	78,743	3,312	229	(183)	3,224	(485)	66,414	205,154	53,976	259,130



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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	4,002	58,154
<i>Total comprehensive income for the period</i>					
Loss for the period	-	-	-	(65)	(65)
<i>Total comprehensive income for the period</i>	-	-	-	(65)	(65)
Balance as at 31 December 2017	63,280	(9,357)	229	3,937	58,089
<i>Total comprehensive income for the period</i>					
Loss for the period	-	-	-	(202)	(202)
<i>Total comprehensive income for the period</i>	-	-	-	(202)	(202)
<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 2018	63,280	(9,357)	229	2,653	56,805
At 1 October 2018	63,280	(9,380)	(1,077)	2,184	55,007
<i>Total comprehensive income for the period</i>					
Loss for the period	-	-	-	(95)	(95)
<i>Total comprehensive income for the period</i>	-	-	-	(95)	(95)
Balance as at 31 December 2018	63,280	(9,380)	(1,077)	2,089	54,912
<i>Total comprehensive income for the period</i>					
Loss for the period	-	-	-	(130)	(130)
<i>Total comprehensive income for the period</i>	-	-	-	(130)	(130)
<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 2019	63,280	(9,380)	(1,077)	877	53,700



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 March 2019	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 March 2019 was 360,594,918 (31 March 2018: 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 March 2019 (31 March 2018: 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 March 2019 and 31 March 2018.

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.

	31/03/2019	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 March 2019, 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 March 2019, 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 Singapore Accounting Standards Council (“ASC”) has issued a new Singapore financial reporting framework, Singapore Financial Reporting Standards (International) (“SFRS(I)”). Singapore-incorporated companies listed on the Singapore Exchange are required to apply SFRS(I) for annual periods beginning on or after 1 January 2018.

In adopting SFRS(I), the Group has applied the following:

(a) Application of SFRS(I) First-time Adoption of SFRS(I)

The Group has elected optional exemption in SFRS(I) 1 to set the cumulative translation differences for all foreign operations to be zero at the date of transition, and reclassified the cumulative translation differences of \$21,186,346 as at 1 October 2017 to retained earnings.

After the date of transition, any gain or loss on disposal of any foreign operations will exclude translation differences that arose before the date of transition.

(b) Adoption of SFRS(I) 9 Financial Instruments

The Group has elected to recognise changes in the fair value of its unquoted equity investments through other comprehensive income, which is in line with the current accounting policies of the Group.

(c) Capitalisation of Borrowing Costs for Development Properties Constructed Over Time

In March 2019, IFRS Interpretation Committee (“IFRIC”) issued the Agenda Decision relating to the capitalisation of borrowings costs for the construction of a residential multi-unit real estate development (building). The Board is assessing the impact and will duly notify the shareholders of changes, if any.

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			
	3 months ended 31/03/2019 (2Q2019)	3 months ended 31/03/2018 (2Q2018)	6 months ended 31/03/2019 (6M2019)	6 months ended 31/03/2018 (6M2018)
Earnings per ordinary share for the period (cent)	0.05	0.15	0.43	0.22
Weighted average number of ordinary shares in issue (excluding treasury shares)	360,594,918	360,694,918	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 March 2019 and 31 March 2018.



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	
	31/03/2019	30/09/2018	31/03/2019	30/09/2018
Net asset value per ordinary share, based on issued share capital (excluding treasury shares)	56.89 cents	56.56 cents	14.89 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

2Q2019 vs 2Q2018

Revenue decreased by \$12.9 million to \$3.8 million in 2Q2019 from \$16.7 million in 2Q2018 mainly due to higher revenue recognised in 2Q2018 from the sales of strata terrace landed residential project, The Morris Residences.

1H2019 vs 1H2018

Revenue decreased by \$19.6 million to \$7.4 million in 1H2019 from \$27.0 million in 1H2018 mainly due to higher revenue recognised in 1H2018 from the sales of strata terrace landed units from the residential project, The Morris Residences.

Cost of sales and gross profit

2Q2019 vs 2Q2018

Cost of sales decreased by \$13.2 million to \$3.4 million in 2Q2019 from \$16.6 million in 2Q2018, in line with decrease in revenue. Therefore, gross profit for 2Q2019 was \$0.4 million compared to \$0.2 million in 2Q2018. Gross profit margin increased by 8.7% to 9.6% in 2Q2019 from 0.9% in 2Q2018, mainly due to higher margin from the sale of a landed terrace house in 2Q2019.

1H2019 vs 1H2018

Cost of sales decreased by \$19.9 million to \$6.4 million in 1H2019 from \$26.3 million in 1H2018, in line with decrease in revenue. Therefore, gross profit for 1H2019 was \$1.0 million compared to \$0.6 million in 1H2018. Gross profit margin increased by 11.0% to 13.3% in 1H2019 from 2.3% in 1H2018, mainly due to higher margin from the sale of landed terrace houses in 1H2019.

Administrative expenses

2Q2019 vs 2Q2018

Administrative expenses increased by \$0.1 million to \$1.8 million in 2Q2019 from \$1.7 million in 2Q2018 million mainly due to increase in salaries and related expenses for employees of the Group in 2Q2019.

1H2019 vs 1H2018

Administrative expenses remained relatively stable at \$2.9 million in 1H2019 and 1H2018.



Finance costs

2Q2019 vs 2Q2018

Finance costs decreased by \$0.1 million to \$0.3 million in 2Q2019 from \$0.4 million in 2Q2018, mainly due to repayment of bank loans.

1H2019 vs 1H2018

Finance costs decreased by \$0.1 million to \$0.6 million in 1H2019 from \$0.7 million in 1H2018, mainly due to repayment of bank loans.

Other operating expenses

2Q2019 vs 2Q2018

Other operating expenses incurred in 2Q2018 was mainly due to write down in value of development properties for sale of \$0.4 million.

1H2019 vs 1H2018

Other operating expenses incurred in 1H2018 was mainly due to write down in value of development properties for sale of \$0.4 million.

Share of associates' results

2Q2019 vs 2Q2018

Share of associates' results changed by \$0.8 million to a profit of \$1.8 million in 2Q2019 from a profit of \$2.6 million in 2Q2018. This was mainly due to share of profits from associate.

1H2019 vs 1H2018

Share of associates' results changed by \$0.1 million to a profit of \$3.8 million in 1H2019 from a profit of \$3.7 million in 1H2018. This was mainly due to share of profits from associate.

Profit before taxation

2Q2019 vs 2Q2018

Profit before taxation decreased by \$0.2 million to \$0.3 million in 2Q2019 from \$0.5 million in 2Q2018. This was mainly attributable to decrease in share of associates' results of \$0.8 million, partially offset by increase in gross profit of \$0.2 million and decrease in other operating expenses of \$0.4 million which was due mainly to the write down in value of development properties in 2Q2018.

1H2019 vs 1H2018

Profit before taxation increased by \$0.8 million to \$1.6 million in 1H2019 from \$0.8 million in 1H2018. This was mainly attributable to increase in share of associates' results of \$0.1 million, increase in gross profit of \$0.4 million and decrease in other operating expenses of \$0.4 million due mainly to the write down in value of development properties in 1H2018.

Other comprehensive income

2Q2019 vs 2Q2018

Foreign currency translation differences arose mainly from the appreciation in Malaysia Ringgit in 2Q2019 and 2Q2018 for the investments in Malaysian entities.

1H2019 vs 1H2018

Foreign currency translation differences arose mainly from the appreciation in Malaysia Ringgit in 1H2019 and 1H2018 for the investments in Malaysian entities.

Assets

Property, plant and equipment decreased by \$0.2 million to \$2.7 million as at 31 March 2019 from \$2.9 million as at 30 September 2018 mainly due to depreciation charged for the period.

Investment properties increased by \$1.0 million to \$89.0 million as at 31 March 2019 from \$88.0 million as at 30 September 2018, mainly due to the acquisition of an investment property during the period.

Associates increased by \$3.8 million to \$14.4 million as at 31 March 2019 from \$10.6 million as at 30 September 2018, mainly due to share of results of associates.



Trade and other receivables increased by \$3.9 million to \$20.8 million as at 31 March 2019 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 \$1.0 million to \$206.6 million as at 31 March 2019 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 \$1.7 million to \$13.2 million as at 31 March 2019 from \$11.5 million as at 30 September 2018 mainly due to advances from associate.

Bank borrowings increased by \$2.7 million to \$67.1 million as at 31 March 2019 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 March 2019 and 30 September 2018.

Net Working Capital

The Group's net working capital decreased by \$2.7 million to \$167.5 million as at 31 March 2019 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 \$0.5 million to \$66.4 million as at 31 December 2018 from \$65.9 million as at 30 September 2018 mainly due to profit attributable to equity holders for the period and dividends paid.

Statement of cash flows

2Q2019

The net cash used in operating activities for 2Q2019 was \$0.5 million. This was mainly due increase in trade and other receivables of \$0.7 million and adjustment for share of profits of associates of \$1.8 million, partially offset by profit before tax of \$0.3 million, decrease in development properties for sale of \$0.7 million, and increase in trade and other payables of \$0.6 million, and adjustments for depreciation of \$0.1 million and interest expense of \$0.3 million.

The net cash used in investing activities for 2Q2019 was \$0.007 million.

The net cash used in financing activities for 2Q2019 was \$0.8 million. This was mainly due to dividends paid of \$1.1 million and interest paid of \$0.5 million, partially offset by proceeds from bank loans of \$0.8 million,

1H2019

The net cash used in operating activities for 1H2019 was \$3.4 million. This was mainly due to increase in trade and other receivables of \$1.5 million, increase in development properties for sale of \$0.7 million, and adjustment for share of profits of associates of \$3.8 million, partially offset by profit before tax of \$1.6 million, increase in trade and other payables of \$0.2 million and adjustment for depreciation of \$0.2 million and interest expense of \$0.6 million.

The net cash used in investing activities for 1H2019 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 generated from financing activities for 1H2019 was \$3.1 million. This was mainly due to by proceeds from bank loans of \$4.9 million and advances from an associate of \$2.4 million, partially offset by repayment of bank loans of \$2.2 million, dividends paid of \$1.1 million and interest paid of \$0.9 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 26 April 2019, prices of private residential properties decreased by 0.7% in 1st Quarter 2019, compared with the 0.1% decrease in the previous quarter.

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

Dividend declared for the current financial period reported on.

Name of Dividend	Interim
Type of Dividend	Cash
Dividend amount per ordinary share	0.15 Singapore cent
Tax Rate	Tax exempt (one-tier)

(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

On or about 4 June 2019

(d) Books closure date

Notice is hereby given that the Share Transfer Books and Register of Members of the Company will be closed on 23 May 2019 for the purpose of determining members' entitlements to the interim tax exempt (one-tier) dividend of 0.15 Singapore cent ("Interim Dividend") per ordinary share.

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 23 May 2019 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 23 May 2019 will be entitled to the Interim Dividend.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

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

9 May 2019