



*A Journey of  
Uncovering  
Treasures*

Annual Report 2010



where the search for your dream home never ends...

## Contents

01	Corporate Information	12	Our Projects
04	Chairman's Statement	16	Board of Directors
07	Financial Highlights	19	Key Executive Officers
10	Financial Review	20	Financial Contents

This annual report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this annual report.

This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact person for the Sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-02 Equity Plaza, Singapore 049705.



# Corporate Information

## Board of Directors

Ben Tan Chee Beng  
*Executive Chairman*

Alvin Tan Chee Tiong  
*Chief Executive Officer and Group  
Managing Director*

Melanie Tan Bee Bee  
*Executive Director*

Wong Ming Kwong  
*Non-Executive Director*

Dr Wu Chiaw Ching  
*Lead Independent Director*

Raymond Lye Hoong Yip  
*Independent Director*

## Audit Committee

Dr Wu Chiaw Ching (Chairman)  
Wong Ming Kwong  
Raymond Lye Hoong Yip

## Nominating Committee

Raymond Lye Hoong Yip (Chairman)  
Wong Ming Kwong  
Dr Wu Chiaw Ching

## Remuneration Committee

Dr Wu Chiaw Ching (Chairman)  
Wong Ming Kwong  
Raymond Lye Hoong Yip

## Company Secretary

Shirley Lim Guat Hua, ACIS

## Registered Office

18 Roberts Lane  
#02-01/02 Goodland Building  
Singapore 218297  
Tel: +65 6289 0003  
Fax: +65 6289 3818  
www.goodlandgroup.com.sg

## Share Registrar

B.A.C.S. Private Limited  
63 Cantonment Road  
Singapore 089758

## Sponsor

PrimePartners Corporate  
Finance Pte. Ltd.  
20 Cecil Street  
#21-02 Equity Plaza  
Singapore 049705

## Auditors

Moore Stephens LLP  
Certified Public Accountants  
10 Anson Road  
#29-15 International Plaza  
Singapore 079903

Audit Partner-in-charge  
Neo Keng Jin  
(a member of the Institute of Certified Public  
Accountants of Singapore)  
Date of Appointment: 28 March 2009



# Uncovering

the Hidden

# Treasures...

Since the incorporation of the company in 2004, our aim has always been to provide you with an ultimate modern living experience that you have never come across. Be it an undeveloped land, or a heritage, our vision is to uncover the beauty of it, by adding on our unique architecture and stylish design that embraces both heritage and modern touch.



# Completed Projects



The Silver SpurZ  
29 Brighton Avenue



Le Royce@  
Leith Park



1062 & 1064  
Sembawang Road



79 & 79A  
Jalan Bumbong



12 Chiap Guan Avenue



Vetro  
22A Mar Thoma Road

# Chairman's Statement

“

This year marks our second successful year as a listed company. I am pleased to present our annual results for the financial year ended 30 September 2010.

”



**Tan Chee Beng**  
chairman

Dear Shareholders,

This year marks our second successful year as a listed company on the Catalist of the Singapore Exchange Securities Trading Limited. I am pleased to present our Group's annual results for the financial year ended 30 September 2010 ("FY2010"). While the business environment has been competitive and challenging with pressures on our gross profit margins, we have responded with agility and foresight and concluded the financial year with another set of profitable results.

Our Group's revenue saw a slight dip of 3.9% or \$0.3 million from \$8.5 million for the financial year ended 30 September 2009 ("FY2009") to \$8.2 million in FY2010. The decrease was mainly attributable to lower revenue from the sale of development properties of \$2.2 million in FY2010 as compared to \$3.1 million in FY2009. Our Group adopts the completion method for the sale of development properties where revenue is recorded upon the receipt of the Temporary Occupation Permit ("TOP"). As such, revenues from our then ongoing larger projects are not recognised.

However, the slight decrease in revenue was mitigated by the increase in construction revenue from \$5.4 million in FY2009 to \$6.0 million in FY2010 as construction revenue was recorded in accordance to the stage of completion.

In tandem with the decline in our revenue, gross profits declined from \$2.3 million in FY2009 to \$1.4 million in FY2010. With the completion of Vetro condominium project, the share of profits of one of our associated companies, namely AG Development (Mar Thoma) Pte. Ltd. ("**AG Development**") contributed largely to the share of results earned from associated companies amounting to \$992,000 in FY2010. This was in contrast with a share of losses in FY2009 for AG Development which was mainly due to high operational expenses. The share of profits of associated companies in FY2010 contributed to a 113% increase in net profit after taxation from \$519,000 in FY2009 to \$1.1 million in FY2010.

On a per share basis, earnings per ordinary share (basic and diluted) was 0.70 cents in FY2010, compared with 0.85 cents in FY2009. Our Group's net asset value per ordinary share was 9.17 cents in FY2010, compared with 7.81 cents in FY2009.

### Market Outlook and Business Development Strategy

The local property market had been active over much of 2009 and 2010. According to the statistics announced by the Urban Redevelopment Authority (URA) on 22 October 2010, overall prices of private residential properties increased by 2.9% in the 3rd quarter of 2010, compared with 5.3% in the corresponding quarter in 2009. There has also been news announced by the government about property cooling measures. Its newly introduced policies for stricter lending and higher down-payment terms, along with increases in the stamp duty, are targeted at preventing speculation in a robust property market. While such measures have led, and we believe will continue to lead, to lower transactional volumes and moderation in local property prices, we believe that such broad industry measures will not deter genuine property buyers, but will instead lead to a stable and more sustainable property market. We have always planned for the medium to long-term and thus we believe that these measures will on balance be positive for us and the property industry in the longer term. Indeed, over the past years, we have utilised capital from our initial public offering in 2009 as well as additional cash reserves

# Chairman's Statement

of \$4.3 million from a share placement completed in October 2010, to acquire new land banks for development. With such enhanced land reserves for developing landed and non-landed properties, we will have a ready and diverse mix of assets for property development to react to future business dynamics in the property sector. Added to that is our financial strength, with improved total shareholders' equity of \$14.7 million as at the end of FY2010, compared with \$10.1 million the previous financial year.

Meanwhile, our construction business segment has a healthy pipeline of projects from our property development business segment. We are concurrently exploring business opportunities outside our Group's business projects. More broadly speaking, to enhance our growth and manage our risk, we are looking beyond our current operations and exploring opportunities in countries like Malaysia and China for potential growth prospects.

## Conclusion

As a founding member of Goodland, I am pleased with the steady progress of our Group over the years. We assiduously seek to develop our expertise in property construction, where quality control, expert design and careful finishing can be ensured, as one of our key strengths. While the year ahead will have its challenges both in Singapore and in the wider global economic environment, compounded by uncertain prospects in the developed West, we are cautiously optimistic that our strategies and strengths will stand us in good stead.

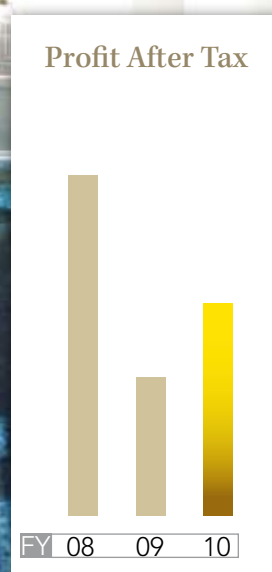
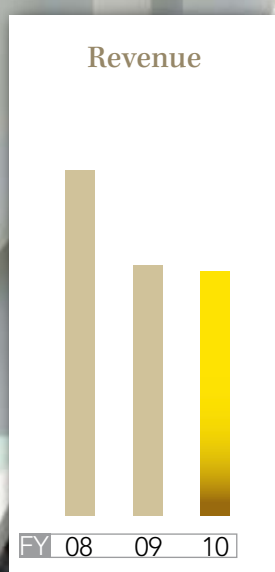
In conclusion, on behalf of the Board, we are thankful for your encouragement and continued support. We would also like to extend our gratitude to our business partners, fellow board members, management and staff. I look forward to your counsel, dedication and support in the year ahead.

**Tan Chee Beng**  
Chairman



# Financial Highlights

	FY2008 \$	FY2009 \$	FY2010 \$
Revenue	11,531,867	8,554,293	8,218,658
Profit Before Tax	6,161,571	462,473	1,073,053
Profit After Tax	5,099,404	519,002	1,106,765
Profit Attributable to Equity Holders	5,065,768	483,610	1,113,451
Total Assets	24,242,590	22,598,893	49,098,661
Total Liabilities	14,491,728	12,357,949	34,338,575
Shareholders' Equity	9,750,862	10,145,440	14,659,541
EPS (Basic and diluted) <sup>(1)</sup>	9.04 cents	0.85 cents	0.70 cents
Net Asset Value per share	16.03 cents	7.81 cents	9.17 cents



<sup>(1)</sup> Diluted earnings per share are the same as basic earnings per share because there were no potential dilutive ordinary shares existing in the respective financial years.





# Showcasing the Polished Treasures...

From a lush green sanctuary that exudes immense class to luxurious abode with touches of architectural grandeur, we provide you with prestigious development with lavish serenity and exquisite design. We constantly strive to provide a luxurious and exclusive living, bringing you closer to what you aspire as a dream home.



# Featured Projects



The Aristo@Amber  
23 Amber Road

Suites@Topaz  
3 Topaz Road

Be the prestigious few to own a piece of heritage.

The Aristo, a prestigious development that is a brilliant hybrid of heritage and modernity - luxurious and exclusive living while retaining the uniquely historical and architectural elements of the old Butterfly House.

The world-class entrance foyer and lobby, for instance, enable you to experience grandeur, opulence and glamour everytime you come home to The Aristo, where each of its 56 units is lavishly designed with you in mind.. it just simply dazzling!

Showcasing 46 exclusive freehold apartments with a perfect blend of modernity and tranquility. Strategically located near MRT Station, major expressways and shopping mall, from shopping and dining to entertainment, everything is just a stone's throw away, delivering a perfect combination of convenience and exclusivity. The well-furnished 5-storey residential flat with attic and mechanised car park also allows residents to take a refreshing dip in the swimming pool or sweat it out in the gym, displaying great stature and sophistication, while captivating at every glance.



# Financial Review

In the FY2010, our Group booked revenues of \$8.2 million, a decrease of \$0.3 million or 3.9% from \$8.5 million in FY2009. This decrease was mainly due to lower revenue from the sale of development property from \$3.1 million in FY2009 to \$2.2 million in FY2010. The Group adopts the completion method for the sale of development properties where revenue is booked upon the receipt of the Temporary Occupation Permit ("TOP"). As such, sales are recognised only after the TOP is obtained. However, this was mitigated by the increase in construction revenue from \$5.4 million in FY2009 to \$6.0 million in FY2010 as construction revenue is recognised according to the stage of completion.

## Business Segments

Analysing our sales according to business segments, sale of development properties saw revenue of \$2.2 million while construction revenue was \$6.0 million. This compares with \$3.1 million and \$5.4 million respectively the year before.

## Cost of Sales

Cost of sales increased \$0.6 million from \$6.2 million in FY2009 to \$6.8 million in FY2010, resulting in lowered gross profits year-on-year from \$2.3 million in FY2009 to \$1.4 million in FY2010. Gross profit margins consequently saw a reduction from 27.1 % to 17.3% over this period.

## Other Operating Income

Other operating income comprised mainly the gain on revaluation of investment property of \$1.0 million and rental income of \$0.5 million. In the preceding year of FY2009, the Group recorded rental income of \$0.5 million and a gain on disposal of investment property of \$0.1 million.

## Administration Expenses

With increased expenses after listing, higher professional fees and new recruitment of qualified management staff, administrative expenses increased by \$0.7 million to \$2.5 million in FY2010, as opposed to \$1.8 million in FY2009.

## Associated Companies

With completion of our Vetro condominium project during the year, the share of results from our associated company, AG Development (Mar Thoma) Pte. Ltd. was \$992,000, compared with a share of the loss of \$348,000 in the previous year due to operating expenses then.

## Net Profits

Net profits grew 113% from \$519,000 in FY2009 to \$1.1 million in FY2010 primarily due to the increased contribution from the associated companies with the completion of the Vetro condominium project as well as increased operating income, offset by the lower gross profits and higher administrative expenses.

## Balance Sheet

Trade and other receivables increased from \$2.3 million as at 30 September 2009 to \$5.8 million as at 30 September 2010 as amounts receivable from associated companies and the sale of development property increased. Other current assets of \$2.1 million in FY2009 was mainly related to the expenses incurred from the Initial Public Offer ("IPO") offset against share capital in FY2010 with the issuance of 30 million new shares. Cash and bank balances increased from \$1.4 million as at 30 September 2009 to \$3.6 million as at 30 September 2010.

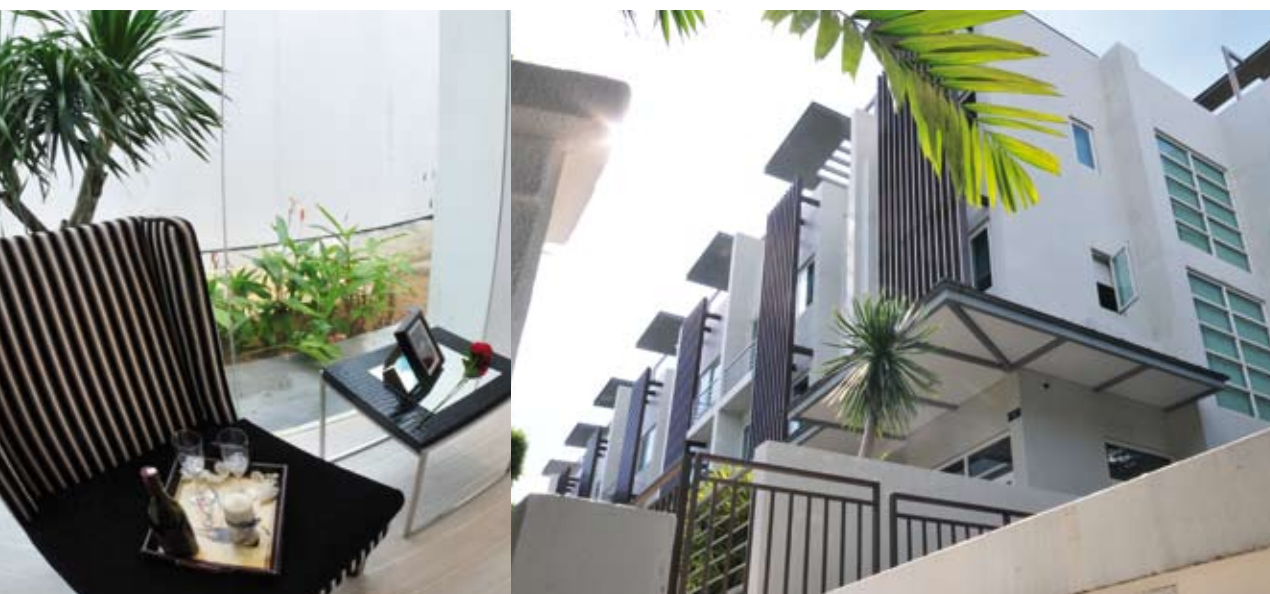
With the purchase of a number of new land banks for property development purposes during the financial year, development properties for sale which are expected to obtain TOP and be sold in the next 12 months grew by \$13.3 million.

Under non-current assets, property, plant and equipment increased from \$1.0 million as at 30 September 2009 to \$1.6 million as at 30 September 2010 mainly due to the purchase of a strata-titled factory unit at Northstar for ancillary office and warehousing usage of the Group's construction arm. Investment properties reduced from \$15.2 million as at 30 September 2009 to \$13.4 million as at 30 September 2010 as the Group transferred one of its existing investment properties located at 219A Ponggol Seventeenth Avenue, Singapore to development properties for sale, with the change in use by management during the year.

Trade and other payables increased from \$2.8 million as at 30 September 2009 to \$8.1 million as at 30 September 2010 as the Group received deposits from certain property unit buyers and the increased amount due to associated companies.

### Capital and Reserves

Share capital increased from \$916,000 as at 30 September 2009 to \$4.3 million as at 30 September 2010 as the Company issued 30 million new ordinary shares at \$0.20 each pursuant to its IPO and offset \$2.6 million of issue expenses against the share capital. Total reserves increased from \$9.2 million as at 30 September 2009 to \$10.3 million as at 30 September 2010 due to profit for the year.



### Cash Flow

Cash and cash equivalents as at 30 September 2010 were \$2.1 million as compared to a deficit of \$0.8 million as at 30 September 2009. Net cash flow used in operations was \$17.4 million in FY2010 compared with cash inflow of \$1.8 million in FY2009. The cash used was primarily for purchase of land banks for developing properties and higher receivables. This was partially reduced by the higher payables.

Net cash used in investing was \$1.4 million in FY2010 mainly due to the investment in an associated company and the purchase of property, plant and equipment. Net cash generated from financing was \$21.7 million in FY2010 mainly due to the \$3.4 million net proceeds from the issuance of 30 million new shares and the net proceeds from borrowings of \$17.7 million.

# Our Projects

## Completed Projects



### Jalan Bumbong

Location : 79/79A Jalan Bumbong  
Tenure : Freehold  
Type : 3-storey semi-detached dwelling house



### Le Royce@Leith Park

Location : 8/8A/8B, 10/10A, 12/12A Leith Park  
Tenure : Freehold  
Type : Cluster of 3-storey strata terrace houses with basement car parks



### Chiap Guan Avenue

Location : 12 Chiap Guan Avenue  
Tenure : Freehold  
Type : 3-storey terrace dwelling house



### The Silver SpurZ

Location : 29/A/B/C/D/E/F Brighton Avenue  
Tenure : Freehold  
Type : Cluster comprising of 2 pairs of 2-storey strata semi-detached dwelling houses and 3 units of 2-storey strata terrace dwelling houses (each with a basement and attic)

12



### Sembawang Road

Location : 1062/1064 Sembawang Road  
Tenure : Freehold  
Type : 3-storey semi-detached dwelling house with roof terrace



### Eden Grove

Location : 43 Eden Grove  
Tenure : Freehold  
Type : 3-storey intermediate terrace house with roof terrace



### Vetro

Location : 22A Mar Thoma Road  
Tenure : 999 years  
Type : 17-storey residential apartment with a basement, swimming pool and roof garden



## Current/Ongoing Projects

### Jalan Senang

Location : 79A Jalan Senang  
Tenure : Freehold  
Type : 3-storey intermediate terrace house with Roof Terrace



### The Aristo@Amber

Location : 23 Amber Road  
Tenure : Freehold  
Type : 18-storey residential apartment building (comprising 54 residential units and 2 units for an existing conservation house), a basement mechanical car park, swimming pool and communal facilities



### Suites@Topaz

Location : 3 Topaz Road  
Tenure : Freehold  
Type : 5 storey residential flat of 46 units with attic with swimming pool, gym and mechanised car park



### Jalan Waringin

Location : 15 Jalan Waringin  
Tenure : Freehold  
Type : 3-storey intermediate terrace house with Roof Terrace



### Pennefather Rd

Location : 27 & 29 Pennefather Rd  
Tenure : Freehold  
Type : A pair of 3 storey semi-detached houses with an attic and roof terrace



and Continuing  
the Journey of  
**Uncovering**  
many more

Our passion and commitment in building residential and commercial projects of lasting value and excellent quality keep us going to provide high-class property with elegant design till today. We believe that this journey will never stop and this passion will never end. We will continue to deliver, transforming your DREAMS into REALITY.

## Projects to be launched

Projects	Location	No of units	Description	Tenure
Royce Residences	6, 10 & 12 Lorong 6 Geylang	40	"8 storey residential apartments with mechanical parking and roof terrace"	Freehold
The Shoreline Bungalows	219 /A/B/C Ponggol Seventeenth Avenue	4	Proposed 4 Units of 2 Storey Cluster Bungalows with communal facilities and a swimming pool.	Freehold
Inggu Road, Sembawang Greenvale Phase 3	Land Parcel 789 at Inggu Road	6	6 Units of 3 Storey Terrace Dwelling Houses with 1 Corner and 5 Intermediate Units with private lift, lap pools and roof garden.	Freehold
Wak Hassan Drive, Sembawang Greenvale Phase 3	Land Parcel 791 at Wak Hassan Drive	10	10 Units of 3 Storey Terrace Dwelling Houses with 2 Corner and 8 Intermediate Units with private lift, lap pools and roof garden.	Freehold
Jalan Tanjong	6 Jalan Tanjong	1	1 Unit of 3 Storey Intermediate Terrace Dwelling House with a roof garden.	Freehold
Kim Chuan Lane	3 Kim Chuan Lane	TBA	Proposed 8 Storey Industrial Building.	Freehold
Jln Dr Lim Chwee Leong (Penang)	Nos. 204/206/208 Jalan Dr. Lim Chwee Leong	TBA	Proposed boutique hotel consists of 55 rooms	Freehold

<sup>(1)</sup> Development name is yet to be finalized

<sup>(2)</sup> Development is still "under the planning stage"

<sup>(3)</sup> The purchases of these land banks are not completed and will be completed in the 1st quarter of 2011.



# Board of Directors

Wong Ming Kwong

Raymond Lye

Melanie Tan

Dr Wu Chiaw Ching



Alvin Tan

Ben Tan

## Ben Tan Chee Beng

### Chairman

Mr Ben Tan was appointed as the Executive Director on 6 May 2004 and is the Chairman of the Board of Directors, primarily responsible for overseeing the business operations of the Group. Prior to joining the Group, Mr Ben Tan was a civil engineer at the Housing and Development Board of Singapore, where he was responsible for supervising civil engineering works, building foundation works and sewage construction in government housing projects from 1992 to June 1994. In July 1994, he became a director of Goodland Development Pte Ltd., which started as a civil engineering firm involved in public infrastructure projects commissioned by government agencies such as the PUB, NParks and the Public Roads Department. Together with the other co-founder, Mr Alvin Tan, Mr Ben Tan continued growing the business of the Company to include property development in 1994, initially undertaking smaller-sized design-and-build projects comprising semi-detached bungalows and smaller properties, before going on to undertake the development of high-rise properties from 2003 onwards. He has been the director of Farmart Centre Pte Ltd and Turf City Management Pte. Ltd., companies involved in the operation of mini farm businesses and the management of the shopping mall and auto emporium at Turf City, since October 2003 and July 2007 respectively. Mr Ben Tan holds a Bachelor of Engineering (Civil) from the National University of Singapore.

## Alvin Tan Chee Tiong

### CEO and Group Managing Director

Mr Alvin Tan was appointed as the Executive Director on 6 May 2004 and is the CEO and Group Managing Director, primarily responsible for the overall management and overseeing the strategic direction of the Group. Mr Alvin Tan started his career in the building and construction industry as a project coordinator for D & C Builders Pte Ltd, a company involved in renovation and maintenance works for HDB estates and town councils. In January 1993, he became one of the co-founders and directors of Goodland Development Pte. Ltd., which started as a civil engineering firm involved in public infrastructure projects commissioned by government agencies such as the PUB, NParks and the former Public Roads Department. Together with the other co-founder, Mr Ben Tan, Mr Alvin Tan continued growing the business of the Company to include property development in 1994, initially undertaking smaller-sized design-and-build projects comprising semi-detached bungalows and smaller properties, before going on to undertake the development of high-rise properties from 2003 onwards. Mr Alvin Tan is also the director of Banyan Housing Development, in charge of our Malaysian operations and overseeing the expansion of the Group's business in Malaysia since its incorporation in March 2006. Mr Alvin Tan holds a Bachelor of Applied Science (Construction Management) with first class honours from the Royal Melbourne Institute of Technology.

## Melanie Tan Bee Bee

### Executive Director

Ms Melanie Tan was appointed as the Executive Director on 19 August 2009 and is responsible for all human resources and administration-related areas of our Group. Ms Tan started her career in March 1990 as an audit assistant at Chung & Co., an audit and accounting firm, until February 1993. She went on to become an accounts officer in March 1993 at Bauma International (S) Pte Ltd, an importing and exporting company, where she assisted with the preparation of accounts. She joined the Group in September 1995 as the Financial Controller of Goodland Development Pte Ltd. and has since been responsible for human resources and administration matters, as well as business administration support and overseeing the finances of the Group. Ms Melanie Tan attended the Structured Practical Audit Training Programme – Core 1 conducted by the Institute of Certified Public Accountants in Singapore in 1992 and the Internal Quality Audit Course conducted by CCIS Singapore Pte Ltd in 1999.

# Board of Directors

## Wong Ming Kwong

### Non-Executive Director

Wong Ming Kwong was appointed as the Non-Executive Director on 19 August 2009. Since 1999, Mr Wong has been the president of Key Elements Consulting Group, which provides consultancy services for companies, especially the small and medium enterprises in Singapore. Mr Wong was a business development manager at Inchcape Sendirian Berhad, where he was responsible for the development of new business strategies and objectives from September 1992 to April 1993. From May 1993 to December 1995, Mr Wong spearheaded business development as a sales and marketing manager in Singapore National Printers Pte Ltd (now known as SNP Corporation Ltd). In 1996, Mr Wong became a marketing director of APV Asia Pte Ltd, part of the Invensys PLC global technology and controls group, before being promoted to the position of Managing Director (Greater China Division) in January 1997, a position he held until December 1998. From March 2006 to April 2008, he was an Independent Director of Natural Cool Holdings Ltd, a company listed on the Catalist. He is currently a Non-Executive Director of Mary Chia Holdings Limited, a company listed on the Catalist. In December 2009, Mr Wong was appointed as a Non-Executive Director of China Fashion Holdings Limited, a company listed on the Catalist. In 22 July 2010, Mr. Wong was appointed as an Independent Director for Old Chang Kee Ltd, a company listed on the Catalist. Mr Wong holds a Bachelor of Arts (Honours) (Second Upper) (in Chinese Studies) and Bachelor of Arts (Economics and Statistics) from the National University of Singapore. In addition, he holds a Graduate Diploma in Marketing from the Marketing Institute of Singapore.

## Dr Wu Chiaw Ching

### Lead Independent Director

Dr Wu Chiaw Ching was appointed as the Independent Director on 19 August 2009. Since 1987, Dr Wu has been the proprietor-auditor of Wu Chiaw Ching & Company. Dr Wu is a fellow member of the Singapore Institute of Certified Public Accountants and Certified Public Accountants, Australia. In addition, Dr Wu is a member of the Singapore Institute of Directors. Dr Wu is an Independent Director of Natural Cool Holdings Ltd, a company listed on the Catalist. LHT Holdings Limited, a company listed on the Main Board of the SGX-ST and China Fashion Holdings Limited a company listed on the SGX-ST, in March 2006, March 2007 and December 2009 respectively. Dr Wu holds a Doctorate degree in Financial Management from America World University, United States of America, as well as a Doctorate degree of Business Administration in Accounting from the Adam Smith University, United States of America.

## Raymond Lye Hoong Yip

### Independent Director

Raymond Lye was appointed as the Independent Director on 19 August 2009. Mr Lye has been an Executive Director of Pacific Law Corporation since May 2005 and then CitiLegal LLC from April 2010 onwards, his areas of expertise being civil and criminal litigation, corporate and commercial work, building and construction law, family law and intellectual property rights. Prior to that, Mr Lye was a partner of Tay Lye & Ngaw Partnership from February 2000 to May 2005 and a partner of E Tay Raymond Lye & Partners from February 1994 to January 2000, with his areas of expertise in commercial and corporate law and civil litigation. Mr Lye holds a Bachelor of Laws from the National University of Singapore and has been a Fellow of the Singapore Institute of Arbitrators since 2006. Mr Lye had previously tutored part-time at the National University of Singapore's Faculty of Law for three years. He is also active in community service and service to the nation. Mr Lye is currently a Resource Panel member of the Government Parliamentary Committee on Defence and Foreign Affairs, the Chairman of the Punggol East Citizens Consultative Committee and a member of the executive committee and chairman of the publicity committee of the Pasir Ris – Punggol Town Council. He was also conferred the Public Service Medal (PBM) and the Public Service Star (BBM) by the President of Singapore in the 1998 and 2008 National Day Awards and the Community Service Medal in 2003.



# Key Executive Officers

## Lim Bee Bee

### Chief Financial Officer

Ms Lim Bee Bee joined the Group as Chief Financial Officer in October 2009. She is responsible for overseeing the overall financial and accounting matters of the Group.

Before joining the Group, Ms Lim has more than a decade of experiences in the financial and accounting profession. She was with Mayfran International Limited (now known as Friven and Co. Ltd.), a public listed company for eleven years, with last position held as Group Finance Manager. Subsequent to that, she joined Asia Pacific CIS, a U.S multinational in 2004 as the Accounts Manager, overseeing the Asia's accounting and finance function before being promoted in 2007 as the Vice President of Finance, overseeing the accounting function and financial management of the Group. She held the position until 2009.

Ms Lim graduated from The Association of Chartered Certified Accountants and is a member of the Institute of Certified Public Accountants of Singapore.

## Jennifer Galon Teologo

### Human Resource and Public Relation Officer

Ms Jennifer Galon Teologo is the Human Resource and Public Relation Officer and has been in charge of recruitment, training and staff support matters, as well as managing public relations of the Group since joining in April 2009. In November 2009, she was appointed as Finance Manager of Goodland Development Pte Ltd. She is in charge to oversee the preparation of monthly management accounts, liaise with auditors, company secretary, and lawyers. She started her career in 2001 as an accountant at Power One Corporation in Philippines. In 2003, she joined Cebu Holdings, Inc, an affiliated company of Ayala Land Inc in Philippines, as Sales Administrative Assistant. Prior to joining the Group, she was an Assistant Manager at Rice Fields Pte Ltd, from 2007 to 2009, where she had general oversight of administrative matters in the sales and marketing departments and assisted the deputy general manager with showroom operations. Ms Teologo has a Bachelor of Science in Accountancy from the University of St. La Salle, Bacolod City, the Philippines, and a Masters in Business Administration from the University of Negros Occidental - Recoletos, the Philippines. Ms Teologo is also a member of the Philippine Institute of Certified Public Accountants.

## Mindy Tan

### Associate Director, Property Development

Ms Mindy Tan is the Associate Director (Property Development) and has been in charge of overseeing the Group's property development arm since joining in July 2009. Ms Tan has more than ten years of experience in the property industry. She started her career in 1997 with the Inland Revenue Authority of Singapore as a Senior Valuation Officer until 2004. Thereafter, she joined Goodland Development Pte Ltd. as Property and Investment Manager until 2006. She has also had experience in property valuation for the purposes of property sales and purchases, mortgages, audits, fire insurance and taxation, having been a Senior Valuer at Chesterton International Property Consultants Pte Ltd. Prior to joining the Group, Ms Tan was an Associate Director in Investment – Capital Markets at Cushman & Wakefield (S) Pte Ltd, where she was responsible for sourcing new investment sales business opportunities and was involved in the sale of residential and commercial sites, implementation of marketing campaigns and the provision of general property agency services, from 2006 to 2009.

Ms Tan is a registered appraiser licensed by the Inland Revenue Authority of Singapore and holds a Diploma in Building and Real Estate Management from Ngee Ann Polytechnic, Singapore, as well as a Bachelor of Science (Honours) in Estate Management from the University of Reading, the United Kingdom.

## Rajesh Kannaya Nainani

### Associate Director, Projects and Contracts

Mr Rajesh Nainani has been appointed as Associate Director (Projects And Contracts) since February 2010. Prior to joining Goodland Group Limited, Mr Rajesh had diverse experience in the real estate industry in India. He has also previously worked with the Building and Construction Authority, Singapore.

His expertise includes contract administration, project management, cost planning, procurement and cost management of building projects.

Mr Rajesh received his Bachelor of Architecture Degree from Bangalore University, India, and a Honours Degree in Bachelor of Applied Science (Construction Management) from the Royal Melbourne Institute of Technology, Australia.



## Financial Contents

21	Corporate Governance Report	37	Consolidated Statements of Changes in Equity
30	Report of the Directors	39	Consolidated Statement of Cash Flows
33	Statement by the Directors	40	Notes to the Financial Statements
34	Independent Auditors' Report	83	Statistics of Shareholdings
35	Consolidated Statement of Comprehensive Income	85	Notice of Annual General Meeting Proxy Form
36	Balance Sheets		

# Corporate Governance Report

The Board of Directors (the “**Board**”) of Goodland Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) is committed to high standards of corporate governance, to promote corporate transparency and to protect and enhance shareholders’ interests, and is guided by the principles and guidelines of the Singapore Code of Corporate Governance 2005 (the “**Code**”) issued by the Singapore Council on Corporate Disclosure and Governance.

This report outlines the Group’s corporate governance practices and activities in line with the Code for the financial year ended 30 September 2010 (“**FY2010**”).

## Board Matters

### 1. The Board’s Conduct of its Affairs

*Principle 1: Effective Board to lead and control the company*

The Board has the responsibility for the overall management of the Group. It reviews the Group’s financial performance, establishes the corporate strategies, sets overall business direction and goals and monitors the performance of these goals to enhance shareholders’ value. The Board also has separate and independent access to the Company’s senior management.

The Board is responsible for the overall corporate governance of the Group. The Board has formed three committees: (i) the Audit Committee, (ii) the Remuneration Committee and (iii) the Nominating Committee, to assist it in the execution of its responsibility. The Board delegates specific responsibilities to the three committees. These committees function within clearly defined terms of references and operating procedures, which are reviewed on a regular basis.

The Board will meet at least once every quarter, with optional meetings scheduled as and when necessary. Board approval is specifically required for the below matters:

- Financial results announcements;
- Annual report and accounts
- Dividend payment to shareholders;
- Interested person transactions;
- Major acquisition or disposal;
- Corporate strategies and financial restructuring;
- Transactions of a material nature

The Company’s Articles of Association allows the Board meetings to be conducted in the form of telephone conferencing or other methods of simultaneous communication by electronic or telegraphic means without a member being in the physical presence of another member or members and participation in a meeting.

During the financial year under review, the number of Board and Board Committee meetings held and the attendance of each Board member were as follows:-

Name of Director	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of Meetings held	No. of Meetings attended	No. of Meetings held	No. of Meetings attended	No. of Meetings held	No. of Meetings attended	No. of Meetings held	No. of Meetings attended
Ben Tan Chee Beng	4	4	NA	NA	NA	NA	NA	NA
Alvin Tan Chee Tiong	4	4	NA	NA	NA	NA	NA	NA
Melanie Tan Bee Bee	4	4	NA	NA	NA	NA	NA	NA
Dr Wu Chiaw Ching	4	4	4	4	– <sup>(1)</sup>	–	1 <sup>(1)</sup>	1
Wong Ming Kwong	4	3	4	3	– <sup>(1)</sup>	–	1 <sup>(1)</sup>	1
Raymond Lye Hoong Yip	4	3	4	3	– <sup>(1)</sup>	–	1 <sup>(1)</sup>	1

NA : Not applicable

(1) A circular resolution of the Nominating Committee and Remuneration Committee was passed on 5 January 2010



# Corporate Governance Report

All Board members are provided with regular updates on the changes in the relevant laws and regulations and financial reporting standards to enable them to make well-informed decisions and to ensure they are competent in carrying out their expected roles and responsibilities.

Newly appointed Director will be provided with briefing and orientation programmes to familiarise them with the business activities and operations of the Group.

## 2. Board Composition and Balance

*Principle 2: Strong and independent Board*

The Board currently has six members, of whom two are independent directors, thereby fulfilling the Code's recommendation that independent directors make up at least one-third of the Board. The independent directors, namely Dr Wu Chiaw Ching and Mr Raymond Lye Hoong Yip, have confirmed that they do not have any relationship with the Company, its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the directors' independent judgment of the Group's affairs with a view to the best interest of the Company. The independence of the independent Directors will be reviewed annually by the Nominating Committee based on the guidelines set forth in the Code. The Nominating Committee has reviewed and determined that the said Directors are independent.

The Board comprises the following members:

Ben Tan Chee Beng	Executive Chairman
Alvin Tan Chee Tiong	Chief Executive Officer and Group Managing Director
Melanie Tan Bee Bee	Executive Director
Dr Wu Chiaw Ching	Lead Independent Director
Wong Ming Kwong	Non-Executive Director
Raymond Lye Hoong Yip	Independent Director

The Board members comprise seasoned professionals with management, financial, accounting and industry backgrounds. Its composition enables the management to benefit from a diverse and objective external perspective on issues raised before the Board. The Board considers that its Directors possess the necessary competencies to lead and govern the Company effectively.

22

The Board is of the opinion that, given the scope and nature of the Group's operations, the present size of the Board is appropriate in facilitating effective decision making.

The Nominating Committee is of the view that the present Board comprises persons who as a group provide capabilities required for the Board to be effective. Key information regarding the Directors is set out on pages 16 to 18 of the Annual Report.

## 3. Chairman and Chief Executive Officer

*Principle 3: Clear division of responsibilities to ensure a balance of power and authority*

The Company has a separate Chairman and Chief Executive Officer ("CEO"). Mr Ben Tan Chee Beng is the Chairman of the Board and Mr Alvin Tan Chee Tiong, brother of Mr Ben Tan Chee Beng, is the CEO.

The Chairman leads the Board discussions and deliberation and also ensures that the Board meetings are held when necessary. He sets the meeting agenda and ensures that Directors are provided with complete, adequate and timely information. He also assists in ensuring compliance with the Group's guidelines on corporate governance.

The CEO is responsible for the day-to-day management of the business. He has executive responsibilities in the business directions and operational efficiency of the Group. He also oversees the execution of the Group's corporate and business strategy set out by the Board and ensures the Directors are kept updated and informed of the Group's business.

Although the Chairman and the CEO are siblings, the Board is of the view that the process of decision making by the Board is independent and with the establishment of the various Board Committees which are chaired by independent Directors, there are adequate accountability safeguards to ensure an appropriate balance of power and authority for good corporate governance.

For good corporate governance, the Board has appointed Dr Wu Chiaw Ching as the Lead Independent Director of the Company to address the concerns of the shareholders and employees in the event the normal interactions with the Executive Chairman and CEO or Chief Financial Officer could not satisfactorily resolve their concerns or where such channel of communications is considered inappropriate.

#### 4. Board membership

*Principle 4: Formal and transparent process for appointment of new directors*

The Nominating Committee ("**NC**") comprises Mr Raymond Lye Hoong Yip, Mr Wong Ming Kwong and Dr Wu Chiaw Ching, where the majority, including the Chairman, are independent. The Chairman of the NC is Mr Raymond Lye Hoong Yip. He is not directly associated with a substantial shareholder of the Company.

The NC is responsible for:

- (a) Appointment of new directors with the appropriate profile having regards to their expertise, experiences, industry background, track record and competencies;
- (b) Re-nomination / re-election of the Directors having regard to the Director's contribution and performance;
- (c) Determining on an annual basis whether or not a Director is independent; and
- (d) Deciding whether or not a Director is able to and has been adequately carrying out his duties as a Director.

The NC decides on how the Board's performance is to be evaluated and proposes objective performance criteria, subject to the approval of the Board, which address how our Board has enhanced long-term shareholders' value.

The NC establishes the process for assessing the effectiveness of the Board and for assessing the contribution by each individual Director to the effectiveness of the Board. Each member of the NC shall abstain from voting on any resolutions and making any recommendations or participating in any deliberations in respect of the assessment of his performance or re-nomination as Director.

Where a vacancy arises under any circumstances, or where it is considered that the Board would benefit from the services of a new Director with particular skills, the NC in consultation with the Board, determines the selection criteria and selects candidates with appropriate expertise and experience. The search and nomination process for new Directors, if any, will be through contacts and recommendations that go through the normal selection process for the right candidate. Upon the review and recommendations of the NC to the Board, the new Directors will be appointed by way of board resolution.

All Directors are subject to re-nomination and re-election at regular intervals of at least once every three years. At each Annual General Meeting ("**AGM**"), at least one third (or the number nearest to a third) of the Directors are required to retire from office and to submit themselves for re-election. However, a retiring Director is eligible for re-election at the meeting at which he retires.

The NC recommended to the Board that Dr Wu Chiaw Ching and Ms Melanie Tan Bee Bee be nominated for re-election at the forthcoming AGM. Dr Wu Chiaw Ching will, upon re-election as a Director of the Company, remain as a member of the Nominating Committee and Chairman of the Audit and the Remuneration Committees.

In making the recommendation, the NC had considered the said Directors' overall contributions and performance.

The NC meets at least once a year. Meetings of the NC can also be in the form of telephone conferencing or other methods of simultaneous communication by electronic or telegraphic means without a member being in the physical presence of another member or members and participation in a meeting.

# Corporate Governance Report

## 5. Board performance

*Principle 5: Formal assessment of the effectiveness of the Board as a whole and the contribution by each director*

The NC evaluates the performance of the Board and that of the individual Directors based on performance criteria set by the Board.

The criteria for assessing the Board's performance include Board composition and size, board processes, accountability, standard of conduct and performance of its principal functions and fiduciary duties, and guidance to and communication with the management. The level of contribution to Board meetings and other deliberations are also considered.

The NC has assessed the current Board's performance to-date and is of the view that the performance of the Board as a whole was satisfactory. Although some of the Board members have multiple board representations, the NC is satisfied that sufficient time and attention have been given by the Directors to the Group.

## 6. Access to information

*Principle 6: Provision of complete, adequate and timely information prior to board meetings and on an on-going basis*

Management provides the Board with complete, adequate and timely information prior to Board meetings and on an on-going basis. Where a decision has to be made, the necessary information are provided to the Directors to enable them to make informed decisions.

The Board has separate and independent access to senior management and the Company Secretary at all times. The Company Secretary is present at all Board meetings to ensure that Board's procedures are followed and the relevant rules and regulations are complied with. Management deals with requests for information from the Board promptly and consults the Board members regularly whenever necessary and appropriate.

Should the Directors, whether individually or as a group, require independent advice on specific issues, they may engage independent professionals at the Company's expense to enable them to discharge their duties with adequate knowledge on the matters being deliberated.

## 7. Remuneration Matters

*Principle 7: Formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors.*

The Remuneration Committee ("**RC**") comprises Dr Wu Chiaw Ching, Mr Raymond Lye Hoong Yip and Mr Wong Ming Kwong, where the majority of whom, including the Chairman are independent. The Chairman of the RC is Dr Wu Chiaw Ching.

The RC recommends to the Board a framework of remuneration for the Directors and executive officers, and determines specific remuneration packages for the Executive Chairman and each Executive Director. The RC submits its recommendations to the Board for endorsement. All aspects of remuneration, including but not limited to directors' fees, salaries, allowances, bonuses, options and benefits-in-kind are covered by the RC. Each member of the RC shall abstain from voting on any resolutions and making recommendations or participating in any deliberations in respect of his remuneration package.

## 8. Level and mix of remuneration

*Principle 8: Appropriate remuneration to attract, retain and motivate directors but should avoid paying more for this purpose.*

The RC performs an annual review and ensures that the remuneration packages are comparable within the industry and with similar companies and will also take into consideration the Group's relative performance and the contributions and responsibilities of the individual Directors.

Executive Directors do not receive directors' fees. The executive directors are paid a basic salary and a performance related bonus for their contributions.

The non-executive Directors and Independent Directors are compensated based on fixed directors' fees taking into consideration their contributions, responsibilities and time spent. Their fees are recommended to shareholders for approval at the annual general meeting and paid after the necessary approval.



# Corporate Governance Report

On 24 September 2009, the Company entered into separate service agreements with Mr Ben Tan Chee Beng, Mr Alvin Tan Chee Tiong and Ms Melanie Tan Bee Bee in relation to their appointment as Chairman, CEO and Executive Director respectively. The service agreements are valid for an initial period of three years from the date the Company is admitted to the Official List of Catalist, being 8 October 2009, and thereafter shall be renewed annually on such terms and conditions as may be mutually agreed between the parties.

## 9. Disclosure on Remuneration

*Principle 9: Clear disclosure on remuneration policy, level and mix of remuneration.*

The details of the remuneration packages of the Directors and executive officers for FY2010 are as follows:

### Remuneration of Directors

Directors	Salary %	Bonus %	Fees %	Other Benefits %	Total %
<b>Below \$250,000</b>					
Ben Tan Chee Beng	95	5	–	–	100
Alvin Tan Chee Tiong	93	7	–	–	100
Melanie Tan Bee Bee	95	5	–	–	100
Dr Wu Chiaw Ching	–	–	100	–	100
Wong Ming Kwong	–	–	100	–	100
Raymond Lye Hoong Yip	–	–	100	–	100

### Remuneration of executive officers

The top five executives of the Group (excluding CEO in the above table) in each remuneration band are:

Key Executives	Salary %	Bonus %	Fees %	Other Benefits %	Total %
<b>Below \$250,000</b>					
Koh Chin Kim	92	8	–	–	100
Mindy Tan	95	5	–	–	100
Lim Bee Bee	97	3	–	–	100
Jennifer Galon Teologo	89	11	–	–	100
Rajesh Nainani	100	–	–	–	100

In the above table, Mdm Koh Chin Kim is the mother, and Ms Mindy Tan is the sister, of the Executive Directors, Mr Ben Tan Chee Beng, Mr Alvin Tan Chee Tiong and Ms Melanie Tan Bee Bee.

Save as the above-mentioned, none of the employees who are immediate family members of a Director or the CEO received remuneration exceeding S\$150,000 during the financial year.

The Company does not have any employee share option scheme.

## 10. Accountability

*Principle 10: Board to present balanced and understandable assessment of the company's performance, position and prospects.*

The Board is accountable to shareholders and disseminates information on the Group's performance, position and prospects through the half year and full year results announcement and the annual reports. The Board also furnishes timely information and ensures full disclosure of material information to shareholders.

The management currently provides the Board with management accounts of the Group's performance, position and prospects on quarterly basis.

# Corporate Governance Report

## 11. Audit Committee

*Principle 11: Establishment of an Audit Committee with written terms of reference.*

The Audit Committee (“AC”) comprises Dr Wu Chiaw Ching, Mr Wong Ming Kwong and Mr Raymond Lye Hoong Yip, the majority of whom, including the Chairman, are independent. The Chairman of the AC is Dr Wu Chiaw Ching.

The Board is of the view that the members of the AC have sufficient accounting and financial management expertise and experience to discharge the AC’s functions. The AC carried out its functions in accordance with the Companies Act, Cap. 50 (“**Companies Act**”) and its terms of reference.

The AC assists the Board in discharging its responsibility to safeguard the Group’s assets, maintain adequate accounting records, and develop and maintain effective systems of internal control, with the overall objective of ensuring that the management creates and maintains an effective control environment in the Group. The AC provides a channel of communication between the Board, management and external auditors on matters relating to audit.

The AC meets at least once every quarter to discuss and review the following where applicable:

- (a) Reviews with the external auditors, the audit plan, the evaluation of the system of internal accounting controls, the audit report, the assistance given by the Company’s officers to the external auditors and the scope and results of the internal audit procedures;
- (b) Reviews the annual consolidated financial statements and balance sheet and statement of comprehensive income before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst (“**Catalist Rules**”) and any other relevant statutory or regulatory requirements;
- (c) Reviews the internal control procedures and ensure co-ordination between the external auditors and the management, review the assistance given by the management to the auditors, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the management, where necessary);
- (d) Reviews and discuss with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group’s operating results or financial position, and the management’s response;
- (e) Considers the appointment or re-appointment of the external auditors and matters relating to the resignation or dismissal of the auditors;
- (f) Reviews interested person transactions (if any) and potential conflicts of interest (if any) falling within the scope of Chapter 9 of the Catalyst Rules;
- (g) Undertake such other reviews and projects as may be requested by the Board, and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;
- (h) Generally undertakes such other functions and duties as may be required by statute or the Catalyst Rules, or by such amendments as may be made thereto from time to time; and
- (i) Reviews the key financial risk areas, with a view to provide independent oversight on the Group’s financial reporting, the outcome of such review to be disclosed in the annual reports or, where the findings are material, announced immediately via SGX-NET.

In addition, all transactions with related parties shall comply with the requirements of the Catalyst Rules. The Directors shall abstain from voting in any contract or arrangement or proposed contract or proposed arrangement in which he has a personal material interest.

# Corporate Governance Report

The AC has outsourced to an internal audit firm, Horwath First Trust Pte Ltd the performance of the annual internal controls audit to ensure that the internal controls of the Group are sufficiently robust and effective in mitigating any internal control weaknesses (if any).

Apart from the duties listed above, the AC shall commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rule or regulation which has or is likely to have a material impact on the Group's operating results or financial position or both.

The AC also has the power to investigate any matter brought to its attention, within its terms of reference, with the power to retain professional advice at the Company's expense.

The AC has full access to and co-operation of management, has full discretion to invite any Director or executive officer to attend the meetings and has been given reasonable resources to enable it to discharge its functions.

The AC meets with the external auditors, without the presence of the Company's management, at least once a year.

Moore Stephens LLP was appointed as the Company's external auditors on 28 March 2009. Mr Neo Keng Jin is the audit engagement partner in charge of the audit of the Company since 28 March 2009.

The AC is satisfied with the independence and objectivity of the external auditor and recommends to the Board the nomination of Moore Stephens LLP for re-appointment at the forthcoming AGM. The AC is also satisfied with the level of co-operation rendered by management to the external auditors and the adequacy of the scope and quality of their audits.

The AC has conducted an annual review of all non-audit services provided by the external auditor [(see details on page 29)] and is satisfied that the nature and extent of such services do not affect the independence of the external auditor.

The AC has incorporated "whistle blowing" procedures as part of the Company's system of internal controls. This is to provide a channel for employees of the Group to report in good faith and in confidence, without fear of reprisals, concerns about possible improprieties in financial reporting and other matters. The objective of the policy is to ensure that there is independent investigation of such matters and that appropriate follow up actions will be taken.

## 12. Internal Controls

### *Principle 12: Sound system of internal controls*

The AC will ensure that a review of the effectiveness of the Group's material internal controls, including financial, operational, compliance controls and risk management is conducted annually. The AC will review the audit plans, and the findings of the auditors and will ensure that the Group follows up on auditors' recommendations raised, if any, during the audit process. In its review of the external auditors' examination and evaluation of the system of internal controls, no significant weakness in the system has come to the attention of the AC to cause to believe that the system of internal controls is inadequate.

The Company believes that the system of internal controls maintained by the management and that was in place throughout the financial year under review and up to the date of this report provides reasonable, but not absolute assurance against material financial misstatements or loss, and includes the safeguarding of assets, the maintenance of proper accounting records, the reliability of financial information, compliance with relevant legislation, regulations and best practices, and the identification and containment of business risk.

The Board is of the view that, in the absence of any evidence of the contrary, the system of internal controls, including financial, operational and compliance controls, and risk management systems maintained by the Group's management, and that was in place throughout the financial year up to the date of this report, is adequate to meet the needs of the Group in its current business environment.



# Corporate Governance Report

## 13. Internal Audit

*Principle 13: Establishment of an internal audit function that is independent of the function it audits.*

The AC is aware of the need to establish a system of internal controls within the Group to safeguard the shareholders' interests and the Group's assets, and to manage risk.

The size of the operations of the Group does not warrant the Group having an in-house internal audit function. The internal audit function is outsourced to a professional consultancy firm, Horwath First Trust Pte. Ltd. which is recognised by the Institute of Internal Auditors, Singapore. The AC decides on the timing of the commissioning of the internal audit function from time to time and ensures that adequate resources are directed to carry out those plans.

The Company's internal auditors have conducted an annual review in accordance with their audit plans, of the effectiveness of the Company's material internal controls, including financial, operational and compliance controls, and risk management. Any material non-compliance or failures in internal controls and recommendations for improvements are reported to the AC. The AC has also reviewed the effectiveness of actions taken by the management on the recommendations made by the internal auditors in this respect. The AC is satisfied that the internal audit is adequately resourced and has the appropriate standing within the Group.

## 14. Communication with Shareholders

*Principle 14: Regular, effective and fair communication with shareholder*

*Principle 15: Greater shareholder participation at AGMs*

The Board is mindful of its obligation to provide timely and fair disclosure of material information to shareholders. Shareholders are kept abreast of results and other material information concerning the Group through regular and timely dissemination of information via SGX-NET announcements, annual reports, and various other announcements made during the year.

All shareholders of the Company will receive the notice of the AGM and the notice will also be advertised in the newspaper. The Chairman and the other Directors will attend the AGM and are available to answer questions from the shareholders. The external auditors will also be present to assist the Directors in addressing any relevant queries from shareholders. The Board considers the AGM as the main forum where dialogue with shareholders can be effectively conducted.

28

The Company ensures that there are separate resolutions at general meetings on each distinct issue.

The Company's Articles of Association allow a member of the Company to appoint one or two proxies to attend and vote at its general meetings.

## Dealing in Company's Securities

In line with Rule 1204(18) of the Catalist Rules, the Group has adopted an internal code of conduct to provide guidance to its Directors, management and executive officers with regard to dealings in the Company's securities. Directors and executive officers of the Company should not deal in Company's securities on short term considerations or when they are in possession of unpublished price sensitive information. They are also not allowed to deal in the Company's securities during the period of one month prior to the announcement of the Company's half year and full year financial results and ending on the date of the announcement of the financial results. The Directors and officers are also required to adhere to the provisions of the Companies Act, and any other relevant regulations with regard to their securities transactions.

## Interested Party Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported to the AC which will review, at least quarterly to ensure that they are carried out at arm's length, not prejudicial to the interest of the Group and its minority interests and in accordance with the established procedures. When a potential conflict of interest arises, the Director concerned will not participate in discussions and will refrain from exercising any influence over other members of the Board.

# Corporate Governance Report

The interested person transactions transacted for the FY2010 by the Group are as follows:

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000.00 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules)	Description of the transaction entered into with the interested person during the financial year under review	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Catalist Rules (excluding transactions less than S\$100,000.00)
Koh Chin Kim	\$657,000	Provision of construction services for Dunsfold Villas – \$187,000 <sup>(1)</sup> Sale of property for Topaz project - \$470,000	Not applicable

(1) The completion date of the construction of Dunsfold Villas project was delayed to early 2010 from the original estimated completion date of 30 September 2009 as mentioned in the Company's offer document dated 30 September 2009 ("**Offer Document**") due to variation of orders.

## Material Contracts

Except as disclosed in section on Interested Person Transactions above and the service agreements between the Company and the Chairman, CEO and Executive Director respectively, there was no material contract or loan entered into between the Company and any of its subsidiaries involving interests of any Director or controlling shareholder during the FY2010.

## Use of Proceeds from Initial Public Offering

30,000,000 new ordinary shares have been issued on 8 October 2009 at \$0.20 each in the capital of the Company pursuant to the Initial Public Offering ("**IPO**") of the Company's shares on Catalist. As at the date of this report, the full amount of the \$6 million raised from the issue of the 30,000,000 new ordinary shares pursuant to the IPO have been fully utilised in accordance with the intended uses as disclosed in the Offer Document.

## Use of Proceeds from Share Placement

31,888,000 new ordinary shares have been issued on 27 October 2010 at \$0.1405 each in the capital of the Company on the Catalist, pursuant to the placement agreement entered into by the Company with Kim Eng Corporate Finance Pte. Ltd. on 19 October 2010 (the "**Placement**"). As at the date of this report, the full amount of the \$4.3 million raised from the issue of the 31,888,000 new ordinary shares pursuant to the Placement have been fully utilised in accordance with the intended uses as disclosed in the announcement dated 19 October 2010.

## Non-Sponsor Fees

There was no non-sponsorship service rendered by the Company Sponsor, PrimePartners Corporate Finance Pte. Ltd. to the Group for the FY2010.

## Non-Audit Fees

There was no non-audit service rendered by the Group's auditors, Moore Stephens LLP, to the Group for the FY2010.

# Report of the Directors

30 September 2010

The directors present their report to the members together with the audited consolidated financial statements of Goodland Group Limited (the "Company") and its subsidiaries (hereinafter collectively referred to as the "Group") for the year ended 30 September 2010 and the audited balance sheet of the Company as at 30 September 2010.

## 1 Directors

The directors of the Company in office at the date of this report are:

Ben Tan Chee Beng  
Alvin Tan Chee Tiong  
Melanie Tan Bee Bee  
Dr Wu Chiaw Ching  
Wong Ming Kwong  
Raymond Lye Hoong Yip

## 2 Arrangements to Enable Directors to Acquire Shares or Debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of the Company or any other body corporate.

## 3 Directors' Interests in Shares or Debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Companies Act, Chapter 50 (the "Act"), particulars of interests of directors who held office at the end of the financial year in shares or debentures of the Company and its related corporations are as follows:

	Direct Interest		Deemed Interest	
	At 1.10.2009	At 30.09.2010	At 1.10.2009	At 30.09.2010
The Company <i>(Ordinary shares)</i>				
Ben Tan Chee Beng	31,220,000	31,220,000	92,271,200	92,271,200
Alvin Tan Chee Tiong	31,220,000	31,220,000	92,271,200	92,271,200
Melanie Tan Bee Bee	15,271,200	15,271,200	108,220,000	108,220,000
Wong Ming Kwong	4,760,000	4,760,000	–	–

There was no change in any of the above mentioned interests between the end of the current financial year and 21 October 2010.

Mr Ben Tan Chee Beng, Mr Alvin Tan Chee Tiong and Ms Melanie Tan Bee Bee, who by virtue of their interest of not less than 20% of the issued share capital of the Company, are deemed to have an interest in the shares of the subsidiaries held by the Company.

Except as disclosed in this report, no directors who held office at the end of the financial year had an interest in the shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning or at the end of the financial year.



## 4 Directors' Contractual Benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except as disclosed in the financial statements.

## 5 Options Granted

During the financial year, no options to take up unissued shares of the Company or its subsidiaries were granted.

## 6 Options Exercised

During the financial year, there were no shares of the Company or its subsidiaries issued by virtue of the exercise of options to take up unissued shares.

## 7 Options Outstanding

At the end of the financial year, there were no unissued shares of the Company or its subsidiaries under option.

## 8 Audit Committee

The Audit Committee ("AC") comprises Dr Wu Chiaw Ching, Mr Wong Ming Kwong and Mr Raymond Lye Hoong Yip, the majority of whom, including the Chairman, are independent. The Chairman of the AC is Dr Wu Chiaw Ching.

The AC performs the functions set out in Section 201B(5) of the Companies Act, Cap. 50. In performing those functions, the AC:

- (a) reviews with the external auditors, the audit plan, the evaluation of the system of internal accounting controls, the audit report, the assistance given by the Company's officers to the external auditors and the scope and results of the internal audit procedures;
- (b) reviews the annual consolidated financial statements and balance sheet and statement of comprehensive income before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist ("Catalist Rules") and any other relevant statutory or regulatory requirements;
- (c) reviews the internal control procedures and ensures co-ordination between the external auditors and the management, reviews the assistance given by the management to the auditors, and discusses problems and concerns, if any, arising from the interim and final audits, and any matters which the auditors may wish to discuss (in the absence of the management, where necessary);
- (d) reviews and discusses with the external auditors any suspected fraud or irregularity, or suspected infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the management's response;
- (e) considers the appointment or re-appointment of the external auditors and matters relating to the resignation or dismissal of the auditors;
- (f) reviews interested person transactions (if any) and potential conflicts of interest (if any) falling within the scope of Chapter 9 of the Catalist Rules;
- (g) undertakes such other reviews and projects as may be requested by the Board, and reports to the Board its findings from time to time on matters arising and requiring the attention of the AC;

# Report of the Directors

30 September 2010

## 8 Audit Committee (cont'd)

- (h) generally undertakes such other functions and duties as may be required by statute or the Catalist Rules, or by such amendments as may be made thereto from time to time; and
- (i) reviews the key financial risk areas, with a view to providing independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or, where the findings are material, announced immediately via SGX-NET.

The AC has recommended to the directors the nomination of Moore Stephens LLP for re-appointment as external auditors of the Group at the forthcoming Annual General Meeting of the Company.

Further details regarding the AC are disclosed in the Report on Corporate Governance.

## 9 Independent Auditors

Moore Stephens LLP, Public Accountants and Certified Public Accountants, have expressed their willingness to accept re-appointment as independent auditors.

On behalf of the Board of Directors

32

Ben Tan Chee Beng

Alvin Tan Chee Tiong

Singapore  
3 January 2011

# Statement by Directors

30 September 2010

In the opinion of the directors,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 35 to 82 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 September 2010, and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors

Ben Tan Chee Beng

Alvin Tan Chee Tiong

Singapore  
3 January 2011



# Independent Auditors' Report

To the Members of Goodland Group Limited (Incorporated in Singapore)

We have audited the accompanying financial statements of Goodland Group Limited (the "Company") and its subsidiaries (the "Group"), as set out on pages 35 to 82, which comprise the balance sheets of the Company and of the Group as at 30 September 2010, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and the consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

## **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

- (a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of a true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;
- (b) selecting and applying appropriate accounting policies; and
- (c) making accounting estimates that are reasonable in the circumstances.

## **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of the material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## **Opinion**

In our opinion,

- (a) the balance sheet of the Company and the consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 September 2010, and the results, changes in equity and cash flows of the Group for the financial year ended on that date; and
- (b) the accounting and other records required by the Act to be kept by the Company and by the subsidiaries incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

**Moore Stephens LLP**  
Public Accountants and  
Certified Public Accountants

Singapore  
3 January 2011

# Consolidated Statement of Comprehensive Income

For the Financial Year Ended 30 September 2010

	Note	Group	
		2010 S\$	2009 S\$
Revenue	4	8,218,658	8,554,293
Cost of sales		(6,799,961)	(6,235,256)
Gross profit		1,418,697	2,319,037
Other operating income	5	1,505,342	710,025
Interest income		3,812	2,187
Administrative expenses		(2,448,455)	(1,784,917)
Other operating expenses		(88,845)	–
Finance costs	6	(309,364)	(436,003)
Share of results of associated companies	15	991,866	(347,856)
Profit before income tax	7	1,073,053	462,473
Income tax credit	9	33,712	56,529
Total profit for the year		1,106,765	519,002
<b>Other comprehensive income/(expense), net of tax:</b>			
Exchange difference arising from consolidation		16,543	(28,920)
<b>Total comprehensive income</b>		<b>1,123,308</b>	<b>490,082</b>
Profit attributable to:			
Equity holders of the Company		1,113,451	483,610
Non-controlling interests		(6,686)	35,392
		1,106,765	519,002
Total comprehensive income attributable to:			
Equity holders of the Company		1,118,267	472,219
Non-controlling interests		5,041	17,863
		1,123,308	490,082
Earnings per share - Basic and diluted	10	0.70 cents	0.85 cents

# Balance Sheets

As at 30 September 2010

	Note	Group		Company	
		2010	2009	2010	2009
		S\$	S\$	S\$	S\$
<b>ASSETS</b>					
<b>Non-Current Assets</b>					
Property, plant and equipment	11	1,625,805	1,030,622	-	-
Investment properties	12	13,355,254	15,247,427	-	-
Development properties for sale	13	8,646,668	-	-	-
Investments in subsidiaries	14	-	-	2,641,077	1,816,080
Investments in associated companies	15	2,362,143	370,277	-	-
		<u>25,989,870</u>	<u>16,648,326</u>	<u>2,641,077</u>	<u>1,816,080</u>
<b>Current Assets</b>					
Cash and cash equivalents	16	3,648,214	1,418,588	3,189	489,170
Financial assets, at fair value through profit or loss	17	156,853	134,378	-	-
Trade and other receivables	18	5,757,647	2,262,651	1,386,188	185,293
Other current assets	19	292,078	2,134,950	-	2,089,065
Development properties for sale	13	13,253,999	-	-	-
		<u>23,108,791</u>	<u>5,950,567</u>	<u>1,389,377</u>	<u>2,763,528</u>
<b>Total Assets</b>		<u>49,098,661</u>	<u>22,598,893</u>	<u>4,030,454</u>	<u>4,579,608</u>
<b>LIABILITIES</b>					
<b>Non-Current Liabilities</b>					
Finance lease liabilities	21	61,455	65,212	-	-
Borrowings	22	9,493,806	6,213,671	-	-
Deferred tax liabilities	23	165,332	306,332	-	-
		<u>9,720,593</u>	<u>6,585,215</u>	<u>-</u>	<u>-</u>
<b>Current Liabilities</b>					
Trade and other payables	24	8,070,432	2,786,996	167,428	3,733,992
Finance lease liabilities	21	26,524	16,524	-	-
Borrowings	22	16,106,009	2,234,290	-	-
Income tax payable		415,017	734,924	-	-
		<u>24,617,982</u>	<u>5,772,734</u>	<u>167,428</u>	<u>3,733,992</u>
<b>Total Liabilities</b>		<u>34,338,575</u>	<u>12,357,949</u>	<u>167,428</u>	<u>3,733,992</u>
<b>EQUITY</b>					
<b>Share Capital and Reserves</b>					
Share capital	25	4,311,914	916,080	4,311,914	916,080
Reserves	26	10,347,627	9,229,360	(448,888)	(70,464)
		<u>14,659,541</u>	<u>10,145,440</u>	<u>3,863,026</u>	<u>845,616</u>
Non-controlling interests		100,545	95,504	-	-
<b>Total equity</b>		<u>14,760,086</u>	<u>10,240,944</u>	<u>3,863,026</u>	<u>845,616</u>
<b>Total Liabilities and Equity</b>		<u>49,098,661</u>	<u>22,598,893</u>	<u>4,030,454</u>	<u>4,579,608</u>



# Consolidated Statement of Changes in Equity

For the Financial Year Ended 30 September 2010

	← Attributable to equity holders of the Company →						Non-controlling Interests	Total
	Share Capital	Merger Reserve	Currency Translation Reserve	Retained Earnings	Subtotal			
	S\$	S\$	S\$	S\$	S\$	S\$		
<b>Group</b>								
<b>Balance at 1 October 2009</b>	916,080	(485,076)	(22,344)	9,736,780	10,145,440	95,504	10,240,944	
Issuance of Ordinary Shares pursuant to the Initial Public Offering exercise	6,000,000	–	–	–	6,000,000	–	6,000,000	
Share issue expenses	(2,604,166)	–	–	–	(2,604,166)	–	(2,604,166)	
Net profit for the year	–	–	–	1,113,451	1,113,451	(6,686)	1,106,765	
Other comprehensive income for the year:								
- Exchange differences arising from consolidation	–	–	4,816	–	4,816	11,727	16,543	
Total comprehensive income for the year	–	–	4,816	1,113,451	1,118,267	5,041	1,123,308	
<b>Balance at 30 September 2010</b>	<b>4,311,914</b>	<b>(485,076)</b>	<b>(17,528)</b>	<b>10,850,231</b>	<b>14,659,541</b>	<b>100,545</b>	<b>14,760,086</b>	

# Consolidated Statement of Changes in Equity (Cont'd)

For the Financial Year Ended 30 September 2010

	← Attributable to equity holders of the Company →						Non- controlling Interests	Total
	Share Capital	Merger Reserve	Capital Reserve	Currency Translation Reserve	Retained Earnings	Subtotal		
	S\$	S\$	S\$	S\$	S\$	S\$		
<b>Group</b>								
<b>Balance at</b>								
<b>1 October 2008</b>	431,004	–	349,115	(10,953)	8,904,055	9,673,221	77,641	9,750,862
Share swap pursuant to restructuring exercise	(31,004)	–	–	–	–	(31,004)	–	(31,004)
Issue of new shares pursuant to restructuring exercise	516,080	–	–	–	–	516,080	–	516,080
Issuance of ordinary shares pursuant to the Initial Public Offering exercise	321,760	–	–	–	–	321,760	–	321,760
Share issue expenses	(321,760)	–	–	–	–	(321,760)	–	(321,760)
Merger reserves arising from the restructuring exercise	–	(485,076)	–	–	–	(485,076)	–	(485,076)
Net profit for the year	–	–	–	–	483,610	483,610	35,392	519,002
Other comprehensive income for the year:								
- Exchange differences arising from consolidation	–	–	–	(11,391)	–	(11,391)	(17,529)	(28,920)
Total comprehensive income for the year	–	–	–	(11,391)	483,610	472,219	17,863	490,082
Transfer of capital reserves to retained earnings	–	–	(349,115)	–	349,115	–	–	–
<b>Balance at</b>								
<b>30 September 2009</b>	916,080	(485,076)	–	(22,344)	9,736,780	10,145,440	95,504	10,240,944

# Consolidated Statement of Cash Flows

For the Financial Year Ended 30 September 2010

	Group	
	2010	2009
	S\$	S\$
<b>Cash Flows from Operating Activities</b>		
Profit before income tax	1,073,053	462,473
Adjustments for:		
Fair value gain on investment property	(960,504)	–
Gain on disposal of investment property	–	(115,113)
Depreciation of property, plant and equipment	79,478	87,210
Loss/(Gain) on disposal of plant and equipment	11,655	(9,000)
Fair value gain on financial assets, at fair value through profit or loss	(22,474)	–
Gain on disposal of financial assets, at fair value through profit or loss	(512)	(6,621)
Allowance for impairment of trade receivables	25,280	–
Bad debts written off for other receivables	51,910	–
Interest expense	309,364	436,003
Interest income	(3,812)	(2,187)
Dividend income	(4,250)	(5,050)
Share of results of associated companies	(991,866)	347,856
Operating cash flow before working capital changes	(432,678)	1,195,571
Trade, other receivables and other current assets	(1,933,715)	(2,259,584)
Trade and other payables	3,920,249	798,822
Development properties for sale	(18,508,006)	2,330,784
Cash (used in)/generated from operations	(16,954,150)	2,065,593
Interest received	3,812	2,187
Income tax paid	(427,195)	(248,965)
<b>Net cash flow (used in)/generated from operating activities</b>	(17,377,533)	1,818,815
<b>Cash Flows from Investing Activities</b>		
Purchase of property, plant and equipment	(679,316)	(131,614)
Proceeds from disposal of plant and equipment	23,000	9,000
Investment in an associated company	(1,000,000)	–
Net proceeds from disposal of investment property	–	862,136
Purchase of financial assets, at fair value through profit or loss	(50,742)	(177,483)
Proceeds from disposal of financial assets, at fair value through profit or loss	51,253	101,726
Decrease/(increase) in fixed deposit with a maturity of more than 3 months	200,740	(241,092)
Dividend received	4,250	5,050
<b>Net cash flow (used in)/generated from investing activities</b>	(1,450,815)	427,723
<b>Cash Flows from Financing Activities</b>		
Net proceeds from issuance of ordinary shares	3,395,834	–
Proceeds from borrowings	22,723,617	–
Repayment of borrowings	(5,066,602)	(2,672,832)
Pledged deposits	(89,932)	–
Repayment of finance lease liabilities	(23,757)	(25,136)
Repayment/advances to shareholders, net	–	(117,396)
Advances from associated companies, net	1,573,842	473,363
Interest paid	(849,348)	(436,003)
<b>Net cash generated from/(used in) financing activities</b>	21,663,654	(2,778,004)
<b>Net increase/(decrease) in cash and cash equivalents</b>	2,835,306	(531,466)
<b>Cash and cash equivalents at the beginning of the year</b>	(774,070)	(242,604)
Effect of exchange rate changes on cash and cash equivalents held in foreign currencies	10,289	–
<b>Cash and cash equivalents at the end of the year (Note 16)</b>	2,071,525	(774,070)

The accompanying notes form an integral part of the financial statements



# Notes to the Financial Statements

30 September 2010

These notes form an integral part of and should be read in conjunction with the accompanying consolidated financial statements.

## 1 General Information

Goodland Group Limited (the "Company") is a public limited company incorporated and domiciled in Singapore and is listed on the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST"). The Company's registered office address and its principal place of business is 18 Roberts Lane #02-01/02 Goodland Building Singapore 218297.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries are disclosed in Note 14.

The ultimate controlling parties of the Company are Mr Ben Tan Chee Beng ("Ben Tan"), Mr Alvin Tan Chee Tiong ("Alvin Tan"), Ms Melanie Tan Bee Bee ("Melanie Tan") and Mdm Koh Chin Kim.

The financial statements for the financial year ended 30 September 2010 were authorised for issue in accordance with a resolution of the directors dated on the date of the Statement by Directors.

## 2 Significant Accounting Policies

### (a) Basis of Preparation

The financial statements which are expressed in Singapore Dollars ("S\$"), have been prepared in accordance with the provisions of the Singapore Companies Act, Cap 50. (the "Act") and Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and contingent liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis.

Critical accounting judgements and key sources of estimation uncertainty used that are significant to the financial statements are disclosed in Note 3 to the financial statements.

#### Adoption of New/Revised FRS

For the financial year ended 30 September 2010, the Group has adopted the following new/revised FRS that are mandatory for application in the said year and which are relevant to the Group as follows:

FRS 1 (revised)	Presentation of Financial Statements
FRS 23 (revised)	Borrowing Costs
FRS 27 (revised)	Consolidated and Separate Financial Statements
Amendments to FRS 40	Investment Property
FRS 103 (revised)	Business Combinations
FRS 108	Operating Segments

## 2 Significant Accounting Policies (cont'd)

### (a) Basis of Preparation (cont'd)

#### FRS 1 (revised)

The revised standard affects the presentation of owner changes in equity and of comprehensive income. It does not change the recognition, measurement or disclosure of specific transactions and other events required by other FRSs. It requires an entity to present, in a statement of changes in shareholders' equity, all owner changes in equity. All non-owner changes in equity (i.e. comprehensive income) are required to be presented in one statement of comprehensive income or in two statements (a separate income statement and a statement of comprehensive income). Components of comprehensive income are not permitted to be presented in the statement of changes in shareholders' equity. Where comparative information is restated or reclassified, a restated balance sheet is required as at the beginning comparative period. As this is a disclosure standard, it does not have any impact on the financial position or financial performance of the Group upon application.

The Group is presenting the statement of comprehensive income in one statement. Previously such non-owner changes were included in the statement of changes in equity and 2009 comparatives have been restated to conform to the requirement of the revised standard.

#### FRS 23 (revised)

The revised standard removes the option to recognise immediately as an expense borrowing costs that are attributable to qualifying assets, except for those borrowing costs on qualifying assets that are measured at fair value or inventories that are manufactured or produced in large quantities on a repetitive basis. As the Group has been capitalising the relevant borrowing costs attributable to qualifying assets, the revised standard does not have any impact to the Group upon application.

#### FRS 27 (revised)

The revised standard requires the effects of all transactions with non-controlling interests to be recorded in equity if there is no change in control and these transactions will no longer result in goodwill or gains or losses. The revised standard also specifies the accounting when control is lost. Any remaining interest in the entity is re-measured to fair value, and a gain or loss recognised in profit and loss. The changes will be adopted prospectively for transactions after the date of adoption of the revised standard and, therefore, no restatements will be required in respect of transactions prior to the date of adoption.

The Group has adopted FRS 27 (revised) prospectively to transactions with non-controlling interests from 1 October 2009. The application of this standard does not have any impact on the financial position or financial performance of the Group.

#### FRS 103 (revised)

The revised standard continues to apply the acquisition method to business combinations, with some significant changes. For example, all payments to purchase a business are to be recorded at fair value at the acquisition date, with contingent payments classified as debt subsequently re-measured through the income statement. There is a choice on an acquisition-by-acquisition basis to measure the non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of the acquiree's net assets. All acquisition-related costs should be expensed. The changes will be adopted prospectively for transactions after the date of adoption of the revised standard and, therefore, no restatements will be required in respect of transactions prior to the date of adoption.

The Group has applied FRS 103 (revised) prospectively to all business combinations from 1 October 2009. The application of this standard does not have any impact on the financial position or financial performance of the Group.

# Notes to the Financial Statements

30 September 2010

## 2 Significant Accounting Policies (cont'd)

### (a) Basis of Preparation (cont'd)

#### FRS 108

FRS 108, which replaces FRS 14 *Segment Reporting*, requires identification and reporting of operating segments based on internal reports that are regularly reviewed by the Group's chief operating decision maker in order to allocate resources to the segment and to assess its performance. As this is a disclosure standard, it does not have any impact on the financial position or financial performance of the Group upon application.

Since the basis of the Group's presentation of segment information is consistent with that used for internal reporting purposes, the adoption of this standard did not result in any changes to presentation.

#### Amendments to FRS 40

Prior to 1 October 2009, property that is under construction or development for future use as an investment property was accounted for under FRS 16 *Property, plant and equipment* at cost less impairment. With effect from 1 October 2009, such property is accounted for in accordance with FRS 40 *Investment property* at fair value as the Group has adopted the fair value model for accounting for investment property. The revised standard has no significant impact on the financial statements of the Group upon application.

#### New/Revised FRS Issued But Not Yet Effective

At the date of authorisation of these financial statements, the relevant new FRS that have been issued but not yet effective are as follows:

FRS 24 (revised)	Related Party Disclosures
INT FRS 115	Agreements for the Construction of Real Estate

#### FRS 24 (revised)

The revised FRS 24 simplifies the definition of a related party and provides partial exemption for government-related entities. The revised FRS 24 applies retrospectively for annual periods beginning on or after 1 October 2011 but earlier application is permitted. The Group is currently determining the impact of the changes to the definition of a related party has on the disclosure of related party transactions. As this is a disclosure standard, it will have no impact on the financial position or financial performance of the Group upon implementation.

#### INT FRS 115

INT FRS 115 clarifies when revenue and related expenses from a sale of real estate units should be recognised if an agreement between a developer and a buyer is reached before the construction of real estate is completed. INT FRS 115 determines that contracts which do not classify as construction contracts in accordance with FRS 11 can only be accounted for using the percentage of completion method if the entity continuously transfers to the buyer control and the significant risks and rewards of ownership of the work in progress in its current state as construction progresses.

The interpretation applies retrospectively for annual periods beginning on or after 1 October 2011 but earlier application is permitted. The Group recognises revenue from the sale of development properties using the completion method. The Group is currently determining the impact of this interpretation.

## 2 Significant Accounting Policies (cont'd)

### (b) Currency Translation

#### Functional and Presentation Currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the "functional currency"). Management has determined the functional currency of the Company and the Group to be Singapore dollar ("S\$"), as it best reflects the economic substance of the underlying events and circumstances relevant to the entities. Sales prices and major costs of providing goods and services including major operating expenses are primarily influenced by fluctuation in S\$. The consolidated financial statements are presented in S\$.

#### Transactions and Balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Currency translation gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in profit or loss, except for currency translation differences on net investment in foreign entities and borrowings and other currency instruments qualifying as net investment hedges for foreign operations, which are included in the currency translation reserve within equity in the consolidated financial statements.

Non-monetary items that are measured in terms of historical cost in foreign currencies are translated using the exchange rate at the date of the transaction. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the date when the fair value was determined.

Currency translation differences on non-monetary items, whereby the gains or losses are recognised in profit or loss, such as equity investments held at fair value through profit or loss, are reported as part of the fair value gain or loss. Currency translation differences on non-monetary items whereby the gains or losses are recognised directly in equity, such as equity investments classified as financial assets available-for-sale, are included in the fair value reserves.

#### Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- Assets and liabilities for the balance sheet presented are translated at the closing rate at the reporting date;
- Income and expenses are translated at an average exchange rate (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and
- All resulting exchange differences are taken to the foreign currency translation reserves within equity.

#### Consolidation Adjustments

On consolidation, currency translation differences arising from the net investment in foreign entities and borrowings and other currency instruments designated as hedges of such investments are taken to the currency translation reserves. Additionally, when a foreign operation is disposed of, such currency translation differences are recognised in profit or loss as part of the gain or loss on disposal.



# Notes to the Financial Statements

30 September 2010

## 2 Significant Accounting Policies (cont'd)

### (c) Subsidiaries

Subsidiaries are entities over which the Group has power to govern the financial and operating policies, generally accompanied by a shareholding of more than one half of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing the Group has control over another entity.

Subsidiaries are consolidated from the date when control is transferred to the Group to the date when the control ceases. In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group companies are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to the subsidiaries financial statements to ensure consistency of accounting policies with that of the Group.

Investments in subsidiaries are stated at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investments in subsidiaries, the difference between net disposal proceeds and the carrying amount of the investments are then taken to profit or loss.

Non-controlling interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and balance sheet. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

#### Acquisition of Businesses

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair values of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill.

#### Disposals of Subsidiaries or Businesses

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

## 2 Significant Accounting Policies (cont'd)

(c) Subsidiaries (cont'd)

*Transactions with Non-Controlling Interests*

Changes in the Company's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Group. Any difference between the change in the carrying amounts of the non-controlling interests and the fair value of the consideration paid or received is recognised in a separate reserve within equity attributable to the equity holders of the Company.

(d) Investments in Associated Companies

Associated companies are entities over which the Group has significant influence, but no control over, and generally accompanied by a shareholding giving rise to between and including 20% and 50% of the voting rights. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses.

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses are recognised in profit or loss and the share of post-acquisition movements in reserves are recognised in equity directly. These post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in the associated company equals or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred.

(e) Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation and impairment losses. The cost of an item of property, plant and equipment includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. The projected cost of dismantlement, removal or restoration is also included as part of the cost of property, plant and equipment if the obligation for the dismantlement, removal and restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognised in profit or loss when incurred.

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is taken to profit or loss.

# Notes to the Financial Statements

30 September 2010

## 2 Significant Accounting Policies (cont'd)

### (e) Property, Plant and Equipment (cont'd)

Depreciation is calculated on a straight-line basis to write off the cost (net of residual value) of the property, plant and equipment over their estimated useful lives. Freehold land has an unlimited useful life and therefore is not depreciated. The estimated useful lives are as follows:

Freehold building	- 50 years
Leasehold land and building	- 57 years
Renovation	- 5 years
Plant and equipment	- 3 to 5 years
Motor vehicles	- 5 years

The residual values, estimated useful lives and depreciation method of the property, plant and equipment are reviewed and adjusted as appropriate, at each balance sheet date. The effects of any revisions are recognised in profit or loss when changes arise.

### (f) Investment Properties

Investment properties are properties that are currently held either to earn rental or for capital appreciation or both. Investment properties are initially recognised at cost, including transaction costs and subsequently measured at fair value, based on directors' valuation and/or valuations performed by an independent professional valuer. Changes in fair values are recognised in profit or loss.

Investment properties are subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised as an addition and the carrying amounts of the replaced components are written off to profit or loss. The cost of maintenance, repairs and minor improvements is charged to profit or loss when incurred.

When an investment property is disposed of, the resulting gain or loss recognised in profit or loss is the difference between the net disposal proceeds and the carrying amount of the investment property.

Transfers are made to or from investment property only when there is a change in use. For transfer from investment property carried at fair value to development properties for sale, the deemed cost for subsequent accounting is the fair value at the date of change in use.

### (g) Development Properties for Sale

Development properties for sale are properties being constructed or developed for future sale. Costs capitalised include the cost of land and other directly related development expenditure including borrowing costs incurred in developing the properties. They are carried at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, based on market prices at the end of the reporting period and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

Development properties for sale are classified as current assets when they are intended to be sold within the next twelve months.

## 2 Significant Accounting Policies (cont'd)

### (h) Impairment of Non-financial Assets (excluding Goodwill)

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of these assets may not be recoverable. If such indication exists, the recoverable amount (i.e. the higher of the fair value less cost to sell and value in use) of the asset is estimated to determine the amount of impairment loss.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the cash generating units ("CGU") to which the asset belongs. If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. The impairment loss is recognised in profit or loss unless the asset is carried at revalued amount, in which case, such impairment loss is treated as a revaluation decrease.

An impairment loss for an asset is reversed if, and only if, there has been a change in the estimates used to determine the assets' recoverable amount since the last impairment loss was recognised. The carrying amount of an asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase. However, to the extent that an impairment loss on the same revalued asset was previously recognised in the profit or loss, a reversal of that impairment is also recognised in profit or loss.

### (i) Financial Assets and Liabilities

Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date, with the exception that the designation of financial assets at fair value through profit or loss at inception is not revocable.

Financial assets are recognised on the balance sheet when the Group becomes a party to the contractual provisions of the financial instrument. When financial assets are recognised initially, they are measured at their fair values.

Purchases and sales of financial assets are recognised on trade-date - the date on which the Group commits to purchase or sell the asset. A financial asset is derecognised where the contractual rights to receive cash flows from the asset has expired or has been transferred and the Group has transferred substantially all risks and rewards of ownership. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received is recognised in profit or loss.

Financial liabilities within the scope of FRS 39 are recognised on the balance sheet when, and only when, the Group becomes a party to the contractual provisions of the financial instrument.

Financial liabilities other than derivatives, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

### (j) Financial Assets, at Fair Value through Profit or Loss

Financial assets at fair value through profit or loss (financial assets held for trading and those designated at fair value through profit or loss) are initially recognised at fair value and subsequently also carried at fair value. Realised and unrealised gains and losses arising from the changes in fair value, interest and dividends are included in profit or loss in the period in which they arise. The fair values of quoted financial assets are based on quoted market prices, which are the current bid prices.



# Notes to the Financial Statements

30 September 2010

## 2 Significant Accounting Policies (cont'd)

### (k) Construction Contracts

Construction contracts are stated at the lower of cost plus attributable profit less anticipated losses and progress billings, and net realisable value. Cost comprises material costs, direct labour, borrowing costs and relevant overheads. Provision for total anticipated losses on construction contracts is recognised in the financial statements when the loss is foreseeable.

Provision for liquidated damages for late completion of projects are made where there is a contractual obligation and written notice is received from customers, and where in management's opinion an extension of time is unlikely to be granted.

At the balance sheet date, the aggregated costs incurred with the addition of recognised profit (less recognised loss) on each contract is compared against the progress billings. Where such costs exceed the progress billings amount, the balance is presented as due from customers on construction contracts within 'trade and other receivables'. Where the progress billings amount exceeds costs incurred plus recognised profits (less recognised losses), the balance is presented as due to customers on construction contracts within 'trade and other payables'.

Progress billings which are not paid by customers and retentions are classified as 'trade and other receivables'. Whereas advances received are classified as 'trade and other payables'.

### (l) Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables are presented as 'trade and other receivables' and 'cash and cash equivalents' on the balance sheet.

#### Trade and Other Receivables

Trade and other receivables include amounts due from related parties, which are normally settled within 30 to 90 days are recognised initially at fair value subsequently at amortised cost using the effective interest method, less allowance for impairment.

An allowance for impairment of receivables is established when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account.

#### Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and at bank and short-term deposits with financial institutions that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in values. For the purposes of the consolidated statement of cash flows, cash and cash equivalents are shown net of restricted bank deposits and bank overdraft.

### (m) Trade and Other Payables

Trade and other payables, include amounts due to related parties, shareholders and directors, which are normally settled within 30 to 90 days. They are initially measured at fair value, subsequently at amortised cost using the effective interest method.

## 2 Significant Accounting Policies (cont'd)

### (n) Borrowings

Borrowing costs incurred to finance the development of properties and property, plant and equipment are capitalised for the period of time that is required to complete and prepare the asset for its intended use. The amount of borrowing cost capitalised on that asset is the actual borrowing costs incurred during the period less any investment income on the temporary investment of those borrowings. Other borrowing costs are recognised on a time-proportion basis in profit or loss using the effective interest method.

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently stated at amortised cost. Any differences between the proceeds (net of transaction costs) and the redemption value is taken to profit or loss over the period of the borrowings using the effective interest method.

### (o) Financial Guarantees

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at their fair values plus transaction costs. Subsequent to initial recognition, financial guarantees are recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

### (p) Leases

#### Finance Lease

Finance leases are leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as property, plant and equipment and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in profit or loss on a basis that reflects a constant periodic rate of interest on the finance lease liability.

#### Operating Leases

Operating leases are office premises' leases where a significant portion of the risks and rewards of ownership are retained by the lessor. Payments made under operating leases are charged to profit or loss on a straight-line basis over the term of the leases.

### (q) Revenue Recognition

#### Sale of Development Properties

The Group recognises income on property development projects based on the completion of construction method when the risks and ownership of the properties have been transferred to the customers and the Group does not have a substantial continuing involvement with the properties.

# Notes to the Financial Statements

30 September 2010

## 2 Significant Accounting Policies (cont'd)

### (q) Revenue Recognition (cont'd)

#### Construction Revenue

When the outcome of the construction contract can be estimated reliably, contract revenue and costs are recognised in profit or loss in proportion to the stage of completion of the contract.

When the outcome of the construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are likely to be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Contract revenue includes the initial amount agreed in the contract plus any variations in contract work and claims, to the extent that it is probable that those additions will result in revenue and can be measured reliably. The stage of completion of the contract is measured by reference to the surveys of work performed.

#### Rendering of Services

Revenue from the rendering of services, including management fees is recognised over the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be performed.

#### Interest Income

Interest income, including income arising from finance leases and other financial instruments, is recognised on an accrual basis based on the effective interest method.

#### Rental Income

Rental income from operating leases (net of any incentives given to the lessees) is recognised on a straight-line basis over the lease term.

#### Dividend Income

Dividend income is recognised when the right to receive payment is established.

### (r) Income Taxes

Income tax expense represents the sum of the income tax currently payable and deferred income tax.

Income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

## 2 Significant Accounting Policies (cont'd)

### (r) Income Taxes (cont'd)

Deferred tax assets and liabilities are recognised for all temporary differences, except:

- Where the deferred tax arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction affects neither the accounting profit nor taxable profit or loss;
- In respect of temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled by the Group and it is probable that the temporary differences will not reverse in the foreseeable future; and
- In respect of deductible temporary differences and carry-forward of unutilised tax losses, if it is not probable that taxable profits will be available against which those deductible temporary differences and carry-forward of unutilised tax losses can be utilised.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the balance sheet date.

### (s) Employee Benefits

Obligations for contributions to defined contribution retirement benefit plans are recognised as an expense in profit or loss as and when they are incurred. Contributions made to government managed retirement benefit plan such as the Central Provident Fund which specifies the employer's obligations are dealt with as defined contribution retirement benefit plans.

### (t) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

### (u) Related Parties

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party, or exercise significant influence over the other party in making financial and operating decision. Parties are also considered to be related if they are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

### (v) Segment Reporting

A business segment is a distinguishable component of the Group engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of the Group engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.



# Notes to the Financial Statements

30 September 2010

## 3 Critical Accounting Estimates, Assumptions and Judgements

Estimates, assumptions concerning the future and judgements are made in the preparation of the financial statements. They affect the application of the Group's accounting policies, reported amounts of assets, liabilities, income and expenses, and disclosure made. They are assessed on an on-going basis and are based on experience and relevant factors, including expectations of future events that are believed to be reasonable under the circumstances.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

- (i) Critical accounting estimates and assumptions

### Estimated Useful Life of Property, Plant & Equipment

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. The Group's management estimates the useful lives of these property, plant and equipment to be within 3 to 57 years. This estimate is based on the historical experience of the actual useful lives of property, plant and equipment of a similar nature and function. Management will increase the depreciation charge where useful lives are less than previously estimated lives, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. The carrying amount of the Group's depreciable property, plant and equipment as at 30 September 2010 was S\$1,226,646 (2009: S\$631,463).

A 10% differences in the expected useful life of these assets from management's estimates would result in increasing/decreasing the Group's depreciable property, plant and equipment by approximately S\$7,900 (2009: S\$8,700).

- (ii) Critical judgements made in applying accounting policies

### Construction Contracts

The Group uses the percentage-of-completion method to account for its contract revenue. The stage of completion is measured by reference to the surveys of work performed.

Significant assumptions are required in the surveys of work performed and the recoverable variation works that will affect the stage of completion and the construction revenue respectively. In making these estimates, management has relied on past experience and the work of specialists.

### Impairment of Trade and Other Receivables

Management reviews its receivables annually for objective evidence of impairment. Significant financial difficulties of the debtor, the probability that the debtor will enter bankruptcy, and default or significant delay in payments are considered objective evidence that a receivable is impaired. In determining this, management makes judgement as to whether there is observable data indicating that there has been a significant change in the debtor's ability to pay, or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment which the debtor operates.

Where there is objective evidence of impairment, management makes judgements as to whether an impairment loss should be recorded in profit or loss. In determining this, management uses estimates based on historical loss experience for assets with similar credit risk characteristics. The methodology and assumptions used for estimating both the amount and timing of future cash flows are reviewed regularly to reduce any differences between the estimated loss and actual loss experience. During the financial year ended 30 September 2010, the Group recognised allowance for impairment of trade receivables of S\$25,280 (2009: Nil).

The carrying amount of trade and other receivables of the Group as at 30 September 2010 is S\$5,757,647 (2009: S\$2,262,651).

# Notes to the Financial Statements

30 September 2010

## 3 Critical Accounting Estimates, Assumptions and Judgements (cont'd)

- (ii) Critical judgements made in applying accounting policies (cont'd)

### Classification of Development Properties for Sale

The Group recognises income on property development projects based on the completion of construction method, when the risks and ownership of the properties have been transferred to the customers and the Group does not have a substantial continuing involvement with the properties. These usually coincide upon the receipt of the temporary occupation permit. In determining this, management makes judgement to the expected date of completion of the project and when the risks and ownership for the Group's development properties will be transferred to third parties.

The carrying amount of the Group's development properties which will be realised within the next 12 months and after 12 months as at 30 September 2010 is S\$13,253,999 (2009: Nil) and S\$8,646,668 (2009: Nil) respectively.

## 4 Revenue

	Group	
	2010	2009
	S\$	S\$
Sale of development properties	2,200,000	3,119,361
Construction revenue	5,992,177	5,424,632
Others	26,481	10,300
	<u>8,218,658</u>	<u>8,554,293</u>

## 5 Other Operating Income

	Group	
	2010	2009
	S\$	S\$
Dividend income	4,250	5,050
Fair value gain on investment properties (Note 12)	960,504	-
Fair value gain on financial assets, at fair value through profit or loss	22,474	-
Gain on disposal of investment property	-	115,113
Gain on disposal of property, plant and equipment	-	9,000
Gain on disposal of financial assets, at fair value through profit or loss	512	6,621
Management fees	24,000	24,000
Rental income	470,237	516,778
Others	23,365	33,463
	<u>1,505,342</u>	<u>710,025</u>

# Notes to the Financial Statements

30 September 2010

## 6 Finance Costs

	Group	
	2010	2009
	S\$	S\$
Interest expense on:		
- finance lease liabilities	5,412	4,629
- borrowings	303,952	431,374
	<u>309,364</u>	<u>436,003</u>

## 7 Profit before Income Tax

This is arrived at after charging the following items:

	Group	
	2010	2009
	S\$	S\$
Cost of development properties for sale	1,595,407	2,378,329
Depreciation of property, plant and equipment (included in administrative expenses)	79,478	87,210
Other operating expenses:		
- Bad debts written off for other receivables	51,910	-
- Allowance for impairment loss on trade receivables (Note 18)	25,280	-
- Loss on disposal of property, plant and equipment	11,655	-
Directors' fees	108,000	18,000

54

## 8 Employee Benefits Cost

	Group	
	2010	2009
	S\$	S\$
Salaries and related costs	1,400,635	1,257,727
Contributions to defined contribution plans	201,772	182,911
	<u>1,602,407</u>	<u>1,440,638</u>

# Notes to the Financial Statements

30 September 2010

## 9 Income Tax

	Group	
	2010	2009
	S\$	S\$
Current year's income tax expense:		
Current income tax	134,833	101,306
Deferred income tax (Note 23)	(141,000)	(18,020)
	<u>(6,167)</u>	<u>83,286</u>
Prior year overprovision:		
Income tax	(27,545)	-
Deferred income tax (Note 23)	-	(139,815)
	<u>(27,545)</u>	<u>(139,815)</u>
	<u>(33,712)</u>	<u>(56,529)</u>

A reconciliation of income tax calculated at the applicable corporate tax rate in Singapore with income tax expense is as follows:

	Group	
	2010	2009
	S\$	S\$
Profit before income tax	1,073,053	462,473
(Less)/Add: Share of results of associated companies, net	(991,866)	347,856
	<u>81,187</u>	<u>810,329</u>
Tax at statutory rate of 17% (2009: 17%)	13,802	137,756
Effect of:		
- change in Singapore tax rate	-	(18,020)
- different tax rates in other countries	(1,859)	8,697
- partial tax exemption and tax relief	(25,925)	(35,339)
- expenses not deductible for tax purposes	238,504	22,666
- income not subject to tax	(136,337)	(134,799)
- utilisation of previously unrecognised deferred tax benefits-tax losses	(99,652)	(4,859)
- deferred tax benefits not recognised	5,300	107,184
- over provision in prior year	(27,545)	(139,815)
	<u>(33,712)</u>	<u>(56,529)</u>



# Notes to the Financial Statements

30 September 2010

## 9 Income Tax (cont'd)

### Unrecognised deferred tax assets

The following deferred tax assets have not been recognised at the reporting date:

	Group	
	2010	2009
	S\$	S\$
Tax losses	10,370	104,720

As at 30 September 2010, the Group has unutilised tax losses amounting to approximately S\$61,600 (2009: S\$616,000) that are available for offset against future taxable profits, subject to the agreement of the tax authorities and compliance with the relevant provisions of the Singapore Income Tax Act. The deferred tax assets arising from these unutilised tax losses have not been recognised because it is not probable that future taxable profits will be available against which the Company can utilise.

## 10 Earnings Per Share

	Group	
	2010	2009
Net profit for the year attributable to members of the Company (S\$)	1,113,451	483,610
Weighted average number of ordinary shares in issue during the year	159,449,041	57,192,099
Basic earnings per share	0.70 cents	0.85 cents
Diluted earnings per share	0.70 cents	0.85 cents

(a) Basic earnings per share

Earnings per share is calculated on the Group's net profit for the financial year attributable to members of the Company divided by the weighted average number of ordinary shares issued during the financial year, adjusted for the share split.

(b) Diluted earnings per share

Diluted earnings per share for the financial years ended 30 September 2010 and 2009 are the same as basic earnings per share because there were no potential dilutive ordinary shares existing in the respective financial years.

# Notes to the Financial Statements

30 September 2010

## 11 Property, Plant and Equipment

	Freehold Land	Freehold Building	Leasehold Land and Building	Renovation	Plant and Equipment	Motor Vehicles	Total
	S\$	S\$	S\$	S\$	S\$	S\$	S\$
<b>Group</b>							
<b>2010</b>							
<u>Cost</u>							
At 1 October 2009	399,159	572,138	–	64,447	420,778	234,123	1,690,645
Additions	–	–	572,896	30,783	50,295	55,342	709,316
Disposal	–	–	–	–	–	(42,435)	(42,435)
At 30 September 2010	399,159	572,138	572,896	95,230	471,073	247,030	2,357,526
<u>Accumulated depreciation</u>							
At 1 October 2009	–	125,342	–	64,447	339,525	130,709	660,023
Disposal	–	–	–	–	–	(7,780)	(7,780)
Charge for the year	–	–	6,700	2,877	34,041	35,860	79,478
At 30 September 2010	–	125,342	6,700	67,324	373,566	158,789	731,721
<u>Net book value</u>							
At 30 September 2010	399,159	446,796	566,196	27,906	97,507	88,241	1,625,805
<b>2009</b>							
<u>Cost</u>							
At 1 October 2008	399,159	572,138	–	64,447	339,379	219,688	1,594,811
Additions	–	–	–	–	81,399	93,435	174,834
Disposal	–	–	–	–	–	(79,000)	(79,000)
At 30 September 2009	399,159	572,138	–	64,447	420,778	234,123	1,690,645
<u>Accumulated depreciation</u>							
At 1 October 2008	–	97,610	–	62,852	316,981	174,370	651,813
Disposal	–	–	–	–	–	(79,000)	(79,000)
Charge for the year	–	27,732	–	1,595	22,544	35,339	87,210
At 30 September 2009	–	125,342	–	64,447	339,525	130,709	660,023
<u>Net book value</u>							
At 30 September 2009	399,159	446,796	–	–	81,253	103,414	1,030,622

The Group acquired property, plant and equipment with an aggregate cost of S\$709,316 (2009: S\$174,834). Included in additions in the consolidated financial statements are property, plant and equipment acquired under finance leases amounting to S\$30,000 (2009: S\$43,220) and cash payments amounting to S\$679,316 (2009: S\$131,614).

The carrying amount of property, plant and equipment acquired under finance lease arrangements for the Group as at 30 September 2010 amounted to S\$76,797 (2009: S\$71,309).

As at 30 September 2010, freehold and leasehold land and buildings with carrying amounts of S\$1,412,151 (2009: S\$845,955) were pledged to certain banks to secure credit facilities for the Group.

# Notes to the Financial Statements

30 September 2010

## 11 Property, Plant and Equipment (cont'd)

The properties held by the Group as at 30 September 2010 are as follows:

Location	Tenure	Approximate Land Area (sq m)	Approximate Floor Area (sq m)	Use of Property
18 Roberts Lane, Goodland Building, Singapore	Freehold	47.2	190.0	Corporate Headquarters
7030 Ang Mo Kio Avenue 5 #03-62 Northstar@AMK, Singapore	Leasehold	NA	183.0	Office

*N.A. - Not applicable*

## 12 Investment Properties

	Group	
	2010 S\$	2009 S\$
<i>At fair value:</i>		
Balance at beginning of year	15,247,427	15,994,450
Disposal	-	(747,023)
Fair value gain (Note 5)	960,504	-
Transfer to development properties for sale (Note 13)	(2,852,677)	-
Balance at end of year	<u>13,355,254</u>	<u>15,247,427</u>

Investment properties are carried at fair values at the balance sheet date based on directors' valuations supported by independent professional valuations by valuers who have the appropriate qualification and recent experience in the valuation of properties in the relevant locations. In determining the fair value, the valuers have employed valuation techniques such as the market comparison method and estimates have been applied towards the valuation method based on the directors and valuers' judgement. In relying on the independent professional valuation reports, management has exercised their judgement and is satisfied that the fair value is reflective of current market conditions.

As at 30 September 2010, investment properties with carrying amounts of S\$13,355,254 (2009: S\$15,247,427) were pledged to certain banks to secure credit facilities for the Group.

Investment properties of the Group are held mainly for use by tenants under operating leases. The following amounts are recognised in the Group's profit or loss.

	Group	
	2010 S\$	2009 S\$
Rental income	470,237	516,778
Direct operating expenses arising from investment properties that generated rental income	43,967	33,143
Property tax and other operating expenses arising from an investment property that did not generate rental income	-	7,670

# Notes to the Financial Statements

30 September 2010

## 12 Investment Properties (cont'd)

The investment properties held by the Group as at 30 September 2010 are as follows:

Description and Location	Tenure	Approximate Land Area (sq m)	Approximate Floor Area (sq m)	Use of Property
6-storey commercial cum residential building, 18 Roberts Lane Goodland Building, Singapore	Freehold	189.4 <sup>(1)</sup>	762.0 <sup>(1)</sup>	Commercial cum residential
2-storey terrace dwelling house with an attic, 12B,12C,12D & 12E Andrews Avenue, Singapore	Freehold	299.2	351.0	Shophouses
2-storey terrace dwelling house with an attic, 67/67A Brighton Crescent, Singapore	Freehold	110.6	197.4	Shophouses

<sup>(1)</sup> Land and floor area excluded areas used for corporate headquarters, which have been disclosed in Note 11.

During the current financial year, with the change in use by management, the Group transferred one of its existing investment properties located at 219A Ponggol Seventeenth Avenue, Singapore to development properties for sale as disclosed in Note 13.

## 13 Development Properties for Sale

	Group	
	2010 S\$	2009 S\$
Balance at beginning of year	–	2,330,784
Transfer from investment properties (Note 12)	2,852,677	–
Additions		
- Interest capitalised	539,984	–
- Other costs	20,103,413	47,545
Disposal	(1,595,407)	(2,378,329)
Balance at end of year	21,900,667	–
Classified as:		
Non-current assets	8,646,668	–
Current assets	13,253,999	–
	21,900,667	–

As at 30 September 2010, development properties for sale with a total carrying value of S\$21,900,667 (2009: Nil) were pledged to certain banks to secure credit facilities for the Group.

During the financial year, borrowing costs of S\$539,984 (2009: Nil), arising from borrowings obtained specifically for the development properties for sale were capitalised under "Development Properties for Sale". The rate used to determine the amount of borrowing costs eligible for capitalisation was 2.3% to 4.25% (2009: Nil), which is the effective interest rate of the specific borrowing.



# Notes to the Financial Statements

30 September 2010

## 13 Development Properties for Sale (cont'd)

The development properties for sale as at 30 September 2010 comprise the following:

Name of Property	Stage of completion	Expected date of completion	Approximate land area (sq m)	Approximate floor area (sq m)	Use of Property	Effective ownership interest held by the Group
<b>Goodland Development Pte Ltd</b>						
No. 3 and 5 Topaz Road, Singapore	15%	3 <sup>rd</sup> quarter 2011	1,020.3	1,350	Residential apartment units	100
No. 25, 27 and 29 Pennefather Road Singapore	95%	1 <sup>st</sup> quarter 2011	436.5	1,110	3-storey semi-detached houses	100
No. 15 Jalan Waringin Singapore	95%	1 <sup>st</sup> quarter 2011	187.76	400	Residential terrace house	100
No. 6 Lorong 6 Geylang, Singapore	2%	4 <sup>th</sup> quarter 2012	336.8	336.8	Residential apartment units	100
<b>Goodland Investments Pte Ltd</b>						
No. 79A Jalan Senang Singapore	35%	2 <sup>nd</sup> quarter 2011	175.2	400	Residential terrace house	100
No. 219/219A Ponggol Seventeenth Avenue Singapore	0%	3 <sup>rd</sup> quarter 2012	842.1	1,619	2-storey strata detached landed housing	100
<b>Banyan Housing Development Sdn Bhd</b>						
No. 204/206/208 Jalan Dr. Lim Chwee Leong, Malaysia	0%	Still at planning stage	485.5	485.5	Commercial shophouses/ office	100

## 14 Investments in Subsidiaries

	Company	
	2010	2009
	S\$	S\$
Investment in unquoted shares, at cost	2,641,077	1,816,080

# Notes to the Financial Statements

30 September 2010

## 14 Investments in Subsidiaries (cont'd)

Details of investment in subsidiaries as at 30 September 2010 are as follows:

Name and country of incorporation/operation	Principal activities	Effective ownership interest		Cost of investment	
		2010 %	2009 %	2010 S\$	2009 S\$
Goodland Development Pte Ltd. (Singapore) <sup>(1)</sup>	Real estate development	100	100	1,000,000	1,000,000
Goodland Investments Pte Ltd. (Singapore) <sup>(1)</sup>	Investment holding and real estate development	100	100	1,000,000	300,000
Goodland Capital Pte. Ltd. (Singapore) <sup>(1) (3)</sup>	Investment holding	100	100	40	40
Goodland Homes Pte. Ltd. (Singapore) <sup>(1) (3)</sup>	Investment holding	100	100	40	40
Goodland Group Construction Pte. Ltd. (Singapore) <sup>(1)</sup>	Building construction including major upgrading works	100	100	171,998	72,000
GPM Builders Pte. Ltd. (Singapore) <sup>(1) (3)</sup>	General building contractors, housekeeping cleaning and maintenance services	100	100	446,999	422,000
Banyan Housing Development Sdn. Bhd. (Malaysia) <sup>(2)</sup>	Real estate development	72	72	22,000	22,000
				2,641,077	1,816,080

(1) Audited by Moore Stephens LLP, Singapore

(2) Audited by Moore Stephens, Malaysia

(3) Dormant during the financial year

## 15 Investments in Associated Companies

	Group	
	2010 S\$	2009 S\$
Equity investment, at cost:		
Balance at beginning of year	1,000,000	1,000,000
Addition during the year	1,000,000	–
Balance at end of year	2,000,000	1,000,000
Share of results:		
Balance at beginning of year	(629,723)	(281,867)
Share of results for the year	991,866	(347,856)
Balance at end of year	362,143	(629,723)
Total	2,362,143	370,277

# Notes to the Financial Statements

30 September 2010

## 15 Investments in Associated Companies (cont'd)

Name and country of incorporation/operation	Principal activities	Effective ownership interest		Cost of investment	
		2010	2009	2010	2009
		%	%	S\$	S\$
AG Capital Pte. Ltd. (Singapore) <sup>(2)</sup>	Real estate development	50	50	500,000	500,000
AG Development (Mar Thoma) Pte. Ltd. (Singapore) <sup>(2)</sup>	Real estate development	50	50	500,000	500,000
Goodland Sunny Pte. Ltd. <sup>(1)</sup> (Singapore)	Real estate investment and development	50	–	1,000,000	–
<u>Held by Goodland Sunny Pte. Ltd</u>					
Oxley Module Pte. Ltd. <sup>(2)</sup> (Singapore)	Real estate investment and development	17	–	–	–
				<u>2,000,000</u>	<u>1,000,000</u>

(1) Audited by Moore Stephens LLP, Singapore

(2) Audited by Moore Stephens LLP, Singapore for Group consolidation purposes

During the current financial year in December 2009, the Group entered into a shareholders' agreement to incorporate Goodland Sunny Pte. Ltd. ("Goodland Sunny"). The initial paid up capital of Goodland Sunny was S\$2 and subsequently was increased to S\$2,000,000. As at 30 September 2010, the Group's investment in Goodland Sunny was S\$1,000,000.

In May 2010, Goodland Sunny entered into a shareholders' agreement to incorporate Oxley Module Pte. Ltd. ("Oxley Module"). The initial paid up capital was S\$3 and subsequently, it was increased to S\$1,000,000. As at 30 September 2010, Goodland Sunny's investment in Oxley Module Pte Ltd was S\$340,000. The results of Oxley Module have been equity accounted for in Goodland Sunny's financial statements. Oxley Module is regarded as an associated company because the Group is able to exercise significant influence to participate in the financial and operating policy decisions of Oxley Module.

The summarised financial information of associated companies, not adjusted for the percentage of equity interest held by the Group, is as follows:

	Group	
	2010	2009
	S\$	S\$
Assets	44,086,441	32,554,545
Liabilities	(39,362,155)	(31,813,991)
Net assets	<u>4,724,286</u>	<u>740,554</u>
Income	17,393,985	30,294
Expenses	(15,410,253)	(726,005)
Profit/(Loss) for the year	<u>1,983,732</u>	<u>(695,711)</u>

As at 30 September 2009, the Group has not recognised its share of losses of an associated company amounting to S\$492,268 because the Group's cumulative share of losses exceeds its interests in that entity and the Group has no obligation for those losses. The cumulative unrecognised losses amounted to S\$492,268 as at 30 September 2009.

# Notes to the Financial Statements

30 September 2010

## 16 Cash and Cash Equivalents

	Group		Company	
	2010	2009	2010	2009
	S\$	S\$	S\$	S\$
Cash and bank balances	3,503,530	1,163,096	3,189	288,078
Fixed deposits	144,684	255,492	–	201,092
	<u>3,648,214</u>	<u>1,418,588</u>	<u>3,189</u>	<u>489,170</u>

As at 30 September 2010, fixed deposits had an average maturity of 12 months (2009: 9 months) and earned interest at an average rate of 0.44% (2009: 0.61%) per annum.

For the purposes of presenting the consolidated statement of cash flows, cash and cash equivalents include cash on hand and in banks, net of outstanding bank overdrafts. Cash and cash equivalents at the end of the reporting period as shown in the consolidated statement of cash flows can be reconciled to the related items in the consolidated balance sheets as follows:

	Group	
	2010	2009
	S\$	S\$
Cash and bank balances (as above)	3,648,214	1,418,588
Less: Bank overdraft (Note 22)	(1,432,005)	(1,937,166)
Less: Fixed deposits with maturity more than 3 months	(54,752)	(255,492)
Less: Pledged fixed deposits	(89,932)	–
Cash and cash equivalents per consolidated statement of cash flows	<u>2,071,525</u>	<u>(774,070)</u>

As at 30 September 2010, pledged fixed deposits are used to secure bank borrowings (Note 22).

## 17 Financial Assets, at Fair Value through Profit or Loss

	Group	
	2010	2009
	S\$	S\$
Quoted investments	<u>156,853</u>	<u>134,378</u>

# Notes to the Financial Statements

30 September 2010

## 18 Trade and Other Receivables

	Group		Company	
	2010	2009	2010	2009
	S\$	S\$	S\$	S\$
Trade receivables				
- Third parties	2,206,996	53,628	-	-
Less: Allowance for impairment loss	(25,280)	-	-	-
	2,181,716	53,628	-	-
- Related parties	245,456	359,985	-	-
- Associated companies	1,488,871	471,503	-	-
Construction contracts:				
- Retention receivables	604,758	-	-	-
Other receivables				
- Third parties	129,314	85,262	-	-
- Related companies	-	-	1,386,188	185,293
- Associated companies	590,158	800,813	-	-
Deposits	517,374	491,460	-	-
	5,757,647	2,262,651	1,386,188	185,293

The amounts due from related companies, related parties and associated companies are unsecured, interest-free and repayable in cash on demand.

Related parties comprise mainly an ultimate controlling shareholder and companies which are controlled or significantly influenced by key management personnel of the Group.

The carrying amount of the Group's trade receivables determined to be impaired and the movement of the allowance for impairment of trade receivables are as follows:

	Group	
	2010	2009
	S\$	S\$
Trade receivables	25,280	-
Less: Allowance for impairment loss	(25,280)	-
	-	-
Movement of allowance for impairment loss:		
As at beginning of year	-	-
Impairment loss	25,280	-
As at end of year	25,280	-



# Notes to the Financial Statements

30 September 2010

## 19 Other Current Assets

	Group		Company	
	2010	2009	2010	2009
	S\$	S\$	S\$	S\$
Prepayments	292,078	2,134,950	–	2,089,065

As at 30 September 2009, prepayments included an amount of S\$2,089,065 in relation to the prepaid expenses pursuant to the Initial Public Offering (“IPO”) exercise. During the current financial year ended 30 September 2010, these expenses are deducted against the share capital account in accordance with the Group’s accounting policy, Note 2(t).

## 20 Construction Contracts

	Group	
	2010	2009
	S\$	S\$
Costs incurred	4,856,965	5,930,304
Add: Attributable profits	1,135,212	2,623,989
	5,992,177	8,554,293
Less: Progress billings	(5,992,177)	(8,554,293)
	–	–

## 21 Finance Lease Liabilities

The Group leases certain plant and equipment and motor vehicles from third parties under finance leases. The effective rates of interest for finance leases for the Group as at 30 September 2010 is 5.9% to 6.2% (2009: 3.25% to 6.2%).

	Group	
	2010	2009
	S\$	S\$
Minimum lease payments due:		
- less than one year	27,180	20,988
- between one to five years	80,318	75,432
- more than five years	–	7,547
Total minimum lease payments	107,498	103,967
Less: Future finance charges	(19,519)	(22,231)
Present value of total minimum lease payments	87,979	81,736
Classified as:		
Non-current liabilities	61,455	65,212
Current liabilities	26,524	16,524
	87,979	81,736

Finance lease liabilities of the Group are secured by certain plant and equipment as disclosed in Note 11.

# Notes to the Financial Statements

30 September 2010

## 22 Borrowings

	Group	
	2010	2009
	S\$	S\$
Non-current liabilities:		
Bank borrowings	9,493,806	6,213,671
Current liabilities:		
Bank overdrafts (Note 16)	1,432,005	1,937,166
Bank borrowings	14,674,004	297,124
	16,106,009	2,234,290
Total	25,599,815	8,447,961

### (a) Bank Overdrafts

Bank overdrafts of the Group are secured by the following:

- (i) Legal mortgage on the Group's investment properties and property, plant and equipment;
- (ii) Assignment of all rights, titles and benefits with respect to the property;
- (iii) Deed of subordination of all shareholders' and directors' loans for all monies up to the full retirement of the credit facilities;
- (iv) Corporate guarantee by Goodland Group Limited; and
- (v) Joint and several guarantees from certain directors.

During the financial year ended 30 September 2010, interest on the bank overdrafts are on a fixed rate basis of 0% to 1.5% per annum (2009: 1% to 1.5%), above the prevailing prime rate of the bank.

### (b) Bank Borrowings

	Group	
	2010	2009
	S\$	S\$
Secured bank borrowings due:		
- within one year	14,674,004	297,124
- between one to five years	4,571,176	1,334,823
- after five years	4,922,630	4,878,848
	24,167,810	6,510,795
Average effective rates of interest at the balance sheet date:		
- bank borrowings	2.30% - 4.55%	3.39% - 5.00%
Undrawn borrowing facilities	S\$10,038,540	S\$62,834

## 22 Borrowings (cont'd)

### (b) Bank Borrowings (cont'd)

Bank borrowings are secured by:

- (i) Mortgages on the borrowing subsidiaries' property, plant and equipment, investment properties and development properties for sale;
- (ii) Assignment of all rights, titles and benefits with respect to these properties;
- (iii) Joint and several guarantees by directors
- (iv) Corporate guarantee by Goodland Group Limited;
- (v) Charge of fixed deposit; and
- (vi) Deed of subordination of all shareholders' and directors' loans for all monies up to the full retirement of the credit facilities.

### (c) Breach of Loan Covenants

During the current financial year, one of the subsidiaries of the Group entered into a loan agreement with a bank for the purpose of project financing. According to one of the conditions stated in the agreement, the Group shall commence construction of the proposed development by the 2nd quarter of year 2010. As at 30 September 2010, the project has not commenced construction as the Group has plans to redevelop this property together with newly acquired properties acquired by the Group subsequent to the financial year end in the same location.

As a result, the Group has breached a loan covenant in the bank loan as at 30 September 2010 and accordingly the bank loan amounting to approximately S\$1.66 million has been reclassified as a current liability in the balance sheet. Subsequent to the balance sheet date, the bank has agreed to revise its construction timeline and is currently finalising the amended letter of offer with respect to the revisions of the commencement date of construction.

### (d) Carrying Amounts and Fair Value Information

The fair values of borrowings at the balance sheet date are based on expected future cash flows, discounted using market rates of approximately 5% for similar instruments at the balance sheet date.

The following fair values are for information purposes only and are not recognised in the financial statements.

	<b>Group</b>	
	<b>2010</b>	<b>2009</b>
	<b>S\$</b>	<b>S\$</b>
Secured bank loans:		
Carrying amounts	24,167,810	6,510,795
Fair values	23,915,193	6,243,958

# Notes to the Financial Statements

30 September 2010

## 23 Deferred Tax Liabilities

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheet as follows:

	Group		
	2010	2009	
	S\$	S\$	
Deferred tax liabilities			
- to be settled after one year	165,332	306,332	
	Deferred tax liability - fair value gain on investment properties	Deferred tax assets - tax losses	Net
	S\$	S\$	S\$
<b>Group</b>			
<u>2010</u>			
Balance at beginning of year	306,332	-	306,332
Credited to profit or loss (Note 9)	-	(141,000)	(141,000)
Balance at end of year	306,332	(141,000)	165,332
<u>2009</u>			
Balance at beginning of year	464,167	-	464,167
Credited to profit or loss (Note 9)	(157,835)	-	(157,835)
Balance at end of year	306,332	-	306,332

68

## 24 Trade and Other Payables

	Group		Company	
	2010	2009	2010	2009
	S\$	S\$	S\$	S\$
Trade payables to:				
- Third parties	4,079,876	559,021	-	75
- Related parties	-	334	-	-
Construction contracts:				
- Retention payables	1,035,658	-	-	-
Other payables to:				
- Third parties	426,662	842,616	107,428	-
- Related companies	-	-	-	3,318,917
- Related parties	178	4,276	-	-
- Associated companies	2,049,622	686,435	-	-
Advances/deposits received	-	88,590	-	-
Accrued operating expenses	478,436	605,724	60,000	415,000
	8,070,432	2,786,996	167,428	3,733,992

The payables due to related companies, related parties and associated companies are unsecured, interest-free and repayable in cash on demand.

Related parties comprise mainly companies which are controlled or significantly influenced by the key management personnel of the Group.

# Notes to the Financial Statements

30 September 2010

## 24 Trade and Other Payables (cont'd)

As at 30 September 2009, the total non-audit fees paid/payable to the auditors of the Company amounting to S\$410,000. Included in the accrued operating expenses are fees amounting to S\$360,000 payable to the auditors of the Company for their services rendered in connection with the Company's Initial Public Offering Exercise. The remaining fees have been fully repaid in the current financial year. Except as disclosed above, no other non audit expenses have been paid to the auditors for the financial year ended 30 September 2010.

## 25 Share Capital

	Group		Company	
	No. of shares	S\$	No. of shares	S\$
<b>2010</b>				
Balance at beginning of year	129,860,000	916,080	129,860,000	916,080
Issue of share capital	30,000,000	6,000,000	30,000,000	6,000,000
Share issue expenses	–	(2,604,166)	–	(2,604,166)
Balance at end of year	159,860,000	4,311,914	159,860,000	4,311,914
<b>2009</b>				
Balance at beginning of year	431,004	431,004	400,000	400,000
Share swap pursuant to restructuring exercise	(31,004)	(31,004)	–	–
Issue of new shares pursuant to restructuring exercise	516,080	516,080	516,080	516,080
	916,080	916,080	916,080	916,080
Share Split	128,251,200	916,080	128,251,200	916,080
Issue of new shares pursuant to the Initial Public Offering exercise	1,608,800	321,760	1,608,800	321,760
Share issue expenses	–	(321,760)	–	(321,760)
Balance at end of year	129,860,000	916,080	129,860,000	916,080

For the financial year ended 30 September 2009, as a result of a restructuring exercise (the "Restructuring Exercise"), undertaken for the purpose of the Company's listing on the SGX-ST, there were share split from 916,080 ordinary shares to 128,251,200 ordinary shares.

Ordinary shares have no par value.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction at general meetings of the Company and rank equally with regard to the Company's residual assets.

## 26 Reserves

	Group		Company	
	2010	2009	2010	2009
	S\$	S\$	S\$	S\$
Retained earnings/ Accumulated losses	10,850,231	9,736,780	(448,888)	(70,464)
Merger reserves	(485,076)	(485,076)	–	–
Currency translation reserve	(17,528)	(22,344)	–	–
	10,347,627	9,229,360	(448,888)	(70,464)



# Notes to the Financial Statements

30 September 2010

## 26 Reserves (cont'd)

Merger reserve represents the difference between the value of shares issued by the Company in exchange for the value of shares acquired in respect of the acquisition of subsidiaries accounted for under the pooling-of-interests method.

Movements in reserves for the Group are set out in the consolidated statement of changes in equity.

## 27 Significant Related Party Transactions

In addition to the information disclosed elsewhere in the financial statements, during the financial year, the Group had significant transactions with related parties on terms agreed between the parties as follows:

	Group	
	2010	2009
	S\$	S\$
<u>With companies in which the directors have interests or common directors</u>		
<i>Income:</i>		
Construction revenue	–	300,000
Procurement service fee	–	262
Miscellaneous service fee	–	10,300
	<hr/> <hr/>	<hr/> <hr/>
<i>Expenses:</i>		
Transport charges	–	2,522
Subcontractor charges	–	684
Materials	–	13,889
	<hr/> <hr/>	<hr/> <hr/>
<i>Asset:</i>		
Deposit paid for purchase of development properties for sale	–	32,600
Purchase of development properties for sale	264,766	–
	<hr/> <hr/>	<hr/> <hr/>
<u>With shareholder</u>		
<i>Income:</i>		
Construction revenue	186,916	1,512,686
	<hr/> <hr/>	<hr/> <hr/>
<i>Expenses:</i>		
Consultancy services	–	325,940
	<hr/> <hr/>	<hr/> <hr/>
<i>Asset:</i>		
Deposit paid for purchase of development properties for sale	–	125,000
Purchase of development properties for sale	2,375,000	–
	<hr/> <hr/>	<hr/> <hr/>
<i>Liability:</i>		
Deposit received for sale of development properties for sale	93,970	–
	<hr/> <hr/>	<hr/> <hr/>
<u>With associated companies</u>		
<i>Income:</i>		
Miscellaneous service fee	24,000	24,000
Construction revenue	5,805,100	3,611,946
	<hr/> <hr/>	<hr/> <hr/>
<u>With members related to key management personnel</u>		
<i>Liability:</i>		
Deposit received for sale of development properties for sale	22,292	–
	<hr/> <hr/>	<hr/> <hr/>

Balances with related parties outstanding at the balance sheet date are disclosed in Notes 18 and 24.

# Notes to the Financial Statements

30 September 2010

## 27 Significant Related Party Transactions (cont'd)

### *Remuneration of Key Management Personnel*

The remuneration of the directors and senior personnel, who are the key management personnel of the Group are as follows:

	<b>Group</b>	
	<b>2010</b>	<b>2009</b>
	<b>S\$</b>	<b>S\$</b>
Short-term employee benefits	1,012,499	952,600
Contributions to defined contribution plans	80,183	68,981
	<u>1,092,682</u>	<u>1,021,581</u>
Comprised amounts paid/payable to:		
Directors of the Company	646,855	710,454
Other key management personnel	445,827	311,127
	<u>1,092,682</u>	<u>1,021,581</u>

## 28 Commitments

- (a) Development Properties for Sale Expenditure

	<b>Group</b>	
	<b>2010</b>	<b>2009</b>
	<b>S\$</b>	<b>S\$</b>
Development properties for sale expenditure contracted for but not provided for in the financial statements	8,550,000	5,439,650

- (b) Operating Lease Receipts

The future minimum lease receivables under non-cancellable operating leases, with varying terms and renewal rights contracted for at the balance sheet date but not recognised as receivables, are as follows:

	<b>Group</b>	
	<b>2010</b>	<b>2009</b>
	<b>S\$</b>	<b>S\$</b>
<u>Rental receivables</u>		
Within one year	280,793	282,463
After one year	39,300	117,713
	<u>320,093</u>	<u>400,176</u>

## 29 Corporate Guarantees

As at 30 September 2010, the Company has corporate guarantees amounting to S\$31,232,313 (2009: Nil) issued to banks for term loans and bank overdrafts of the Group's subsidiaries, of which S\$24,071,772 (2009: Nil) has been drawn down. The fair value of the corporate guarantee is estimated to be insignificant as the subsidiaries have the ability to generate sufficient cash flows from their operations to finance their continuing operations and repay the bank borrowings.

# Notes to the Financial Statements

30 September 2010

## 30 Financial Risks Management Policies

The Group's activities exposed it to a variety of financial risks, including the effects of interest rate risk, credit risk, currency risk and liquidity risk arising in the normal course of the Group's business. The Group's risk management policy seeks to minimise the potential adverse effects from these exposures. Management continuously monitors the Group's risk management process to ensure that an appropriate balance between risk and control is achieved. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors is responsible for setting the objectives, the underlying principles of financial risk management for the Group and establishing the policies such as authority levels, oversight responsibilities, risk identification and measurement and exposure limits, in accordance with the objectives and underlying principles approved.

### (a) Credit risk

Credit risk refers to the risk that the customer or counterparty failed to discharge an obligation which resulted in a financial loss to the Group.

As the Group does not hold any collateral, the maximum exposure to credit risk is the carrying amount of the related financial assets presented on the balance sheet.

The Group's credit risk is primarily attributable to its trade and other receivables. The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. This allowance account in respect of trade and other receivables is used to record impairment losses unless the Group is satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

Trade and other receivables balances are monitored on an ongoing basis and whether the trade and other receivables are recoverable are estimated by the Group's management based on prior experience and the current economic environment.

Cash and fixed deposits are placed with banks and financial institutions which are regulated.

### *Significant concentrations of credit risk*

Concentrations of credit risk exist when changes in economic, industry or geographic factors similarly affect groups of counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure. The Group's credit exposure is concentrated mainly in Singapore.

### (i) *Financial assets that are neither past due nor impaired*

Trade and other receivables that are neither past due nor impaired are creditworthy companies or individuals with a good payment record with the Group. Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit ratings and no history of default.

**30 Financial Risks Management Policies (cont'd)***(a) Credit risk (cont'd)**(ii) Financial assets that are past due but not impaired*

There are no other class of financial assets that is past due but not impaired except for trade and other receivables.

The age analysis of trade and other receivables past due but not impaired are as follows:

	<b>Group</b>	
	<b>2010</b>	<b>2009</b>
	<b>S\$</b>	<b>S\$</b>
Past due within 30 days	31	–
Past due within 31 to 60 days	–	5
Past due over 60 days	42,689	64,966
	<u>42,720</u>	<u>64,971</u>

There are no classes of trade and other receivables that are past due and impaired at the respective end of the financial year, except as disclosed in Note 7 and 18.

*(b) Interest rate risk*

Interest rate risk arises on interest-bearing financial instruments recognised in the balance sheet. It is the risk that, changes in interest rates, will affect the Group's income or the value of its holdings of financial instruments. The Group's exposures to interest rate risk for changes in interest rates mainly arise from its borrowings and bank deposits. Interest rate risk is managed by the Group on an on-going basis with the primary objective of limiting the extent to which net interest expense could be affected by an adverse movement in interest rates.

The Group's policy is to obtain the most favorable interest rates available for its borrowings and bank deposits without increasing its foreign currency exposure. Bank deposits are placed where the interest rates are beneficial whilst mitigating the risk of market changes in interest rate.

# Notes to the Financial Statements

30 September 2010

## 30 Financial Risks Management Policies (cont'd)

### (b) Interest rate risk (cont'd)

The following table sets out the carrying amounts as at year end, by maturity or repricing, whichever is earlier, of the financial instruments of the Group that are exposed to interest rate risk:

	Variable rates			Fixed rates			Non-Interest Bearing	Total
	Less than 12 months	1 to 5 years	More than 5 years	Less than 12 months	1 to 5 years	More than 5 years		
	S\$	S\$	S\$	S\$	S\$	S\$	S\$	S\$
<b>At 30 September 2010</b>								
<b>Assets</b>								
Cash and cash equivalents	93,122	-	-	54,752	-	-	3,500,340	3,648,214
Trade and other receivables	-	-	-	-	-	-	5,757,647	5,757,647
Other financial assets	-	-	-	-	-	-	156,853	156,853
<b>Total Financial Assets</b>	<b>93,122</b>	<b>-</b>	<b>-</b>	<b>54,752</b>	<b>-</b>	<b>-</b>	<b>9,414,840</b>	<b>9,562,714</b>
<b>Liabilities</b>								
Borrowings	16,106,009	4,571,176	4,922,630	-	-	-	-	25,599,815
Finance lease liabilities	-	-	-	26,524	61,455	-	-	87,979
Trade and other payables	-	-	-	-	-	-	8,070,432	8,070,432
<b>Total Financial Liabilities</b>	<b>16,106,009</b>	<b>4,571,176</b>	<b>4,922,630</b>	<b>26,524</b>	<b>61,455</b>	<b>-</b>	<b>8,070,432</b>	<b>33,758,226</b>
<b>At 30 September 2009</b>								
<b>Assets</b>								
Cash and cash equivalents	288,078	-	-	255,492	-	-	875,018	1,418,588
Trade and other receivables	-	-	-	-	-	-	2,262,651	2,262,651
Other financial assets	-	-	-	-	-	-	134,378	134,378
<b>Total Financial Assets</b>	<b>288,078</b>	<b>-</b>	<b>-</b>	<b>255,492</b>	<b>-</b>	<b>-</b>	<b>3,272,047</b>	<b>3,815,617</b>
<b>Liabilities</b>								
Borrowings	2,234,290	1,334,823	4,878,848	-	-	-	-	8,447,961
Finance lease liabilities	-	-	-	16,524	59,018	6,194	-	81,736
Trade and other payables	-	-	-	-	-	-	2,786,996	2,786,996
<b>Total Financial Liabilities</b>	<b>2,234,290</b>	<b>1,334,823</b>	<b>4,878,848</b>	<b>16,524</b>	<b>59,018</b>	<b>6,194</b>	<b>2,786,996</b>	<b>11,316,693</b>



# Notes to the Financial Statements

30 September 2010

## 30 Financial Risks Management Policies (cont'd)

### (b) Interest rate risk (cont'd)

#### Sensitivity Analysis

A change of 100 basis points in interest rate at the reporting date would (decrease)/increase profit after tax and equity by the amounts as shown below. This analysis assumes that all other variables, in particular foreign currency and tax rates, remain constant.

	Group	
	2010	2009
	S\$	S\$
Floating rate instruments		
- 100 basis point increase	(221,908)	(67,727)
- 100 basis point decrease	221,908	67,727

### (c) Currency risk

Currency risk arises on financial instruments that are denominated in a currency other than the functional currency in which they are measured.

The Group is not exposed to significant foreign currency risk on its operating activities as most transactions and balances are denominated in Singapore dollars, except for certain cash and bank balances, borrowings, other receivables and payables which are denominated in Malaysia Ringgit ("RM") at Group level.

The Group did not use derivative financial instruments to protect against the volatility associated with foreign currency transactions. Exposure to foreign currency risk is monitored on an on-going basis and the Group endeavours to keep the net exposure at an acceptable level.

	SGD	RM	Total
	S\$	S\$	S\$
<b>Group</b>			
<b>2010</b>			
<u>Financial Assets</u>			
Trade and other receivables	5,757,647	-	5,757,647
Cash and cash equivalents	3,568,844	79,370	3,648,214
Other financial assets	156,853	-	156,853
	9,483,344	79,370	9,562,714
<u>Financial Liabilities</u>			
Trade and other payables	8,013,423	57,009	8,070,432
Finance lease liabilities	87,979	-	87,979
Borrowings	25,599,815	-	25,599,815
	33,701,217	57,009	33,758,226
<b>Net Financial (Liabilities)/Assets</b>	(24,217,873)	22,361	(24,195,512)

# Notes to the Financial Statements

30 September 2010

## 30 Financial Risks Management Policies (cont'd)

(c) Currency risk (cont'd)

	SGD	RM	Total
	S\$	S\$	S\$
<b>Group (cont'd)</b>			
<b>2009</b>			
<u>Financial Assets</u>			
Trade and other receivables	2,262,651	–	2,262,651
Cash and cash equivalent	907,482	511,106	1,418,588
Other financial assets	134,378	–	134,378
	3,304,511	511,106	3,815,617
<u>Financial Liabilities</u>			
Trade and other payables	2,786,996	–	2,786,996
Finance lease liabilities	81,736	–	81,736
Borrowings	8,447,961	–	8,447,961
	11,316,693	–	11,316,693
<b>Net Financial (Liabilities)/Assets</b>	(8,012,182)	511,106	(7,501,076)

The effects of a change of 5% (2009: 5%) (taking into consideration both the strengthening and weakening aspect) of the RM against S\$ at the balance sheet date on the Group's results are as shown below. The change assumes that all other variables, in particular interest and tax rates, remain constant, and the Group's profit for the year ended 30 September 2010 and 2009 would increase/(decrease) by:

	Group	
	2010	2009
RM against S\$		
- strengthened	928	21,211
- weakened	(928)	(21,211)
	–	–

# Notes to the Financial Statements

30 September 2010

## 30 Financial Risks Management Policies (cont'd)

### (d) Liquidity risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. In the management of liquidity risk, the Group monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance the Group's operations and where required, and mitigate the effects of fluctuation in cash flows. The Group obtains additional funding through bank facilities.

The table below analyses the maturity profile of the Group's financial liabilities based on contractual undiscounted cash flows.

	Carrying amount	Cash Flows			After 5 years
		Contractual cash flows	Within 1 year	1 to 5 years	
	S\$	S\$	S\$	S\$	S\$
<b>As at 30 September 2010</b>					
Trade and other payables	8,070,432	8,070,432	8,070,432	–	–
Finance lease liabilities	87,979	107,498	27,180	80,318	–
Borrowings	25,599,815	29,010,497	16,963,871	5,713,628	6,332,998
	<u>33,758,226</u>	<u>37,188,427</u>	<u>25,061,483</u>	<u>5,793,946</u>	<u>6,332,998</u>
<b>As at 30 September 2009</b>					
Trade and other payables	2,786,996	2,786,996	2,786,996	–	–
Finance lease liabilities	81,736	103,967	20,988	75,432	7,547
Borrowings	8,447,961	11,026,868	2,554,879	2,470,852	6,001,137
	<u>11,316,693</u>	<u>13,917,831</u>	<u>5,362,863</u>	<u>2,546,284</u>	<u>6,008,684</u>

### (e) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value. The Group's policy is to maintain an adequate capital base so as to maintain investor, creditor and market confidence and to sustain future business developments. The Group funds its operations and growth through a mix of equity and debts. This includes the maintenance of adequate lines of credit and assessing the need to raise additional equity where required.

In the management of capital risk, management takes into consideration the net debt equity ratio as well as the Group's working capital requirement. The net debt equity ratio is calculated as net debt divided by total capital. Net debt is calculated as total liabilities less total income tax payable, deferred tax liabilities and cash and cash equivalents. Total capital comprises of share capital and reserves attributable to equity holders of the Company.

# Notes to the Financial Statements

30 September 2010

## 30 Financial Risks Management Policies (cont'd)

(e) *Capital risk (cont'd)*

	Group		Company	
	2010	2009	2010	2009
	S\$	S\$	S\$	S\$
Net debt	30,110,012	9,898,105	164,239	3,244,822
Total equity	14,659,541	10,145,440	3,863,026	845,616
Net debt against equity ratio	205%	98%	4%	384%

The Group is in compliance with all borrowing covenants for the financial year except as disclosed in Note 22. There were no changes in the Group's approach to capital management during the financial year ended 30 September 2010 and 2009.

(f) *Fair values*

The fair value information presented represents the Group's best estimate of those values and may be subject to certain assumptions and limitations. The methodologies and assumptions used in the estimation of fair values depend on the terms and characteristics of the various financial instruments.

The following table presents assets measured at fair value and classified by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets (Level 1);
- (b) inputs other than quoted prices included with Level 1 that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset that are not based on observable market data (unobservable inputs) (Level 3)

	Level 1	Level 2	Level 3	Total
	S\$	S\$	S\$	S\$
<b>Group</b>				
<b>2010</b>				
Financial assets, at fair value through profit or loss	156,853	-	-	156,853

The carrying amounts of other financial assets and liabilities recognised as at 30 September 2010 and 2009, with a maturity of less than one year approximate their fair values due to their short term maturities.

The fair values of long term borrowings and finance lease liabilities are calculated based on discounted expected future principal and interest cash flows. The discount rates used are based on market rates for similar instruments at the balance sheet date. As at 30 September 2010 and 2009, the carrying amounts of the long term borrowings and finance lease liabilities approximate their fair values, except as disclosed in the consolidated financial statements.

# Notes to the Financial Statements

30 September 2010

## 31 Segment Information

The Group's primary format for segment reporting is based on business segments. The business segments are determined based on the Group's management and internal reporting structure. Geographical segment is not presented as the Group operates predominantly in Singapore.

Inter-segment transactions are determined on an arm's length basis. For the financial year ended 30 September 2010, the revenue derived from two (2009: four) customers amounting to S\$8,005,100 (2009: S\$8,243,993) accounted for approximately 97% (2009: 96%) of the Group's sales.

Segment assets comprise primarily development properties for sale and investment properties. Other assets and liabilities of the Group are utilised interchangeably between the different segments and there is no reasonableness to allocate such assets and liabilities of the Group between the different segments.

	<b>Sale of Development Properties</b>	<b>Construction Revenue</b>	<b>Investment Properties</b>	<b>Others</b>	<b>Total</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
<b>2010</b>					
Revenue and other operating income	2,200,000	8,344,661	1,430,741	101,082	12,076,484
Less: Elimination	–	(2,352,484)	–	–	(2,352,484)
	2,200,000	5,992,177	1,430,741	101,082	9,724,000
Segment results	604,593	787,623	1,307,990	–	2,700,206
Unallocated income					74,601
Unallocated expenses					(2,466,852)
Results from operating activities					307,955
Unallocated interest income					3,812
Unallocated finance costs					(230,580)
Share of results of associated companies					991,866
Profit before income tax					1,073,053
Income tax credit					33,712
Total profit for the year					1,106,765
<u>Other segment items</u>					
Capital expenditure					
- Property, plant and equipment (unallocated)					709,316
Depreciation - Property, plant and equipment (unallocated)					79,478
Fair value gain on investment properties	–	–	960,504	–	960,504
<u>Assets and Liabilities</u>					
Segment assets	24,538,144	2,358,659	13,355,254	–	40,252,057
Unallocated assets					8,846,604
Total assets					49,098,661
Segment liabilities	20,008,307	1,469,985	5,916,234	–	27,394,526
Unallocated liabilities					6,944,049
Total liabilities					34,338,575

# Notes to the Financial Statements

30 September 2010

## 31 Segment Information (cont'd)

	<b>Sale of Development Properties</b>	<b>Construction Revenue</b>	<b>Investment Properties</b>	<b>Others</b>	<b>Total</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
<b>2009</b>					
Revenue and other operating income	3,119,361	5,698,132	631,891	88,434	9,537,818
Less: Elimination	–	(273,500)	–	–	(273,500)
	<u>3,119,361</u>	<u>5,424,632</u>	<u>631,891</u>	<u>88,434</u>	<u>9,264,318</u>
Segment results	741,032	1,567,705	421,099	–	2,729,836
Unallocated income					78,134
Unallocated expenses					(1,733,804)
Results from operating activities					<u>1,074,166</u>
Unallocated interest income					2,187
Unallocated finance costs					(266,024)
Share of results of associated companies					<u>(347,856)</u>
Profit before income tax					462,473
Income tax credit					56,529
Total profit for the year					<u><u>519,002</u></u>
<u>Other segment items</u>					
Capital expenditure					
- Property, plant and equipment (unallocated)					<u>174,834</u>
Depreciation - Property, plant and equipment (unallocated)					<u>87,210</u>
<u>Assets and Liabilities</u>					
Segment assets	201,400	1,109,982	15,442,027	–	16,753,409
Unallocated assets					5,845,484
Total assets					<u><u>22,598,893</u></u>
Segment liabilities	225,064	327,106	4,753,104	–	5,305,274
Unallocated liabilities					7,052,675
Total liabilities					<u><u>12,357,949</u></u>

### Unallocated other income and expenses

There is no reasonable basis to allocate foreign exchange loss, interest income, general finance cost and income tax expense to the different segments, and accordingly these items have been disclosed as unallocated income and unallocated costs. Unallocated costs also include administrative expenses of the Company, dormant subsidiaries and subsidiaries which are engaged in more than one business segments. There is no reasonable basis to allocate such administrative expenses to the respective segments.



**31 Segment Information (cont'd)***Unallocated assets and liabilities*

Certain assets of the Group that are shared between the different segments are not allocated. There is no reasonable basis to allocate certain assets and liabilities of the Group between the different segments and accordingly the assets and liabilities of the Group are disclosed as unallocated in the segment report.

The unallocated assets and liabilities are as follows:

	<b>Group</b>	
	<b>2010</b>	<b>2009</b>
	<b>S\$</b>	<b>S\$</b>
<i>Unallocated assets:</i>		
Property, plant and equipment	1,625,805	1,030,622
Investment in associated companies	2,362,143	370,277
Trade and other receivables	761,511	756,669
Other current assets	292,078	2,134,950
Financial assets, at fair value	156,853	134,378
Cash and cash equivalents	3,648,214	1,418,588
	<u>8,846,604</u>	<u>5,845,484</u>
<i>Unallocated liabilities:</i>		
Trade and other payables	2,942,748	2,139,051
Deferred tax liabilities	165,332	306,332
Income tax payables	415,017	734,924
Finance lease liabilities	87,979	81,736
Borrowings	3,332,973	3,790,632
	<u>6,944,049</u>	<u>7,052,675</u>

**32 Subsequent Events**

- (i) Pursuant to an option to purchase agreement dated 28 September 2010, the Group exercised its option on 12 October 2010 to purchase a property at No. 6 Jalan Tanjong Singapore 468012 for the total sum of S\$1,280,000. The acquisition was for the purposes of growing the Group's land bank and the property is intended for eventual redevelopment and sale.
- (ii) Pursuant to an option to purchase agreement dated 1 October 2010, the Group exercised its option on 14 October 2010 to purchase two properties at Nos. 10 and 12 Lorong 6 Geylang Singapore for the total sum of S\$2,860,000. The acquisition was for the purposes of growing the Group's land bank and the properties are intended for eventual redevelopment and sale.
- (iii) On 19 October 2010, the Group announced that it has entered into a placement agreement with Kim Eng Corporate Finance Ltd, which the Company has agreed to allot and issue up to 31,888,000 new ordinary shares in the issued share capital of the Company (the "placement shares") at an issued price of S\$0.1405 per placement share. On 27 October 2010, the Company has issued and allotted 31,888,000 placement shares, in accordance with the terms of the placement agreement.
- (iv) Pursuant to a public auction exercise by the Urban Redevelopment Authority on 28 October 2010, the Group through its subsidiary, Goodland Homes Pte. Ltd. successfully bid for two land parcels at Sembawang Greenvale Phase 3 for the total sum of S\$17,400,000. The acquisition was for the purposes of growing the Group's land bank and the properties are intended for eventual redevelopment and sale.

# Notes to the Financial Statements

30 September 2010

## 32 Subsequent Events (cont'd)

- (v) On 3 December 2010, the Group announced that it is proposing to undertake a renounceable non-underwritten rights issue of up to 115,048,800 warrants at an issue price of S\$0.01 for each warrant, each warrant carrying the right to subscribe for one new ordinary share in the capital of the Company at an exercise price of S\$0.16 for each new share, on the basis of three warrants for every five existing ordinary shares in the capital of the Company held by the shareholders of the Company at a time and date to be determined by the Directors for the purpose of determining the entitlements of shareholders under the rights issue.
- (vi) On 24 November 2010, the Company increased the issued share capital of one of its subsidiaries, Goodland Homes Pte. Ltd. from S\$2 to S\$1,000,000 by way of a further allotment of 999,998 shares at the issue price of S\$1.00 per share.

## 33 Comparative Figures

Certain reclassifications have been made to the prior year's financial statements to enhance comparability with the current year's financial statements. As a result, certain line items have been amended on the face of the Consolidated Statement of Comprehensive Income and Consolidated Statement of Cash Flows of the Group as summarised below.

	<b>Before Reclassification</b>	<b>Reclassification</b>	<b>After Reclassification</b>
	<b>S\$</b>	<b>S\$</b>	<b>S\$</b>
<u>Consolidated Statement of Comprehensive Income</u>			
Administrative expenses	1,864,005	(79,088)	1,784,917
Finance costs	356,915	79,088	436,003
<u>Consolidated Statement of Cash Flows</u>			
Net cash flow generated from operating activities	2,213,090	(394,275)	1,818,815
Net cash flow generated from investing activities	668,815	(241,092)	427,723
Net cash flow used in financing activities	(3,172,279)	394,275	(2,778,004)
Cash and cash equivalents at the beginning of the year	(228,204)	(14,400)	(242,604)
Cash and cash equivalents at the end of the year	(518,578)	(255,492)	(774,070)

The reclassifications in the Consolidated Statement of Comprehensive Income have been made to reclassify the bank overdraft interests of S\$79,088 from administrative expenses to finance costs that were previously included as part of the administrative expenses.

The reclassifications in the Consolidated Statement of Cash Flows have been made to reclassify the bank overdraft interests of S\$79,088 to finance costs, to reclassify the advances received from associated companies of S\$473,363 from operating activities to financing activities and to exclude fixed deposits of S\$14,400 with maturity of more than 3 months in the cash and cash equivalents at reporting date.

The above reclassifications do not have any impact on the consolidated balance sheet of the Group as at 1 October 2009.

# Statistics of Shareholdings

As at 30 December 2010

Number of Shares	:	191,748,000
Issued and Paid-Up Capital	:	S\$11,718,104
Class of Equity Shares	:	Ordinary Shares
Number of Treasury Shares	:	Nil
Voting Rights	:	On show of hands : 1 vote for each member On a poll : 1 vote for each ordinary share

## DISTRIBUTION OF SHAREHOLDERS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 999	6	1.05	1,800	0.00
1,000 - 10,000	242	42.31	1,232,000	0.64
10,001 - 1,000,000	310	54.20	22,277,000	11.62
1,000,001 AND ABOVE	14	2.45	168,237,200	87.74
<b>TOTAL</b>	<b>572</b>	<b>100.00</b>	<b>191,748,000</b>	<b>100.00</b>

Based on the information provided to the Company as at 30 December 2010, approximately 33.12% of the issued ordinary shares of the Company is held by the public, and therefore, Rule 723 of the Catalist Rules is compiled with.

## TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	KOH CHIN KIM	45,780,000	23.88
2	TAN CHEE BENG	31,220,000	16.28
3	TAN CHEE TIONG	31,220,000	16.28
4	TAN BEE BEE	15,271,200	7.96
5	SNG SIEW LIN	9,000,000	4.69
6	KOH WEE MENG	7,012,000	3.66
7	LEE AI NI	7,000,000	3.65
8	CHAN HOE YIN @ CHAN PAK YIN	5,000,000	2.61
9	CHEO KAE YUH STEPHANIE (ZHANG KAIYU)	5,000,000	2.61
10	WONG MING KWONG	4,760,000	2.48
11	LIM ENG KIAM	3,000,000	1.56
12	HO KUN KOK	1,608,000	0.84
13	CHUA CHAI TIANG	1,214,000	0.63
14	QUEK SOON CHYE	1,152,000	0.60
15	LOW WOO SWEE @ LOH SWEE TECK	896,000	0.47
16	SNG SIEW KHIM	786,000	0.41
17	OCBC SECURITIES PRIVATE LTD	740,000	0.39
18	KIM TAW ELECTRIC SAWMILL CO PTE LTD	600,000	0.31
19	CHEO KAE JER	443,000	0.23
20	CHEN KOH HUNG	400,000	0.21
	<b>TOTAL</b>	<b>172,102,200</b>	<b>89.75</b>

# Statistics of Shareholdings

As at 30 December 2010

## SUBSTANTIAL SHAREHOLDERS AS AT 30 DECEMBER 2010

<b>Name of Substantial Shareholder</b>	<b>Number of shares registered in the name of substantial shareholder</b>	<b>Number of shares in which substantial shareholder is deemed to have an interest</b>
Koh Chin Kim	45,780,000	77,711,200
Tan Chee Beng	31,220,000	92,271,200
Tan Chee Tiong	31,220,000	92,271,200
Tan Bee Bee	15,271,200	108,220,000

Notes:

Tan Chee Beng, Tan Chee Tiong and Tan Bee Bee are siblings. Their mother is Koh Chin Kim. Each of Tan Chee Beng, Tan Chee Tiong, Tan Bee Bee and Koh Chin Kim is deemed interested in all the Shares held by their family members.

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") of the shareholders of Goodland Group Limited (the "**Company**") will be held at Seletar Country Club, 101 Seletar Club Road, Seletar Room, Level 2, Singapore 798273 on Thursday, 27 January 2011 at 9.00 a.m. to transact the following businesses:

## AS ORDINARY BUSINESS:

1. To receive and adopt the Directors' Report and Audited Accounts for the financial year ended 30 September 2010 together with the Auditors' Report thereon.  
**Resolution 1**
2. To approve the payment of Directors' fees of S\$114,000.00 for the financial year ending 30 September 2011. (2010: S\$108,000.00)  
**Resolution 2**
3. To re-elect the following Directors of the Company retiring pursuant to Article 98 of the Articles of Association of the Company:-  
  
Ms Tan Bee Bee **Resolution 3**  
  
Dr Wu Chiaw Ching  
  
Dr Wu Chiaw Ching will, upon re-election as a Director of the Company, remain as a member of the Nominating Committee and a Chairman of the Audit Committee and the Remuneration Committee and will be considered independent for the purpose of Rule 704(7) of the Catalist Rules.  
**Resolution 4**
4. To re-appoint Messrs Moore Stephens LLP as the auditors of the Company and to authorise the Directors of the Company to fix their remuneration.  
**Resolution 5**
5. To transact any other ordinary business which may be properly transacted at an AGM.

## AS SPECIAL BUSINESS:

To consider and if thought fit, to pass the following resolutions as Ordinary Resolution, with or without any modifications:-

### 6. Authority to issue shares

That pursuant to Section 161 of the Companies Act, Cap. 50 (the "**Companies Act**") and Rule 806 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), the Directors of the Company be authorised and empowered to:

- (a) (i) allot and issue shares in the capital of the Company ("**Shares**") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require Shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

- (b) notwithstanding that the authority conferred by this Resolution may have ceased to be in force, issue Shares in pursuance of any Instrument made or granted by the Directors while this Resolution is in force,

# Notice of Annual General Meeting

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution), to be issued pursuant to this Resolution shall not exceed one hundred per cent. (100%) of the total number of issued shares in the capital of the Company (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company shall not exceed fifty per cent. (50%) of the total number of issued Shares in the capital of the Company (excluding treasury shares) (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued Shares in the capital of the Company (excluding treasury shares) at the time this Resolution is passed, after adjusting for:-
  - (i) new Shares arising from the conversion or exercise of the Instruments or any convertible securities;
  - (ii) new Shares arising from exercising of share options or vesting of share awards outstanding and/or subsisting at the time this Resolution is passed, provided that share options or share awards (as case may be) were granted in compliance with Part VIII of Chapter 8 of the Catalist Rules; and
  - (iii) any subsequent bonus issue, consolidation or sub-division of shares.
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the requirements imposed by the SGX-ST from time to time and the provisions of the Catalist Rules for the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and the Articles of Association for the time being of the Company; and
- (4) unless revoked or varied by the Company in general meeting, the authority conferred by this Resolution shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law and the Catalist Rules to be held, whichever is the earlier.

## [Explanatory Note]

## Resolution 6

86

### Explanatory Note:

The Resolution 6 in item 6, if passed, will empower the Directors of the Company, effective until the conclusion of the next AGM of the Company, or the date by which the next AGM of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to allot and issue Shares and convertible securities in the Company, without seeking any further approval from shareholders in general meeting but within the limitation imposed by this Resolution, for such purposes as the Directors may consider would be in the best interests of the Company. The number of Shares and convertible securities that the Directors may allot and issue under this Resolution would not exceed one hundred per cent. (100%) of the total number of issued Shares in the capital of the Company (excluding treasury shares) at the time of the passing of this Resolution. For issue of Shares and convertible securities other than on a pro rata basis to all shareholders, the aggregate number of Shares and convertible securities to be issued shall not exceed fifty per cent. (50%) of the total number of issued Shares in the capital of the Company (excluding treasury shares) at the time of the passing of this Resolution.

### BY ORDER OF THE BOARD

Shirley Lim Guat Hua  
Company Secretary

Singapore: 11 January 2011



# Notice of Annual General Meeting

**Notes:**

1. A member of the Company entitled to attend and vote at the above Meeting may appoint not more than two proxies to attend and vote instead of him.
2. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies. A proxy need not be a member of the Company.
3. If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy must be deposited at the Registered Office of the Company at 18 Roberts Lane, #02-01/02 Goodland Building, Singapore 218297 not less than 48 hours before the time set for the Meeting.

# Goodland Group Limited

(Incorporated in the Republic of Singapore)  
(Registration No: 200405522N)

## IMPORTANT

1. For investors who have used their CPF monies to buy the Company's shares, this Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

## PROXY FORM ANNUAL GENERAL MEETING

I/We \_\_\_\_\_

of \_\_\_\_\_

being a member/members of Goodland Group Limited (the "**Company**"), hereby appoint

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our proxy/proxies to vote for me/us on my/our behalf at the Annual General Meeting (the "**Meeting**") of the Company to be held at Seletar Country Club, 101 Seletar Club Road, Seletar Room, Level 2, Singapore 798273 on Thursday, 27 January 2011 at 9.00 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick "X" within the box provided)

No.	Resolutions relating to:	For	Against
<b>Ordinary Business</b>			
1	Directors' Reports and Audited Accounts for the financial year ended 30 September 2010		
2	Approval of Directors' Fees of S\$114,000.00 for the financial year ending 30 September 2011		
3	Re-election of Ms Tan Bee Bee as a Director		
4	Re-election of Dr Wu Chiaw Ching as a Director		
5	Re-appointment of Moore Stephens LLP as Auditors of the Company		
<b>Special Business</b>			
6	Authority to issue shares pursuant to Section 161 of the Companies Act, Cap. 50		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2011

Total number of Shares held

\_\_\_\_\_  
Signature(s) of member(s) or common seal

**IMPORTANT: PLEASE READ NOTES OVERLEAF**



**Notes:**

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Singapore Companies Act, Chapter 50), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
3. Where a member appoints more than one proxy, he shall specify the proportion of his shareholding to be represented by each proxy.
4. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised.
5. A corporation which is a member of the Company may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Singapore Companies Act, Chapter 50.
6. The instrument appointing a proxy or proxies, together with the power of attorney or other authority (if any) under which it is signed, or notarially certified copy thereof, must be deposited at the registered office of the Company at 18 Roberts Lane, #02-01/02 Goodland Building, Singapore 218297 not less than 48 hours before the time set for the Annual General Meeting.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of members of the Company whose shares are entered against their name in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have shares entered against their names in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting as certified by The Central Depository (Pte) Limited to the Company.



**GOODLAND GROUP LIMITED**

Company Registration Number: 200405522N

18 Roberts Lane  
#02-01/02 Goodland Building  
Singapore 218297

[www.goodlandgroup.com.sg](http://www.goodlandgroup.com.sg)