GOODLAND GROUP LIMITED
良園集團

ADAPTING TOWARDS GREATER SUCCESS

GOODLAND GROUP LIMITED
ANNUAL REPORT 2014

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1046 BC
to
256 BC

CONTENTS

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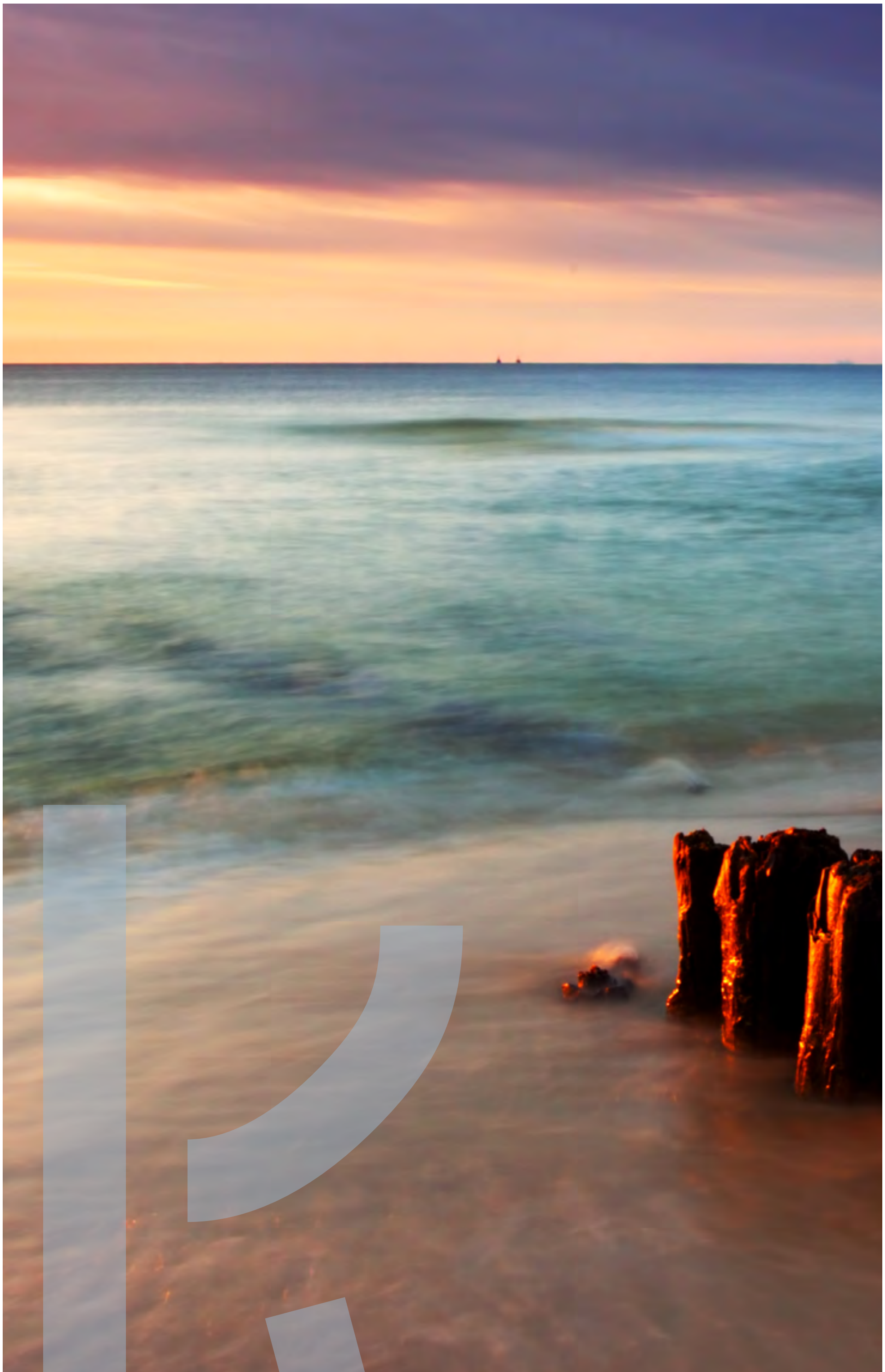
206 BC
to
220 AD

HONING QUALITIES

Like Chinese characters that have experienced several times of evolution before settling on its present form, Goodland has the resilience to overcome obstacles and stay relevant despite time and circumstances. Continuously mitigating risks and refining excellence, we become more than just a brand.

We are an experience that is seamless, efficient and convenient.



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FLUIDITY & STRENGTH

Versatile like water, Goodland exudes strength and flexibility in the face of challenges, improving strategies and pushing boundaries. Building up our local presence while exploring new opportunities in foreign markets, we adjust our sails to capitalize on the changing winds.

To anticipate and evolve with the situation, adapting towards greater success.

FINANCIAL HIGHLIGHTS

Revenue ($'000)

2014	25,300
2013	37,314
2012	55,972

Profit Before Tax ($'000)

2014	20,351
2013	18,110
2012	27,266

Profit After Tax ($'000)

2014	21,058
2013	16,984
2012	24,646

Profit Attributable To Equity Holders ($'000)

2014	21,059
2013	16,984
2012	24,646

EPS — Basic (Cents)

2014	10.84
2013	8.81
2012	12.82

EPS — Diluted (Cents)

2014	6.87
2013	5.56
2012	8.04

Total Assets ($'000)

2014	224,134
2013	190,930
2012	145,910

Total Liabilities ($'000)

2014	134,688
2013	121,618
2012	92,891

Shareholders' Equity ($'000)

2014	89,446
2013	69,312
2012	53,019

Net Assets Value Per Share (Cents)

2014	46.00
2013	35.71
2012	27.56

CHAIRMAN'S STATEMENT

The three-pronged strategy outlined by the Group is a clear blueprint to drive sustainable growth and allows us to stay focused in an ever-changing environment. We look forward to exciting times ahead and will continue working resolutely to execute our strategies and enhance shareholder value.

Dear Shareholders,

It is with great pleasure that I present to you the annual report for the financial year ended 30 September 2014 ("FY2014"). The property market in Singapore following several rounds of government cooling measures and rising construction costs, remains challenging. Amidst the backdrop of the Singapore operating environment, the Group completed the S$62.7 million acquisition on 1 October 2014 – subsequent to the end of FY2014 – of a significant stake in a new township project in Ipoh, Malaysia ("T-City"). This project is the largest of several property-related developments in Southeast Asia which the Group has embarked on in recent years. Together, they represent a major strategic shift for Goodland to grow beyond the shores of Singapore.

But first, let me outline the performance of FY2014.

Business Review

All property developers have had to contend with several rounds of property cooling measures in Singapore, as well as the Total Debt Servicing Ratio, in recent years. While the overall Singapore residential property sales volumes have been declining – as well reported by the media – the Group has been quite successful with the launch of two significant projects during the year under review. The first is a residential development, *The Citron Residences* - located close to City Square Mall and Farrer Park MRT Station - for which 53 out of 54 freehold apartments were sold out within three months of the launch in third quarter of 2014. The second is *The Bently Residences*, a freehold residential development in Kovan which is 60%-sold since it was launched in the fourth quarter of 2013.

Shareholders should note that the relative success of both projects against the backdrop of the operating environment underscores our ability to acquire suitable land parcels prudently at attractive prices and to offer a final finished quality product which homeowners believe offers value for money. This approach – along with our reputation – has helped us remain profitable for each property project launched since our IPO in 2009, even amidst difficulties in the operating environment.

On progressive revenue recognition basis, these units sold contributed partially to the Group's FY2014 revenue of S$25.3 million, with the balance expected to be recognised in FY2015. The Kovan project is expected to achieve Temporary Occupation Permit ("TOP") in 2016.

CHAIRMAN'S STATEMENT

The Group recorded a FY2014 net profit after tax of S$21.1 million, a 24.1% increase from S$17.0 million a year ago ("FY2013"), partly resulting from fair value gains on investment properties and an equity option.

FY2014 earnings per share rose to 10.84 Singapore cents from 8.81 Singapore cents in FY2013, while net asset value per share as at 30 September 2014 increased to 46.00 Singapore cents from 35.71 Singapore cents in the prior year.

Goodland's pipeline of ongoing projects will keep us relatively busy until at least FY2016 while we continue to exercise prudence when evaluating and exploring development opportunities in Singapore.

Execution of Corporate Strategy

As we continue to drive sustainability of our profits, we have identified three key initiatives to drive internal efficiencies, grow our regional business as well as develop new revenue streams. These initiatives were outlined in a Corporate and Business Update announced on 17 December 2014.

First, our experienced building and civil engineering management team with in-house construction capabilities allows us flexibility to manage our own construction and project schedules. This differentiates us from many other boutique developers that outsource most of their construction activities. We will continue to build on our capabilities to improve cost and project management efficiencies as well as on our robust internal control and risk management procedures.

Second, we continue to grow our regional business by acquiring land parcels through direct investments, joint ventures or partnerships. We believe that the regional projects will gain greater significance in the coming years and provide a source of stable income for the Group.

Third, the Ipoh project will be a major catalyst for regional expansion and will also allow us to develop new revenue streams from recurring income of lifestyle-related projects. Following shareholders' approval of the acquisition of a 70%-stake in Citrine Assets Pte Ltd ("Citrine Assets"), the Group now owns a 51.33-acres land parcel within T-City – to be one of the largest integrated modern townships in Perak – which is zoned for commercial and residential developments. It will also be the site for a lifestyle development catering to international motorsports events. Upon completion, the project will contribute development profits, capital appreciation as well as recurring income that will enhance shareholder value. We expect revenue contribution and recurring rental income to commence in the next few years, and the Group's net asset value per share to increase significantly from 1H2015 *(FY2014: S$0.46)*.

Outlook

Our resilience and adaptability to changes in our operating environment have successfully navigated the Group through various challenges over the years as well as seize valuable opportunities overseas. Revenue from regional projects should increase significantly in the coming years and is expected to contribute about 25% of Goodland's revenue by FY2016. However, Singapore as our headquarter and base of operations, will still remain an important market for us.

The three-pronged strategy outlined by the Group is a clear blueprint to drive sustainable growth and allows us to stay focused in an ever-changing environment. We look forward to exciting times ahead and will continue working resolutely to execute our strategies and enhance shareholder value.

Our resilience and adaptability to changes in our operating environment have successfully navigated the Group through various challenges over the years as well as seize valuable opportunities overseas.

Dividend

To thank Shareholders for their support through trying times, I am also pleased to inform you that the Directors have proposed a final cash dividend of 0.5 Singapore cent per share, subjected to shareholders' approval at the forthcoming Annual General Meeting.

Acknowledgements

On behalf of the Board of Directors, I would like to extend my sincere appreciation to our customers, business associates and to you, our Shareholders, for your continued support. I would also like to thank the management team and all the employees of the Group for their contribution and hard work over the past year.

Ben Tan Chee Beng
Executive Chairman

Amid the restrictions in the Singapore property market, the Group has identified opportunities in the region and has successfully made inroads over the past two years.

CEO'S STATEMENT

Dear valued stakeholders,

It has been an eventful year for Goodland. Apart from ongoing sales of property development projects in Singapore – in the face of several property cooling measures we also completed, on 1 October 2014, a S$62.7 million acquisition of a 70%-stake in a company developing 204.13 acres of a new township in Ipoh, Malaysia ("T-City").

Amidst the challenging local property market, we will continue to leverage on our in-house construction capabilities alongside an experienced building and civil engineering management team to chart growth in Singapore and the region. As part of a strategic shift we will also start executing regional property projects and seek to develop recurring rental income from the Ipoh project over the medium to longer term.

Financial Performance

In FY2014, we recognised revenue from the following residential developments in Singapore – *OneRobey*, *The Bently Residences*, *The Citron & The Citron Residences* and *49 Surin Avenue*. Revenue in FY2014 declined to S$25.3 million from S$37.3 million in FY2013 as fewer development projects were recognised compared to a year earlier.

As a result, gross profit for FY2014 was lower at S$3.2 million compared to S$9.6 million in FY2013. Gross profit margin decreased to 12.8% from 25.6% in FY2013 amidst rising construction costs, in line with the general industry trend in Singapore.

Administrative expenses increased to S$4.9 million from S$4.4 million in FY2013 due to higher salaries and related costs paid out to new and existing employees of the Group. Finance costs were higher at S$0.6 million compared to S$0.4 million in FY2013 as a result of an increase in term loans and overdraft interest. This was offset by an 80% increase in other operating income attributable mainly to fair value gains on investment properties and an equity option.

The Group posted a net profit after tax, inclusive of fair value gains, of S$21.1 million, an increase of 24.1% from S$17.0 million last year. In tandem, net profit margin in FY2014 rose 37.7% to 83.2%.

The Group's weighted average earnings per share was 10.84 Singapore cents in FY2014 compared to 8.81 Singapore cents in FY2013. Our portfolio performance also lifted our net asset value per share by 29% to 46.00 Singapore cents in FY2014 from 35.71 Singapore cents in FY2013. Our cash and bank balances remain healthy at S$12.7 million as at 30 September 2014.

Operating Review

Singapore Property Market

Our ongoing projects include residential development projects "*The Citron Residences*", which was 98%-sold within three months of its launch, and the freehold condominium development, "*The Bently Residences@Kovan*", which has achieved 60% sales to date. Our successful project launches underscore the Group's commitment to deliver quality projects and its ability to deliver value for money in a challenging operating environment.

Based on the completion schedule, the Group expects to recognise the bulk of its revenue and profits for *The Citron Residences* over FY2015 and FY2016 and complete revenue recognition for the Kovan project in FY2015. Our existing commercial and industrial projects include "*The Citron*" (freehold shop units) and the "*Goodland Group Building*" (an 8-storey industrial building comprising strata-titled units).

Together with our current land bank, which includes Paya Lebar Crescent in Singapore, the Group has a sufficient local project pipeline to keep it busy for the next few years.

CEO'S STATEMENT

Regional Market Expansion
Amid the restrictions in the Singapore property market, the Group has identified opportunities in the region and has successfully made inroads over the past two years. Our regional investments are in three countries – Cambodia, Myanmar and Malaysia. In view of this, we can also expect a shift in the revenue mix, with regional developments accounting for approximately one-quarter of the Group's revenue by FY2016.

Completed on 1 October 2014, the S$62.7 million acquisition of a 70%-stake in Citrine Assets represents a strategic shift for the Group as we venture from boutique development in Singapore to larger-scale township development and lifestyle-related projects.

Ipoh Project
Our Ipoh Project is the Group's maiden foray into township development. Upon completion, T-City would serve as a major catalyst for economic growth in the northern region of peninsular Malaysia. We believe that there is significant room for capital appreciation for Ipoh as its current capital values are significantly lower than the major Malaysian cities such as Klang Valley, Penang and Johor.

The township, expected to be completed by 2030, will comprise high-rise residential and commercial office towers, retail malls, shopping streets, shop offices, serviced apartments, motorsports facilities, motorsports theme park, hotels, motorsports ancillary commercial facilities and about 25,000 parking lots. The land acquired by the Group has an approved plot ratio of six times and a total gross development value equivalent of S$1.8 billion and is zoned for commercial and residential development.

The project will generate income in the form of construction and development and sale of properties. We are also exploring opportunities to develop long-term income streams through rental income such as car showrooms, retail complex and F&B outlets.

Going Forward

We remain committed to drive sustainable growth and deliver shareholder value through the execution of our three-pronged strategy outlined above. The Singapore market continues to be the Group's core market and we will remain cautious in acquiring land sites and will continue to manage carefully the schedule of our existing project pipeline. At the same time, we will step up our push into the regional market to develop new revenue streams. We look forward to your continued support as we embark on a new chapter of growth and transformation.

Alvin Tan Chee Tiong
Chief Executive Officer

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BOARD OF DIRECTORS

Ben Tan Chee Beng
Executive Chairman

Appointed as the Executive Director on 6 May 2004, Mr Ben Tan is the Chairman of the Board of Directors, and is primarily responsible for overseeing the strategic direction of the Group. He was last re-elected on 27 January 2010.

Prior to joining the Group, Mr Tan worked as a civil engineer with the Housing and Development Board of Singapore. In July 1994, he became a director of Goodland Development Pte Ltd, which commenced operations as a civil engineering company undertaking public infrastructure works.

Together with the other cofounder, Mr Alvin Tan, he expanded the company's business operations to include property development.

Since October 2003, he has been the director of Farmart Centre Pte Ltd, a company involved in the operation of mini farm businesses.

Mr Tan holds a Bachelor of Engineering (Civil) from the National University of Singapore.

Alvin Tan Chee Tiong
Chief Executive Officer

Mr Alvin Tan was appointed as the Executive Director on 6 May 2004, and was last re-elected on 27 January 2010. He is the Chief Executive Officer. He is primarily responsible for the overall management of the Group, and is responsible for overseeing its business operations. Under his leadership, the Group has seen a significant expansion in its holdings, and a substantial increase in capital base.

He is also the director of Banyan Housing Development, a company overseeing the expansion of the Group's business in Malaysia.

Mr Tan holds a First Class (Honours) in Construction Management from the Royal Melbourne Institute of Technology, Australia.

BOARD OF DIRECTORS

Melanie Tan Bee Bee
Executive Director

Ms Melanie Tan was appointed as the Executive Director on 19 August 2009 and was last re-elected on 23 January 2014. Ms Tan has an accounting background, and is responsible for overseeing the finances of the Group, its strategic investments, acquisitions and finance, including the Company's initial public offering. She joined the Group as Financial Controller in 1995.

Ms Tan also oversees the Group's human resource and administration, and drives service innovation within the Group.

Wong Ming Kwong
Non-Executive Director

Mr Wong Ming Kwong was appointed as our Non-Executive Director on 11 June 2009 and was last re-elected on 31 January 2012. Mr Wong established Key Elements Consulting Group in 1999, providing consultancy services for companies, especially small and medium enterprises in Singapore. He is now the president of Key Elements Consulting Pte Ltd. He is also currently the director of Key Elements Consulting Pte Ltd, Kitchen Agenda Pte Ltd, Strategic Growth Capital Pte Ltd, Wismore Investment Pte Ltd and A List Advisory Pte Ltd. Prior to that, he was the marketing communications manager for the motors group in Inchcape Sendirian Berhad in 1990 and subsequently, the business development manager till 1993. Mr Wong spearheaded business development as a sales and marketing manager in Singapore National Printers Pte Ltd (now known as SNP Corporation Ltd) from 1993 to 1995. Following that, he became the 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 1997, a position he held till 1998.

Mr Wong was an executive director for China Fashion Holdings Limited from Dec 2009 to May 2011 and a non-executive director at Mary Chia Holdings Limited from June 2009 to December 2012. Currently, he is an executive director of ITE Electric Co Ltd and an independent director of Old Chang Kee Limited. All these companies are listed on the SGX Catalist.

Mr Wong holds a Bachelor of Arts (Second Upper Honours)(Chinese Studies) and Bachelor of Arts (Economics and Statistics) degree from the National University of Singapore. In addition, he holds a Graduate Diploma in Marketing from the Marketing Institute of Singapore.

BOARD OF DIRECTORS

Dr Wu Chiaw Ching
Lead Independent Director

Dr Wu Chiaw Ching was appointed as the Independent Director on 19 August 2009 and was last re-elected on 23 January 2014. Dr Wu is the managing partner of Wu Chiaw Ching & Company.

Dr Wu is a fellow member of the Institute of Singapore Chartered Accountants, the Association of Chartered Certified Accountants, United Kingdom and Certified Public Accountants, Australia. In addition, Dr Wu is a member of the Singapore Institute of Directors.

Dr Wu is presently an independent director of Natural Cool Holdings Ltd and GDS Global Limited, companies listed on the SGX Catalist and LHT Holdings Limited and Gaylin Holdings Limited, companies listed on the Main Board of the SGX-ST.

Raymond Lye Hoong Yip
Independent Director

Mr Raymond Lye was appointed as the Independent Director on 19 August 2009 and was last re-elected on 31 January 2012. Mr Lye holds a Bachelor of Laws (Hons) from the National University of Singapore and has been in legal practice since 1990. In January 2014, he founded Union Law LLP and become its managing partner. He was an executive director of CitiLegal LLC from April 2010 to December 2013. Prior to that, Mr Lye served as a Magistrate and Deputy Registrar before going into private practice.

His areas of expertise are civil and criminal litigation, corporate and commercial work, building and construction law, family law and intellectual property rights. Mr Lye also serves as an independent director on the board of 800 Super Holdings Limited, a company listed on the SGX-Catalist.

He is also active in community and public service. Mr Lye is currently the Chairman of the English Programme Advisory Committee of the Media Development Authority and a member of the Strata Titles Board. He is also a Resource Panel member of the Government Parliamentary Committee on Defence and Foreign Affairs, and the Chairman of the Punggol East Citizens Consultative Committee. 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.

KEY MANAGEMENT

Kenneth Hor Swee Liang
Chief Financial Officer and Company Secretary

Mr Kenneth Hor was appointed as the Group Financial Controller on 1 February 2012 and as the Group Company Secretary on 10 February 2012. Mr Hor was re-designated as Chief Financial Officer on 1 February 2013.

Mr Hor has more than 20 years of experience in the financial and accounting profession. Prior to joining the Group, Mr Hor worked at an international public accounting firm; at various local and foreign financial institutionsin Singapore and Hong Kong; at a leading aviation communications, engineering and systems integration US multinational company covering the Asia-Pacific region, including China, India, Korea, Japan, South East Asia and Australia; and at a public listed manufacturing company in Singapore with presence in Indonesia.

Mr Hor holds a Bachelor of Accountancy degree from the Nanyang Technological University and is a Chartered Accountant of Singapore.

Mindy Tan
Associate Director (Property)

As the Associate Director (Property), Ms Mindy Tan has been overseeing the Group's property arm since July 2009.

Ms Tan has more than 15 years of experience in the property industry, and has been successful in conceptualising the design, and marketing of the Group's portfolio of properties.

Ms Tan is a registered appraiser, licensed by the Inland Revenue Authority of Singapore. She holds a Bachelor of Science (Honours) in Estate Management from the University of Reading, United Kingdom.

KEY MANAGEMENT

Raj Nainani
Associate Director (Projects And Contracts)

Mr Raj Nainani was appointed as Associate Director (Projects And Contracts) in February 2010.

Mr Raj Nainani has previously worked with the Building and Construction Authority, Singapore, and also has diverse experience in the real estate industry in India. His expertise includes contract administration, project management, cost planning, procurement and cost management of building projects.

Mr Raj holds a Bachelor of Architecture from Bangalore University, India, and also a First Class (Honours) in Construction Management from the Royal Melbourne Institute of Technology, Australia.

Jennifer Galon Teologo
Human Resource and Public Relations Officer

Ms Jennifer Galon Teologo is the Human Resource and Public Relations Officer, and is responsible for recruiting, orienting and training of staff. She provides guidance and direction to ensure that public relations and communications programs reflect corporate objectives.

Ms Teologo has a Bachelor of Science in Accountancy from the University of St. La Salle, 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.

ON-GOING PROJECTS

THE CITRON & THE CITRON RESIDENCES

By courtesy of Su Misura

The Citron is a contemporary development of 36 freehold shops that offers savvy retailers an excellent chance to meet the sophisticated needs of today's chic consumer. Here you will find the freedom to express yourself amidst fashionable surroundings that attract well-heeled shoppers who value quality products. Your customer base is further enhanced with The Citron's residential component that greatly increases and ensures constant pedestrian traffic.

The Citron Residences combines the best-in-class retail, residential and mixed use experience. Not only is it well linked to the rest of the city and its amenities, it is also well equipped with facilities within. With units ranging from 1 bedroom bachelor pads to 3 bedroom family abodes and dual key apartments, the Citron Residences is certainly a prime candidate for the well needed searching for modern living in a prime location.

Location
1 Marne Road

Tenure
Estate in Fee Simple
(Freehold)

Type
6-storey residential apartment (total 54 units) with 1st storey commercial shops (total 36 units), with basement carparks, swimming pool and communal facilities

ON-GOING PROJECTS

THE BENTLY RESIDENCES @ KOVAN

The Bently Residences@Kovan is the perfect blend of luxury homes; it is an address of prestige, a residence synonymous with distinction. Within it, are exquisite homes that celebrate styles and comforts. Outside, you're just minutes to transport options, F&B, retail and entertainment.

Location
28 & 30 Kovan Road

Tenure
Estate in Fee Simple (Freehold)

Type
5-storey residential apartment (total 48 units) with roof terrace and swimming pool and other communal facilities

ON-GOING PROJECTS

12B/12C ANDREWS AVENUE

Location
12B Andrews Avenue
12C Andrews Avenue

Tenure
Estate in Fee Simple
(Freehold)

Type
3-storey intermediate terrace dwelling house with swimming pool and roof terrace

UPCOMING PROJECTS

20 Windsor Park Road

Location
20 Windsor Park Road

Tenure
Estate in Fee Simple
(Freehold)

Type
2-storey intermediate terrace house with an attic and swimming pool

The Morris Residences

Location
63 Paya Lebar Crescent

Tenure
Estate in Fee Simple
(Freehold)

Type
3-storey strata terrace houses (total 10 units) with basement, attic, roof terrace, private lift and private pool

COMPLETED PROJECTS

Goodland Group Building

Location
3 Kim Chuan Lane

Tenure
Estate in Perpetuity (Freehold)

Type
8-storey industrial building

OneRobey

Location
1 Robey Crescent

Tenure
Leasehold of 999 years w.e.f 27/12/1875

Type
5-storey residential flat with attic (total 18 units) and surface carparks, swimming pool and communal facilities

Vibes @ Eastcoast[a]

Location
308 Telok Kurau Road

Tenure
Estate in Fee Simple (Freehold)

Type
5-storey residential flat with attic (total 117 units) with 1st storey commercial shops (total 28 units), with mechanical carpark, swimming pool and communal facilities

[a] Project with Oxley Holdings Limited

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

Kenneth Hor Swee Liang, CA

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B.A.C.S. Private Limited

63 Cantonment Road
Singapore 089758

Corporate Secretarial Agent

Complete Corporate Services Pte Ltd
10 Anson Road
#32-15
International Plaza
Singapore 079903

Auditors

Moore Stephens LLP
Public Accountants and Chartered Accountants

10 Anson Road
#29-15
International Plaza
Singapore 079903

Audit Partner-in-charge

Ng Chiou Gee Willy

(a member of the Institute of
Singapore Chartered Accountants)
Date of Appointment:
Financial year ended
30 September 2013

FINANCIAL CONTENTS

CORPORATE GOVERNANCE

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 2012 (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 2014 ("**FY2014**").

BOARD MATTERS

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, namely: (i) the Audit Committee, (ii) the Remuneration Committee and (iii) the Nominating Committee (collectively, the "**Board Committees**"), to assist in the execution of its responsibility. The Board delegates specific responsibilities to these 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 twice every year to coincide with the announcement of the Group's half year and full year financial results, 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; and
- 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.

CORPORATE GOVERNANCE

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:-

	Board		Audit Committee		Nominating Committee		Remuneration Committee	
Name of Director	**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	3	3	NA	NA	NA	NA	NA	NA
Alvin Tan Chee Tiong	3	3	NA	NA	NA	NA	NA	NA
Melanie Tan Bee Bee	3	3	NA	NA	NA	NA	NA	NA
Dr. Wu Chiaw Ching	3	3	3	3	1	1	1	1
Wong Ming Kwong	3	3	3	3	1	1	1	1
Raymond Lye Hoong Yip	3	3	3	3	1	1	1	1

NA : Not applicable

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 Directors will also be provided a formal letter setting out their duties and obligations and first-time Directors will be required to attend training in areas such as accounting, legal and industry-specific knowledge as appropriate.

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

CORPORATE GOVERNANCE

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.

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 12 to 16 of the Annual Report.

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 is responsible for :

- leading Board discussions and deliberation;
- ensuring Board meetings are held when necessary;
- setting meeting agendas;
- ensuring that directors receive complete, and timely information;
- ensuring effective communication with shareholders; and
- promoting a high standards of corporate governance and ensures compliance with the Group's guidelines on corporate governance.

The CEO is responsible for:

- the day-to-day management of the business;
- setting business directions and ensuring operating efficiency of the Group;
- overseeing the execution of the Group's corporate and business strategy set out by the Board; and
- ensuring that 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 is based on collective decisions without any individual or group of individuals exercising any considerable concentration of power or influence. With the establishment of the various Board Committees which are chaired by Independent Directors, the Board is of the view that 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.

BOARD COMMITTEES

Nominating Committee

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. Lye, an Independent Director. Dr. Wu is the Lead Independent Director.

The NC is responsible for:

(a) making recommendation to the Board on the appointment of new directors with the appropriate profile having regards to their expertise, experiences, industry background, track record and competencies;

(b) reviewing the Board structure, size and composition and making recommendation to the Board;

(c) re-nomination / re-election of the Directors having regard to the Director's contribution and performance;

(d) determining on an annual basis whether or not a Director is independent; and

(e) 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 the 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 a 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 Mr. Raymond Lye Hoong Yip and Mr. Wong Ming Kwong be nominated for re-election at the forthcoming AGM. In making the recommendation, the NC had considered the said Directors' overall contributions and performance.

CORPORATE GOVERNANCE

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.

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 and individual Directors 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 is responsible for assessing the effectiveness of the Board as a whole and for assessing the contribution of each individual director. The NC proposes objective performance criteria which are approved by the Board. The performance criteria include comparison with industry peers, how the Board has enhanced long-term shareholders' value and the Company's share price performance vis-à-vis the Singapore Straits Times Index or a benchmark index of its industry peers. Other performance criteria may include return on equity. These performance criteria will not be changed from year to year and where circumstances deem it necessary for any of the criteria to be changed, the onus will be on the Board to justify such changes.

The evaluation of individual directors aims to assess whether each director continues to contribute effectively and demonstrate commitment to the role (including commitment of time for Board and committee meetings, and any other duties). The Executive Chairman will act on the results of the performance evaluation, and where appropriate, propose new members be appointed to the Board or seek the resignation of directors, in consultation with the NC.

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.

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. The management deals with requests for information from the Board promptly and consults the Board members regularly whenever necessary and appropriate. The appointment and removal of the Company Secretary is a matter for the Board as a whole.

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.

CORPORATE GOVERNANCE

Remuneration Committee

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. All members of the RC are non-executive. 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.

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.

The Company's Executive Directors do not receive directors' fees. Instead, the Executive Directors are paid a basic salary and a performance-related bonus for their contributions.

The non-executive Director 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 AGM and paid after the necessary approval has been obtained.

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. The service agreements have been renewed accordingly based on the same terms and conditions.

CORPORATE GOVERNANCE

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 key executive officers for FY2014 are as follows:

Remuneration of Directors

Remuneration Bands	Salary %	Variable or Performance-related Income/Bonus %	Fees %	Other Benefits %	Total %
$250,000 to below $500,000					
Ben Tan Chee Beng	100	-	-	-	100
Alvin Tan Chee Tiong	100	-	-	-	100
Melanie Tan Bee Bee	100	-	-	-	100
Below $250,000					
Dr. Wu Chiaw Ching	-	-	100	-	100
Wong Ming Kwong	-	-	100	-	100
Raymond Lye Hoong Yip	-	-	100	-	100

Remuneration of key executive officers

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

Remuneration Bands	Salary %	Variable or Performance-related Income/Bonus %	Fees %	Other Benefits %	Total %
Below $250,000					
Koh Chin Kim	82	18	-	-	100
Mindy Tan Bee Leng	81	19	-	-	100
Kenneth Hor Swee Liang	81	19	-	-	100
Rajesh Kannaya Nainani	81	19	-	-	100
Jennifer Galon Teologo	79	21	-	-	100

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

Although the disclosure is not in compliance with the recommendation of the Code, the Board is against disclosing the remuneration of its Directors, the CEO and its top five key executives given the competitive environment and the nature of the industry, including the confidentiality in such information, as this may adversely affect its ability to retain talent. In this respect, the remuneration of its Directors, the CEO and its top five executives who are not also Directors of the Company are disclosed in bands of S$250,000.

Save for 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 FY2014.

The Company does not have any employee share option scheme.

CORPORATE GOVERNANCE

ACCOUNTABILITY AND AUDIT

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 half-yearly basis and as and when deemed necessary.

Risk Management and Internal Controls
Principle 11: 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 to the extent as reviewed by them to form an opinion on the financial statements, 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 has received assurance from the CEO and the Chief Financial Officer of the Group that as at 30 September 2014:

(a) the financial records of the Group have been properly maintained and the financial statements for the year ended 30 September 2014 give a true and fair view of the Group's operations and finances;

(b) the system of internal controls in place for the Group is adequate and effective as at 30 September 2014 to address financial, operational, compliance and information technology risks which the Group considers relevant and material to its operations; and

(c) the risk management systems in place for the Group are adequate and effective as at 30 September 2014 to address risks which the Group considers relevant and material to its operations.

Board opinion on internal controls and risk management systems
Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management, various Board Committees and the Board, the Board, in concurrence with the AC, is of the view that the Group's internal controls addressing financial, operational, compliance and information technology risks, and risk management systems were adequate and effective as at 30 September 2014.

Risk Management and Processes
Information relating to risk management, objective and policies is set out on pages 98 to 109 of the Annual Report.

CORPORATE GOVERNANCE

Audit Committee

Principle 12: 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. All members of the AC are non-executive. 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 of Singapore ("**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 twice a year 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 with the internal auditors the internal audit plan, the evaluation of the adequacy of internal accounting controls and the internal audit report before submission of such report to the Board;

(c) Reviews the annual consolidated financial statements of the Group 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 and any other relevant statutory or regulatory requirements;

(d) 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);

(e) Reviews and discuss with the external and internal 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;

(f) Considers the appointment or re-appointment of the external and internal auditors and matters relating to the resignation or dismissal of the auditors;

(g) Reviews interested person transactions (if any) and potential conflicts of interest (if any) falling within the scope of Chapter 9 of the SGX-ST Listing Manual;

(h) 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;

(i) Generally undertakes such other functions and duties as may be required by statute or the SGX-ST Listing Manual, or by such amendments as may be made thereto from time to time; and

(j) Reviews the Group's 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 SGXNET.

CORPORATE GOVERNANCE

In addition, all transactions with related parties shall comply with the requirements of the SGX-ST Listing Manual. 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.

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 obtain 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 and internal auditors, without the presence of the Company's management, at least once a year.

The Company has appointed a suitable auditing firm to meet its audit obligations, having regard to the adequacy of the resources and experience of the auditing firm and the audit engagement partner assigned to the audit. Moore Stephens LLP was appointed as the Company's external auditors on 28 March 2009. Mr. Willy Ng is the audit engagement partner-in-charge of the audit of the Company from the reporting year ended 30 September 2013. The Company confirms that Rule 712 of the SGX-ST Listing Manual is complied with.

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 auditors of the Company's subsidiaries and associated companies are disclosed in note 15 to the financial statements in this annual report. The Company confirms that Rules 712 and 715 of the SGX-ST Listing Manual have been complied with.

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.

The board, with concurrence of the AC, is satisfied with the adequacy of the Company's internal controls, including financial, operational and compliance controls, risk management systems as at 30 September 2014.

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, Crowe Horwath First Trust Risk Advisory Pte. Ltd. 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.

SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

Principle 14: Treat all shareholders fairly and equitably and recognize, protect and facilitate exercise of shareholders' rights
Principle 15: Regular, effective and fair communication with shareholder
Principle 16: 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 SGXNET 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.

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 1207(19) of the SGX-Listing Manual on Dealing in Securities, the Group has adopted an internal code of conduct to provide guidance to its Directors, and employees with regard to dealings in the Company's securities. Directors and employees 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 employees are also required to adhere to the provisions of the Companies Act, and any other relevant regulations with regard to their securities transactions.

INTERESTED PERSON TRANSACTIONS

The Company has established procedures to ensure that all transactions with interested persons are reported to the AC which will review, at least twice a year, 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

The Group does not have a general mandate for recurrent interested person transactions.

Besides the information disclosed below, there are no other interested person transactions conducted during the year, which exceeds $100,000 in value.

Name of Interested Person	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S$100,000.00 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual)	Description of the transaction entered into with the interested person during the financial periodunder review	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the SGX-ST Listing Manual (excluding transactions less than S$100,000.00)
Tan Chee Beng ("Mr. Tan")[1]	S$160,000	Interest income from S$2,000,000 loan to Citrine Capital Pte. Ltd.	-

[1] Mr. Tan is an executive director, the executive chairman, and a deemed controlling shareholder of the Company. Mr. Tan is also deemed to have a 94% equity interest in Citrine Capital Pte. Ltd.. Therefore, Mr. Tan is an "Interested Person" within the meaning of Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

MATERIAL CONTRACTS

Save as otherwise disclosed in Interested Person Transaction, there was no material contract or loan entered into between the Company and any of its subsidiaries involving interests of the CEO, Director or controlling shareholder, either still subsisting at the end of FY2014 or if not then subsisting, entered into since the end of the previous financial year.

USE OF PROCEEDS FROM RIGHTS ISSUE OF WARRANTS AND EXERCISE PROCEEDS OF WARRANTS

The Company issued 115,048,800 warrants at a price of S$0.01 per warrant pursuant to the completion of the rights issue of warrants on 22 February 2011 ("**Rights Issue of Warrants**"). The proceeds from the Rights Issue of Warrants have been fully utilised as at the date of this Annual Report.

As of 31 December 2014, the proceeds from the exercise of the Warrants amounting to S$430,560 have not been utilised. The Company will make periodic announcements on the material disbursement of any proceeds arising from the exercise of the Warrants as and when such proceeds are materially disbursed.

AUDIT AND NON-AUDIT FEES

The amount of audit fees paid/payable by the Group to the external auditors, Moore Stephens LLP for FY2014 was approximately S$172,000. There were no non-audit services rendered by the Group's external auditors, Moore Stephens LLP, to the Group during the FY2014.

REPORT OF THE DIRECTORS

30 SEPTEMBER 2014

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 financial year ended 30 September 2014 and the audited balance sheet of the Company as at 30 September 2014.

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"), the particulars of interests of directors who held office at the end of the financial year in shares, warrants or debentures of the Company, or of its related corporations, are as follows:

	Direct Interest		Deemed Interest	
The Company	**At 1.10.2013**	**At 30.09.2014**	**At 1.10.2013**	**At 30.09.2014**
a) Ordinary Shares				
Ben Tan Chee Beng	16,220,000	16,220,000	108,521,200	108,521,200
Alvin Tan Chee Tiong	22,470,000	22,470,000	102,271,200	102,271,200
Melanie Tan Bee Bee	15,271,200	15,271,200	109,470,000	109,470,000
Wong Ming Kwong	-	-	4,760,000	4,760,000
b) Warrants				
Ben Tan Chee Beng			18,732,000	18,732,000
Alvin Tan Chee Tiong			17,482,000	17,482,000
Melanie Tan Bee Bee			9,162,720	9,162,720
Wong Ming Kwong			2,856,000	2,856,000

REPORT OF THE DIRECTORS

30 SEPTEMBER 2014

3 DIRECTORS' INTERESTS IN SHARES OR DEBENTURES (CONT'D)

There was no change in the above mentioned interests in warrants between the end of the current financial year and 21 October 2014.

As at 21 October 2014, the interests of directors who held office at the end of the financial year, in shares of the Company, or of its related corporations, are as follows:

	Direct Interest		Deemed Interest	
Name	**No. of Shares**	**%**	**No. of Shares**	**%**
Alvin Tan Chee Tiong	22,470,000	6.62	235,429,094	69.41
Ben Tan Chee Beng	16,220,000	4.78	241,679,094	71.25
Melanie Tan Bee Bee	15,271,200	4.50	242,627,894	71.53

Mr Ben Tan Chee Beng, Mr Alvin Tan Chee Tiong and Ms Melanie Tan Bee Bee, who by virtue of their interest in 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, 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. Certain directors also received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

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 three non-executive directors who are also independent directors. The Chairman of the AC is Dr Wu Chiaw Ching, and the members of the AC are Mr Wong Ming Kwong and Mr Raymond Lye Hoong Yip.

The AC carried out its functions in accordance with Section 201B(5) of the Companies Act, Chapter 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 with the internal auditors the internal audit plan, the evaluation of the adequacy of internal accounting controls and the internal audit report before submission of such report to the Board;

(c) Reviews the annual consolidated financial statements of the Group 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 and any other relevant statutory or regulatory requirements;

(d) 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);

(e) Reviews and discuss with the external and internal 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;

(f) Considers the appointment or re-appointment of the external and internal auditors and matters relating to the resignation or dismissal of the auditors;

(g) Reviews interested person transactions (if any) and potential conflicts of interest (if any) falling within the scope of Chapter 9 of the SGX-ST Listing Manual;

(h) 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;

(i) Generally undertakes such other functions and duties as may be required by statute or the SGX-ST Listing Manual, or by such amendments as may be made thereto from time to time; and

(j) Reviews the Group's 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 SGXNET.

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

REPORT OF THE DIRECTORS

30 SEPTEMBER 2014

8 AUDIT COMMITTEE (CONT'D)

The AC, having reviewed all non-audit services provided by the external auditors to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditors. The AC has also conducted a review of interested person transactions.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, and reviews performed by management, various Board Committees and the Board, in concurrence with the AC is of the view that the Group's internal controls addressing financial, operational, compliance and information technology risks, and risk management systems were adequate as at 30 September 2014.

The AC convened two meetings during the year with full attendance from all members. The AC has also met with external auditors, without the presence of the Company's management, at least once a year.

Further details regarding the AC are disclosed in the Corporate Governance Report in the Company's Annual Report.

9 INDEPENDENT AUDITORS

The auditors, Moore Stephens LLP, Public Accountants and Chartered Accountants, have expressed their willingness to accept re-appointment.

On behalf of the Board of Directors,

…………………………………….
Ben Tan Chee Beng

…………………………………….
Alvin Tan Chee Tiong

Singapore
5 January 2015

STATEMENT BY DIRECTORS

30 SEPTEMBER 2014

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the balance sheet of the Company as set out on pages 44 to 115 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 September 2014, and of the results, changes in equity and cash flows of the Group for the year then ended; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company and the Group 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
5 January 2015

INDEPENDENT AUDITORS' REPORT

We have audited the accompanying financial statements of Goodland Group Limited (the "Company") and its subsidiaries (collectively referred to as the "Group"), as set out on pages 44 to 115, which comprise the consolidated balance sheet of the Group and the balance sheet of the Company as at 30 September 2014, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of the financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for 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 true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

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 about 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 judgment, including the assessment of the risks of 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 of financial statements that give a true and fair view 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 the 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, the consolidated financial statements of the Group and the balance sheet of the Company 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 Group and of the Company as at 30 September 2014 and the results, changes in equity and cash flows of the Group for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those 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
Chartered Accountants

Singapore
5 January 2015

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

	Note	Group 2014 S$	Group 2013 S$
Revenue	4	25,299,571	37,314,663
Cost of sales		(22,068,544)	(27,756,237)
Gross profit		3,231,027	9,558,426
Other operating income	5	21,815,364	12,144,041
Finance income	6	160,679	174,768
Administrative expenses		(4,856,606)	(4,385,120)
Finance costs	7	(638,527)	(452,083)
Share of results of associated companies	16	638,578	1,069,934
Share of results of joint venture	17	-	(1)
Profit before income tax	8	20,350,515	18,109,965
Income tax	10	707,433	(1,126,391)
Net profit for the year		21,057,948	16,983,574
Other comprehensive loss:			
Item that may be reclassified subsequently to profit or loss:			
Exchange difference arising from consolidation		(5,773)	(7,077)
Total comprehensive income for the year		21,052,175	16,976,497
Net profit/(loss) for the year attributable to:			
Equity holders of the Company		21,058,517	16,984,315
Non-controlling interests		(569)	(741)
		21,057,948	16,983,574
Total comprehensive income/(loss) for the year attributable to:			
Equity holders of the Company		21,053,772	16,979,126
Non-controlling interests		(1,597)	(2,629)
		21,052,175	16,976,497
Earnings per share			
- Basic (cents per share)	11	10.84	8.81
- Diluted (cents per share)	11	6.87	5.56

The accompanying notes form an integral part of the financial statements.

BALANCE SHEETS

AS AT 30 SEPTEMBER 2014

		Group		Company	
	Note	2014 S$	2013 S$	2014 S$	2013 S$
ASSETS					
Non-current assets					
Property, plant and equipment	12	6,199,479	6,241,564	-	-
Investment properties	13	64,008,405	53,688,063	-	-
Development properties for sale	14	72,989,995	90,095,709	-	-
Investments in subsidiaries	15	-	-	10,516,084	9,516,085
Investments in associated companies	16	4,298,136	3,659,558	-	-
Investments in joint venture	17	-	-	-	-
Long term receivable	21	-	2,124,493	-	-
Deferred tax assets	27	499,522	168,625	-	-
		147,995,537	155,978,012	10,516,084	9,516,085
Current assets					
Cash and bank balances	18	12,682,886	4,949,478	756,858	30,974
Other financial assets	19	8,400,669	187,077	-	-
Trade and other receivables	20	12,349,378	12,021,899	8,806,412	9,891,441
Other current assets	22	120,784	60,351	36,283	28,809
Development properties for sale	14	42,584,600	17,733,526	-	-
		76,138,317	34,952,331	9,599,553	9,951,224
Total assets		224,133,854	190,930,343	20,115,637	19,467,309
LIABILITIES					
Non-current liabilities					
Finance lease liabilities	24	80,498	201,082	-	-
Borrowings	26	35,092,266	88,295,332	-	-
Deferred tax liabilities	27	571,378	288,145	-	-
		35,744,142	88,784,559	-	-
Current liabilities					
Finance lease liabilities	24	43,334	79,959	-	-
Trade and other payables	25	12,707,211	6,444,494	4,063,119	3,273,115
Borrowings	26	86,040,945	25,094,548	-	-
Income tax payable		152,006	1,214,406	-	-
		98,943,496	32,833,407	4,063,119	3,273,115
Total liabilities		134,687,638	121,617,966	4,063,119	3,273,115
EQUITY					
Share capital and reserves attributable to equity holders of the Company					
Share capital	28	9,080,580	9,023,461	9,080,580	9,023,461
Reserves	29	80,274,618	60,196,301	6,971,938	7,170,733
		89,355,198	69,219,762	16,052,518	16,194,194
Non-controlling interests		91,018	92,615	-	-
Total equity		89,446,216	69,312,377	16,052,518	16,194,194
Total liabilities and equity		224,133,854	190,930,343	20,115,637	19,467,309

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

		Attributable to equity holders of the Company							
	Note	Share Capital S$	Merger Reserve S$	Currency Translation Reserve S$	Warrants Reserve S$	Retained Earnings S$	Subtotal S$	Non-controlling Interests S$	Total S$
Group									
Balance at 1 October 2013		9,023,461	(485,076)	(37,666)	965,382	59,753,661	69,219,762	92,615	69,312,377
Net profit/(loss) for the year		-	-	-	-	21,058,517	21,058,517	(569)	21,057,948
Other comprehensive loss:									
- Exchange differences arising from consolidation		-	-	(4,745)	-	-	(4,745)	(1,028)	(5,773)
Total comprehensive income/(loss) for the year		-	-	(4,745)	-	21,058,517	21,053,772	(1,597)	21,052,175
Issuance of ordinary shares upon exercise of warrants	28(c)	57,119	-	-	(3,360)	-	53,759	-	53,759
Dividends paid	30	-	-	-	-	(972,095)	(972,095)	-	(972,095)
Balance at 30 September 2014		9,080,580	(485,076)	(42,411)	962,022	79,840,083	89,355,198	91,018	89,446,216
Group									
Balance at 1 October 2012		8,726,471	(485,076)	(32,477)	982,852	43,732,266	52,924,036	95,244	53,019,280
Net profit/(loss) for the year		-	-	-	-	16,984,315	16,984,315	(741)	16,983,574
Other comprehensive loss:									
- Exchange differences arising from consolidation		-	-	(5,189)	-	-	(5,189)	(1,888)	(7,077)
Total comprehensive income/(loss) for the year		-	-	(5,189)	-	16,984,315	16,979,126	(2,629)	16,976,497
Issuance of ordinary shares upon exercise of warrants	28(c)	296,990	-	-	(17,470)	-	279,520	-	279,520
Dividends paid	30	-	-	-	-	(962,920)	(962,920)	-	(962,920)
Balance at 30 September 2013		9,023,461	(485,076)	(37,666)	965,382	59,753,661	69,219,762	92,615	69,312,377

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

	Group	
	2014	2013
	S$	S$
Cash Flows from Operating Activities		
Profit before income tax	20,350,515	18,109,965
Adjustments for:		
Fair value gain on investment properties	(12,889,088)	(11,454,147)
Fair value gain on derivative asset	(8,193,822)	-
Depreciation of property, plant and equipment	346,979	303,566
(Gain)/loss on disposal of property, plant and equipment	(12,170)	4,916
Loss on disposal investment property	150,000	-
Fair value gain on financial assets, at fair value through profit or loss	(12,670)	(22,856)
Interest expense	638,527	452,083
Interest income	(160,679)	(174,768)
Dividend income	(4,493)	(9,615)
Share of result of joint venture	-	1
Share of results of associated companies	(638,578)	(1,069,934)
Operating cash flow before working capital changes	(425,479)	6,139,211
Trade and other receivables and other current assets	1,580,046	12,589,761
Trade and other payables	6,080,310	(979,779)
Development properties for sale	(1,810,329)	(45,062,386)
Cash generated from/(used in) operations	5,424,548	(27,313,193)
Interest received	679	50,227
Income tax paid	(402,631)	(2,684,385)
Net cash flow generated from/(used in) operating activities	5,022,596	(29,947,351)
Cash Flows from Investing Activities		
Purchase of property, plant and equipment	(386,227)	(4,902,651)
Payment for investment properties	(2,286,254)	(1,476,578)
Payment for investments in associated companies	-	(2,990)
Payment for investments in joint venture	-	(1)
Proceeds from disposal of property, plant and equipment	41,503	18,000
Proceeds from disposal of investment property	905,000	-
Proceeds from liquidation of investment in associate	-	2,000
Dividend received from associated company	-	1,336
Advances from/(to) associated companies, joint venture and related party	407,761	(6,653,613)
Decrease in fixed deposits with a maturity of more than 3 months	14,941	-
Purchase of financial assets, at fair value through profit or loss	(7,100)	-
Dividend received from other equity investments	4,493	9,615
Net cash flow used in investing activities	(1,305,883)	(13,004,882)

The accompanying notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 SEPTEMBER 2014

(cont'd)

	Group	
	2014	2013
	S$	S$
Cash Flows from Financing Activities		
Gross proceeds from issuance of shares and exercise of warrants	53,759	279,520
Proceeds from borrowings	47,031,535	73,922,864
Repayment of borrowings	(35,552,908)	(45,613,540)
Decrease in pledged deposits	-	80,938
Repayment of finance lease liabilities	(105,209)	(18,712)
Interest paid	(2,688,150)	(1,541,093)
Dividend paid	(972,095)	(962,920)
Net cash generated from financing activities	7,766,932	26,147,057
Net increase/(decrease) in cash and cash equivalents	11,483,645	(16,805,176)
Cash and cash equivalents at the beginning of the year	1,199,241	18,004,417
Cash and cash equivalents at the end of the year (Note 18)	12,682,886	1,199,241

Note A

Non-cash transactions

During the previous financial year, the Company approved the following:

	2013
	S$
Set-off of investments in associated companies against amount due to associated companies	
Investments in associated companies	498,000
Less: Amount due to associated companies	(498,000)
Net cash effect	-

The accompanying notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

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

1 GENERAL INFORMATION

Goodland Group Limited (the "Company") is a public limited company incorporated and domiciled in Singapore. The Company was listed on 8 October 2009 in the Catalist Board of the Singapore Exchange Securities Trading Limited ("SGX-ST") and transferred to the Mainboard of SGX-ST effective from 25 June 2013. 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, associated companies and joint venture are disclosed in Note 15, Note 16 and Note 17, respectively.

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 2014 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) Going Concern Assumption

As at 30 September 2014, the Group's current liabilities exceeded its current assets by S$22,805,179 (2013: current assets exceeded its current liabilities S$2,118,924).

The Group meets its day to day working cash flow requirements from a combination of working capital generated from its operations and bank borrowings. In the assessment of the going concern assumption, management has prepared a cash flow projection for a period of 12 months from the balance sheet date. The directors of the Company are of the opinion that the Group will generate sufficient cash flows from operations to meet its obligations as and when they fall due.

As disclosed in Note 26, the Group has bank borrowings amounting to S$121,133,211 (2013: S$113,389,880). The borrowings were used mainly to finance the Group's development properties for sale (Note 14), which are pledged as security for these bank borrowings. A total of S$86,040,945 (2013: S$25,094,548) bank borrowings are due within the next 12 months from the balance sheet date. Subsequent to the financial year end, the Group has applied to the financial institution to extend the repayment period of certain bank borrowings amounting to S$37,622,712, classified as current liabilities as at 30 September 2014, until the end of 2016. The final approval of the application for the extension is currently under review by the financial institution as at the date of these financial statements. The directors of the Company are not aware of any adverse circumstances that might cause the financial institution not to approve the Group's application for the extension.

Accordingly, the directors of the Company believe that the use of the going concern assumption in the preparation and presentation of the financial statements for the financial year ended 30 September 2014 is appropriate.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Preparation

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act, Chapter 50 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 balance sheet date, 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.

Adoption of New/Revised FRS

For the financial year ended 30 September 2014, the Group has adopted the following new standard which is effective and mandatory for application for the year, and relevant to the Group:

FRS 113 *Fair Value Measurements*

FRS 113 provides a single source of guidance for all fair value measurements of both financial and non-financial items. FRS 11 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under FRS when fair value is required or permitted by FRS. FRS 113 expanded the required disclosures related to fair value measurements to help users understand the valuation techniques and inputs used to develop fair value measurement and the effect of fair value measurement in profit or loss.

The application of FRS 113 has not materially impacted the fair value measurement carried out by the Group and the Company during the year.

New/Revised/Amendments to FRS issued but not yet effective

At the date of authorisation of these financial statements, the following relevant new, revised or amended standards have been issued and are relevant to the Group, but not yet effective:

FRS 27 (Revised) *Separate Financial Statements*

The FRS 27 (Revised) will now solely address separate financial statements, the requirements for which are substantially unchanged. It is effective for annual periods beginning on or after 1 January 2014 and will not have any impact on the financial performance of the Group or financial position of the Group and the Company on adoption of this revised standard.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Preparation (cont'd)

New/Revised/Amendments to FRS issued but not yet effective (cont'd)

FRS 28 (Revised) *Investments in Associates and Joint Ventures*

The FRS 28 (Revised) changes in scope as a result of the issuance of FRS 111 *Joint Arrangements*. It continues to prescribe the mechanics of equity accounting. It is effective for annual periods beginning on or after 1 January 2014 and will not have any impact on the financial performance or financial position of the Group on adoption of the revised standards.

FRS 36 (Amendment) *Recoverable Amount Disclosure for Non-Financial Assets*

The amendments to FRS 36 restrict the requirement to disclose the recoverable amount of an asset or cash-generating unit (CGU) to periods in which an impairment loss has been recognised or reversed.

The amendments also expand and clarify the disclosure requirements applicable when an asset or CGU's recoverable amount has been determined on the basis of fair value less costs of disposal. It is effective for annual periods beginning on or after 1 January 2014. As this is a disclosure standard, it will not have any impact on the financial performance of the Group or the financial position of the Group and Company on adoption of this amended standard.

FRS 110 *Consolidated Financial Statements*

FRS 110 supersedes FRS 27 *Consolidated and Separate Financial Statements* and INT FRS 12 *Consolidation – Special Purpose Entities*, which is effective for annual periods beginning on or after 1 January 2014. It changes the definition of control and applies it to all investees to determine the scope of consolidation. FRS 110 requirements will apply to all types of potential subsidiary. FRS 110 requires an investor to reassess the decision whether to consolidate an investee when events indicate that there may be a change to one of the three elements of control, i.e. power, variable returns and the ability to use power to affect returns. The Group has reassessed which entities in the Group controls and expected no change on adoption of the standard.

FRS 111 *Joint Arrangements*

FRS 111 supersedes FRS 31 I*nterests in Joint Ventures Arrangements*, which eliminates the option of using proportionate consolidation for joint controlled entity and FRS 31's 'jointly controlled operations' and 'jointly controlled assets' categories. These categories will fall into the newly defined category 'joint operation'.

FRS 111 is effective for annual periods beginning on or after 1 January 2014 and the Group does not expect any significant impact on the financial performance or financial position of the Group when implemented.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Preparation (cont'd)

New/Revised/Amendments to FRS issued but not yet effective (cont'd)

FRS 112 *Disclosure of Interests in Other Entities*

FRS 112 which is effective for annual periods beginning on or after 1 January 2014 combines the disclosure requirements for subsidiaries, joint arrangements, associates and structured entities within a comprehensive disclosure standard. FRS 112 specifies minimum disclosures that an entity must provide. It requires an entity to provide summarised financial information about the assets, liabilities, profit or loss and cash flows of each subsidiary that has non-controlling interests that are material to the reporting entity and to disclose the nature of its interests in unconsolidated structured entities and the nature of the risks it is exposed to as a result, a schedule of the impact on parent equity is required for changes in the ownership interest in a subsidiary without a loss of control; detail of any gain/loss recognised on loss of control, and the line item in the statement of comprehensive income in which it is recognised; year ends of subsidiaries, joint arrangements or associates if different from the parent's that are consolidated using different year ends and the reasons for using a different date. As this is a disclosure standard, it will not have any impact on the financial performance of the Group or the financial position of the Group on adoption of the standard.

FRS 24 (Improvement) *Related Party Disclosures*

The improvements to FRS 24 clarify that an entity providing key management personnel services to the reporting entity or to the parent of the reporting entity is a related party of the reporting entity. In addition, an entity that uses a management entity is required to disclose the expenses incurred for management services. The standard is effective for annual periods beginning on or after 1 July 2014. As this is a disclosure standard, it will not have any impact on the financial performance of the Group or the financial position of the Group and the Company on adoption of this standard.

FRS 108 (Improvement) *Operating Segments*

The improvements to FRS 108 require an entity to disclose the judgement made by management in applying the aggregation criteria to operating segments. The improvements also clarify that an entity shall only provide reconciliations of the total of the reportable segments' assets to the entity's assets if the segment assets are reported regularly. The standard is effective for annual periods beginning on or after 1 July 2014. As this is a disclosure standard, it will not have any impact on the financial performance of the Group or the financial position of the Group on adoption of this standard.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 sets out the requirements for recognising revenue that apply to all contracts with customers (except for contract that are within the scope of the standards on leases, insurance contracts and financial instruments). FRS 115 replaces the previous revenue Standards: FRS 18 Revenue and FRS 11 *Construction Contracts*, and the related interpretations on revenue recognition; INT FRS 115 *Agreements for the Construction of Real Estate*; INT FRS 118 *Transfers of Assets from Customer*s; and INT FRS 31 *Revenue – Barter Transactions Involving Advertising Services*. It is effective for annual periods beginning on or after 1 January 2017 and earlier application is permitted. The Group is currently determining the impact of these amendments.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Basis of Preparation (cont'd)

New/Revised/Amendments to FRS issued but not yet effective (cont'd)

FRS 109 *Financial Instruments*

FRS 109 was introduced to replace FRS 39 *Financial Instruments: Recognition and Measurement*. FRS 109 changes the classification and measurement requirements for financial assets and liabilities, and also introduces a three-stage impairment model that will impair financial assets based on expected losses regardless of whether objective indicators of impairment have occurred. This standard also provides a simplified hedge accounting model that will align more closely with the entity's risk management strategies. The standard is effective for annual period beginning on or after 1 January 2018. The Group and the Company is currently determining the impact of this standard.

(c) 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 to be Singapore dollar ("S$"), as it best reflects the economic substance of the underlying events and circumstances relevant to the Company. The consolidated financial statements of the Group are presented in S$.

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 are included in the fair value reserve.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(c) Currency Translation (cont'd)

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 the 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 recognised in other comprehensive income and accumulated in the currency translation reserve within the statement of changes in equity.

Consolidation adjustments

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

(d) Subsidiaries

Consolidation

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 the net disposal proceeds and the carrying amount of the investments are then recognised in 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, consolidated statement of changes in equity and consolidated 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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Subsidiaries (cont'd)

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.

Consolidation

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 Group'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 previously 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.

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.

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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(d) Subsidiaries (cont'd)

Transactions with non-controlling interests (cont'd)

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 to make 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. Where necessary, adjustments are made to the associated companies' financial statements to ensure consistency of accounting policies with that of the Group.

(e) 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 to make 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. Where necessary, adjustments are made to the associated companies' financial statements to ensure consistency of accounting policies with that of the Group.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(f) Investments in Joint Ventures

The Group's joint ventures are entities over which the Group has contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties.

The Group's interest in joint ventures is accounted for in the consolidated financial statements using equity method. At the end of the reporting period, the Group's investment in joint venture is stated at cost of investment less any impairment losses, plus the Group's share of undistributed post-acquisition results.

Losses of a joint venture in excess of the Group's interest in that joint venture (which include any long-term receivables in substance, form part of the Group's net investment in that joint venture) are not recognised, unless it has obligations to make or has made payments on behalf of the joint venture.

(g) 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.

Property under construction is carried at cost, less any recognised impairment loss. Cost includes professional fees, and for qualifying assets, borrowing costs are capitalised in accordance with the Group's accounting policy.

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 recognised in profit or loss.

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	- 25 years
Renovation	- 5 years
Plant and equipment	- 3 to 5 years
Motor vehicles	- 5 years

Depreciation of property under construction commences when the asset is ready for its intended use.

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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(h) 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 to investment property from development properties for sale, the deemed cost for subsequent accounting is the fair value at the date of change in use. For a transfer from owner occupied property to investment property, the property is measured at revalued amount and accounted for in accordance with the accounting policy for Property, Plant and Equipment up to the date of change in use.

(i) Development Properties for Sale

Development properties for sale are properties acquired or being constructed for sale in the ordinary course of business, rather than to be held for the Company's own use, rental or capital appreciation.

Development properties for sale are measured at the lower of cost and net realisable value.

The costs of development properties include:

- Cost of land;
- Construction costs; and
- Borrowing costs, planning and design costs, costs of site preparation, professional fees for legal services, property transfer taxes and other related costs.

Non-refundable commissions paid to sales or marketing agents on the sale of real estate units are expensed when paid.

Net realisable value of development properties for sale is the estimated selling price in the ordinary course of business, based on market price at the end of the reporting period, less the estimated costs of completion and the estimated costs necessary to make the sale.

The costs of development properties for sale recognised in profit or loss on disposal are determined with reference to the specific costs incurred on the property sold and an allocation of any non-specific costs based on the relative size of the property sold.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(j) 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.

(k) Financial Assets and Liabilities

Classification

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, at fair value through profit or loss

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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Financial Assets and Liabilities (cont'd)

Financial assets, at fair value through profit or loss (cont'd)

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.

Subsequent measurement

Financial assets, fair value through profit or loss are subsequently carried at fair value.

Changes in the fair values of financial assets at fair value through profit or loss including the effects of currency translation, interest and dividends, are recognised in profit or loss when the changes arise.

Embedded derivatives

Derivatives embedded in host contracts are accounted for as separate derivatives and recorded at fair value if their economic characteristics and risks are not closely related to those of the host contracts and the host contracts are not held for trading or designated at fair value though profit or loss. These embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

The embedded derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the financial instrument is more than twelve months. The Group classifies the host contract as loans and receivable.

Financial liabilities, recognition

Financial liabilities within the scope of FRS 39 Financial Instruments: Recognition and Measurement 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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(k) Financial Assets and Liabilities (cont'd)

Derecognition of financial assets and liabilities

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset has expired, or has been transferred and transferred substantially all the risk and rewards of ownership of the financial asset to another entity.

If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay.

If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On disposal of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is transferred to profit or loss.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit and loss.

(l) 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'.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(m) 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 bank balances' on the balance sheet.

Trade and other receivables

Trade and other receivables, including long term receivable from a related party, which are normally settled within 30 to 90 days, are recognised initially at fair value and subsequently at amortised cost using the effective interest method, less allowance for impairment.

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

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.

(n) Trade and Other Payables

Trade and other payables, which are normally settled within 30 to 90 days, are initially measured at fair value and subsequently at amortised cost using the effective interest method.

(o) 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 recognised in profit or loss over the period of the borrowings using the effective interest method.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(p) Financial Guarantees

The Company has issued corporate guarantees to banks for borrowings of its subsidiaries. These guarantees are financial guarantees as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of the borrowings.

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.

(q) Leases

Finance leases

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.

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in profit or loss on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in profit or loss over the lease term on the same basis as the lease income.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Revenue Recognition

Sale of development properties

Revenue from sale of development properties is recognised using the percentage of completion method when the Group determines that (a) control and the significant risks and rewards of ownership of the work-in-progress transfer to the buyer in its current state as construction progresses; (b) sales price is fixed and collectible; (c) the percentage of completion can be measured reliably; (d) there is no significant uncertainty as to the ability of the Group to complete the development; and (e) costs incurred or to be incurred can be measured reliably.

The percentage of completion is measured by reference to the physical surveys of construction work completed. Profits are recognised only in respect of finalised sales contracts to the extent that such profits relate to the progress of the construction work.

In all other instances, sales are transacted once the development properties are completed. Revenue from sales of development properties is only recognised upon the transfer of control and significant risks and rewards of ownership of the property to the buyer. This generally coincides with the point in time when the development unit is delivered to the buyer.

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.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(r) Revenue Recognition (cont'd)

Dividend income

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

(s) 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.

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.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using fair value model, the carrying amounts of such properties are presumed to be recovered entirely through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefit embodied in the investment property over time, rather than through sale.

2 SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(t) 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.

(u) Equity Instruments

Equity instruments are classified as equity in accordance with the substance of the contractual arrangements.

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.

(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.

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 disclosures 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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

(a) Critical Accounting Estimates and Assumptions

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.

Estimated useful life of property, plant and 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 50 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 2014 was S$4,884,429 (2013: S$4,075,981).

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$35,000 (2013: S$30,000).

Estimation of net realisable value for development properties for sale

Development properties for sale are stated at the lower of cost and net realisable value.

Net realisable value in respect of development property under construction is assessed with reference to market prices at the reporting date for similar completed property less estimated costs to complete construction and less an estimate of the time value of money to the date of completion. The carrying amount of the Group's development properties for sale stated at cost as at 30 September 2014 was S$115,574,595 (2013: S$107,829,235).

If the estimated costs to complete construction increased by 1% from the management's estimate, the carrying amount of development properties for sale stated would increase by S$1,012,100 (2013: S$963,000).

Estimation of the fair value of the derivative asset

The Group has an option to convert its loan receivable from related party amounting to S$2,000,000 into a 6% equity interest in the related party upon the maturity date of 28 December 2014 (Note 21). Management has determined the fair value of the conversion option using equity valuation technique based on valuation multiples of comparable companies and Black-Scholes Option Pricing model. Changes to key assumptions could result in a change in the fair value estimate. The fair value of the conversion option amounted to S$8,193,822 (2013: Nil).

Information about the valuation techniques and unobservable inputs used in determining the fair value of the derivative asset is disclosed in Note 34(g).

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

(b) Critical Judgements Made in Applying Accounting Policies

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 judgements 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 an adverse effect in the technological, market, economic or legal environment in 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 2014, the Group did not recognise any allowance for impairment of trade and other receivables (2013: Nil).

The carrying amount of trade and other receivables as at 30 September 2014 was S$12,349,378 (2013: S$14,146,392).

Classification of development properties for sale

The Group presents its development properties for sale as current and non-current, depending on when it expects to realise the development properties for sale. The Group classifies its development properties as current when it expects to realise the assets in its normal operating cycle and/or expects to realise the assets within twelve months after the reporting period. All other development properties are classified as non-current.

The carrying amount of the Group's development properties for sale expected to be realised within the next 12 months and after 12 months as at 30 September 2014 was S$42,584,600 (2013: S$17,733,526) and S$72,989,995 (2013: S$90,095,709), respectively.

Transfers of risk and rewards of ownership on sale of property under development

As described in Note 2, the Group's policy on recognition of revenue in relation to sale of property under development which qualifies as sale of goods depends on whether:

- there is continuous transfer of risks and rewards of ownership to the buyer of the property under development; or
- risks and rewards of ownership of the property transfer at a single point of time.

In determining the point of transfer of risk and rewards of ownership, the Group reviews the legal terms of the sales contracts together with the accompanying note to INT FRS 115 *Agreements for the Construction of Real Estate* that explains the application of the interpretation to sale of property under development in Singapore.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

3 CRITICAL ACCOUNTING ESTIMATES, ASSUMPTIONS AND JUDGEMENTS

(b) Critical Judgements Made in Applying Accounting Policies (cont'd)

Transfers of risk and rewards of ownership on sale of property under development (cont'd)

Based on the judgement exercised, revenue of S$21,860,771 (2013: S$23,464,663) was recognised during the financial year for agreements where there was continuous transfer of risks and rewards of ownership of the property sold, and revenue of S$3,438,800 (2013: S$13,850,000) was recognised for agreements where risks and rewards of ownership was transferred at a single point of time during the financial year ended 30 September 2014.

4 REVENUE

	Group	
	2014	**2013**
	S$	**S$**
Sale of development properties:		
- Recognised on a percentage of completion basis	21,860,771	23,464,663
- Recognised on a completed contract basis	3,438,800	13,850,000
	25,299,571	37,314,663

5 OTHER OPERATING INCOME

	Group	
	2014	**2013**
	S$	**S$**
Dividend income	4,493	9,615
Fair value gain on investment properties (Note 13)	12,889,088	11,454,147
Fair value gain on financial assets, at fair value through profit or loss	12,670	22,856
Fair value gain on derivative asset (Note 19)	8,193,822	-
Management fees	24,000	24,000
Rental income	374,081	561,438
Forfeited deposits received for sale of development properties	29,515	24,983
Others	287,695	47,002
	21,815,364	12,144,041

6 FINANCE INCOME

	Group	
	2014	2013
	S$	S$
Interest income on:		
- Bank balances	679	50,275
- Loan receivable from a related party	160,000	124,493
	160,679	174,768

7 FINANCE COSTS

	Group	
	2014	2013
	S$	S$
Interest expense on:		
- Finance lease liabilities	5,621	3,383
- Borrowings	632,906	448,700
	638,527	452,083

8 PROFIT BEFORE INCOME TAX

This is arrived at after charging the following items:

	Group	
	2014	2013
	S$	S$
Cost of development properties for sale	21,186,868	27,246,959
Administrative expenses:		
- Depreciation of property, plant and equipment	346,979	303,566
- Audit fees paid/payable to the auditors of the Company	171,597	145,381
- Non-audit fee paid/payable to the auditors of the Company	-	-
- Audit fees paid/payable to other auditors	2,140	3,200
- Exchange loss	1,801	3,454
- (Gain)/loss on disposal of property, plant and equipment	(12,170)	4,916
- Loss on disposal of investment property	150,000	-
- Professional fee	224,564	248,806
- Non-claimable GST on property purchases*	564,054	-

* Pertained to GST incurred on the past year's purchases of non-residential property, which did not meet the conditions for claiming input tax.

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9 EMPLOYEE BENEFITS COST

	Group	
	2014	2013
	S$	S$
Salaries and related costs	3,547,257	4,302,303
Contributions to defined contribution plans	454,951	554,462
	4,002,208	4,856,765
Included in:		
Cost of sales	595,967	299,198
Administrative expenses	2,787,411	3,103,468
Development properties	618,830	1,454,099
	4,002,208	4,856,765

10 INCOME TAX

	Group	
	2014	2013
	S$	S$
Current year:		
Current income tax	-	1,209,056
Deferred tax (Note 27)	(47,664)	(99,708)
	(47,664)	1,109,348
Prior year (over)/under provision:		
Current income tax	(659,769)	12,723
Deferred tax (Note 27)	-	4,320
	(659,769)	17,043
	(707,433)	1,126,391

NOTES TO THE FINANCIAL STATEMENTS
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10 INCOME TAX (CONT'D)

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

	Group	
	2014	2013
	S$	S$
Profit before income tax	20,350,515	18,109,965
Less: Share of results of associated companies	(638,578)	(1,069,934)
Add: Share of results of joint venture	-	1
	19,711,937	17,040,032
Tax at statutory income tax rate of 17% (2013: 17%)	3,351,029	2,896,805
Effect of:		
- different tax rate in other country	(241)	(212)
- partial tax exemption and tax relief	(139,301)	(218,421)
- expenses not deductible for tax purposes*	414,155	195,669
- income not subject to tax**	(3,651,757)	(1,811,507)
- utilisation of previously unrecognised deferred tax benefits on tax losses	(927)	(17,696)
- deferred tax benefits on tax losses not recognised	749	64,710
- tax allowances claimed	(21,371)	-
- (over)/under provision in previous years	(659,769)	17,043
	(707,433)	1,126,391

* expenses not deductible for tax purposes mainly comprised interest expense from borrowings for working capital purposes, non-claimable GST, loss on disposal of property, plant and equipment and investment property and statutory expenses for investment holding company which are not available for offset against future taxable profits.

** attributable mainly to fair value gain on investment properties and derivative asset of S$12,889,088 and S$8,193,822 (2013: S$11,454,147 and Nil), respectively.

Unrecognised deferred tax assets

The following deferred tax assets have not been recognised at the end of the financial year:

	Group	
	2014	2013
	S$	S$
Tax losses	2,899	2,150

NOTES TO THE FINANCIAL STATEMENTS

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10 INCOME TAX (CONT'D)

As at 30 September 2014, the Group has unutilised tax losses amounting to approximately S$11,587 (2013: S$7,163) 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 respective countries in which the Group companies are incorporated. The deferred tax assets arising from these unutilised tax losses has not been recognised because it is not probable that future taxable profits will be available against which the Group can utilise the tax losses. These tax losses have no expiry dates.

A loss transfer system of group relief (group relief system) for companies was introduced in Singapore with effect from year of assessment 2003. Under the group relief system, a company belonging to a group may transfer its current year unabsorbed capital allowances, unabsorbed trade losses and current year unabsorbed donations to another company belonging to the same group, to be deducted against the assessable income of the latter company subject to the relevant rules of the group relief system.

Certain subsidiaries intend to utilise the unabsorbed trade losses of approximately S$2,106,941 (2013: S$1,856,818) of other subsidiaries in the same group under the group relief system, subject to compliance with the relevant rules and procedures and agreement by the Inland Revenue Authority of Singapore.

11 EARNINGS PER SHARE

	Group	
	2014	**2013**
Basic earnings per share:		
Net profit for the year attributable to equity holders of the Company (S$)	21,058,517	16,984,315
Weighted average number of ordinary shares for the purposes of basic earnings per share	194,327,074	192,750,512
Basic earnings (cents per share)	10.84	8.81

	Group	
	2014	**2013**
Diluted earnings per share:		
Net profit for the year attributable to equity holders of the Company (S$)	21,058,517	16,984,315
Weighted average number of ordinary shares for the purposes of diluted earnings per share	306,684,874	305,444,312
Diluted earnings (cents per share)	6.87	5.56

11 EARNINGS PER SHARE (CONT'D)

Weighted average number of ordinary shares outstanding for the purposes of basic earnings and diluted earnings per share are calculated as follows:

	Group	
	2014	2013
Basic earnings:		
Issued ordinary shares at 1 October	194,103,000	192,356,000
Effect of shares issued pursuant to warrants exercised during the year	224,074	394,512
Weighted average number of ordinary shares during the year	194,327,074	192,750,512
Diluted earnings:		
Weighted average number of ordinary shares (basic)	194,327,074	192,750,512
Effect of warrants	112,357,800	112,693,800
Weighted average number of ordinary shares (diluted) during the year	306,684,874	305,444,312

(a) Basic earnings per share

Earnings per share is calculated on the Group's net profit for the year attributable to equity holders of the Company divided by the weighted average number of ordinary shares outstanding during the financial year.

(b) Diluted earnings per share

For the purpose of calculating diluted earnings per share, profit attributable to equity holders of the Company and the weighted average number of ordinary shares outstanding are adjusted for the effects of all dilutive potential ordinary shares, which comprise warrants.

During the financial year ended 30 September 2011, the Company issued 115,048,800 warrants which are dilutive potential ordinary shares. The warrants were issued at an issue price of S$0.01 each. Each warrant will, subject to the terms and conditions of the Deed Poll, entitle its holder to subscribe for one ordinary share in the capital of the Company at an exercise of S$0.16 (the "exercise price") for each new ordinary share, on the basis of three warrants for every five existing ordinary share in the capital of the Company, at any time during the period commencing 22 February 2011 and expiring on 21 February 2015.

The average market value of the Company's shares for purposes of calculating the dilutive effect of warrants was based on quoted market price for the period during which the warrants were outstanding.

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12 PROPERTY, PLANT AND EQUIPMENT

	Freehold Land S$	Freehold Building S$	Leasehold Land and Building S$	Renovation S$	Plant and Equipment S$	Motor Vehicles S$	Property Under Construction S$	Total S$
Group								
2014								
Cost								
At 1 October 2013	399,159	572,138	3,136,100	88,833	868,871	570,253	1,766,424	7,401,778
Additions	-	-	-	-	122,747	77,452	254,028	454,227
Transfers	915,891	1,104,561	-	-	-	-	(2,020,452)	-
Disposals	-	-	-	-	(127,468)	(106,000)	-	(233,468)
At 30 September 2014	1,315,050	1,676,699	3,136,100	88,833	864,150	541,705	-	7,622,537
Accumulated depreciation								
At 1 October 2013	-	194,260	103,844	66,742	530,828	264,540	-	1,160,214
Charge for the year	-	19,426	124,613	4,877	110,841	87,222	-	346,979
Disposals	-	-	-	-	(7,468)	(76,667)	-	(84,135)
At 30 September 2014	-	213,686	228,457	71,619	634,201	275,095	-	1,423,058
Net book value								
At 30 September 2014	1,315,050	1,463,013	2,907,643	17,214	229,949	266,610	-	6,199,479

12 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

	Freehold Land S$	Freehold Building S$	Leasehold Land and Building S$	Renovation S$	Plant and Equipment S$	Motor Vehicles S$	Property Under Construction S$	Total S$
Group								
2013								
Cost								
At 1 October 2012	399,159	572,138	572,896	95,230	608,224	364,603	6,832,693	9,444,943
Additions	-	-	3,136,100	24,386	260,647	230,650	1,501,581	5,153,364
Transfer to development properties for sale (Note 14)	-	-	-	-	-	-	(6,567,850)	(6,567,850)
Transfer to investment properties (Note 13)	-	-	(572,896)	(30,783)	-	-	-	(603,679)
Disposals	-	-	-	-	-	(25,000)	-	(25,000)
At 30 September 2013	399,159	572,138	3,136,100	88,833	868,871	570,253	1,766,424	7,401,778
Accumulated depreciation								
At 1 October 2012	-	174,834	26,802	79,638	426,496	206,461	-	914,231
Charge for the year	-	19,426	112,220	7,425	104,332	60,163	-	303,566
Transfer to investment properties (Note 13)	-	-	(35,178)	(20,321)	-	-	-	(55,499)
Disposals	-	-	-	-	-	(2,084)	-	(2,084)
At 30 September 2013	-	194,260	103,844	66,742	530,828	264,540	-	1,160,214
Net book value								
At 30 September 2013	399,159	377,878	3,032,256	22,091	338,043	305,713	1,766,424	6,241,564

12 PROPERTY, PLANT AND EQUIPMENT (CONT'D)

During the previous financial year ended 30 September 2013, the Group changed the intention of one of its property under construction from owner-occupied to development with a view to sale. Accordingly, the property was transferred from property, plant and equipment to development property for sale at the lower of cost or net realisable value, amounted to S$6,567,850.

The Group acquired property, plant and equipment with an aggregate cost of S$454,227 (2013: S$5,153,364) during the financial year ended 30 September 2014. Included in additions in the property, plant and equipment acquired under finance leases amounting to S$68,000 (2013: S$250,713) and cash payments amounted to S$386,227 (2013: S$4,902,651).

The carrying amount of property, plant and equipment acquired and secured under finance lease arrangements for the Group as at 30 September 2014 amounted to S$283,133 (2013: S$282,818).

During the financial year ended 30 September 2014, borrowing costs of S$27,873 (2013: S$42,319), arising from borrowings obtained specifically for the property under construction were capitalised under "Property, Plant and Equipment". The rate used to determine the amount of borrowing costs eligible for capitalisation was 0.90% to 3.00% (2013: 1.98% to 2.48%) per annum, which is the effective interest rate of the specific borrowings (Note 26).

As at 30 September 2014, freehold and leasehold land and buildings with a total carrying amount of S$5,685,706 (2013: S$5,575,717 included property under construction) were pledged to certain banks to secure credit facilities for the Group (Note 26).

The properties held by the Group as at 30 September 2014 are as follows:

Location	**Tenure**	**Use of Property**
18 Roberts Lane, Goodland Building Singapore	Freehold	Corporate Headquarters
42 Lok Yang Way Singapore	Leasehold	Office
3 Kim Chuan Lane Singapore	Freehold	Office

13 INVESTMENT PROPERTIES

	Group	
	2014	2013
	S$	S$
At fair value:		
Balance at beginning of year	53,688,063	32,620,606
Additions through subsequent expenditure	2,286,254	1,476,578
Disposal during the year	(1,055,000)	-
Fair value gain (Note 5)	12,889,088	11,454,147
Transfer from property, plant and equipment (Note 12)	-	548,180
Transfer (to)/from development properties for sale (Note 14)	(3,800,000)	7,588,552
Balance at end of year	64,008,405	53,688,063

As at 30 September 2013, one of the investment properties was under construction with a fair value of S$32,445,666. The investment property was completed during the current financial year.

During the financial year ended 30 September 2014, borrowing costs of S$250,859 (2013: S$380,870), arising from borrowings obtained specifically for the investment properties were capitalised under "Investment Properties". The rate used to determine the amount of borrowing costs eligible for capitalisation was 0.90% to 3.90% (2013: 1.98% to 2.48%) per annum, which is the effective interest rate of the specific borrowings (Note 26).

During the financial year ended 30 September 2014, the Group disposed of one of its investment properties with a fair value of S$1,055,000 for a total consideration of S$905,000.

During the financial year ended 30 September 2014, the Group changed the intention of two of its investment properties from deriving rental income to development with a view to sale. Accordingly, the properties were transferred from investment properties to completed development properties for sale at the fair value, amounting to S$3,800,000 (Note 14).

Investment properties are carried at fair value at the balance sheet date based on directors' valuations supported by independent professional valuations by valuers who have the appropriate qualifications and recent experiences 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. In estimating the fair value of the properties, the highest and best use of the properties is their current use. There were no changes on the valuation techniques during the year.

The fair values of the Group's properties have been derived using the comparable method. Sales prices of comparable properties in close proximity are adjusted for differences in key attributes such as property size, location, tenure and shape. The fair values of the investment properties were classified under Level 2 of the fair value hierarchy. There were no transfers between Level 1 and 2 during the financial year.

As at 30 September 2014, investment properties with a total carrying amount of S$64,008,405 (2013: S$53,688,063) were pledged to certain banks to secure credit facilities for the Group (Note 26).

13 INVESTMENT PROPERTIES (CONT'D)

Investment properties of the Group are held mainly for use by tenants that are non-related parties under operating leases. The following amounts are recognised in the Group's profit or loss during the financial year:

	Group	
	2014	**2013**
	S$	**S$**
Rental income	374,081	561,438
Direct operating expenses arising from investment properties that generated rental income	71,612	89,744

The investment properties held by the Group as at 30 September 2014 are as follows:

Description and Location	**Tenure**	**Approximate Land Area (sq m)**	**Approximate Floor Area (sq m)**	**Existing Use**
6-storey commercial cum residential building, 18 Roberts Lane Goodland Building Singapore	Estate in fee simple (freehold)	189.4 [1]	762.0 [1][2]	Commercial cum residential
2-storey terrace dwelling house with an attic, 67/67A Brighton Crescent Singapore	Estate in fee perpetuity (freehold)	110.6	197.4	Shophouses
8-storey industrial building, 3 Kim Chuan Lane Singapore	Estate in fee perpetuity (freehold)	1,303.6 [1]	3,487.5 [1]	Industrial Building

(1) Land and floor area excluded areas used for corporate headquarters included in property, plant and equipment.
(2) Based on strata floor area.

14 DEVELOPMENT PROPERTIES FOR SALE

	Group	
	2014	2013
	S$	S$
Properties under development:		
Costs incurred and attributable profits	112,831,613	105,748,154
Progress billings	(11,615,491)	(8,424,320)
	101,216,122	97,323,834
Transfer from property, plant and equipment (Note 12)	-	6,567,850
Transfer from/ (to) investment properties (Note 13)	-	(7,588,552)
	101,216,122	96,303,132
Completed properties, at cost	14,358,473	11,526,103
Total development properties for sale	115,574,595	107,829,235
Classified as:		
Non-current Assets	72,989,995	90,095,709
Current Assets	42,584,600	17,733,526
	115,574,595	107,829,235
Borrowing costs capitalised during the year	2,135,031	1,089,010

As at 30 September 2014, development properties for sale with a total carrying amount of S$115,210,270 (2013: S$107,466,305) were pledged to certain banks to secure credit facilities for the Group.

During the previous financial year ended 30 September 2013, the Group transferred one of its development properties for sale to investment properties at the fair value amounted to S$7,588,552 with a view to derive rental income as the management has assessed the increased in demand for freehold industrial space in the property's location.

During the financial year ended 30 September 2014, the Group transferred two of its investment properties to completed development properties for sale for the reasons as disclosed in Note 13.

During the financial year ended 30 September 2014, borrowing costs of S$2,135,031 (2013: S$1,089,010), 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 1.82% to 5.00% (2013: 1.65% to 4.25%) per annum, which is the effective interest rate of the specific borrowings (Note 26).

During the financial year, S$618,830 (2013: S$1,454,099) employees benefits cost is capitalised under development properties for sale.

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14 DEVELOPMENT PROPERTIES FOR SALE (CONT'D)

The development properties for sale as at 30 September 2014 are as follows:

Name of Properties	Stage of completion	Expected date of completion	Approximate land area (sq m)	Approximate floor area (sq m)	Description	Effective ownership interest held by the Group %
Goodland Investments Pte. Ltd.						
No. 219/219A Ponggol Seventeenth Avenue Singapore	100%	Completed	842.4	817	2 units, 2-storey detached landed housing with an attic and/or basement	100
12B & 12C Andrews Avenue Singapore	100%	Completed	299.2	351.0	3-storey intermediate terrace dwelling house with swimming pool and roof terrace	100
Banyan Housing Development Sdn. Bhd.						
No. 204/206/208 Jalan Dr. Lim Chwee Leong, Penang, Malaysia	0%	Pending for planning approval	489.7	1,500	Commercial shophouses/ offices	72
Goodland Global Pte. Ltd.						
28 & 30 Kovan Road Singapore ("The Bently Residence @ Kovan")	43%	1st quarter 2016	2,512.7	3,726	Residential apartment units	100
Goodland Assets Pte. Ltd.						
1 to 17 Marne Road ("The Citron and The Citron Residences")	5%	4th quarter 2016	1,337.3	1,700.4	Residential apartment units with commercial shops at 1st storey	100
Goodland Harvest Pte. Ltd.						
63 Paya Lebar Crescent ("The Morris Residences")	17%	2nd quarter 2017	1,515.4	2,132	A strata landed residential development	100
GLG International Investments Pte. Ltd.						
20 Windsor Park Road	0%	1st quarter 2017	189.50	418	2-storey with attic intermediate terrace house with roof terrace swimming pool and lift	100

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15 INVESTMENTS IN SUBSIDIARIES

	Company	
	2014	2013
	S$	S$
Investment in unquoted shares, at cost		
Balance at beginning of year	9,516,085	7,516,083
Additions	999,999	2,000,002
Balance at end of year	10,516,084	9,516,085

Additional investment in a subsidiary

In June 2014, a wholly owned subsidiary, GLG International Investments Pte. Ltd. ("GLGII"), allotted 999,999 new ordinary shares at the issue price of S$1.00 per share to the Company thus increasing the issued paid-up share capital of GLGII to S$1,000,000.

The investments in subsidiaries held by the Company at 30 September 2014 and 2013 are as follows:

Name and country of incorporation/operation	Principal activities	Effective ownership interest held by the Group		Cost of investment	
		2014	2013	2014	2013
		%	%	S$	S$
Goodland Development Pte Ltd. (Singapore) (1)	Real estate development	100	100	1,000,000	1,000,000
Goodland Investments Pte. Ltd. (Singapore) (1)	Investment holding and real estate development	100	100	1,000,000	1,000,000
Goodland Capital Pte. Ltd. (Singapore) (1)	Investment holding	100	100	40	40
Goodland Homes Pte. Ltd. (Singapore) (1)	Investment holding and real estate development	100	100	1,000,038	1,000,038
Goodland Group Construction Pte. Ltd. (Singapore) (1)	Building construction including major upgrading works	100	100	1,071,998	1,071,998
GPM Builders Pte. Ltd. (Singapore) (1)	General building contractors, housekeeping cleaning and maintenance services	100	100	1,421,998	1,421,998

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15 INVESTMENTS IN SUBSIDIARIES (CONT'D)

Details of investments in subsidiaries as at 30 September 2014 and 2013 are as follows (cont'd):

Name and country of incorporation/operation	Principal activities	Effective ownership interest held by the Group		Cost of investment	
		2014	2013	2014	2013
		%	%	S$	S$
Banyan Housing Development Sdn. Bhd. (Malaysia) [2]	Real estate development	72	72	22,000	22,000
Goodland Ventures Pte. Ltd. (Singapore) [1]	Investment holding and real estate activities	100	100	1,000,000	1,000,000
Goodland Global Pte. Ltd. (Singapore) [1]	Investment holding and real estate activities	100	100	1,000,000	1,000,000
Goodland Assets Pte. Ltd. (Singapore) [1]	Real estate development	100	100	1,000,000	1,000,000
GLG Global Sdn. Bhd. (Malaysia) [2]	Real estate development	100	100	8	8
Goodland Glory Pte. Ltd. (Singapore) [1]	Real estate development	100	100	1	1
Goodland Harvest Pte. Ltd. (Singapore) [1]	Real estate development	100	100	1,000,000	1,000,000
GLG (Cambodia) Investments Pte. Ltd. (Singapore) [1]	Investment holding and real estate development	100	100	1	1
GLG International Investments Pte. Ltd. (Singapore) [1]	Investment holding and real estate activities	100	100	1,000,000	1
				10,516,084	9,516,085

(1) Audited by Moore Stephens LLP, Singapore
(2) Audited by Moore Stephens, Malaysia

NOTES TO THE FINANCIAL STATEMENTS

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16 INVESTMENTS IN ASSOCIATED COMPANIES

	Group	
	2014	2013
	S$	S$
Equity investment, at cost		
Balance at beginning of year	1,502,990	2,000,000
Additions	-	2,990
Reduction of investment in associated company through net-off against due to associated company	-	(498,000)
Disposal of investment in associated company through liquidation	-	(2,000)
Balance at end of year	1,502,990	1,502,990
Share of results:		
Balance at beginning of year	2,156,568	1,087,970
Share of results for the year	638,578	1,069,934
Dividends declared	-	(1,336)
Balance at end of year	2,795,146	2,156,568
Total	4,298,136	3,659,558

The investments in associated companies held by subsidiaries as at 30 September 2014 and 2013 are as follows:

Name and country of incorporation/operation	Principal activities	Effective ownership interest held by the Group		Cost of investment	
		2014	2013	2014	2013
		%	%	S$	S$
AG Capital Pte. Ltd. (Singapore) [2]	Real estate development	50	50	500,000	500,000
Goodland Sunny Pte. Ltd. (Singapore) [1]	Real estate investment and development	50	50	1,000,000	1,000,000
RGL Equity (Siem Reap) Co., Ltd. (Cambodia) [2]	Real estate investment and development	49	49	2,990	2,990
				1,502,990	1,502,990

(1) Audited by Moore Stephens LLP, Singapore

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

NOTES TO THE FINANCIAL STATEMENTS
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16 INVESTMENTS IN ASSOCIATED COMPANIES (CONT'D)

As at 30 September 2014 and 2013, Goodland Sunny Pte. Ltd. ("Goodland Sunny") has a 34% shareholding interest in Oxley Module Pte Ltd ("Oxley Module") amounting to S$340,000. The results of Oxley Module have been equity accounted for in Goodland Sunny's financial statements.

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

	Group	
	2014	**2013**
	S$	**S$**
Assets	14,919,077	31,682,791
Liabilities	(6,303,469)	(24,353,073)
Net assets	8,615,608	7,329,718
Income	1,319,975	10,627,733
Expenses	(69,174)	(8,517,083)
Profit for the year	1,250,801	2,110,650

17 INVESTMENTS IN JOINT VENTURE

	Group	
	2014	**2013**
	S$	**S$**
Equity investment, at cost		
Balance at beginning of year	1	-
Additions	-	1
Balance at end of year	1	1
Share of results:		
Balance at beginning of year	(1)	-
Share of results for the year	-	(1)
Balance at end of year	(1)	(1)
Total	-	-

NOTES TO THE FINANCIAL STATEMENTS

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17 INVESTMENTS IN JOINT VENTURE (CONT'D)

The investments in joint venture held by the Group as at 30 September 2014 and 2013 are as follows:

Name and country of incorporation/operation	Principal activities	Effective ownership interest held by the Group		Cost of investment	
		2014	2013	2014	2013
		%	%	S$	S$
Goodland KBS Pte. Ltd. [1] (Singapore)	Real estate investment and development	50	50	1	1

[1] Audited by Moore Stephens LLP, Singapore

The summarised financial information of joint venture, not adjusted for the percentage of equal interest held by the Group, is as follows:

	Group	
	2014	2013
	S$	S$
Assets - Current	1,250,001	1,250,001
Liabilities - Current	(1,305,731)	(1,277,507)
Net liabilities	(55,730)	(27,506)
Expenses	(28,224)	(27,508)
Loss for the year	(28,224)	(27,508)

18 CASH AND BANK BALANCES

	Group		Company	
	2014	2013	2014	2013
	S$	S$	S$	S$
Cash at bank and on hand	12,682,886	4,227,805	756,858	30,974
Fixed deposits	-	721,673	-	-
	12,682,886	4,949,478	756,858	30,974

Cash and bank balances earned interest at an average rate of 0.48% (2013: 0.48%) per annum.

As at 30 September 2013, the fixed deposits had an average maturity of 1 - 12 months.

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18 CASH AND BANK BALANCES (CONT'D)

For the purposes of presenting the consolidated statement of cash flows, cash and cash equivalents comprised the following:

	Group	
	2014 S$	2013 S$
Cash and bank balances (as above)	12,682,886	4,949,478
Less: Fixed deposits with maturity more than 3 months	-	(14,941)
Less: Bank overdraft (Note 26)	-	(3,735,296)
Cash and cash equivalents per consolidated statement of cash flows	12,682,886	1,199,241

19 OTHER FINANCIAL ASSETS

	Group		Company	
	2014 S$	2013 S$	2014 S$	2013 S$
Financial assets, at fair value through profit or loss				
- Quoted shares, at fair value	206,847	187,077	-	-
Derivative asset, at fair value (Note 21)	8,193,822	-	-	-
	8,400,669	187,077	-	-

The Group has an option to convert the loan receivable from a related party amounting to S$2,000,000 into a 6% equity interest in the related party upon the maturity date of 28 December 2014 (Note 21). Management has determined the fair value of the conversion option using the equity valuation technique based on valuation multiples of comparable companies and Black-Scholes Option Pricing model. Management had assessed that the fair value of the conversion option as at 30 September 2014 was S$8,193,822 (2013: Nil). The fair value of the conversion option was classified under Level 3 of the fair value hierarchy (Note 34(g)).

20 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014 S$	2013 S$	2014 S$	2013 S$
Trade receivables				
- Third parties	5,261,001	6,557,610	-	-
- Related parties	5,671	698	-	-
- Associated companies	2,140	2,140	-	-
Construction contracts:				
- Due from customers (Note 23)	-	40,072	-	-
Other receivables				
- Third parties	293,033	731,807	-	250,543
- Subsidiaries	-	-	8,576,576	9,640,898
- Related parties	297,194	105,870	229,783	-
- Loan receivable and the accrued interests from a related party (Note 21)	2,284,493	-	-	-
- Associated companies and joint venture	4,073,949	4,205,829	-	-
Deposits	131,897	377,873	53	-
	12,349,378	12,021,899	8,806,412	9,891,441

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

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

21 LONG TERM RECEIVABLE

	Group	
	2014 S$	2013 S$
Loan receivable from a related party	2,000,000	2,000,000
Accrued interest	284,493	124,493
	2,284,493	2,124,493
Classified as:		
Non-current assets	-	2,124,493
Current assets (Note 20)	2,284,493	-
	2,284,493	2,124,493

21 LONG TERM RECEIVABLE (CONT'D)

The unsecured loan receivable from a related party bears interest at 8% per annum and is repayable by 28 December 2014 including the accrued interests.

The Group has an option to convert the loan receivable into a 6% equity interest in the related party upon the maturity date of 28 December 2014. The Group shall have the right, at its option, to require that the related party exercise a buyback option in whole of the Group's shares in the related party upon the maturity date of 28 December 2014 if certain conditions as stated in the loan agreement have not been met by the related party.

Management has determined the fair value of the conversion option using equity valuation technique based on valuation multiples of comparable companies and Black-Scholes Option Pricing model amounted to S$8,193,822 (Note 19).

22 OTHER CURRENT ASSETS

	Group		Company	
	2014 S$	2013 S$	2014 S$	2013 S$
Prepayments	120,784	60,351	36,283	28,809

23 CONSTRUCTION CONTRACTS

	Group	
	2014 S$	2013 S$
Costs incurred	-	40,072
Add: Attributable profits	-	-
	-	40,072
Less: Progress billings	-	-
Due from customers (Note 20)	-	40,072

24 FINANCE LEASE LIABILITIES

The Group leases certain plant and equipment and motor vehicles from third parties under finance leases. These leases have no terms of renewal, purchase options and escalation clauses. The effective rates of interest for these finance leases as at 30 September 2014 is 1.4% to 5.37% (2013: 1.4% to 5.37%) per annum.

24 FINANCE LEASE LIABILITIES (CONT'D)

	Group	
	2014	2013
	S$	S$
Minimum lease payments due:		
- less than one year	49,260	88,412
- between one to five years	92,114	223,265
Total minimum lease payments	141,374	311,677
Less: Future finance charges	(17,542)	(30,636)
Present value of total minimum lease payments	123,832	281,041
Classified as:		
Non-current liabilities	80,498	201,082
Current liabilities	43,334	79,959
	123,832	281,041

Finance lease liabilities of the Group are secured on the property, plant and equipment acquired as disclosed in Note 12.

25 TRADE AND OTHER PAYABLES

	Group		Company	
	2014	2013	2014	2013
	S$	S$	S$	S$
Trade payables to:				
- Third parties	1,814,056	1,832,228	-	-
Construction contracts:				
- Retention payables	5,014	5,014	-	-
Other payables to:				
- Third parties	420,752	195,626	84,598	923
- Subsidiaries	-	-	3,938,792	3,202,642
- Related parties	156,055	-	-	-
- Associated companies	621,978	524,979	-	-
Advances/Deposits received	4,665,657	565,985	-	-
Accrued operating expenses	5,023,699	3,320,662	39,729	69,550
	12,707,211	6,444,494	4,063,119	3,273,115

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

NOTES TO THE FINANCIAL STATEMENTS

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26 BORROWINGS

		Group	
		2014	2013
		S$	S$
Non-current liabilities:			
Bank borrowings	(a)	35,092,266	88,295,332
Current liabilities:			
Bank borrowings	(a)	86,040,945	21,359,252
Bank overdraft	(b)	-	3,735,296
		86,040,945	25,094,548
Total		121,133,211	113,389,880

(a) Bank Borrowings

	Group	
	2014	2013
	S$	S$
Secured bank borrowings due:		
- within one year	86,040,945	21,359,252
- between one to five years	32,569,306	69,115,631
- after five years	2,522,960	19,179,701
	121,133,211	109,654,584
Undrawn borrowing facilities	64,266,742	51,618,146
Average effective rates of market interest at the balance sheet date:		
- bank borrowings	0.90% - 5.00%	1.65% - 4.25%

Bank borrowings are secured by:

(i) Mortgages on the borrowing subsidiaries' property, plant and equipment (Note 12), investment properties (Note 13) and development properties for sale (Note 14);
(ii) Assignment of all rights, titles and benefits with respect to these properties;
(iii) Corporate guarantee by Goodland Group Limited;
(iv) Deed of subordination of all shareholders' and directors' loans for all monies up to the full retirement of the credit facilities;
(v) Assignment of performance bond, insurances, proceeds and construction contract;
(vi) Credit agreement; and
(vii) Charge of cash deposit, as at 30 September 2013. There are no charges of cash deposit as at 30 September 2014.

26 BORROWINGS (CONT'D)

(a) Bank Borrowings (cont'd)

Subsequent to the financial year end, the Group has applied to the financial institution to extend the repayment period of certain bank borrowings amounting to S$37,622,712, classified as current liabilities as at 30 September 2014, until the end of 2016. The final approval of the application for the extension is currently under review by the financial institution as at the date of these financial statements.

(b) Bank Overdraft

Bank overdraft of the Group was 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 properties;
(iii) Deed of subordination of all shareholders' and directors' loans for all monies up to the full retirement of the credit facilities; and
(iv) Corporate guarantee by Goodland Group Limited.

During the financial year ended 30 September 2013, interest on the bank overdraft are on a fixed rate basis of 5.25% to 5.75% per annum. The bank overdraft was fully repaid during the current financial year.

27 DEFERRED TAX ASSETS/(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. During current financial year, the net deferred tax assets debited to profit or loss amounted to S$47,664 (2013: S$95,388 (deferred tax liabilities)). The amounts, determined after appropriate offsetting, are shown on the consolidated balance sheet of the Group as follows:

	Group	
	2014	**2013**
	S$	**S$**
a) Deferred tax assets to be recovered:		
- between one to five years	499,522	168,625

27 DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D)

a) Deferred tax assets (cont'd)

	Unrealised profits on development properties for sale S$
Group	
30.09.2014	
Balance at beginning of year	168,625
Credited to profit or loss (Note 10)	330,897
Balance at end of year	499,522
30.09.2013	
Balance at beginning of year	340,992
(Charged) to profit or loss (Note 10)	(172,367)
Balance at end of year	168,625

	Group 2014 S$	Group 2013 S$
b) Deferred tax liabilities to be realised:		
- within one year	-	(16,411)
- between one to five years	(571,378)	(271,734)
	(571,378)	(288,145)

	Accelerated tax depreciation	Profits recognised on percentage of completion of development properties for sale	Total
Group			
30.09.2014			
Balance at beginning of year	(16,411)	(271,734)	(288,145)
Credited/(Charged) to profit or loss (Note 10)	16,411	(299,644)	(283,233)
Balance at end of year	-	(571,378)	(571,378)
30.09.2013			
Balance at beginning of year	(4,560)	(551,340)	(555,900)
Credited/(Charged) to profit or loss (Note 10)	(11,851)	279,606	267,755
Balance at end of year	(16,411)	(271,734)	(288,145)

NOTES TO THE FINANCIAL STATEMENTS

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28 SHARE CAPITAL

	Group and Company	
	No. of ordinary shares	S$
2014		
Balance at beginning of year	194,103,000	9,023,461
Issue of share capital:		
- Exercise of warrants	336,000	57,119
Balance at end of year	194,439,000	9,080,580
2013		
Balance at beginning of year	192,356,000	8,726,471
Issue of share capital:		
- Exercise of warrants	1,747,000	296,990
Balance at end of year	194,103,000	9,023,461

a) Ordinary shares have no par value.

b) 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.

c) During the financial year ended 30 September 2011, the Company issued 115,048,800 warrants which are dilutive potential ordinary shares. The warrants were issued at an issue price of S$0.01. Each warrant will, subject to the terms and conditions of the Deed Poll, entitle its holder to subscribe for one ordinary share in the capital of the Company at an exercise price of S$0.16 (the "exercise price") for each new ordinary share, on the basis of three warrants for every five existing ordinary shares in the capital of the Company, at any time during the period commencing 22 February 2011 and expiring on 17 February 2016. The net proceeds of the warrants issued amounting to S$988,932, are included in the warrants reserve. There was an exercise of 336,000 (2013: 1,747,000) warrants during the financial year ended 30 September 2014 which resulted in a reduction of the warrants reserve by S$3,360 (2013: S$17,470) from S$965,382 to S$962,022 (2013: S$982,852 to S$965,382) (Note 29). As at 30 September 2014, the number of outstanding warrants amounted to 112,357,800 (2013: 112,693,800).

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29 RESERVES

	Group		Company	
	2014	**2013**	**2014**	**2013**
	S$	**S$**	**S$**	**S$**
Retained earnings	79,840,083	59,753,661	6,009,916	6,205,351
Merger reserve	(485,076)	(485,076)	-	-
Currency translation reserve	(42,411)	(37,666)	-	-
Warrants reserve (Note 28(c))	962,022	965,382	962,022	965,382
	80,274,618	60,196,301	6,971,938	7,170,733

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.

Currency translation reserve arises from consolidating the results of foreign entities within the Group.

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

30 DIVIDEND

On 23 January 2014, a final tax-exempt dividend of 0.5 Singapore cent per share for the financial year ended 30 September 2013 amounting to S$972,095 was paid to holders of fully paid ordinary shares.

On 5 February 2013, a final tax-exempt dividend of 0.5 Singapore cent per share for the financial year ended 30 September 2012 amounting to S$962,920 was paid to holders of fully paid ordinary shares.

At the Annual General Meeting, a final tax-exempt dividend of 0.5 Singapore cent per share for the financial year ended 30 September 2014 will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholder's equity as an appropriation of retained earnings in the financial year ending 30 September 2015. The repayment of this dividend will not have any tax consequences for the Group.

NOTES TO THE FINANCIAL STATEMENTS

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31 SIGNIFICANT RELATED PARTY TRANSACTIONS

A related party is an entity or person that directly or indirectly through one or more intermediaries controls, is controlled by, or is under common or joint control with, the entity in governing the financial and operating policies, or that has an interest in the entity that gives it significant influence over the entity in financial and operating decisions. It also includes members of the key management personnel or close members of the family of any individual referred to herein and others who have the ability to control, jointly control or significantly influence by or for which significant voting power in such entity resides with, directly or indirectly, any such individual.

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	
	2014	**2013**
	S$	**S$**
With a shareholder/ key management personnel		
Income:		
Sale of development property	-	258,831
Asset:		
Trade receivable from sale of development property	-	78,720
With a director		
Income:		
Sale of development property	-	238,857
Asset:		
Trade receivable from sale of development property	-	72,645
With associated companies		
Income:		
Management fees	24,000	24,000
Dividends received	-	1,336
With a related party		
Income:		
Interest income	160,000	124,493
Asset:		
Long-term receivable	-	2,000,000

Balances with related parties outstanding at the balance sheet date are disclosed in Notes 20, 21 and 25.

NOTES TO THE FINANCIAL STATEMENTS

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31 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:

	Group	
	2014	**2013**
	S$	**S$**
Short-term employee benefits	1,986,000	2,288,109
Contributions to defined contribution plans	141,765	188,191
	2,127,765	2,476,300
Comprised amounts paid/payable to:		
Directors of the Company *	1,436,400	1,800,732
Other key management personnel	691,365	675,568
	2,127,765	2,476,300

* Includes directors' fees of S$150,000 (2013: S$126,000)

32 COMMITMENTS

(a) Purchase of Development Properties for Sale

	Group	
	2014	**2013**
	S$	**S$**
Purchase of development properties for sale contracted for but not provided for in the financial statements	-	2,380,000

(b) Capital Commitment

	Group	
	2014	**2013**
	S$	**S$**
Construction of property, plant and equipment contracted for but not provided for in the financial statements	-	168,502
Construction of investment property contracted for but not provided for in the financial statements	-	1,516,514
	-	1,685,016

32 COMMITMENTS (CONT'D)

(c) Operating Lease Receipts

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

	Group	
	2014	2013
	S$	S$
Rental receivables		
- within one year	307,350	251,551
- between one to five years	192,450	95,000
	499,800	346,551

33 CORPORATE GUARANTEES

As at 30 September 2014, the Company has corporate guarantees amounting to S$173,833,912 (2013: S$148,155,560) issued to banks for bank borrowings and bank overdraft of the Group's subsidiaries, of which S$121,797,169 (2013: S$113,389,880) has been drawn down. The fair value of these corporate guarantees is estimated to be insignificant as the borrowings are fully collateralised by the related mortgaged property and the subsidiaries have the ability to generate sufficient cash flows from their operations to finance their continuing operations and repay the bank borrowings/overdraft.

34 FINANCIAL RISKS MANAGEMENT POLICIES

The Group's activities exposed it to a variety of financial risks, including the effects of credit risk, interest rate risk, price 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.

NOTES TO THE FINANCIAL STATEMENTS

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34 FINANCIAL RISKS MANAGEMENT POLICIES (CONT'D)

(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 and the Company.

As the Group and the Company 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, except as follows:

	Group	
	2014 S$	2013 S$
Corporate guarantees provided to financial institutions on subsidiaries borrowings:		
- Total facilities	173,833,912	148,155,560
- Total outstanding facilities undrawn	64,266,742	51,618,146

The Group and the Company's credit risk is primarily attributable to its trade and other receivables. The Group and the Company 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 and the Company 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 and the Company'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 and the Company's total credit exposure. The Group and the Company's credit exposure is concentrated mainly in Singapore.

As at 30 September 2014 and 2013, the Group and the Company does not have any significant concentrations of credit risk.

(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 and the Company. Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit ratings and no history of default.

34 FINANCIAL RISKS MANAGEMENT POLICIES (CONT'D)

(a) Credit Risk (cont'd)

Significant concentrations of 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:

	Group	
	2014 S$	2013 S$
Past due within 30 days	-	2,691
Past due within 31 to 60 days	-	7,675
Past due over 60 days	4,345	3,810
	4,345	14,176

There are no classes of trade and other receivables that are past due and impaired at the respective end of the financial years.

(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.

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34 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:

Group

	Variable rates			Fixed rates			
	Within 12 months S$	1 to 5 years S$	After 5 years S$	Within 12 months S$	1 to 5 years S$	Non-interest bearing S$	Total S$
At 30 September 2014							
Financial Assets							
Cash and bank balances	-	-	-	-	-	12,682,886	12,682,886
Trade and other receivables	-	-	-	2,000,000	-	10,349,378	12,349,378
Other financial assets	-	-	-	-	-	8,400,669	8,400,669
Total Financial Assets	-	-	-	2,000,000	-	31,432,933	33,432,933
Financial Liabilities							
Borrowings	79,040,945	32,569,306	2,522,960	7,000,000	-	-	121,133,211
Finance lease liabilities	-	-	-	43,334	80,498	-	123,832
Trade and other payables	-	-	-		-	8,041,554	8,041,554
Total Financial Liabilities	79,040,945	32,569,306	2,522,960	7,043,334	80,498	8,041,554	129,298,597
At 30 September 2013							
Financial Assets							
Cash and bank balances	30,974	-	-	681,391	40,282	4,196,831	4,949,478
Trade and other receivables	-	-	-	-	-	12,021,899	12,021,899
Long term receivable	-	-	-	-	2,000,000	124,493	2,124,493
Other financial assets	-	-	-	-	-	187,077	187,077
Total Financial Assets	30,974	-	-	681,391	2,040,282	16,530,300	19,282,947
Financial Liabilities							
Borrowings	21,359,252	69,115,631	19,179,701	3,735,296	-	-	113,389,880
Finance lease liabilities	-	-	-	79,959	201,082	-	281,041
Trade and other payables	-	-	-	-	-	5,878,509	5,878,509
Total Financial Liabilities	21,359,252	69,115,631	19,179,701	3,815,255	201,082	5,878,509	119,549,430

NOTES TO THE FINANCIAL STATEMENTS

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34 FINANCIAL RISKS MANAGEMENT POLICIES (CONT'D)

(b) Interest Rate Risk (cont'd)

Company

	Variable rates Within 12 months S$	Non-interest bearing S$	Total S$
At 30 September 2014			
Financial Assets			
Cash and bank balances	756,858	-	756,858
Trade and other receivables	-	8,806,412	8,806,412
Total Financial Assets	756,858	8,806,412	9,563,270
Financial Liabilities			
Trade and other payables	-	4,063,119	4,063,119
Total Financial Liabilities	-	4,063,119	4,063,119
At 30 September 2013			
Financial Assets			
Cash and bank balances	30,974	-	30,974
Trade and other receivables	-	9,891,441	9,891,441
Total Financial Assets	30,974	9,891,441	9,922,415
Financial Liabilities			
Trade and other payables	-	3,273,115	3,273,115
Total Financial Liabilities	-	3,273,115	3,273,115

Sensitivity Analysis

A change of 100 basis points in variable 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 variables, including tax rates, remain constant.

	Group		Company	
	2014 S$	2013 S$	2014 S$	2013 S$
Floating rate instruments				
- 100 basis point increase	(947,306)	(909,876)	6,282	257
- 100 basis point decrease	947,306	909,876	(6,282)	(257)

NOTES TO THE FINANCIAL STATEMENTS

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34 FINANCIAL RISKS MANAGEMENT POLICIES (CONT'D)

(c) Price Risk

The Group is exposed to equity securities price risk arising from investments held by the Group which are classified on the consolidated balance sheet as financial assets, at fair value through profit or loss. These securities are listed in Singapore.

If prices for equity securities had changed by 5% (2013: 5%) with all other variables including tax rate being held constant, the effects on profit before tax would have been:

	Group	
	2014	2013
	S$	S$
- increased by	634	1,143
- decreased by	(634)	(1,143)

(d) 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, other receivables and payables which are denominated in Malaysia Ringgit ("RM") at Group level. The Company is not exposed to significant foreign currency risk as all the financial assets and financial liabilities are denominated in Singapore dollars.

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 endeavors to keep the net exposure at an acceptable level.

	SGD	RM	Total
	S$	S$	S$
Group			
2014			
Financial Assets			
Trade and other receivables	12,349,117	261	12,349,378
Cash and bank balances	12,513,855	169,031	12,682,886
Other financial assets	8,400,669	-	8,400,669
	33,263,641	169,292	33,432,933
Financial Liabilities			
Trade and other payables	8,011,122	30,432	8,041,554
Finance lease liabilities	123,832	-	123,832
Borrowings	121,133,211	-	121,133,211
	129,268,165	30,432	129,298,597
Net Financial (Liabilities)/Assets	(96,004,524)	138,860	(95,865,664)

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

34 FINANCIAL RISKS MANAGEMENT POLICIES (CONT'D)

(d) Currency Risk (cont'd)

	SGD S$	RM S$	Total S$
Group			
2013			
Financial Assets			
Trade and other receivables	12,021,363	536	12,021,899
Long term receivable	2,124,493	-	2,124,493
Cash and bank balances	4,771,492	177,986	4,949,478
Other financial assets	187,077	-	187,077
	19,104,425	178,522	19,282,947
Financial Liabilities			
Trade and other payables	5,846,949	31,560	5,878,509
Finance lease liabilities	281,041	-	281,041
Borrowings	113,389,880	-	113,389,880
	119,517,870	31,560	119,549,430
Net Financial (Liabilities)/Assets	(100,413,445)	146,962	(100,266,483)

The effects of a change of 5% (2013: 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 equity for the year ended 30 September 2014 and 2013 would increase/(decrease) by:

	Group	
	2014 S$	2013 S$
RM against S$		
- strengthened	5,763	6,099
- weakened	(5,763)	(6,099)

(e) 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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

34 FINANCIAL RISKS MANAGEMENT POLICIES (CONT'D)

(e) Liquidity Risk (cont'd)

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

		Cash Flows			
	Carrying amount S$	Contractual cash flows S$	Within 1 year S$	1 to 5 years S$	After 5 years S$
Group					
As at 30 September 2014					
Trade and other payables	8,041,554	8,041,554	8,041,554	-	-
Finance lease liabilities	123,832	141,374	49,260	92,114	-
Borrowings	121,133,211	125,387,985	87,673,550	34,799,368	2,915,067
	129,298,597	133,570,913	95,764,364	34,891,482	2,915,067
As at 30 September 2013					
Trade and other payables	5,878,509	5,878,509	5,878,509	-	-
Finance lease liabilities	281,041	311,677	88,412	223,265	-
Borrowings	113,389,880	122,140,210	27,426,581	72,746,404	21,967,225
	119,549,430	128,330,396	33,393,502	72,969,669	21,967,225
Company					
As at 30 September 2014					
Trade and other payables	4,063,119	4,063,119	4,063,119	-	-
Financial guarantee contracts	173,833,912	173,833,912	173,833,912	-	-
	177,897,031	177,897,031	177,897,031	-	-
As at 30 September 2013					
Trade and other payables	3,273,115	3,273,115	3,273,115	-	-
Financial guarantee contracts	148,155,560	148,155,560	148,155,560	-	-
	151,428,675	151,428,675	151,428,675	-	-

(f) 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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

34 FINANCIAL RISKS MANAGEMENT POLICIES (CONT'D)

(f) Capital Risk (cont'd)

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 equity. Net debt is calculated as total liabilities less total income tax payable, deferred tax liabilities and cash and cash equivalents net of restricted bank deposits and bank overdraft. Total equity comprises of share capital and reserves.

	Group		Company	
	2014	2013	2014	2013
	S$	S$	S$	S$
Net debt	121,281,368	118,916,174	3,306,261	3,242,141
Total equity	89,446,216	69,312,377	16,052,518	16,194,194
Net debt against equity ratio	136%	172%	21%	20%

There were no externally imposed capital requirements that the Group needs to be in compliance with for the financial years ended 30 September 2014 and 2013. There were no changes in the Group's approach to capital management during the financial years ended 30 September 2014 and 2013.

(g) Fair Value of the Group's Financial Assets and Liabilities that are Measured at Fair Value on a Recurring Basis

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 or liabilities that the Group can assess at the measurement date (Level 1);
(b) inputs other than quoted prices included with Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
(c) unobservable input for the asset and liability (Level 3).

34 FINANCIAL RISKS MANAGEMENT POLICIES (CONT'D)

(g) Fair Value of the Group's Financial Assets and Liabilities that are Measured at Fair Value on a Recurring Basis (cont'd)

	Level 1 S$	Level 2 S$	Level 3 S$	Total S$
Group				
2014				
Financial assets, at fair value through profit or loss	206,847	-	-	206,847
Derivative asset	-	-	8,193,822	8,193,822
	206,847	-	8,193,822	8,400,669
2013				
Financial assets, at fair value through profit or loss	187,077	-	-	187,077

There were no transfers between Level 1 and 2 during the financial year.

The fair value of financial instruments trade in active markets (such as trading securities) is based on quoted market prices at the balance sheet date. These instruments are included in Level 1.

The fair value of financial instruments that are not trade in an active market is determined by using valuation technique. Where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3.

The movement in Level 3 financial instruments measured at fair value were as follows:

	Unquoted	
	2014 S$	2013 S$
Group		
Opening balance	-	-
Fair value gain recognised in profit or loss (Note 5)	8,193,822	-
Ending balance	8,193,822	-

34 FINANCIAL RISKS MANAGEMENT POLICIES (CONT'D)

(g) Fair Value of the Group's Financial Assets and Liabilities that are Measured at Fair Value on a Recurring Basis (cont'd)

Information about valuation techniques and inputs used in Level 3 were as follows:

Asset	Valuation technique	Fair Value Hierarchy	Significant unobservable inputs	Relationship of unobservable inputs to fair value
Equity conversion derivative	Black-Scholes Option Pricing model	Level 3	Fair value of unquoted equity investment, based on valuation technique (see below)	The higher the fair value, the higher the value of the option.
			Expected equity price volatility	The higher the expected equity price volatility, the higher the value of the option.
	Equity valuation technique based on valuation multiples of comparable companies, adjusted for liquidity discount	Level 3	Price to book ratio	The higher the price to book ratio, the higher the value of the option.
			Net assets of investee	The higher the net assets of the investee, the higher the value of the option.
			Liquidity discount	The higher the liquidity discount, the lower the value of the option.

The following table shows the impact on the Level 3 fair value measurement of the derivative asset that is sensitive to changes in unobservable inputs that reflect reasonably possible alternative assumptions. The positive and negative effects are approximately the same.

	Fair Value S$	Effect of reasonably possible alternative assumptions in profit or loss S$
2014		
Derivative Asset:		
Equity conversion derivative	8,193,822	590,000

34 FINANCIAL RISKS MANAGEMENT POLICIES (CONT'D)

(g) Fair Value of the Group's Financial Assets and Liabilities that are Measured at Fair Value on a Recurring Basis (cont'd)

In order to determine the effect of the above reasonably possible alternative assumptions, the Group adjusted the following key unobservable inputs used in the fair value measurement:

- The Group adjusted the net assets of investee by increasing and decreasing the assumptions by 5%, liquidity discount by 5% and expected equity price volatility by 1%.

As at 30 September 2013, the fair value of the derivative asset was Nil.

Valuation policies and procedures

The management of the Group, including the finance department, perform the valuations of the fair value of financial instruments. Significant valuation issues are reported to the Company's Audit Committee.

It is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and FRS 113 fair value measurement guidance to perform the valuations. The management and the finance department regularly review significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair value, the management and the finance department will assess and document the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of FRS 113, including the level in the fair value hierarchy that the resulting fair value estimate should be classified under.

(h) Fair Value of the Group's Financial Assets and Liabilities that are not Measured at Fair Value on a Recurring Basis (but Fair Value Disclosure is Required)

(i) Long-term financial assets and financial liabilities

The fair values of long term receivable, 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 2014 and 2013, the carrying amounts of the long term borrowings and finance lease liabilities approximate their fair values, except as disclosed in the financial statements.

(ii) Other financial assets and financial liabilities

The carrying amounts of other financial assets and liabilities recognised as at 30 September 2014 and 2013, with a maturity of less than one year approximate their fair values due to their short term maturities.

35 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. The revenue for the financial year ended 30 September 2014 and 2013 are largely earned in Singapore and 99% of non-current assets are located in Singapore.

The Group's reportable segments are as follows:

(i) Sale of development properties – purchases and develops residential properties for sale
(ii) Construction revenue – develops and constructs properties
(iii) Investment properties – purchases and develops properties for leases

Other operations are mainly related to investment holdings.

Inter-segment transactions are determined on an arm's length basis. During the financial year ended 30 September 2014, revenue from sale of development properties was derived from 8 (2013: 6) customers amounting to approximately S$9,765,616 (2013: S$16,380,000) which accounted for 38% (2013: 44%) of the Group's revenue.

Segment assets comprise primarily development properties for sale, construction 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.

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

35 SEGMENT INFORMATION (CONT'D)

	Sale of Development Properties S$	Construction Revenue S$	Investment Properties S$	Others S$	Total S$
2014					
Revenue and other operating income	25,299,571	11,563,686	13,296,769	8,552,195	58,712,221
Less: Elimination	-	(11,563,686)	(33,600)	-	(11,597,286)
	25,299,571	-	13,263,169	8,552,195	47,114,935
Segment results	4,093,887	(862,860)	13,004,659	-	16,235,686
Share of results of associated companies					638,578
Unallocated income					8,552,195
Unallocated expenses					(4,784,994)
Results from operating activities					20,641,465
Unallocated interest income					160,679
Unallocated finance costs					(451,629)
Profit before income tax					20,350,515
Income tax					707,433
Total profit for the year					21,057,948
Other segment items					
Capital expenditure					
- Property, plant and equipment (unallocated)	-	-	-	-	454,227
- Investment Properties (allocated)	-	-	2,286,254	-	2,286,254
Depreciation - Property, plant and equipment					
- allocated	-	124,613	-	-	124,613
- unallocated	-	222,366	-	-	222,366
	-	346,979	-	-	346,979
Fair value gain on investment properties	-	-	12,889,088	-	12,889,088
Fair value gain on derivative asset	-	-	-	8,193,822	8,193,822
Assets and Liabilities					
Segment assets	121,312,928	3,037,485	64,008,405	-	188,358,818
Unallocated assets					35,775,036
Total assets					224,133,854
Segment liabilities	90,157,873	4,911,939	31,673,238	-	126,743,050
Unallocated liabilities					7,944,588
Total liabilities					134,687,638

NOTES TO THE FINANCIAL STATEMENTS
30 SEPTEMBER 2014

35 SEGMENT INFORMATION (CONT'D)

	Sale of Development Properties S$	Construction Revenue S$	Investment Properties S$	Others S$	Total S$
2013					
Revenue and other operating income	37,339,646	13,275,191	12,029,585	103,473	62,747,895
Less: Elimination	-	(13,275,191)	(14,000)	-	(13,289,191)
	37,339,646	-	12,015,585	103,473	49,458,704
Segment results	10,092,687	(509,278)	11,797,040	-	21,380,449
Share of results of associated companies					1,069,934
Share of results of joint venture					(1)
Unallocated income					103,473
Unallocated expenses					(4,345,659)
Results from operating activities					18,208,196
Unallocated interest income					174,768
Unallocated finance costs					(272,999)
Profit before income tax					18,109,965
Income tax expenses					(1,126,391)
Total profit for the year					16,983,574
Other segment items					
Capital expenditure					
- Property, plant and equipment (unallocated)					5,153,364
- Investment Properties (allocated)	-	-	9,065,130	-	9,065,130
Depreciation - Property, plant and equipment					
- allocated	-	112,220	-	-	112,220
- unallocated	-	191,346	-	-	191,346
	-	303,566	-	-	303,566
Fair value gain on investment properties	-	-	11,454,147	-	11,454,147
Assets and Liabilities					
Segment assets	114,541,529	3,133,230	53,689,863	-	171,364,622
Unallocated assets					19,565,721
Total assets					190,930,343
Segment liabilities	84,110,924	3,341,383	16,614,686	-	104,066,993
Unallocated liabilities					17,550,973
Total liabilities					121,617,966

35 SEGMENT INFORMATION (CONT'D)

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.

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:

	Group	
	2014 S$	2013 S$
Unallocated assets:		
Property, plant and equipment	3,291,836	3,209,308
Investment in associated companies	4,298,136	3,659,558
Trade and other receivables	6,980,725	7,499,949
Other current assets	120,784	60,351
Other financial assets	8,400,669	187,077
Cash and bank balances	12,682,886	4,949,478
	35,775,036	19,565,721
Unallocated liabilities:		
Trade and other payables	5,286,378	4,041,947
Income tax payables	152,006	1,214,406
Finance lease liabilities	123,832	281,041
Borrowings	2,382,372	12,013,579
	7,944,588	17,550,973

36 SUBSEQUENT EVENTS

(a) Acquisition of Citrine Assets Pte. Ltd.

On 14 January 2014, the Company entered into a conditional sale and purchase agreement with Citrine Capital Pte Ltd, Mr Wong Kong Leong and Mr Teh Wing Kwan (Vendors) and agreed to sell 100% issued share capital of Citrine Assets Pte Ltd for a total consideration of S$62,676,303. Payment will be made through issuance of consideration shares of 144,736,842 using an issue price of S$0.38 amounting to S$55,000,000; convertible bonds of S$3,000,000; 3% redeemable corporate bonds of S$2,500,000 and cash of S$2,176,303.

On 1 October 2014, the Company completed the proposed acquisition of 100% issued share capital of Citrine Assets Pte Ltd, a company incorporated in Singapore. The entity is engaged in the business of property development and investment holding. The acquisition represents an opportunity for the Group to diversity its existing business into both residential and commercial property development outside Singapore as part of its key strategic growth initiatives.

If the acquisition had occurred on 1 October 2013, management estimates there would have been no significant changes to the Group's revenue and profit before income tax.

The identifiable assets acquired and liabilities assumed are as follows:

	At Fair Value S$
Advances to subsidiary	3,158,650
Investment in subsidiary	140,000
Investment property	210,676,647
Advances from related companies	(3,320,225)
Total identifiable net assets	210,655,072
Less: Non-controlling interest's proportionate shares of net assets	(63,202,994)
Less: Negative goodwill	(84,775,775)
Total purchase consideration	62,676,303

NOTES TO THE FINANCIAL STATEMENTS

30 SEPTEMBER 2014

36 SUBSEQUENT EVENTS (CONT'D)

(b) Acquisition of Goodland Group Construction Sdn Bhd

On 31 October 2014, the Company's wholly owned subsidiary, Goodland Group Construction Pte. Ltd, a company incorporated in Singapore, acquired 100% of the issued shares capital of Goodland Group Construction Sdn. Bhd., a company incorporated in Malaysia whose principal activities is that of a general building contractors, for a total consideration of RM750,000 (approximately S$291,375). As a result of the acquisition, the investment will provide an opportunity for the Group to expand its construction business in the region and enlarge the geographical base for the Group's construction business.

If the acquisition had occurred on 1 October 2013, management estimates there would have been no significant changes to the Group's revenue and profit before income tax.

The identifiable assets acquired and liabilities assumed are as follows:

	At Fair Value S$
Plant and equipment	156,211
Amount due from shareholder	77,489
Cash and bank balances	5,330
Trade and other payables	(944)
Total identifiable net assets	238,086
Add: Goodwill	53,289
Total purchase consideration	291,375

(c) Exercised of Equity Conversion Option

On 26 December 2014, the Company's wholly owned subsidiary, Goodland Capital Pte. Ltd., has exercised the conversion equity option pursuant to the terms of the Agreement dated 28 December 2012 (see Note 19). Accordingly, the Group now has a 6% equity interest in the related party.

STATISTIC OF SHAREHOLDINGS

19 DECEMBER 2014

ISSUED AND FULLY PAID-UP CAPITAL	:	S$67,148,663.96
NO. OF SHARES ISSUED	:	339,175,842
CLASS OF SHARES	:	ORDINARY SHARES
NUMBER OF TREASURY SHARES	:	NIL
VOTING RIGHTS		1 VOTE PER SHARE

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	135	26.89	4,946	0.00
1,000 - 10,000	185	36.85	686,780	0.20
10,001 - 1,000,000	159	31.68	14,754,074	4.35
1,000,001 and above	23	4.58	323,730,042	95.45
Total	502	100.00	339,175,842	100.00

TOP TWENTY SHAREHOLDERS AS AT 19 DECEMBER 2014

	No. of Shares	%
CITRINE CAPITAL PTE. LTD.	128,157,894	37.79
KOH CHIN KIM	45,780,000	13.50
TAN CHEE TIONG	22,470,000	6.63
MAYBANK NOMINEES (S) PTE LTD	18,322,000	5.40
TAN CHEE BENG	16,220,000	4.78
TAN BEE BEE	15,271,200	4.50
SBS NOMINEES PTE LTD	9,760,000	2.88
SNG SIEW LIN	9,000,000	2.65
SEAH KHENG LUN	8,353,000	2.46
CITIBANK NOMINEES SINGAPORE PTE LTD	7,000,000	2.06
HONG LEONG FINANCE NOMINEES PTE LTD	5,790,000	1.71
TEH WING KWAN	5,789,474	1.71
WONG KONG LEONG	5,789,474	1.71
ABN AMRO NOMINEES SINGAPORE PTE LTD	5,000,000	1.48
KOH WEE MENG	4,000,000	1.18
DMG & PARTNERS SECURITIES PTE LTD	3,636,000	1.07
TAN KIM SENG	2,930,000	0.86
UOB KAY HIAN PTE LTD	2,856,000	0.84
CHAN HOE YIN @ CHAN PAK YIN	1,873,000	0.55
LIM YEN LING CAROLINE	1,567,000	0.46
	319,565,042	94.22

STATISTIC OF SHAREHOLDINGS

19 DECEMBER 2014

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 19 December 2014:

	Direct Interest		Deemed Interest	
Name	**No. of Shares**	**%**	**No. of Shares**	**%**
Citrine Capital Pte. Ltd.	128,157,894	37.78	129,741,200	38.25
Koh Chin Kim	45,780,000	13.50	212,119,094	62.53
Tan Chee Tiong	22,470,000	6.62	235,429,094 (2)	69.41
Tan Chee Beng	16,220,000	4.78	241,679,094 (3)	71.25
Tan Bee Bee	15,271,200	4.50	242,627,894	71.53

Notes:

(1) 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.

(2) Tan Chee Tiong is deemed interested in 10,000,000 ordinary shares held in the name of Maybank Nominees (S) Pte Ltd.

(3) Tan Chee Beng is deemed interested in 8,000,000 ordinary shares held in the name of Maybank Nominees (S) Pte Ltd, 7,000,000 ordinary shares held in the name of Citibank Nominees Singapore Pte Ltd, 128,157,894 shares held in the name of Citrine Capital Pte. Ltd. and 5,000,000 ordinary shares held in the name of ABN AMRO Nominees Singapore Pte. Ltd. through Citrine Capital Pte. Ltd..

SHAREHOLDING BY THE PUBLIC

Based on the information available to the Company as at 19 December 2014, approximately 23.97% of the issued ordinary shares of the Company is held by the public, and therefore, Rule 723 of the Singapore Exchange Securities Trading Limited Listing Manual is complied with.

STATISTIC OF WARRANTHOLDINGS

19 DECEMBER 2014

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants	%
1 - 999	6	3.77	2,003	0.00
1,000 - 10,000	91	57.23	235,400	0.21
10,001 - 1,000,000	50	31.45	3,706,677	3.30
1,000,001 and above	12	7.55	108,413,720	96.49
Total	159	100.00	112,357,800	100.00

TOP TWENTY WARRANTHOLDERS AS AT 19 DECEMBER 2014

	No. of Warrants	%
TAN CHEE BENG	18,732,000	16.67
TAN CHEE TIONG	17,482,000	15.56
DIANA SNG SIEW KHIM	15,311,000	13.63
UOB KAY HIAN PTE LTD	14,786,000	13.16
SEAH KHENG LUN	9,900,000	8.81
TAN BEE BEE	9,162,720	8.15
SNG SIEW LIN	5,944,000	5.29
UNITED OVERSEAS BANK NOMINEES PTE LTD	5,050,000	4.49
CHAN HOE YIN @ CHAN PAK YIN	3,306,000	2.94
STEPHANIE CHEO KAE YUH (ZHANG KAIYU)	3,290,000	2.93
WONG MING KWONG	2,856,000	2.54
WEE HUI HIAN	2,594,000	2.31
CHUA CHAI TIANG	794,000	0.71
CHEO KAE JER (ZHANG KAIZHE)	293,000	0.26
LIM YEN LING CAROLINE	224,000	0.20
YEO KOK HIONG	213,000	0.19
ONG HUAY CHEW	199,000	0.18
YAP KON YIN	153,000	0.14
QUEK SOON CHYE	133,000	0.12
LEE AI NI	120,000	0.11
	110,542,720	98.39

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting ("**AGM**") 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, 29 January 2015 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 2014 together with the Auditors' Report thereon. **Resolution 1**

2. To declare a final tax-exempt (one-tier) dividend of 0.5 Singapore cents per ordinary share for the financial year ended 30 September 2014. **Resolution 2**

3. To approve the payment of Directors' fees of S$150,000.00 for the financial year ending 30 September 2015 (2014: S$150,000.00). **Resolution 3**

4. To re-elect the following Directors of the Company retiring pursuant to Article 98 of the Articles of Association of the Company:-

   Mr. Wong Ming Kwong **Resolution 4**
   Mr. Raymond Lye Hoong Yip **Resolution 5**

   Mr. Raymond Lye Hoong Yip will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and Remuneration Committee and Chairman of the Nominating Committee and he will be considered independent for the purpose of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.

5. To appoint Auditors and to authorise the Directors to fix their remuneration. **Resolution 6**

6. 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:-

7. Authority to allot and issue shares

   That pursuant to Section 161 of the Companies Act, (Chapter 50) of Singapore ("**Companies Act**") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") ("**Listing Manual**"), authority be and is hereby given to the Directors of the Company to:

   (a) (i) 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

NOTICE OF ANNUAL GENERAL MEETING

(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,

provided that:

(1) the aggregate number of Shares to be issued pursuant to this Resolution (including Shares to be issued in pursuance of the Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company, of which the aggregate number of Shares to be issued other than on a pro-rata basis to shareholders of the Company (including Shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per cent (20%) of the total number of issued 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 that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued Shares (excluding treasury shares) at the time this Resolution is passed, after adjusting for:-

   (i) new Shares arising from the conversion or exercise of any convertible securities outstanding;

   (ii) (where applicable) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed, provided that options or awards were granted in compliance with the provisions of the Listing Manual of the SGX-ST; 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 rules, guidelines and measures issued by the SGX-ST from the time being in force (unless such compliance has been waived by the SGX-ST), all applicable legal requirements under the Companies Act and otherwise, and the Memorandum and Articles of Association for the time being of the Company; and

(4) unless revoked or varied by the Company in a general meeting, the authority conferred by this Resolution shall continue in force (i) 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, whichever is earlier; or (ii) in the case of shares to be issued in pursuant of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

[Explanatory Note: 1] **Resolution 7**

8. Renewal of Share Buy-Back Mandate

THAT: -

(a) for the purposes of Sections 76C and 76E of the Companies Act (Chapter 50) of Singapore ("**Companies Act**"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares in the capital of the Company ("**Shares**") not exceeding in aggregate the Maximum Limit (as hereinafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

NOTICE OF ANNUAL GENERAL MEETING

(i) market purchase(s) (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"); and/or

(ii) off-market purchase(s) (each an "**Off-Market Purchase**") effected otherwise than on the SGX-ST in accordance with any equal access scheme(s) as may be determined or formulated by the Directors of the Company as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Listing Manual of the SGX-ST ("**Listing Manual**") and the Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to, the provisions of the Companies Act, the Memorandum and Articles of Association of the Company and the Listing Manual as may for the time being be applicable be and is hereby authorised and approved generally and unconditionally (the "**Share Buy-Back Mandate**");

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the Relevant Period and expiring on the earliest of:

(i) the conclusion of the next annual general meeting of the Company is held or the date by which such annual general meeting is required by law to be held;

(ii) the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate; or

(iii) the date on which the authority conferred in the Share Buy-Back Mandate is varied or revoked by the Company in a general meeting;

(c) for purposes of this ordinary resolution:

"**Maximum Limit**" means ten per cent. (10%) of the total issued ordinary shares of the Company as at the date of the passing of this Resolution 8, unless the Company has effected a reduction of the share capital of the Company (other than a reduction by virtue of a share buy-back) in accordance with the applicable provisions of the Companies Act, at any time during the Relevant Period (as hereinafter defined) in which event the issued ordinary shares of the Company shall be taken to be the total number of the issued ordinary shares of the Company as altered by such capital reduction (the total number of ordinary shares shall exclude any ordinary shares that may be held as Treasury Shares by the Company from time to time);

"**Relevant Period**" means the period commencing from the date on which the ordinary resolution relating to the Share Buy-Back Mandate is passed in a general meeting and expiring on the earliest of the conclusion of the next AGM is held or is required by law to be held, or the date on which the share buy-backs are carried out to the full extent of the Share Buy-Back Mandate, or the date the said mandate is varied or revoked by the Company in a general meeting;

"**Maximum Price**", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(i) in the case of a Market Purchase, five per cent. (5%) above the average of the closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded before the day on which the Market Purchase was made by the Company and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period; and

NOTICE OF ANNUAL GENERAL MEETING

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, 15% above the average of the closing market prices of the Shares over the five (5) Market Days on which transactions in the Shares were recorded before the day on which the Company makes an announcement of an offer under the Off-Market Purchase scheme stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase, and deemed to be adjusted for any corporate action that occurs after the relevant five (5)-day period; and

"**Market Day**" means a day on which the SGX-ST is open for trading in securities;

(d) the number of Shares which may in aggregate be purchased or acquired by the Company during the Relevant Period shall be subject to the Maximum Limit;

(e) the Directors of the Company and/or any of them be and are hereby authorised to deal with the Shares purchased by the Company, pursuant to the Share Buy-Back Mandate in any manner as they think fit, which is permitted under the Companies Act; and

(f) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including without limitation, to execute all such documents as may be required and to approve any amendments, alterations or modifications to any documents), as they and/or he may consider desirable, expedient or necessary to give effect to the transactions contemplated by this Resolution 8.

[Explanatory Note: 2] **Resolution 8**

EXPLANATORY NOTES:

1. The Ordinary Resolution 7 proposed in item 7 above, 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 issue Shares, make or grant instruments convertible into Shares and to issue Shares pursuant to such instruments, up to an amount not exceeding in aggregate fifty per cent (50%) of the total number of issued shares (excluding treasury shares) in the capital of the Company of which the aggregate number of shares to be issued other than on a pro-rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per cent (20%) of the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Ordinary Resolution is passed, for such purposes as they consider would be in the interest of the Company.

2. The Ordinary Resolution 8 proposed in item 8 above, if passed, renews the Share Buy-Back Mandate authorising the Directors of the Company, from time to time, to buy back shares of the Company by way of market purchase(s) and/or off-market purchase(s) subject to and in accordance with the prescribed rules and regulations governed by the Companies Act, the Listing Manual and such other laws and regulations as may for the time being applicable.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE OF BOOKS CLOSURE

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of Goodland Group Limited (the "Company") will be closed on 5 February 2015, for the purpose of determining members' entitlements to the final exempt (one-tier) dividend of 0.5 Singapore cents (the "Proposed Final Dividend") to be proposed at the Annual General Meeting of the Company ("AGM") to be held on 29 January 2015.

Duly completed registrable transfers in respect of the shares in the Company received up to the close of business at 5.00 p.m. on 4 February 2015 by the Company's Share Registrar, B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758 will be registered to determine members' entitlements to the Proposed Final Dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares in the Company as at 5.00 p.m. on 4 February 2015 will be entitled to such Proposed Final Dividend.

The Proposed Final Dividend, if approved by shareholders at the AGM to be held on 29 January 2015, will be paid on or about 11 Feburary 2015.

BY ORDER OF THE BOARD

Hor Swee Liang
Company Secretary

Singapore: 14 January 2015

NOTES:

1. A member of the Company entitled to attend and vote at the AGM 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 AGM.

PERSONAL DATA PRIVACY:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a shareholder of the Company (i) consents to the collection, use and disclosure of the shareholder's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the shareholder discloses the personal data of the shareholder's proxy(ies) and/or representative(s) to the Company (or its agents), the shareholder has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the shareholder will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the shareholder's breach of warranty.

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GOODLAND GROUP LIMITED

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

PROXY FORM

ANNUAL GENERAL MEETING

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.

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, 29 January 2015 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 "√" within the box provided)

No.	Resolutions relating to:	For	Against
	Ordinary Business		
1	Directors' Reports and Audited Accounts for the year ended 30 September 2014		
2	Declaration of a final tax-exempt (one-tier) dividend		
3	Approval of Directors' Fees of S$150,000.00 for the year ending 30 September 2014 (2013: S$150,000.00)		
4	Re-election of Mr. Wong Ming Kwong as a Director		
5	Re-election of Mr. Raymond Lye Hoong Yip as a Director		
6	Appointment of Auditors and authorisation of Directors to fix their remuneration		
	Special Business		
7	Authority to allot and issue shares pursuant to Section 161 of the Companies Act, Cap. 50 of Singapore		
8	Renewal of Share Buy-Back Mandate		

Dated this __________ day of ________________ 2015

____

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

Total number of Shares held

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 Companies Act, Chapter 50 of Singapore), 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 Companies Act, Chapter 50 of Singapore.

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. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends a meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.

8. 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.

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s), the shareholder accepts and agrees to the personal data privacy terms as set out in the Notice of Annual General Meeting dated 14 January 2015.

GOODLAND GROUP LIMITED
良園集團

Company Registration Number: 200405522N

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

Tel: 6289 0003 | Fax: 6289 3818

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