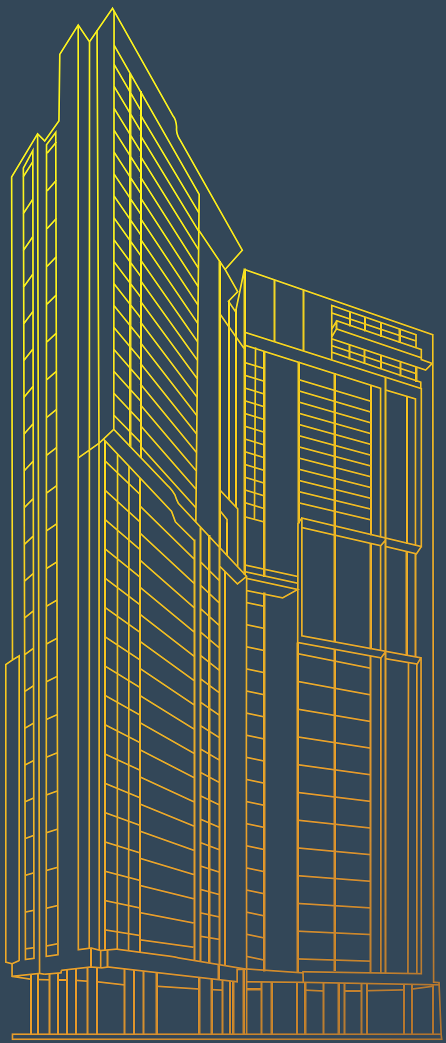
GOODLAND GROUP LIMITED
良園集團

GOING TO **THE NEXT LEVEL** WITH **CONSOLIDATED STRENGTH**

ANNUAL REPORT 2017



GOING TO **THE NEXT LEVEL** WITH **CONSOLIDATED STRENGTH**

We continue to strive to deliver as promised and are committed to build a robust foundation and platform for growth through core businesses and partnerships. With the consolidated strength, we are ready to progress to the next level of opportunities that are awaiting.

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SETTLING THE **FOUNDATION OF STRENGTH**

Goodland strives to fortify the foundation of our businesses and continually focus our efforts in delivering modern elegance and excellent projects.

FINANCIAL **HIGHLIGHTS**

Revenue ($'000)

2017	**69,820**
2016	52,283
2015	35,226

Profit/(Loss) Before Tax ($'000)

2017	**2,922**
2016	(3,952)
2015	5,383

Profit/(Loss) After Tax ($'000)

2017	**17,673**
2016	(3,886)
2015	4,744

Profit/(Loss) Attributable To Equity Holders ($'000)

2017	**17,685**
2016	(3,867)
2015	2,970

Earnings/(Loss) Per Share — Basic (Cents)

2017	2016	2015
4.90	(1.09)	0.89

Earnings/(Loss) Per Share — Diluted (Cents)

2017	2016	2015
4.90	(1.09)	0.76

Total Assets ($'000)

2017	**376,538**
2016	426,821
2015	426,318

Total Liabilities ($'000)

2017	**124,996**
2016	191,402
2015	191,453

NAV* Per Share (Cents)

2017	2016	2015
56.84	52.42	56.98

Net Profit Margin (%)

2017	2016	2015
25.31	(7.43)	13.47

Cash & Bank Balance ($'000)

2017	**25,075**
2016	30,231
2015	18,396

Shareholders' Equity ($'000)

2017	**251,542**
2016	235,419
2015	234,865

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

CHAIRMAN'S STATEMENT

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Dear Valued Stakeholders,

On behalf of the Board of Directors of the Goodland Group Ltd, I am delighted to present to you the annual report for the financial year ended 30 September 2017 ("FY2017").

BUSINESS REVIEW

Goodland Group Ltd wrapped up FY2017 on a positive note. We obtained Temporary Occupation Permit for our fully sold residential project, *The Bently Residences@Kovan.* Progress for *The Citron and Citron Residences* is on course and we expect to receive Temporary Occupation Permit in 2018. We made noteworthy progress in our marketing efforts, including the sales of strata landed residential units at *The Morris Residences* and commercial shops at The Citron. The Group's revenue saw an increase of 33% to S$69.8 million in FY2017 from S$52.3 million in FY2016, with a gross profit margin of 13.5% in FY2017, up from 11.6% in FY2016. The Group registered profit attributable to shareholders of S$17.7 million in FY2017 (or S$1.5 million, excluding adjustment of deferred tax arising from the change in applicable real property gains tax rate in respect of Malaysian properties) as compared to a loss attributable to shareholders of S$3.9 million in the previous year.

PROJECTS IN THE PIPELINE

On home ground, Goodland continued to focus on developing a strong pipeline of opportunities which can produce profitable contribution for the Group. The Group actively replenished our land bank with the purchase of landed housing for redevelopment which will continue well through FY2018. In FY2017, we acquired 17% equity interest in SL Capital (5) Pte Ltd which purchased a freehold residential development at 1 Meyer Place located in the prime district 15 in an en bloc deal, with the intention to redevelop the property into a high-rise development. The project from our 17%-owned associate company – *Sturdee Residences*, an elegant, high-rise tower which combines the best of modern architecture and upscale housing – has bedded in well by achieving more than 90% in sold status. This project is a highly

CHAIRMAN'S **STATEMENT**

complementary addition to our current portfolio of residential properties. It had since commenced construction, and is expected to contribute significantly to the Group's results in FY2018.

On the regional front, we have also commenced on the construction of new commercial shop-houses in FY2017. The project which is located in Penang, Malaysia, is target to be completed by second quarter of FY2018 and builds on the Group's presence in Malaysia, along with the land bank in the T City project in Ipoh, Perak.

CORPORATE SOCIAL RESPONSIBILITY

Goodland has a long history of investing in the communities in which we live and work. I am proud to report that our commitment to giving back remains strong. In 2017, we participated in several social responsibility programs including the *Back to School 2017 Program* for underprivileged parents in Perak, as well as the *SGX Bull Charge Charity Golf 2017* and *Ren Ci Vegetarian Food Fiesta 2017*.

OUTLOOK FOR 2018

The property market is expected to remain challenging and competitive in the next 12 months. In light of this current environment, the Group remains committed to the Singapore market and will continue to refine its investment strategy, including replenishing the Group's land bank, whilst actively exploring opportunities overseas to enhance shareholders' value.

DIVIDEND

To round up the year, the Board is pleased to recommend and propose a final one-tier tax exempt cash dividend of 0.3 Singapore cent per share. Subject to shareholders' approval at our upcoming Annual General Meeting scheduled on 25 January 2018, the final dividend will be paid to shareholders on or around 9 February 2018. This will bring the total cash dividends payout for FY2017 to 0.9 Singapore cent per share.

WORD OF APPRECIATION

Finally, I would like to thank our Board members, customers and business partners who continue giving unwavering support to Goodland for delivering a successful year. I am grateful for the contributions from senior management and staff across the organization. The achievement has been possible because of the committed team work and this foundation gives us a strong foothold driving the business forward – a sight that augurs well for the Group.

I look forward to sharing another year of accomplishment with all of you in 2018.

Ben Tan Chee Beng
Executive Chairman

REFINING THE **SYNERGY OF GROWTH**

Goodland continues to explore strategic expansion and business partnerships that can bring steady growth and value to our stakeholders

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CEO'S STATEMENT

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Dear valued stakeholders,

In the financial year ended 30 September 2017 ("FY2017"), we saw organic growth in revenue and operating profit across the Group and laid robust foundations through prudent land banking and business partnerships which provide a platform for growth. Our people achieved better operational efficiency and continue to strive to deliver as promised to our customers.

FINANCIAL PERFORMANCE

During FY2017, the Group delivered a 33% increase in revenue by S$17.5 million to S$69.8 million against S$52.3 million in financial year ended 30 September 2016 ("FY2016"). *The revenue performance was driven by The Citron and Citron Residences, The Bently Residences@Kovan and The Morris Residences.*

In line with our increase in revenue, the Group recorded an increase in cost of sales by S$14.2 million to S$60.4 million in FY2017 from S$46.2 million in FY2016. Sale of development properties with higher margin contributed to an increase of 1.9% in gross profit margin to 13.5% in FY2017 from 11.6% in FY2016, which translated into gross profit of S$9.5 million in FY2017 compared to S$6.0 million in the previous year.

Administrative expenses were lower by S$0.4 million to S$5.6 million in FY2017 from S$6.0 million in FY2016, mainly due to lower property taxes paid and professional fees incurred in FY2017. Finance costs decreased from S$1.9 million in FY2016 to S$1.7 million in FY2017.

Other operating income increased by S$0.5 million to S$1.1 million in FY2017 from S$0.6 million in FY2016, mainly due to fair value gain on investment properties, receipt of government grants and gain on disposal of property, plant and equipment in FY2017. Share of results of associated companies changed by S$0.5 million to a loss of S$0.4 million in FY2017 as compared to a profit of S$0.1 million in the previous year.

The Group also recorded a tax credit of S$14.8 million in FY2017 as compared to a tax credit of S$0.07 million in FY2016. This was mainly due to adjustment of deferred tax liabilities arising from the change in applicable real property gains tax rate in respect of Malaysian properties.

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Net asset value per share attributable to shareholders for FY2017 was 56.84 Singapore cents, compared to 52.42 Singapore cents in previous year. As of 30 September 2017, Goodland's net assets stood at S$251.5 million with cash and cash equivalent of S$25.1 million as compared to S$235.4 million and S$30.2 million respectively in the previous year.

OPERATING REVIEW

We have taken a number of actions to strengthen our position, including replenishing of land bank which we will be continuing through 2018, and acquiring 17% equity interest in the new associate company, SL Capital (5) Pte Ltd. SL Capital (5) Pte Ltd purchased a freehold residential development at 1 Meyer Place located in the prime district 15 in an en bloc deal, with the intention to redevelop the property into a high-rise development. *Sturdee Residences*, a high-rise condominium with 305 residential units under our 17%-owned associate company, SL Capital (1) Pte Ltd, has performed well with more than 90% of units sold. These transactions increased our land ownership in Singapore and are expected to contribute significantly to the Group's results in the years to come.

Our two properties – Goodland Group Building at 3 Kim Chuan Lane and Goodland Building at 18 Roberts Lane will generate leasing income to the Group.

REGIONAL INVESTMENTS

Construction of the Group's Penang-based commercial properties in Malaysia is currently underway and expected to be completed by first quarter of 2018. Currently, we are reviewing and refining our long-term development plans for the land bank held by the Group in the T City project in Ipoh, the capital city of Perak. We will update the shareholders of significant developments in due course.

GOING FORWARD

Our strategy is to remain focused on exploring new opportunities as well as embarking on strategic projects that benefit the Group. Besides continuing to improve on cost efficiency and capital management, we will also grow our business by forging stronger business relationships to build a more sustainable competitive edge.

We thank you and look forward to your continued support.

Alvin Tan Chee Tiong
Chief Executive Officer

UNWAIVERING COMMITMENT BRINGS **GREATER SUCCESS**

Passion and commitment fuels our quest to stay ahead and gives us a strong foothold to drive the business forward.

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BOARD OF DIRECTORS

BEN TAN CHEE BENG

Executive Chairman

Appointed as the Executive Director on 6 May 2004, Mr Tan is the Chairman of the Board of Directors, and is primarily responsible for overseeing the strategic direction and investment of the Group.

He was last re-elected on 18 February 2016.

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

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

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

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

ALVIN TAN CHEE TIONG

Chief Executive Officer

Appointed as the Executive Director on 6 May 2004, Mr Alvin Tan is the Chief Executive Officer and the Managing Director of the Group, and is primarily responsible for the overall management, performance, as well as for the formulation of corporate strategies of the Group. Under his leadership, the Group has seen a significant expansion in its holdings, and a substantial increase in capital base.

He was re-elected on 18 February 2016.

Mr Tan possesses more than 20 years of industry experience in both the construction and property development businesses. In January 1993, he became a cofounder and a director of Goodland Development Pte Ltd, which started as a building and civil engineering firm undertaking both private and public work projects.

Together with the other cofounder, Mr Ben Tan, he continued growing the business of the company to include property development in 1994.

Apart from his commitment to the Group, Mr Alvin Tan participates in community work. He serves as a grassroots leader in Ponggol East Single Member Constituency as a Patron of the Ponggol East Citizens' Consultative Committee. He also serves as a grassroots leader in Marine Parade Group Representation Constituency as a Patron of the Braddell Heights Community Club Management Committee. He was conferred the Public Service Medal (PBM) by the President of Singapore in the 2016 National Day Awards.

Mr Tan holds a First Class (Honours) Degree in Construction Management from RMIT University Australia.

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 25 January 2017. 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 29 January 2015. 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 for few other private limited companies including Key Elements Consulting Pte Ltd, Premium 360 Pte Ltd, Wismore Investment Pte Ltd and A List Capital 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, a non-executive director at Mary Chia Holdings Limited from June 2009 to December 2012 and was independent director for Old Chang Kee Limited from July 2010 to July 2015. In addition, he was an executive director of ITE Electric Co Ltd. from 9 September 2014 to 30 September 2016. 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.

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 25 January 2017. 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 GDS Global Limited, a company listed on the SGX Catalist and LHT Holdings Limited, a company 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 29 January 2015. 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 boards of 800 Super Holdings Limited and Soo Kee Group Limited, companies 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 local and foreign financial institutions in 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)

Ms Mindy Tan was appointed as the Associate Director (Property) and has been overseeing the Group's property division since July 2009.

She has 20 years of real estate experience and has been successful in conceptualising the design, sales and marketing, leasing and managing 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 and is also a Member of Singapore Institute of Surveyors and Valuers.

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.

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 RMIT University Australia.

COMPLETED PROJECTS

THE BENTLY RESIDENCES @ KOVAN

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

COMPLETED PROJECTS

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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, roof terrace, private lift and private pool

ON-GOING PROJECTS

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THE CITRON AND THE CITRON RESIDENCES

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

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JALAN TANJONG

LOCATION	22 Jalan Tanjong
TENURE	Estate in Fee Simple (Freehold)
TYPE	3 storey intermediate terrace dwelling house with roof terrace and swimming pool

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SIRAT ROAD

LOCATION	33 Sirat Road
TENURE	Leasehold of 999 years from 2 December 1878
TYPE	3 storey intermediate terrace dwelling house with an attic

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JALAN CHEMPEDAK

LOCATION	5 Jalan Chempedak
TENURE	Estate in Perpetuity (Freehold)
TYPE	2 storey intermediate terrace dwelling house with an attic

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 SECRETARIES

Kenneth Hor Swee Liang
Claudia Teo Kwee Yee

REGISTERED OFFICE

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CORPORATE SECRETARIAL AGENT

Tricor HEP Corporate Services Pte Ltd
80 Robinson Road #02-00
Singapore 068898

AUDITORS

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants
24 Raffles Place
#07-03 Clifford Centre
Singapore 048621

Partner-in-charge
Toh Kim Teck
(since financial year ended 30 September 2015)

FINANCIAL CONTENTS

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "**Board**") of Goodland Group Limited (the "**Company**" and together with its subsidiaries, the "**Group**") and the management (the "**Management**") of the Company are committed to upholding 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 corporate governance report (the "**Report**") outlines the Group's corporate governance practices and activities that are in place during the financial year ended 30 September 2017 ("**FY2017**"), with specific references made to the principles and guidelines of the Code.

The Board confirms that, for FY2017, the Company has generally adhered to the principles and guidelines set out in the Code, except where otherwise stated. Where there have been deviations from the Code, the Company has sought to provide an appropriate explanation for each deviation in this Report.

BOARD MATTERS

The Board's Conduct of its Affairs

Principle 1: Effective Board to lead and control the company

The Board has the responsibility to oversee the business affairs of the Group and provide oversight, strategic direction and entrepreneurial leadership. 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 and reviews the performance of the Management. In addition, the principle functions of the Board also include, inter alia, the following:

(i) identifying the key stakeholder groups and recognising that their perceptions affect the Group's reputation;
(ii) setting the Group's values and standards (including ethical standards) and ensuring that obligations to shareholder and other stakeholders are understood and met; and
(iii) considering sustainability issues relating to the environment and social factors as part of the strategic formulation of the Group.

The fiduciary responsibilities of the Board include:

(i) to conduct itself with proper due diligence and care;
(ii) to act in good faith;
(iii) to comply with applicable laws; and
(iv) to act in the best interests of the Company and its shareholders at all times.

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

CORPORATE GOVERNANCE REPORT

The Board will meet at least quarterly every year to coincide with the announcement of the Group's quarterly and full year financial results, with optional meetings scheduled as and when necessary. Board approval is specifically required for the below matters:

(a) Financial results announcements;
(b) Annual report and accounts;
(c) Dividend payment to shareholders;
(d) Interested person transactions;
(e) Major acquisition or disposal;
(f) Corporate strategies and financial restructuring; and
(g) Transactions of a material nature.

The Company's Constitution 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.

During FY2017, 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	4	4	NA	NA	NA	NA	NA	NA
Alvin Tan Chee Tiong	4	4	NA	NA	NA	NA	NA	NA
Melanie Tan Bee Bee	4	4	NA	NA	NA	NA	NA	NA
Dr Wu Chiaw Ching	4	4	4	4	1	1	1	1
Wong Ming Kwong	4	4	4	4	1	1	1	1
Raymond Lye Hoong Yip	4	4	4	4	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. In addition, members of the Board are encouraged to attend relevant courses and seminars so as to keep themselves updated on developments and changes in financial and regulatory requirements, and the business environment and outlook.

Newly appointed Directors will be provided a formal letter setting out their duties and obligations and given an orientation program with materials provided to familiarise themselves with the profile of the Group and the Management, business and organisational structure of the Group, and strategic plans and mission of the Company. In addition, the newly-appointed Directors will undergo relevant training to enhance their skills and knowledge, particularly on new laws, regulations and changing risks affecting the Group's operations. First-time Directors will be required to attend training in areas such as accounting, legal and industry-specific knowledge as appropriate.

The Company shall be responsible for arranging and funding the training of Directors.

No new members were appointed to the Board during FY2017.

Board Composition and Balance
Principle 2: Strong and independent Board

Currently, the Board comprises 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 NC based on the guidelines set forth in the Code. The NC has reviewed and determined that the said Directors are independent.

There are no independent Directors who have served on the Board beyond nine (9) years from the date of his first appointment.

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
Wong Ming Kwong	Non-Executive Director
Dr. Wu Chiaw Ching	Lead Independent Director
Raymond Lye Hoong Yip	Independent Director

The Board members possess core competencies such as financial, accounting, legal, management experiences and industry knowledge. The current 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 NC 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 13 of the Annual Report.

Non-executive Directors review the performance of Management in meeting agreed goals and objectives. They bring independent judgment to Management's proposals or decisions on business activities and transactions involving conflicts of interest and other complexities.

To facilitate a more effective check on the Management, non-executive Directors meet regularly without the presence of the Management.

CORPORATE GOVERNANCE REPORT

Chairman and Chief Executive Officer

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

The chairman of the Board ("**Executive Chairman**") and the chief executive officer ("**CEO**") of the Company are separate persons. Mr. Ben Tan Chee Beng is the Executive Chairman and Mr. Alvin Tan Chee Tiong, brother of Mr. Ben Tan Chee Beng, is the CEO.

The Executive 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 ensuring 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 Executive 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 the CEO or the Chief Financial Officer ("**CFO**") of the Company could not satisfactorily resolve their concerns or where such channel of communications is considered inappropriate.

Led by the Lead Independent Director, the independent directors meet periodically without the presence of the other directors, and the Lead Independent Director provides feedback to the Executive Chairman after such meetings.

BOARD COMMITTEES

Nominating Committee

Board membership

Principle 4: Formal and transparent process for appointment and re-appointment of directors

The NC comprises Mr. Raymond Lye Hoong Yip, Mr. Wong Ming Kwong and Dr. Wu Chiaw Ching, where the majority, including the chairman of the NC, is independent. The chairman of the NC is Mr. Raymond Lye Hoong Yip, an Independent Director. Dr. Wu Chiaw Ching 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 and 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) conducting annual assessment of the effectiveness of the Board and individual director; and
(f) 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**") of the Company, 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 be nominated for re-election at the forthcoming AGM. In making the recommendation, the NC had considered the said Directors' overall contributions and performance.

Mr Wong Ming Kwong had informed the Board that he will not be seeking re-election and will retire as a Director of the Company at the close of the Company's Annual General Meeting to be held on 25 January 2018.

There is no alternate Director appointed on the Board.

The Board believes that each individual director is best placed to determine and ensure that he is able to devote sufficient time and attention to discharge his duties and responsibilities as directors of the Company, bearing in mind his other commitments. In considering, the nomination of directors for re-election and re-appointment, the NC will take into account, amongst others, the competing time commitments faced by the directors with multiple board memberships.

When a Director has multiple board representations, the NC also considers whether or not the Director is able to and has adequately carried out his/her duties as a Director of the Company. The NC noted that Board and Board Committee meetings are scheduled in advance to facilitate the Directors' scheduling of their commitments. There was full attendance at the Board and Board Committee meetings during FY2017.

Given the above, the NC is of the view that such multiple board representations do not hinder them from carrying out their duties as Directors. Instead, the NC considers these Directors would widen the expertise and experience of the Board and give it a broader perspective. As such, the NC does not presently consider it necessary to determine the maximum number of listed company board representations which any of the Directors may hold, and is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Company.

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, the Board committees and individual Directors based on performance criteria set by the Board.

The criteria for assessing the Board's and individual Director's performance include Board composition and size, board processes, accountability, standard of conduct and performance of its principle 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.

Review of the Board's performance is undertaken collectively and individually by the Board annually. The evaluation exercise is carried out annually by way of performance evaluation checklists which are circulated to the Board members for completion and thereafter, for the NC to review and determine the actions required to improve the corporate governance of the Company and effectiveness of the Board and Board Committees as a whole.

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 Board 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.

No external facilitator was engaged for the evaluation process in FY2017.

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

On an on-going basis, Management provides the Board with complete, adequate and timely information and Board papers prior to Board meetings. Requests for information from the Board are dealt with promptly by the Management. The Management is also involved in preparing the Board papers and can provide additional insight into the matters to be discussed. As such, the Management is invited to attend the Board meetings at the request of the Board.

The Board also receives regular updates on the Group's performance and business activities. 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.

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 RC comprises Dr. Wu Chiaw Ching, Mr. Raymond Lye Hoong Yip and Mr. Wong Ming Kwong, where the majority, including the Chairman, is independent. All members of the RC are non-executive. The Chairman of the RC is Dr. Wu Chiaw Ching, the Lead Independent Director.

The RC is responsible for:

(a) reviewing and recommending to the Board a framework of remuneration for the Board and Senior Management;
(b) considering the various disclosure requirements for directors' remuneration; and
(c) reviewing and recommending to the Board for approval by shareholders, the remuneration of non-executive directors.

The RC reviews the Company's obligations arising in the event of termination of an executive Director's and key management personnel's service contracts, to ensure that such contracts contain fair and reasonable termination clauses that are not overly generous. The RC also aims to be fair and avoid rewarding poor performance.

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.

During FY2017, the RC did not require the service of an external remuneration consultant.

Level and mix of remuneration
Principle 8: Appropriate remuneration to attract, retain and motivate directors and key management

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.

CORPORATE GOVERNANCE REPORT

The Company's Executive Directors do not receive directors' fees. Instead, the Executive Directors are paid a basic salary and a variable component which is the performance-related bonus, based on the performance of the Group as a whole and their individual performance. Having reviewed and considered the variable components of the Executive Directors and the key management personnel, the RC is of the view that there is no requirement to institute contractual provisions to allow the Company to reclaim incentive components of their remuneration paid in prior years in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss. In addition, the Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against the Executive Directors in the event of such breach of fiduciary duties.

The non-executive Director and Independent Directors are compensated based on fixed directors' fees taking into consideration their contributions, responsibilities and time spent, and they are not over-compensated to the extent where their independence may be compromised. Their fees are recommended by the RC and endorsed by the Board for approval by the shareholders of the Company at the AGM and paid after the necessary approval has been obtained. The Company does not have any share-based compensation schemes or any long-term scheme involving the offer of shares in place to encourage the non-executive Director and Independent Directors to hold shares in the Company.

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 Executive Chairman, CEO and Executive Director respectively. The service agreements were valid for an initial period of three years from the date the Company was 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.

While the Company does not have any share-based compensation scheme or any long-term scheme involving the offer of shares or options in place, the RC recognises that long-term incentive schemes are generally encouraged for Executive Directors and key management personnel, and will evaluate the costs and benefits of long-term incentive schemes and consider implementing such schemes in future.

Disclosure on Remuneration
Principle 9: Clear disclosure on remuneration policy, level and mix of remuneration

The details of the remuneration packages of the Directors, the CEO and top five key management personnel for FY2017 are as follows:

Remuneration of Directors and CEO

Remuneration Bands	Salary	Variable or Performance-related Income/Bonus	Fees	Other Benefits	Total
	%	%	%	%	%
S$500,000 to below S$750,000					
Ben Tan Chee Beng	91	9	–	–	100
Alvin Tan Chee Tiong	91	9	–	–	100
S$250,000 to below S$500,000					
Melanie Tan Bee Bee	90	10	–	–	100
Below S$250,000					
Dr. Wu Chiaw Ching	–	–	100	–	100
Wong Ming Kwong	–	–	100	–	100
Raymond Lye Hoong Yip	–	–	100	–	100

Remuneration of top five key management personnel

The top five key management personnel 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 S$250,000					
Koh Chin Kim	92	8	–	–	100
Mindy Tan Bee Leng	88	12	–	–	100
Kenneth Hor Swee Liang	93	7	–	–	100
Rajesh Kannaya Nainani	92	8	–	–	100
Jennifer Galon Teologo	91	9	–	–	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.

In view of the confidentiality and commercial sensitivity attached to remuneration matters, as well as the competitive environment and the nature of the industry which may adversely affect the Group's ability to retain talent, the Board is of the view that full disclosure of the actual remuneration of each Director, the CEO and top five key management personnel pursuant to Rule 1207(15) and Rule 1207(12) of the listing manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") and Guideline 9.2 of the Code would not be in the interests of the Company, and can be exploited by competitors. The Board is also of the view that a disclosure of the aggregate total remuneration paid to the top five key management personnel (who are not Directors or the CEO) would not be in the interests of the Company, for the same reasons. The remuneration of its Directors, the CEO and its top five key management personnel (who are not Directors or the CEO) 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$50,000 during FY2017.

While the Company currently does not have any employee share option scheme, the RC recognises the benefits of long-term incentive schemes and will evaluate the costs of such schemes and consider implementing such schemes in future.

Remuneration of the Executive Directors and key management personnel commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group. In structuring the compensation framework, the RC also takes into account the risk policies of the Group, the need for the compensation to be symmetric with the risk outcomes and the time horizon of risks.

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 quarterly and full year results announcements via SGXNET and the annual reports. The Board also furnishes timely information and ensures full disclosure of material information to shareholders.

The Management provides the Board with management accounts of the Group's performance, position and prospects on a quarterly basis and as and when deemed necessary for FY2017.

CORPORATE GOVERNANCE REPORT

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 and risk management maintained by the Management and that was in place throughout FY2017 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 reviews, at least annually, the overall adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance and information technology controls, with the assistance of the Management and the internal and external auditors.

For FY2017, the Board has received assurance from the CEO and the CFO that:

(a) the financial records of the Group have been properly maintained and the financial statements 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 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 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 the Management, various Board Committees and the Board, the Board, in concurrence with the AC, is of the opinion 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 2017. These controls are and will be continually assessed for improvement.

The Board acknowledges that it is responsible for the governance of risks and the overall internal control framework, but recognises that no cost effective internal control system will preclude all errors and irregularities, as the system is designed to manage rather than eliminate the risk of failure to achieve business objectives, and can provide only reasonable and not absolute assurance against the occurrence of material errors, poor judgment in decision-making, human errors, losses, fraud or other irregularities. The Board will, on a continuing basis, endeavour to further enhance and improve the Group's system of internal controls and risk management policies.

Risk Management and Processes

Information relating to risk management, objective and policies is set out on pages 102 to 108 of the Annual Report.

Audit Committee
Principle 12: Establishment of an Audit Committee with written terms of reference

The AC comprises Dr. Wu Chiaw Ching, Mr. Wong Ming Kwong and Mr. Raymond Lye Hoong Yip, the majority of whom, including the Chairman, is independent. All members of the AC are non-executive. The Chairman of the AC is Dr. Wu Chiaw Ching, the Lead Independent Director.

The AC members bring with them many years of managerial and professional experience in the areas of finance and business management to sufficiently discharge the AC's functions. The Board is satisfied that the members of the AC, collectively, have relevant accounting and related financial management expertise or experience and are appropriately qualified to discharge their responsibilities. 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 four times a year. In FY2017, the AC shall meet at least once on a quarterly basis 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 Listing Manual and any other relevant statutory or regulatory requirements;

(d) Reviews the internal control procedures and ensures co-ordination between the external auditors and the Management, reviews the assistance given by the Management to the auditors, and 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 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 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.

In addition, all transactions with related parties shall comply with the requirements of the 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 the 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 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. Foo Kon Tan LLP was appointed as the Company's external auditors on 26 October 2015. Mr. Toh Kim Teck is the audit engagement partner-in-charge of the audit of the Company from the reporting year ended 30 September 2015. The Company confirms that Rule 712 of the 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 Foo Kon Tan LLP for re-appointment at the forthcoming AGM. The AC is also satisfied with the level of co-operation rendered by the Management to the external auditors and the adequacy of the scope and quality of their audits.

For FY2017, the amount of audit fees payable by the Group to the external auditors, Foo Kon Tan LLP would be approximately S$135,000. There were no non-audit services rendered by the Group's external auditors, Foo Kon Tan LLP.

The auditors of the Company's subsidiaries and associated companies are disclosed in notes 6 and 7 to the financial statements in the Annual Report. The Company confirms that Rules 712 and 715 of the 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. For FY2017, there were no reports received.

The AC takes measures to keep abreast of the changes to accounting standards and issues which have impact on financial statements with updates provided or training conducted by professionals or external consultants.

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 system as at 30 September 2017.

No former partner or director of the Company's existing auditing firm or auditing corporation is a member of the AC.

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 internal auditor has full access to all of the Group's documents, records, properties and personnel, including access to the AC. During FY2017, the internal auditor had carried out its function according to the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The internal auditor 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 auditor in this respect. The AC is satisfied that the internal auditor is adequately resourced and has the appropriate standing within the Group. The AC is also satisfied that the internal audit function is staffed by suitably qualified and experienced professionals with the relevant experience.

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

In line with the continuing obligations of the Group pursuant to the Listing Manual and the Companies Act, the Board's policy is that all shareholders should be equally informed of all major developments impacting the Group.

Shareholders are entitled to and encouraged to attend all general meetings to stay informed of the Company's goals and strategies and to ensure a high level of accountability. The Board is satisfied that shareholders have been given the opportunity to participate effectively in and vote at general meetings of shareholders. Shareholders are informed of shareholders' meetings through notices contained in annual reports or circulars sent to all shareholders. These notices are also published in the newspapers and posted onto the SGXNET. The shareholders are informed of the rules, including voting procedures, which govern general meetings of shareholders.

The Constitution of the Company allows a shareholder to appoint one or two proxies to attend and vote on behalf of the shareholder. The Constitution of the Company currently does not allow a shareholder to vote in absentia. Shareholders who hold shares through nominees are allowed, upon prior request through their nominees, to attend the general meetings of shareholders as observers without being constrained by the two-proxy rule.

While the Company does not have a dedicated investor relations team, the Company recognises the importance of regular, effective and timely communication with the shareholders. 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. The Company does not practice selective disclosure but in the event where there is inadvertent disclosure made to a select group, the Company endeavours to make the same disclosure publicly to all others as promptly as possible.

CORPORATE GOVERNANCE REPORT

All materials on the quarterly, half-yearly and full year financial results are available on the Company's website – www.goodlandgroup.com.sg. The comprehensive website, which is updated regularly, also contains various others investor related information on the Company which serves as an important resource for investors.

The Company's general meetings are the principal forum for dialogues with its shareholders where the Board and Management address shareholders' concerns, if any. The Company may also solicit views or inputs of shareholders during general meetings.

The Company does not have a formal dividend policy. Any declaration and payment of dividends will depend on, inter alia, the Group's operating results, business and financial conditions, cash flow, capital requirements and other factors deemed relevant by the Board. There can be no assurance that dividends will be paid in the future or of the amount or timing of any dividends that will be paid in the future.

The Company has on 15 May 2017 and 18 August 2017, declared and paid a total interim tax exempt (one-tier) cash dividends of 0.6 Singapore cent ("**Interim Dividend**"). The Board has proposed, for Shareholders' approval at the AGM, a tax exempt (one-tier) final cash dividend of 0.3 Singapore cent, which together with the Interim Dividend represent a total dividend of 0.9 Singapore cent per share for FY2017.

CONDUCT OF SHAREHOLDERS' MEETING

Principle 16: Greater shareholder participation at AGMs

All shareholders of the Company will receive the notice of the AGM and the notice will also be advertised in the newspaper. The Executive 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's Constitution allows a member of the Company to appoint one or two proxies to attend and vote at its general meetings. Shareholders who hold shares through nominees are allowed, upon prior request through their nominees, to attend the general meetings of shareholders as observers without being constrained by the two-proxy rule.

The Company has not amended the Constitution to provide for other methods of voting in absentia due to security and integrity concerns. The Company noted that provision for such other methods of voting in absentia would also require a costly system of authentication to ensure the integrity of information and the identity of shareholders in telephonic and electronic media.

The Company Secretary prepares the minutes of all general meetings which record questions and comments from shareholders together with the responses of the Board and Management. These minutes are available to shareholders upon their request.

Resolutions are, as far as possible, structured separately and may be voted on independently. All resolutions are also voted by poll and the detailed results of the poll voting on each resolution tabled at the AGM, including the total number of votes cast for or against each resolution tabled, would be announced immediately at the AGMs and via SGXNET thereafter. The Company is of the view that manual poll voting is currently sufficient for the purpose of obtaining shareholders' approval at general meetings. The Company will continue to assess the costs and benefits of employing the electronic poll voting system in future.

DEALING IN COMPANY'S SECURITIES

In line with Rule 1207(19) of the 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 commencing two weeks before the announcement of the Company's results for each of the first three quarters of its financial year and one month before the announcement of the company's full year 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.

The Company has complied with Rule 1207(19) of the Listing Manual.

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.

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

During the year under review, save for the information disclosed below, there were no other interested person transactions which exceeds S$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 Listing Manual)	Description of the transaction entered into with the interested person during the financial period under review	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual (excluding transactions less than S$100,000.00)
Tan Chee Beng ("Mr Tan")[1]	S$129,665	As at 30 September 2017, construction works on common infrastructures on the entire plot of land covering the Included Plots and Excluded Plots had been carried out. The construction costs attributable to Citrine Capital Pte Ltd ("Citrine Capital") for the Excluded Plots recharged by the Group to Citrine Capital is S$129,665 for the period under review. Further details are as set out in the Circular dated 15 September 2014.	Nil

CORPORATE GOVERNANCE REPORT

Note:

(1) Mr. Tan is an "Interested Person" within the meaning of Chapter 9 of the SGX-ST Listing by virtue of the following:

(a) Mr. Tan is an executive director and the Executive Chairman of the Company;

(b) Mr. Tan is deemed a controlling shareholder of the Company; and

(c) Mr. Tan is deemed to have a 100% equity interest in Citrine Capital, a private company incorporated in Singapore.

MATERIAL CONTRACTS

Same 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 FY2017 or if not then subsisting, entered into since the end of the previous financial year.

DIRECTORS' STATEMENT

For the financial year ended 30 September 2017

We are pleased to submit this statement to the members of the Company together with the audited financial statements for the financial year ended 30 September 2017.

In our opinion,

(a) the accompanying financial statements of the Group and the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 September 2017 and of the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards; and

(b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

Names of directors

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

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

Arrangements to enable directors to acquire shares or debentures

During and at the end of the financial year, neither the Company nor any of its subsidiaries was a party to any arrangement the object of which was to enable the directors to acquire benefits through the acquisition of shares in or debentures of the Company or of any other corporate body, other than as disclosed in this statement.

DIRECTORS' STATEMENT

For the financial year ended 30 September 2017

Directors' interest in shares or debentures

According to the register kept by the Company for the purposes of Section 164 of the Act, particulars of interests of directors who held office at the end of the financial year (including those of their spouses and infant children) in shares, debentures, warrants and share options in the Company and in related corporations (other than wholly-owned subsidiaries) are as follows:

	Direct interest		Deemed interest	
	As at 1.10.2016	As at 30.9.2017	As at 1.10.2016	As at 30.9.2017
The Company				
Ordinary shares				
Ben Tan Chee Beng	27,795,000	**27,795,000**	255,534,994	**255,534,994**
Alvin Tan Chee Tiong	22,917,400	**22,917,400**	260,412,594	**260,412,594**
Melanie Tan Bee Bee	21,208,700	**21,208,700**	262,121,294	**262,121,294**
Wong Ming Kwong	–	**–**	4,760,000	**4,760,000**

There was no change in the above mentioned interests in shareholdings between the end of the current financial year and 21 October 2017.

As at 21 October 2017, 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 of director	No. of shares	%	No. of shares	%
Ben Tan Chee Beng	27,795,000	7.71	255,534,994	70.84
Alvin Tan Chee Tiong	22,917,400	6.35	260,412,594	72.20
Melanie Tan Bee Bee	21,208,700	5.88	262,121,294	72.67

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 statement, 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.

Share options

No options were granted during the financial year to take up unissued shares of the Company or of its subsidiaries.

No shares were issued during the financial year to which this report related by virtue of the exercise of options to take up unissued shares of the Company or of its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

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 effectiveness of the Company's material internal controls, including financial, operational and compliance controls, information technology controls and risk management systems via reviews carried out by the internal auditors;

(d) 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;

(e) 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);

(f) 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;

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

(h) 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;

(i) 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;

(j) 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

(k) 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.

DIRECTORS' STATEMENT

For the financial year ended 30 September 2017

Audit committee (Cont'd)

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

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, controls and information technology risks, and risk management systems were adequate as at 30 September 2017.

The AC convened four 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.

In appointing our external auditors for the Company, its subsidiaries and significant associates, the Company has complied with Rules 712 and 715 of the SGX-ST Listing Manual.

Independent auditor

The independent auditor, Foo Kon Tan LLP, Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the Directors

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BEN TAN CHEE BENG

....

ALVIN TAN CHEE TIONG

Dated: 29 December 2017

INDEPENDENT AUDITOR'S REPORT

To the members of Goodland Group Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Goodland Group Limited ("the Company") and its subsidiaries ("the Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 September 2017, 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 notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 ("the Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 September 2017 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority ("ACRA") Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

<u>Valuation of investment properties (Refer to Note 5 to the financial statements)</u>

Risk:

The Group's investment properties are stated at their fair values based on independent external valuations.

The valuation of investment properties requires significant judgement. Any input inaccuracies or unreasonable bases used in these judgements could result in a significant impact to the valuation.

INDEPENDENT AUDITOR'S REPORT

To the members of Goodland Group Limited

Key Audit Matters (Cont'd)

Valuation of investment properties (Refer to Note 5 to the financial statements) (Cont'd)

Our response:

We have evaluated the competence, qualification and objectivity of management's external valuers, obtained an understanding of the work of management's external valuers; and evaluated the appropriateness of management's external valuers' work as audit evidence for the relevant assertion. We also read the terms of engagement of the external valuers with the Group to determine whether there were any matters that might have affected their objectivity or limited the scope of their work. Through our appointed auditor's expert, we considered the valuation methodologies used against those applied by the external valuers for similar property types. We have evaluated whether the auditor's expert has the necessary competence, capabilities and objectivity for our purposes.

We also considered the adequacy of the disclosure in the financial statements regarding the inherent degree of subjectivity and key assumptions used in the estimates. This includes the relationships between the key unobservable inputs to fair values.

Our findings:

The Group has a structured process in appointing valuers, and in reviewing and adopting their valuations. The valuation methodologies used are in line with generally-accepted market practices and the key assumptions used are within the range of market data. The approach to the methodologies and in deriving the assumptions in the valuations is supported by market practices and data and the disclosures included in Notes 5 and 36 to the financial statements are appropriate.

Valuation of development properties (Refer to Note 13 to the financial statements)

Risk:

Development properties are stated at the lower of cost and net realisable value. Net realisable value represents the estimated selling price, less estimated costs of completion and selling expenses.

The determination of the estimated net realisable values of these development properties is critically dependent upon the Group's expectation of future selling prices which are affected by, amongst other things, demand and supply factors, interest rates, government policies and economic conditions. There is a risk that the estimate of net realisable values exceeding future selling prices, resulting in a loss when these properties are sold.

Our response:

We assessed the Group's forecast selling prices by comparing these forecast selling prices to, where available, recently transacted sales prices of units in the same project as well as comparable properties. We focused our work on development projects with low margins.

Our findings:

We found that reasonable estimates were used in the determination of the net realisable values.

We have also assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements.

INDEPENDENT AUDITOR'S REPORT

To the members of Goodland Group Limited

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, 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 financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Group's internal control.

INDEPENDENT AUDITOR'S REPORT

To the members of Goodland Group Limited

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore, the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Toh Kim Teck.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore,
29 December 2017

STATEMENTS OF **FINANCIAL POSITION**

As at 30 September 2017

	Note	The Group		The Company	
		30.9.2017	30.9.2016	30.9.2017	30.9.2016
		$	$	$	$
ASSETS					
Non-Current Assets					
Property, plant and equipment	4	**2,913,898**	6,079,950	**–**	–
Investment properties	5	**86,792,567**	85,219,897	**–**	–
Subsidiaries	6	**–**	–	**10,808,463**	10,516,086
Associates	7	**1,908,713**	1,940,961	**–**	–
Available-for-sale financial asset	8	**10,010,000**	10,485,033	**–**	–
Joint venture	9	**–**	–	**–**	–
Deferred tax assets	10	**301,401**	854,955	**–**	–
		101,926,579	104,580,796	**10,808,463**	10,516,086
Current Assets					
Trade and other receivables	11	**52,359,967**	51,781,973	**66,506,893**	66,181,148
Other current assets	12	**53,036**	55,608	**19,546**	22,612
Development properties	13	**196,951,567**	240,034,588	**–**	–
Other financial assets	14	**171,981**	137,387	**–**	–
Cash and cash equivalents	15	**25,074,755**	30,231,047	**1,822,346**	599,591
		274,611,306	322,240,603	**68,348,785**	66,803,351
Total Assets		**376,537,885**	426,821,399	**79,157,248**	77,319,437
EQUITY					
Share capital	16	**63,280,416**	63,280,416	**63,280,416**	63,280,416
Treasury shares	17	**(9,356,702)**	(9,356,702)	**(9,356,702)**	(9,356,702)
Reserves	18	**151,085,690**	135,147,864	**2,534,546**	4,231,263
Equity attributable to owners of the Company		**205,009,404**	189,071,578	**56,458,260**	58,154,977
Non-controlling interests		**46,532,548**	46,347,889	**–**	–
Total Equity		**251,541,952**	235,419,467	**56,458,260**	58,154,977
Non-Current Liabilities					
Obligations under finance leases	19	**51,118**	89,073	**–**	–
Bank borrowings	21	**15,264,576**	17,601,957	**–**	–
Deferred tax liabilities	10	**10,737,234**	31,033,063	**–**	–
		26,052,928	48,724,093	**–**	–
Current Liabilities					
Obligations under finance leases	19	**36,622**	46,578	**–**	–
Convertible bonds	20	**–**	1,659,539	**–**	1,659,539
Trade and other payables	22	**6,745,277**	9,241,262	**22,698,988**	17,504,921
Bank borrowings	21	**91,725,142**	131,730,460	**–**	–
Current tax payable		**435,964**	–	**–**	–
		98,943,005	142,677,839	**22,698,988**	19,164,460
Total Liabilities		**124,995,933**	191,401,932	**22,698,988**	19,164,460
Total Equity and Liabilities		**376,537,885**	426,821,399	**79,157,248**	77,319,437

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF **COMPREHENSIVE INCOME**

For the financial year ended 30 September 2017

	Note	Year ended 30 September 2017 $	Year ended 30 September 2016 $
Revenue	3	**69,820,406**	52,283,307
Cost of sales		**(60,362,516)**	(46,242,662)
Gross profit		**9,457,890**	6,040,645
Other operating income	23	**1,141,455**	629,016
Finance income	24	**23,342**	2,410
Administrative expenses		**(5,602,468)**	(5,967,562)
Finance costs	25	**(1,691,909)**	(1,896,993)
Other operating expenses	26	**(33,598)**	(2,902,743)
Share of results of associates (net of tax)		**(372,265)**	143,249
Profit/(loss) before taxation	26	**2,922,447**	(3,951,978)
Income tax	28	**14,750,415**	65,732
Profit/(loss) after taxation		**17,672,862**	(3,886,246)
Item that may be reclassified subsequently to profit or loss			
Fair value of available-for-sale financial asset	8	**(475,033)**	(245,614)
Revaluation surplus resulting from the reclassification of property, plant and equipment to investment properties	4	**1,524,835**	1,699,316
Foreign currency translation difference		**646,077**	2,681,176
Other comprehensive income for the year, net of tax		**1,695,879**	4,134,878
Total comprehensive income for the year		**19,368,741**	248,632
Profit/(loss) attributable to:			
Owners of the Company		**17,684,820**	(3,867,030)
Non-controlling interests		**(11,958)**	(19,216)
		17,672,862	(3,886,246)
Total comprehensive income/(loss) attributable to:			
Owners of the Company		**19,184,082**	(532,826)
Non-controlling interests		**184,659**	781,458
		19,368,741	248,632
Earnings/(loss) per share			
– Basic earnings/(loss) per share (cents)	29	**4.90**	(1.09)
– Diluted earnings/(loss) per share (cents)	29	**4.90**	(1.09)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

For the financial year ended 30 September 2017

The Group	Share capital	Treasury shares	Acquisition reserve	Currency translation reserve	Equity reserve	Fair value reserve	Revaluation surplus reserve	Merger reserve	Retained earnings	Warrants reserve	Total	Non-controlling interests	Total equity
	<-------	Attributable to equity holders of the Company								------->			
	$	$	$	$	$	$	$	$	$	$	$	$	$
At 1 October 2015	53,980,893	(1,992,727)	78,743,302	(23,516,308)	228,811	252,332	–	(485,076)	81,127,644	960,146	189,299,017	45,566,431	234,865,448
Total comprehensive income for the year													
Profit for the year	–	–	–	–	–	–	–	–	(3,867,030)	–	(3,867,030)	(19,216)	(3,886,246)
Other comprehensive income													
Net change in fair value of available-for-sale financial asset	–	–	–	–	–	(245,614)	–	–	–	–	(245,614)	–	(245,614)
Revaluation surplus resulting from reclassification of property, plant and equipment to investment properties	–	–	–	–	–	–	1,699,316	–	–	–	1,699,316	–	1,699,316
Exchange differences arising from translation	–	–	–	1,880,502	–	–	–	–	–	–	1,880,502	800,674	2,681,176
Total other comprehensive income	–	–	–	1,880,502	–	(245,614)	1,699,316	–	–	–	3,334,204	800,674	4,134,878
Total comprehensive income for the year	–	–	–	1,880,502	–	(245,614)	1,699,316	–	(3,867,030)	–	(532,826)	781,458	248,632
Transactions with owners, recognised directly in equity													
Contributions by and distributions to owners													
Expired warrants	–	–	–	–	–	–	–	–	413,116	(413,116)	–	–	–
Issuance of ordinary shares (Note 16)	9,299,523	–	–	–	–	–	–	–	–	(547,030)	8,752,493	–	8,752,493
Purchase of treasury shares (Note 17)	–	(7,363,975)	–	–	–	–	–	–	–	–	(7,363,975)	–	(7,363,975)
Dividends paid (Note 37)	–	–	–	–	–	–	–	–	(1,083,131)	–	(1,083,131)	–	(1,083,131)
Total contributions by and distributions to owners and total transactions with owners	9,299,523	(7,363,975)	–	–	–	–	–	–	(670,015)	(960,146)	305,387	–	305,387
At 30 September 2016	63,280,416	(9,356,702)	78,743,302	(21,635,806)	228,811	6,718	1,699,316	(485,076)	76,590,599	–	189,071,578	46,347,889	235,419,467

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF **CHANGES IN EQUITY**

For the financial year ended 30 September 2017

The Group	Share capital $	Treasury shares $	Acquisition reserve $	Currency translation reserve $	Equity reserve $	Fair value reserve $	Revaluation surplus reserve $	Merger reserve $	Retained earnings $	Warrants reserve $	Total $	Non-controlling interests $	Total equity $
	← Attributable to equity holders of the Company →												
At 1 October 2016	63,280,416	(9,356,702)	78,743,302	(21,635,806)	228,811	6,718	1,699,316	(485,076)	76,590,599	–	189,071,578	46,347,889	235,419,467
Total comprehensive income for the year													
Profit for the year	–	–	–	–	–	–	–	–	17,684,820	–	17,684,820	(11,958)	17,672,862
Other comprehensive income													
Net change in fair value of available-for-sale financial asset	–	–	–	–	–	(475,033)	–	–	–	–	(475,033)	–	(475,033)
Revaluation surplus resulting from reclassification of property, plant and equipment to investment properties	–	–	–	–	–	–	1,524,835	–	–	–	1,524,835	–	1,524,835
Exchange differences arising from translation	–	–	–	449,460	–	–	–	–	–	–	449,460	196,617	646,077
Total other comprehensive income	–	–	–	449,460	–	(475,033)	1,524,835	–	–	–	1,499,262	196,617	1,695,879
Total comprehensive income for the year	–	–	–	449,460	–	(475,033)	1,524,835	–	17,684,820	–	19,184,082	184,659	19,368,741
Transactions with owners, recognised directly in equity													
Contributions by and distributions to owners													
Dividends paid (Note 37)	–	–	–	–	–	–	–	–	(3,246,256)	–	(3,246,256)	–	(3,246,256)
Total contributions by and distributions to owners and total transactions with owners	–	–	–	–	–	–	–	–	(3,246,256)	–	(3,246,256)	–	(3,246,256)
At 30 September 2017	63,280,416	(9,356,702)	78,743,302	(21,186,346)	228,811	(468,315)	3,224,151	(485,076)	91,029,163	–	205,009,404	46,532,548	251,541,952

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

for the financial year ended 30 September 2017

	Note	Year ended 30 September 2017 $	Year ended 30 September 2016 $
Cash Flows from Operating Activities			
Profit/(Loss) before taxation		**2,922,447**	(3,951,978)
Adjustments for:			
Depreciation of property, plant and equipment	4	**571,286**	654,957
Impairment allowance on other receivables	11	**33,958**	–
Write down in value of development properties for sale	13	**–**	1,721,738
Gain on disposal of property, plant and equipment	23	**(171,929)**	(49,392)
Fair value (gain)/loss on investment properties	5	**(272,000)**	381,005
Loss on disposal of investment properties	26	**–**	800,000
Fair value changes on financial assets, at fair value through profit or loss	23,26	**(34,594)**	12,701
Interest expense	25	**1,691,909**	1,896,993
Interest income	24	**(23,342)**	(2,410)
Dividend income	23	**(4,596)**	(3,198)
Share of loss/(profit) from associates	7	**372,265**	(143,249)
Operating cash flows before working capital changes		**5,085,404**	1,317,167
Change in trade and other receivables and other current assets		**(5,222,765)**	(19,826,978)
Change in trade and other payables		**(3,290,675)**	(1,754,438)
Change in development properties for sale		**41,608,323**	34,715,822
Cash generated from operations		**38,180,287**	14,451,573
Interest received		**23,342**	2,410
Income tax refund		**72,497**	139,763
Net cash generated from operating activities		**38,276,126**	14,593,746
Cash Flows from Investing Activities			
Purchase of property, plant and equipment	4	**(324,338)**	(227,608)
Additions to investment properties	5	**(10,314)**	(1,286,279)
Dividend received from associates		**–**	1,650,000
Proceeds from disposal of property, plant and equipment		**2,753,298**	115,867
Proceeds from disposal of investment properties		**–**	2,200,000
Repayment from associates		**5,100,000**	–
Advances to associates		**(505,697)**	(1,539,135)
Dividend received		**4,596**	3,198
Net cash generated from investing activities		**7,017,545**	916,043
Cash Flows from Financing Activities			
Proceeds from issuance of shares		**–**	8,752,493
Share buy-back		**–**	(7,363,975)
Proceeds from bank loans		**6,187,375**	7,319,251
Repayment of bank loans		**(48,530,074)**	(5,598,592)
Repayment of finance lease liabilities		**(47,911)**	(50,542)
Advances from associates		**480,000**	970,000
Redemption of convertible bonds		**(1,739,422)**	–
Interest paid		**(3,544,134)**	(4,734,903)
Dividend paid	37	**(3,246,256)**	(1,083,131)
Net cash used in financing activities		**(50,440,422)**	(1,789,399)
Net (decrease)/increase in cash and cash equivalents		**(5,146,751)**	13,720,390
Cash and cash equivalents at beginning of year		**30,231,047**	16,508,218
Effect of exchange rate changes on balances held in foreign currencies		**(9,541)**	2,439
Cash and cash equivalents at end of year	15	**25,074,755**	30,231,047

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2017

1 General Information

The financial statements of the Company and of the Group for the year ended 30 September 2017 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company is incorporated as a public limited company and domiciled in the Republic of 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 25 June 2013.

The registered office of the Company is located at 3 Kim Chuan Lane #07-01 Goodland Group Building, Singapore 537069.

The principal activity of the Company is that of an investment holding company. The principal activities of the subsidiaries, associates and joint venture are disclosed in Note 6, Note 7 and Note 9, respectively.

2(a) Basis of preparation

The financial statements are prepared in accordance with Singapore Financial Reporting Standards ("FRS") including related Interpretations promulgated by the Accounting Standards Council ("ASC"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The financial statements are presented in Singapore Dollar which is the Company's functional currency. All financial information is presented in Singapore Dollar, unless otherwise stated.

The preparation of the financial statements in conformity with FRS requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues 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.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

2(a) Basis of preparation (Cont'd)

The critical accounting estimates and assumptions used and areas involving a significant judgement are described below.

(i) Significant judgements in applying accounting policies

Significant influence over investees (Note 7)

Note 7 describes that SL Capital (1) Pte Ltd, SL Capital (3) Pte Ltd, and SL Capital (5) Pte Ltd are associates of the Group although the Group only owns 17% ownership interest in these investees. The Group has significant influences, being the power to participate in the financial and operating policies decisions of these investees, but not control or joint control.

Deferred taxation on investment properties (Note 10)

The Group has assessed that its investment properties are not held under the business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, but rather through sale. Based on the above assessment, the presumption that the carrying amounts of investment properties measured using the fair value model are recovered entirely through sale is not rebutted. As a result, the Group has recognised deferred taxes on changes in the fair value of investment properties located in Malaysia which are subject to real property gains tax.

Income taxes (Note 28)

The assessment of the amount of current and deferred tax involves estimates and assumptions and may involve a series of judgements about future events. Judgement is applied based on the interpretation of country specific tax legislation and the likelihood of settlement. The Group recognises liabilities for expected tax issue based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

(ii) Critical accounting estimates and assumptions

Depreciation of property, plant and equipment (Note 4)

Property, plant and equipment are depreciated on a straight-line basis over their estimated useful lives. Management estimates the useful lives of these property, plant and equipment to be within 3 to 50 years. The estimation of useful lives is based on the assumptions of wear and tear, ageing, changes in demand and the Group's historical experience with similar assets. The Group performs annual reviews on whether the assumptions made on useful lives continue to be valid.

As changes in the expected level of usage, maintenance programmes, and technological developments could impact the economic useful lives and the residual values of these assets, future depreciation charges could be revised. A 5% (2016: 5%) difference in the expected useful lives of these assets from management's estimates would not have any material variance in the Group's profit or loss for the financial year.

2(a) Basis of preparation (Cont'd)

(ii) Critical accounting estimates and assumptions (Cont'd)

Valuation of investment properties (Note 5)

The Group's investment properties and properties, plant and equipment transferred to investment properties are stated at estimated fair value based on the valuation performed by independent professional valuers using various valuation methods including the direct comparison method and capitalisation of income method. The estimated fair value may differ from the price at which the Group's assets could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers. The Group's carrying amount of investment properties as at the reporting date is disclosed in Note 5.

Information about the valuation techniques and unobservable inputs used in determining the fair value of the investment properties and properties, plant and equipment transferred to investment properties is disclosed in Note 36.

If changes in the estimated fair value of the investment properties decreases/increases by 5 % from management's estimates, the Group's profit or loss for the financial year will decrease/increase by 0.1% (2016: 1%).

Estimation of the fair value of available-for-sale financial asset (Note 8)

Information about the valuation techniques and unobservable inputs used in determining the fair value of the "available-for-sale" ("AFS") financial asset is disclosed in Note 36.

A 5% (2016: 5%) difference in the changes to the estimated fair value of this asset from management's assessment would not have any material effect on the Group's comprehensive income for the financial year.

Impairment of trade and other receivables (Note 11)

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.

2(a) Basis of preparation (Cont'd)

(ii) Critical accounting estimates and assumptions (Cont'd)

Impairment of trade and other receivables (Note 11) (Cont'd)

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 experienced 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 experienced.

A 1% (2016 – 1%) difference in the present value of estimated future cash flows from trade and other receivables from management's estimates would result in approximately 3% variance in the Group's profit for the financial year (2016: 13% variance in loss for the financial year).

Carrying amount of development properties (Note 13)

Significant judgement is required in assessing the recoverability of the carrying value of development properties for sale. The Group pre-sells properties under development. Net realisable value in respect of development properties for sale is assessed with reference to pre-sale proceeds received less estimated costs to complete construction.

2(b) New or revised accounting standards and interpretations

The directors do not anticipate that the adoption of the FRSs will have a material impact on the financial statements of the Group and the Company in the period of their initial adoption except for the following new or amended FRSs and INT FRSs issued and effective in year 2016/2017:

Reference	**Description**
Amendments to FRS 1	Disclosure Initiative

The amendments to FRS 1 – Presentation of Financial Statements clarify, rather than significantly change, existing FRS 1 requirements. The amendments clarify:

- The materiality requirements in FRS 1
- That specific line items in the statement(s) of profit or loss and Other Comprehensive Income ("OCI") and the statement of financial position may be disaggregated
- That entities should adopt a systemic order in which they present the notes to the financial statements
- That the share of OCI of associates and joint ventures accounted for using the equity method must be presented in aggregate as a single line item, and classified between those items that will or will not be subsequently reclassified to profit or loss

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2017

2(b) New or revised accounting standards and interpretations (Cont'd)

Furthermore, the amendments clarify the requirements that apply when additional subtotals are presented in the statement of financial position and the statement(s) of profit or loss and OCI. The amendments to FRS 1 are effective for annual periods beginning on or after 1 January 2016.

Following application of these standards, they have had no material impact to the financial position or performance of the Group.

2(c) Standards issued but not yet effective

The Accounting Standards Council announced on 29 May 2014 that Singapore-incorporated companies listed on the SGX-ST will apply a new financial reporting framework identical to the International Financial Reporting Standards ("IFRS") for financial year ending 31 December 2018 onwards. Singapore-incorporated companies listed on the SGX-ST will have to assess the impact of IFRS 1 First-time adoption of IFRS when transitioning to the new reporting framework. The Group is currently assessing the impact of transitioning to the new reporting framework on its financial statements.

The following are new standards and amendments to standards effective for annual periods beginning after 1 October 2017 for which the Group has not early adopted.

Reference	**Description**	**Effective date (Annual periods beginning on or after)**
FRS 109	Financial Instruments	1 January 2018
FRS 115	Revenue from Contracts with Customers	1 January 2018
FRS 116	Leases	1 January 2019
INT FRS 122	Foreign Currency Transaction and Advance Consideration	1 January 2018
Amendments to:		
FRS 7	Disclosure Initiative	1 January 2017
FRS 115	Clarification to FRS 115 : Revenue from Contracts with Customers	1 January 2018
FRS 40	Transfers of Investment Property	1 January 2018

2(c) Standards issued but not yet effective (Cont'd)

The directors do not anticipate that the adoption of the above FRS in future financial periods will have a material impact on the financial statements of the Group except for the following:

FRS 109 Financial Instruments

FRS 109 Financial Instruments replaces the FRS 39 and it is a package of improvements introduced by FRS 109 which include a logical model for:

- Classification and measurement;
- A single, forward – looking "expected loss" impairment model; and
- A substantially reformed approach to hedge accounting.

FRS 109 is effective for annual periods beginning on or after 1 January 2018. The Group is currently assessing the impact to the financial statements.

FRS 115 Revenue Contracts with Customers

FRS 115 Revenue from Contracts with Customers establishes a framework for determining when and how to recognise revenue. The objective of the standard is to establish the principles that an entity shall apply to report useful information about the nature, amount, timing and uncertainty of revenue and cash flows arising from a contract with a customer. It established a new five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods and services to a customer.

The standard replaces FRS 11 Construction Contracts, FRS 18 Revenue, INT FRS 113 Customer Loyalty Programmes, INT FRS 115 Agreements for Construction of Real Estate, INT FRS 118 Transfer of Assets from Customers and INT FRS 31 Revenue – Barter Transactions involving Advertising Services. The new standard applies to contracts with customers. However, it does not apply to insurance contracts, financial instruments or lease contracts, which fall into the scope of other standards.

FRS 115 is effective for annual periods beginning on or after 1 January 2018. The Group is currently assessing the impact to the consolidated financial statements.

2(c) Standards issued but not yet effective (Cont'd)

FRS 115 Revenue Contracts with Customers (Cont'd)

The amendments clarify how to:

- Identify a performance obligation (the promise to transfer a good or a service to a customer) in a contract

- Determine whether a company is a principal (the provider of a good or service) or an agent (responsible for arranging for the good or service to be provided)

- Determine whether the revenue from granting a licence should be recognised at a point in time or over time.

The amendments have the same effective date as the Standard, FRS 115, i.e. on 1 January 2018.

FRS 116 Leases

FRS 116 Leases replaces accounting requirements introduced more than 30 years ago in accordance with FRS 17 Leases that are no longer considered fit for purpose, and is a major revision of the way in which companies where it is required lessees to recognise most leases on their balance sheets. Lessor accounting is substantially unchanged from current accounting in accordance with FRS 17. FRS 116 Leases will be effective for accounting periods beginning on or after 1 January 2019. Early adoption will be permitted, provided the company has adopted FRS 115. The Group is currently assessing the impact to the consolidated financial statements.

INT FRS 122 Foreign Currency Transactions and Advance Consideration

This Interpretation provides requirements about which exchange rate to use in reporting foreign currency transactions (such as revenue transactions) when payment is made or received in advance.

The Interpretations are effective from 1 January 2018.

On initial application, entities would have the option of applying the Interpretations either retrospectively or prospectively in accordance with FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The Group is currently assessing the impact.

Amendments to FRS 7 Statement of Cash Flows

The Amendments to FRS 7 Statement of Cash Flows required entities to reconcile cash flows arising from financing activities as reported in the statement of cash flows – excluding contributed equity – to the corresponding liabilities in the opening and closing statements of financial position and to disclose on any restrictions over the decisions of an entity to use cash and cash equivalent balances, in particular way – e.g. any tax liabilities that would arise on repatriation of foreign cash and cash equivalent balances. These amendments are effective on beginning or after 1 January 2017. As this is a disclosure standard, it will have no impact to the financial position and performance of the Group when applied in 2017/2018.

2(c) Standards issued but not yet effective (Cont'd)

Amendments to FRS 40 Transfers of Investment Property

Under the amendments in FRS 40 Transfers of Investment Property has been amended to state that an entity shall transfer a property to, or from, investment property when, and only when, there is a change in use. A change in use occurs when the property meets, or ceases to meet, the definition of investment property and there is evidence of the change in use. In isolation, a change in management's intentions for the use of a property does not provide evidence of a change in use.

The amendments are effective on 1 January 2018. However, if finalised, earlier adoption is permitted. The amendments would be applied retrospectively in accordance with FRS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The Group is currently assessing the impact.

2(d) Summary of significant accounting policies

Consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the end of the reporting period. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same reporting date as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control and continue to be consolidated until the date that such control ceases.

Losses and other comprehensive income are attributable to the non-controlling interest even if that results in a deficit balance.

2(d) Summary of significant accounting policies (Cont'd)

Consolidation (Cont'd)

<u>Subsidiary</u>

A subsidiary is an investee that is controlled by the Group. The Group controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Thus, the Group controls an investee if and only if the Group has all of the following:

(i) power over the investee;

(ii) exposure, or rights or variable returns from its involvement with the investee; and

(iii) the ability to use its power over the investee to affect its returns.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Group has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Group considers all relevant facts and circumstances in assessing whether or not the Group's voting rights in an investee are sufficient to give it power, including:

- The size of the Group's holding of the voting rights relative to the size and dispersion of holdings of the other vote holders;
- Potential voting rights held by the Group, other vote holders or other parties;
- Rights arising from other contractual arrangements; and
- Any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant authorities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

2(d) Summary of significant accounting policies (Cont'd)

Consolidation (Cont'd)

Non-controlling interest

Non-controlling interest represents the equity in subsidiary not attributable, directly or indirectly, to owners of the Company, and are presented separately in the consolidated statement of profit or loss and other comprehensive income, and within equity in the consolidated statement of financial position, separately from equity attributable to owners of the Company.

Acquisition of non-controlling interests are accounted for as transactions with owners in their capacity as owners and therefore no goodwill is recognised as a result. Adjustments to non-controlling interests are based on a proportionate amount of the net assets of the subsidiary.

Changes in ownership interests in subsidiaries without change of control

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interest and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Group.

Changes in ownership interests in subsidiaries with change of control

When the Group loses control of a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts as at that date when control is lost;
- Derecognises the carrying amount of any non-controlling interest;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained; and
- Recognises any gain or loss in profit or loss.

2(d) Summary of significant accounting policies (Cont'd)

Consolidation (Cont'd)

Changes in ownership interests in subsidiaries with change of control (Cont'd)

A gain or loss is recognised in profit or loss and is calculated as the difference between:

(i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and

(ii) the previous carrying amount of the assets and liabilities of the subsidiary and any non-controlling interest.

All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable FRS).

The fair value of any investment retained in the former subsidiary at the date when the control is lost is regarded as the fair value on the initial recognition for subsequent accounting under FRS 39 when applicable, the costs on initial recognition of an investment in an associate or a joint venture.

Business combination

The Group applies the acquisition method to account for business combinations. The consideration transferred for the acquisition of a subsidiary is the fair values of the assets transferred, the liabilities incurred to the former owners of the acquiree and the equity interests issued by the Group. The consideration transferred includes the fair value of any asset or liability resulting from a contingent consideration arrangement. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. The Group recognises any non-controlling interest in the acquiree on an acquisition-by-acquisition basis, either at fair value or at the non-controlling interest's proportionate share of the recognised amounts of acquiree's identifiable net assets.

Acquisition-related costs are expensed as incurred. If the business combination is achieved in stages, the acquisition date carrying value of the acquirer's previously held equity interest in the acquiree is re-measured to fair value at the acquisition date; any gains or losses arising from such re-measurement are recognised in profit or loss. Any contingent consideration to be transferred by the Group is recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration that is deemed to be an asset or liability is recognised in accordance with FRS 39 either in profit or loss or as a change to other comprehensive income. Contingent consideration that is classified as equity is not re-measured, and its subsequent settlement is accounted for within equity.

2(d) Summary of significant accounting policies (Cont'd)

Consolidation (Cont'd)

Goodwill

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 identifiable net assets acquired is recorded as goodwill.

Bargain purchase

If the total of consideration transferred, non-controlling interest recognised and previously held interest measured is less than the fair value of the net assets of the subsidiary acquired in the case of a bargain purchase, the difference is recognised directly in profit or loss.

Subsidiaries

Subsidiaries are entities controlled by the Company. In the Company's separate statement of financial position, subsidiaries are stated at cost less any impairment losses on an individual subsidiary basis.

Associates

An associate is defined as a company, not being a subsidiary or jointly controlled entity, in which the Group has significant influence, but not control, over its financial and operating policies. Significant influence is presumed to exist when the Group holds between 20% and 50% of the voting power of another entity.

Investments in associates at Company level are stated at cost. Allowance is made for any impairment losses on an individual company basis.

In applying the equity method of accounting, the Group's share of the post-acquisition profit or loss of associates, based on the latest available audited financial statements, is included in the profit or loss and its shares of post-acquisition other comprehensive income is recognised in other comprehensive income. Unrealised gains on transactions between the Group and its associates are eliminated to the extent of the Group's interest in the associates. Unrealised losses are eliminated unless the transaction provides evidence of an impairment of the asset transferred.

When the Group's share of losses of an associate equals or exceeds the carrying amount of an investment, the Group ordinarily discontinues including its share of further losses. The investment is reported at nil value. Additional losses are provided for to the extent that the Group has incurred obligations or made payments on behalf of the associate to satisfy obligations of the associate that the Group has guaranteed or otherwise committed, for example, in the forms of loans. When the associate subsequently reports profits, the Group resumes including its share of those profits only after its share of profits equal the share of net losses recognised.

2(d) Summary of significant accounting policies (Cont'd)

Associates (Cont'd)

The Group's share of the net assets and post-acquisition retained profits and reserves of associates is reflected in the book values of the investments in the consolidated statement of financial position.

Where the accounting policies of an associate do not conform with those of the Company, adjustments are made on consolidation when the amounts involved are considered significant to the Group.

On acquisition of the investment, any difference between the cost of acquisition and the Group's share of the fair values of the net identifiable assets of the associate is accounted for in accordance with the accounting policies on "Consolidation" and "Goodwill".

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.

Property, plant and equipment and depreciation

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed utilising the straight-line method to write off the cost of these assets over their estimated useful lives 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

No depreciation is charged on freehold land.

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

2(d) Summary of significant accounting policies (Cont'd)

Property, plant and equipment and depreciation (Cont'd)

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

Subsequent expenditure relating to property, plant and equipment that have been recognised is added to the carrying amount of the asset when it is probable that future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

Depreciation is recognised from the date that the property, plant and equipment are installed and are ready to use, or in respect of informally constructed assets, from the date that the asset is completed and ready for use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at end of each reporting period as a change in estimates.

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

Investment properties

Investment properties are properties that are currently held either to earn rental or for capital appreciation or both and are not occupied by the Group. Investment properties are initially recognised at cost, including transaction costs and subsequently measured at fair value, based on 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

Transfers to or from, investment properties are made when there is a change in use evidenced by:

- Commencement of owner's occupation, for a transfer from investment properties to property, plant and equipment;
- Commencement of development with a view to sell, for a transfer of investment properties to development properties; or
- End of owner occupation, for a transfer from property, plant and equipment to investment properties.

2(d) Summary of significant accounting policies (Cont'd)

Investment properties (Cont'd)

Transfers (Cont'd)

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.

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.

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.

Financial assets

Financial assets, other than hedging instruments, can be divided into the following categories: financial assets at fair value through profit or loss, held-to-maturity assets, loans and receivables and available-for-sale financial asset. Financial assets are assigned to the different categories by management on initial recognition, depending on the purpose for which the investments were acquired. The designation of financial assets is re-evaluated and classification may be changed at the reporting period with the exception that a financial asset shall not be reclassified into or out of fair value through profit or loss category while it is held or issued.

All financial assets are recognised on their trade date – the date on which the Group commits to purchase or sell the asset. Financial assets are initially recognised at fair value, plus directly attributable transaction costs except for financial assets at fair value through profit or loss, which are recognised at fair value. Derecognition of financial instruments occurs when the rights to receive cash flows from the investments expire or are transferred and substantially all of the risks and rewards of ownership have been transferred. An assessment for impairment is undertaken at least at the end of each reporting date whether or not there is objective evidence that a financial asset or a group of financial assets is impaired.

2(d) Summary of significant accounting policies (Cont'd)

Financial assets (Cont'd)

Non-compounding interest and other cash flows resulting from holding financial assets are recognised in profit or loss when received, regardless of how the related carrying amount of financial assets is measured.

At the reporting date, the Group does not hold any held-to-maturity investments.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss include financial assets that are either classified as held for trading or are designated by the entity to be carried at fair value through profit or loss upon initial recognition. In addition, derivative financial instruments that do not qualify for hedge accounting are classified as held for trading. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the end of reporting period.

Subsequent to initial recognition, the financial assets included in this category are measured at fair value with changes in fair value recognised in profit or loss.

Available-for-sale financial asset

Available-for-sale financial asset include non-derivative financial assets that do not qualify for inclusion in any of the other categories of financial assets. They are included in non-current assets unless management intends to dispose of the investment within 12 months of the end of reporting period.

All financial assets within this category are subsequently measured at fair value with changes in value recognised in equity, net of any effects arising from income taxes, until the financial assets is disposed of or is determined to be impaired, at which time the cumulative gains or losses previously recognised in equity is included in the profit or loss for the period.

When a decline in the fair value of an available-for-sale financial asset has been recognised directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that had been recognised directly in equity shall be removed from the equity and recognised in the profit or loss even though the financial asset has not been derecognised.

The amount of the cumulative loss that is removed from equity and recognised in profit or loss shall be the difference between the acquisition cost (net of any principal repayment and amortisation) and current fair value, less any impairment loss on that financial asset previously recognised in profit or loss.

Impairment losses recognised in profit or loss for equity investments classified as available-for-sale are not subsequently reversed through profit or loss. Impairment losses recognised in profit or loss for debt instruments classified as available-for-sale are subsequently reversed in profit or loss if an increase in the fair value of the instrument can be objectively related to an event occurring after the recognition of the impairment loss.

Impairment losses recognised in a previous interim period in respect of available-for-sale equity investments are not reversed even if the impairment losses would have been reduced or avoided had the impairment assessment been made at a subsequent reporting period or end of reporting period.

2(d) Summary of significant accounting policies (Cont'd)

Financial assets (Cont'd)

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivables. They are included in current assets, except for maturities greater than 12 months after the end of the reporting date. These are classified as non-current assets.

Loans and receivables are recognised initially at fair value plus any directly attributable transaction costs. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less provision for impairment.

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the 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. Subsequent recoveries of amounts previously written off are recognised against the same line item in profit or loss.

Loans and receivables comprise cash and cash equivalents and trade and other receivables.

Determination of fair value

The fair values of quoted financial assets are based on current bid prices. If the market for a financial asset is not active, the Company establishes fair value by using valuation techniques. These include the use of recent arm's length transactions, reference to other instruments that are substantially the same, discounted cash flow analysis, and option pricing models, making maximum use of market inputs. Where fair value of unquoted instruments cannot be measured reliably, fair value is determined by the transaction price.

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.

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.

2(d) Summary of significant accounting policies (Cont'd)

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.

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'.

Share capital and treasury shares

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

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the consideration paid including any directly attributable incremental cost is presented as a component within equity attributable to the Company's equity holders, until they are cancelled, sold or reissued.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued, the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sales or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

Dividends

Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profit, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because of the articles of association of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as liability when they are proposed and declared.

2(d) Summary of significant accounting policies (Cont'd)

Financial liabilities

The Group's financial liabilities include trade and other payables, borrowings, finance lease liabilities and convertible bonds.

Financial liabilities are recognised when the Group becomes a party to the contractual agreements of the instrument. All interest-related charges are recognised as an expense in "finance cost" in the profit or loss. Financial liabilities are derecognised if the Group's obligations specified in the contract expire or are discharged or cancelled.

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, an only when, the Group currently has a legally enforceable right to set off the recognised amounts; and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Borrowings

Borrowings are recognised initially at the fair value of proceeds received less attributable transaction costs, if any. Borrowings are subsequently stated at amortised cost which is the initial fair value less any principal repayments. Any difference between the proceeds (net of transaction costs) and the redemption value is taken to the profit or loss over the period of the borrowings using the effective interest method. The interest expense is chargeable on the amortised cost over the period of the borrowings using the effective interest method.

Gains and losses are recognised in the profit or loss when the liabilities are derecognised as well as through the amortisation process.

Borrowings which are due to be settled within 12 months after the end of reporting period are included in current borrowings in the statement of financial position even though the original terms was for a period longer than twelve months and an agreement to refinance, or to reschedule payments, on a long-term basis is completed after the end of reporting period. Borrowings to be settled within the Group's operating cycle are classified as current. Other borrowings due to be settled more than twelve months after the end of reporting period are included in non-current borrowings in the statement of financial position.

Convertible bonds

Convertible bonds that can be converted into share capital where the number of shares issued does not vary with changes in the fair value of the bonds are accounted for as compound financial instruments. The gross proceeds are allocated to the equity and liability components, with the equity component being assigned the residual amount after deducting the fair value of the liability component from the fair value of the compound financial instruments.

Subsequent to initial recognition, the liability component of convertible bonds is measured at amortised cost using the effective interest method. The equity component of convertible bonds is not re-measured. When the conversion option is exercised, its carrying amount will be transferred to the share capital. When the conversion option lapses, its carrying amount will be transferred to revenue reserve.

When convertible bonds are being repurchased before their maturity date, the purchase consideration (including directly attributable costs, net of tax effects) is allocated to the liability and equity components of the instrument at the date of transaction. Any resulting gain or loss relating to the liability component is recognised in the profit or loss. In an exchange of convertible bonds, the differences between the net proceeds of new convertible bond and the carrying value of the existing convertible bonds (including its equity component) is recognised in the profit or loss.

2(d) Summary of significant accounting policies (Cont'd)

Financial liabilities (Cont'd)

Trade and other payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method.

Finance lease liabilities

Finance lease liabilities are measured at initial value less the capital element of lease repayments (see policy on finance lease).

Borrowings costs

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.

Financial guarantees

The Company has provided guarantees to banks in respect of loan facilities granted to 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.

Leases

Where the Group is the lessee,

Finance leases

Where assets are financed by lease agreements that give rights approximating to ownership, the assets are capitalised as if they had been purchased outright at values equivalent to the lower of the fair values of the leased assets and the present value of the total minimum lease payments during the periods of the leases. The corresponding lease commitments are included under liabilities. The excess of lease payments over the recorded lease obligations are treated as finance charges which are amortised over each lease to give a constant effective rate of charge on the remaining balance of the obligation.

The leased assets are depreciated on a straight-line basis over their estimated useful lives as detailed in the accounting policy on "Property, plant and equipment".

2(d) Summary of significant accounting policies (Cont'd)

Leases (Cont'd)

Where the Group is the lessee, (Cont'd)

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.

Where the Group is the lessor,

Operating 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 leases) 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.

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.

2(d) Summary of significant accounting policies (Cont'd)

Income taxes (Cont'd)

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 liability on real property gains tax arising from acquisition of properties in a business combination is derecognised to the extent that settlement of the liability is no longer required.

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 in countries where there is no capital gain tax, 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.

Current and deferred income tax are recognised as income or expense in the profit or loss, except to the extent that the tax arises from a business combination or a transaction which is recognised either in other comprehensive income or directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets and they relate to income taxes levied by the same tax authorities on the same taxable entity, or on different tax entities, provided they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Employee benefits

Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid under short-term cash bonus if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

Defined contribution plans

A defined contribution national pension is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. The contributions to national pension schemes are charged to the profit or loss in the period to which the contributions relate.

2(d) Summary of significant accounting policies (Cont'd)

Key management personnel

Key management are those persons having the authority and responsibility for planning, directing and controlling the activities of the Group. Directors and certain executive officers are considered key management personnel.

Related parties

A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and Company if that person:

- (i) has control or joint control over the Company;
- (ii) has significant influence over the Company; or
- (iii) is a member of the key management personnel of the Group or Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

- (i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).
- (ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).
- (iii) both entities are joint ventures of the same third party.
- (iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity.
- (v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company.
- (vi) the entity is controlled or jointly controlled by a person identified in (a).
- (vii) a person identified in (a) (i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).
- (viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the reporting entity or to the parent of the reporting entity.

2(d) Summary of significant accounting policies (Cont'd)

Impairment of non-financial assets

The carry amounts of the Company's and Group's non-financial assets subject to impairment are reviewed at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

If it is not possible to estimate the recoverable amount of the individual asset, then the recoverable amount of the cash-generating unit to which the assets belong will be identified.

For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units). As a result, some assets are tested individually for impairment and some are tested at cash-generating unit level. Goodwill is allocated to those cash-generating units that are expected to benefit from synergies of the related business combination and represent the lowest level within the company at which management controls the related cash flows.

Individual assets or cash-generating units that include goodwill and other intangible assets with an indefinite useful life or whose not yet available for use are tested for impairment at least annually. All other individual assets or cash-generating units are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognized for the amount by which the asset's or cash-generating unit's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of fair value, reflecting market conditions less costs to sell and value-in-use, based on an internal discounted cash flow evaluation. Impairment losses recognized for cash generating units, to which goodwill has been allocated are credited initially to the carrying amount of goodwill. Any remaining impairment loss is charged pro rata to the other assets in the cash-generating unit. With the exception of goodwill, all assets are subsequently reassessed for indications that an impairment loss previously recognized may no longer exist.

Any impairment loss is charged to the profit or loss unless it reverses a previous revaluation in which case it is charged to equity.

With the exception of goodwill,

- An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount or when there is an indication that the impairment loss recognized for the asset no longer exists or decrease.

- An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined if no impairment loss had been recognized.

- A reversal of an impairment loss on a revalued asset is credited directly to equity under the heading revaluation surplus. However, to the extent that an impairment loss on the same revalued asset was previously recognized as an expense in the profit or loss, a reversal of that impairment loss is recognized as income in the profit or loss.

An impairment loss in respect of goodwill is not reversed, even if it relates to impairment loss recognized in an interim period that would have been reduced or avoided had the impairment assessment been made at a subsequent reporting or end of reporting period.

2(d) Summary of significant accounting policies (Cont'd)

Foreign currency

Foreign currency transactions and balances

Transactions in foreign currencies are translated to the respective functional currencies of the Group entities at the exchange rate at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the reporting date are translated in terms of historical cost in a foreign currency are translated using the closing exchange rate at the reporting date.

Non-monetary items in a foreign currency that are measured in terms of historical cost are translated using the exchange rate. Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when fair values are determined. Foreign currency differences arising on retranslation are recognised in profit or loss.

Foreign operations

The assets and liabilities of foreign operations are translated to Singapore Dollar at exchange rates at the end of the reporting period. The income and expenses of foreign operations are translated to Singapore Dollar at average exchange rates.

Foreign currency differences are recognised in other comprehensive income, and presented in the foreign currency translation reserve in equity. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests.

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 working-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.

2(d) Summary of significant accounting policies (Cont'd)

Revenue recognition (Cont'd)

Construction revenue

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

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

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

Rendering of services

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

Interest income

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

Rental income

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

Dividend income

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

2(d) Summary of significant accounting policies (Cont'd)

Earnings per share

The Group presents basic and diluted earnings per share data for its ordinary shares. Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted-average number of ordinary shares outstanding during the year, adjusted for own shares held.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted-average number of ordinary shares outstanding, adjusted for own shares held, for the effects of all dilutive potential ordinary shares.

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 Revenue

	2017	2016
The Group	**$**	**$**
Property development	**69,820,406**	52,283,307

4 Property, plant and equipment

The Group	Freehold land $	Freehold building $	Leasehold land and building $	Renovations $	Plant and equipment $	Motor vehicles $	Total $
Cost							
At 1 October 2015	1,315,050	1,676,699	3,136,100	615,441	1,183,736	636,428	8,563,454
Revaluation surplus	698,342	1,000,974	–	–	–	–	1,699,316
Transfer to investment properties (Note 5)	(910,527)	(1,305,111)	–	–	–	–	(2,215,638)
Additions	–	–	–	1,727	202,132	23,749	227,608
Disposals	–	–	–	–	(221,959)	(77,261)	(299,220)
Exchange differences on translation	–	–	–	17	4,060	1,009	5,086
At 30 September 2016	1,102,865	1,372,562	3,136,100	617,185	1,167,969	583,925	7,980,606
Revaluation surplus	577,400	947,435	–	–	–	–	1,524,835
Transfer to investment properties (Note 5)	(764,374)	(1,215,437)	–	–	–	–	(1,979,811)
Additions	–	–	–	28,754	295,584	–	324,338
Disposals	–	–	(3,136,100)	(24,385)	(18,025)	(32,009)	(3,210,519)
Exchange differences on translation	–	–	–	(58)	(2,974)	(1,166)	(4,198)
At 30 September 2017	**915,891**	**1,104,560**	**–**	**621,496**	**1,442,554**	**550,750**	**4,635,251**
Accumulated depreciation							
At 1 October 2015	–	252,953	353,070	102,838	533,229	361,232	1,603,322
Depreciation for the year	–	50,503	124,613	136,491	255,818	87,532	654,957
Transfer to investment properties (Note 5)	–	(125,638)	–	–	–	–	(125,638)
Disposals	–	–	–	–	(155,485)	(77,260)	(232,745)
Exchange differences on translation	–	–	–	1	689	70	760
At 30 September 2016	–	177,818	477,683	239,330	634,251	371,574	1,900,656
Depreciation for the year	–	41,198	72,691	113,994	260,303	83,100	571,286
Transfer to investment properties (Note 5)	–	(119,811)	–	–	–	–	(119,811)
Disposals	–	–	(550,374)	(19,770)	(10,471)	(48,535)	(629,150)
Exchange differences on translation	–	–	–	2	(1,439)	(191)	(1,628)
At 30 September 2017	**–**	**99,205**	**–**	**333,556**	**882,644**	**405,948**	**1,721,353**
Net book value							
At 30 September 2017	**915,891**	**1,005,355**	**–**	**287,940**	**559,910**	**144,802**	**2,913,898**
At 30 September 2016	1,102,865	1,194,744	2,658,417	377,855	533,718	212,351	6,079,950

4 Property, plant and equipment (Cont'd)

During the financial year ended 30 September 2017, the Group transferred a unit of 18 Roberts Lane, Goodland Building from property, plant and equipment because of end of owner occupation. At the date of the transfer, the difference between the carrying amount and its fair value amounting to $1,524,835 was recognised within revaluation surplus reserve.

The carrying amount of property, plant and equipment acquired and secured under finance lease arrangements for the Group as at 30 September 2017 amounted to $88,587 (2016: $161,855).

As at 30 September 2017, freehold and leasehold land and buildings with a total carrying amount of $1,921,246 (2016: $4,956,026) were pledged to certain banks to secure credit facilities for the Group (Note 21).

The properties held by the Group as at 30 September 2017 are as follows:

Location	Tenure	Use of property
3 Kim Chuan Lane, Goodland Group Building, Singapore	Estate in Perpetuity (Freehold)	Corporate Headquarters

5 Investment properties

The Group	2017 $	2016 $
At fair value:		
Balance at beginning of year	**85,219,897**	84,804,752
Additions	**10,314**	1,286,279
Transfer from property, plant and equipment (Note 4)	**1,860,000**	2,090,000
Disposals	**–**	(3,000,000)
Fair value gain/(loss) recognised in profit or loss (Note 26)	**272,000**	(381,005)
Exchange differences on translation	**(569,644)**	419,871
Balance at end of year	**86,792,567**	85,219,897

Determination of fair value of investment properties is disclosed in Note 36.

As at 30 September 2017, investment properties with a total carrying amount of $86,792,567 (2016: $85,219,897) were pledged to certain banks to secure credit facilities for the Group (Note 21).

5 Investment properties (Cont'd)

Investment properties of the Group are leased to non-related parties under operating leases. The following amounts are recognised in the Group's profit or loss during the financial year:

The Group	2017 $	2016 $
Rental income	**352,700**	378,405
Direct operating expenses arising from investment properties that generated rental income	**54,360**	71,478
Direct operating expenses arising from investment properties that did not generated rental income	**191,283**	231,074

The investment properties held by the Group as at 30 September 2017 are as follows:

Description and Location	Land tenure	Approximate floor area (square meters)	Group's effective interest 2017	Group's effective interest 2016
Residential apartment 23 Amber Road #02-06 The Aristo@Amber, Singapore	Estate in Fee Simple (Freehold)	69	**100%**	100%
6-storey commercial cum residential building, 18 Roberts Lane, Goodland Building, Singapore	Estate in Fee Simple (Freehold)	952	**100%**	100%
8-storey industrial building, 3 Kim Chuan Lane, Goodland Group Building, Singapore	Estate in Perpetuity (Freehold)	4,468	**100%**	100%
Commercial development, Off Jalan Simpang Pulai/Gopeng, Perak Darul Ridzuan, Malaysia	Leasehold expiring on 8 April 2114	To be advised	**70%**	70%

6 Subsidiaries

The Company	2017 $	2016 $
Investment in unquoted shares, at cost		
Balance at beginning	**10,516,086**	10,516,086
Additions	**292,377**	–
Balance at end	**10,808,463**	10,516,086

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 September 2017

6 Subsidiaries (Cont'd)

On 25 September 2017, the Company's wholly owned subsidiary, Goodland Group Construction Pte. Ltd. transferred of its 100% shareholding in Goodland Group Construction Sdn. Bhd. to the Company for a consideration of $291,377 in connection with a streamlining of the Group's structure.

The investments in subsidiaries held by the Company at 30 September 2017 and 2016 are as follows:

Name	Country of incorporation	Ownership interest 2017 %	Ownership interest 2016 %	Principal activities
Goodland Development Pte. Ltd.(1)	Singapore	**100**	100	Real estate development
Goodland Investments Pte. Ltd.(1)	Singapore	**100**	100	Investment holding and real estate development
Goodland Capital Pte. Ltd.(1)	Singapore	**100**	100	Investment holding
Goodland Homes Pte. Ltd.(1)	Singapore	**100**	100	Investment holding and real estate development
Goodland Group Construction Pte. Ltd.(1)	Singapore	**100**	100	Building construction including major upgrading works
GPM Builders Pte. Ltd.(1)	Singapore	**100**	100	General building contractors, housekeeping cleaning and maintenance services
Goodland Group Construction Sdn. Bhd.(2)	Malaysia	**100**	100	General building contractors
Banyan Housing Development Sdn. Bhd.(2)	Malaysia	**72**	72	Real estate development
Goodland Ventures Pte. Ltd.(1)	Singapore	**100**	100	Investment holding and real estate activities
Goodland Global Pte. Ltd.(1)	Singapore	**100**	100	Investment holding and real estate activities
Goodland Assets Pte. Ltd.(1)	Singapore	**100**	100	Real estate development
GLG Global Sdn. Bhd.(2)	Malaysia	**100**	100	Real estate development
Goodland Glory Pte. Ltd.(1)	Singapore	**100**	100	Real estate development
Goodland Harvest Pte. Ltd.(1)	Singapore	**100**	100	Real estate development
GLG (Cambodia) Investments Pte. Ltd.(1)	Singapore	**100**	100	Investment holding and real estate development
GLG International Investments Pte. Ltd.(1)	Singapore	**100**	100	Investment holding and real estate development
GLG Homes Pte. Ltd.(1)	Singapore	**100**	100	Real estate development
GLG Capital Pte. Ltd.(1)	Singapore	**100**	–	Real estate development
Held by Goodland Capital Pte. Ltd.				
Citrine Assets Pte. Ltd.(1)	Singapore	**100**	100	Investment holding
Held by Citrine Assets Pte. Ltd.				
T City (Ipoh) Sdn. Bhd.(2)	Malaysia	**70**	70	Real estate development

(1) Audited by Foo Kon Tan LLP, a principal member of HLB International

(2) Audited by a member firm of HLB International

6 **Subsidiaries (Cont'd)**

Summarised financial information in respect of Group subsidiaries that has a material non-controlling interests (NCI) not adjusted for the percentage of equity interest held by the Group is set out below:

The Group	**2017 T City (Ipoh) Sdn. Bhd. $**	**2016 T City (Ipoh) Sdn. Bhd. $**
Current assets	**162,941,779**	166,290,425
Non-current assets	**20,769,343**	21,328,797
Current liabilities	**(1,206,210)**	(1,121,039)
Non-current liabilities	**(9,114,440)**	(30,165,488)
Net assets	**173,390,472**	156,332,695
Net assets attributable to NCI	**52,017,142**	46,899,809
Profit/(loss) for the year	**16,144,664**	(27,590)
Other comprehensive income ("OCI")	**–**	–
Total comprehensive income/(loss)	**16,144,664**	(27,590)
Attributable to NCI:		
– Profit/(loss)	**4,843,399**	(8,277)
– OCI	**–**	–
Total comprehensive income/(loss)	**4,843,399**	(8,277)
Cash flows from		
– Operating activities	**(150,005)**	(98,764)
– financing activities	**73,780**	177,329
Net changes in cash and cash equivalents	**(76,225)**	78,565

7 Associates

The Group	2017 $	2016 $
Unquoted equity investments, at cost	**2,013,007**	1,672,990
Share of post-acquisition (losses)/profits	**(104,294)**	1,917,971
Dividend declared	**–**	(1,650,000)
	1,908,713	1,940,961

Details of the associates are as follows:

Name	Country of incorporation	Ownership interest 2017 %	2016 %	Principal activities
AG Capital Pte. Ltd.(2)	Singapore	**50**	50	Real estate development
Goodland Sunny Pte. Ltd.(1)	Singapore	**50**	50	Real estate investment and development
RGL Equity (Siem Reap) Co., Ltd.(2)	Cambodia	**49**	49	Real estate investment and development
SL Capital (1) Pte. Ltd.(2)	Singapore	**17**	17	Property developer
SL Capital (3) Pte. Ltd.(2)	Singapore	**17**	–	Property developer
SL Capital (5) Pte. Ltd.(2)	Singapore	**17**	–	Property developer

(1) Audited by Foo Kon Tan LLP

(2) Audited by Foo Kon Tan LLP for Group consolidation purposes

Although the Group owned 17% equity interest in SL Capital (1) Pte Ltd, SL Capital (3) Pte Ltd and SL Capital (5) Pte Ltd, the Group has the ability to exercise significant influence, but not control, over its financial and operating policies.

7 Associates (Cont'd)

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

2017	AG Capital Pte. Ltd. $	Goodland Sunny Pte. Ltd. $	RGL Equity (Siem Reap) Co., Ltd. $	SL Capital (1) Pte. Ltd. $	SL Capital (3) Pte. Ltd. $	SL Capital (5) Pte. Ltd. $	Total $
The Group							
Current assets	656,015	2,464,117	3,984,797	16,097,146	100	2,000,000	25,202,175
Non-current assets	–	620,992	5,716	204,094,642	–	–	204,721,350
Current liabilities	(315,289)	(610,830)	(683)	(219,243,590)	–	–	(220,170,392)
Non-current liabilities	–	–	(4,083,179)	–	–	–	(4,083,179)
Net assets attributable to investee's shareholders	340,726	2,474,279	(93,349)	948,198	100	2,000,000	5,669,954
Revenue	214	19,312	–	47,750	–	–	67,276
Expenses	(870,994)	109,249	(51,702)	(54,546)	–	–	(867,993)
(Loss)/profit for the year	(870,780)	128,561	(51,702)	(6,796)	–	–	(800,717)
Other comprehensive income ("OCI")	–	–	–	–	–	–	–
Total comprehensive (loss)/income	(870,780)	128,561	(51,702)	(6,796)	–	–	(800,717)
Attributable to investee's shareholders	(870,780)	128,561	(51,702)	(6,796)	–	–	(800,717)
Group's interest in net assets of investee at beginning of the year	605,753	1,172,859	–	162,349	–	–	1,940,961
Acquisitions	–	–	–	–	17	340,000	340,017
Group's share of:							
– (Loss)/profit for the year	(435,390)	64,280	–	(1,155)	–	–	(372,265)
– OCI	–	–	–	–	–	–	–
Total comprehensive (loss)/income	(435,390)	64,280	–	(1,155)	–	–	(372,265)
Carrying amount of interest in investee at end of the year	170,363	1,237,139	–	161,194	17	340,000	1,908,713

7 Associates (Cont'd)

2016	AG Capital Pte. Ltd. $	Goodland Sunny Pte. Ltd. $	RGL Equity (Siem Reap) Co., Ltd. $	SL Capital (1) Pte. Ltd. $	Total $
The Group					
Current assets	1,866,285	2,127,884	3,554,193	220,191,787	224,786,500
Non-current assets	–	623,981	–	1,794	3,579,424
Current liabilities	(654,780)	(406,147)	(682)	(219,238,590)	(220,300,199)
Non-current liabilities	–	–	(3,599,006)	–	(3,599,006)
Net assets attributable to investee's shareholders	1,211,505	2,345,718	(45,495)	954,991	4,466,719
Revenue	2,000,428	187,194	–	47,570	2,235,192
Expenses	(1,891,284)	(23,326)	(17,386)	(7,907)	(1,939,903)
Profit/(loss) for the year	109,144	163,868	(17,386)	39,663	295,289
Other comprehensive income ("OCI")	–	–	–	–	–
Total comprehensive income	109,144	163,868	(17,386)	39,663	295,289
Attributable to investee's shareholders	109,144	163,868	(17,386)	39,663	295,289
Group's interest in net assets of investee at beginning of the year	1,551,181	1,740,925	–	155,606	3,447,712
Group's share of:					
– Profit for the year	54,572	81,934	–	6,743	143,249
– OCI	–	–	–	–	–
Total comprehensive income	54,572	81,934	–	6,743	143,249
Dividend income	(1,000,000)	(650,000)	–	–	(1,650,000)
Carrying amount of interest in investee at end of the year	605,753	1,172,859	–	162,349	1,940,961

8 Available-for-sale financial asset

The Group	2017 $	2016 $
Unquoted equity investment,		
At 1 October	**10,485,033**	10,730,647
Fair value loss recognised in other comprehensive income	**(475,033)**	(245,614)
At 30 September	**10,010,000**	10,485,033

9 Joint venture

Details of the joint venture are as follows:

Name	Country of incorporation	Ownership interest 2017 %	Ownership interest 2016 %	Principal activities
Goodland KBS Pte. Ltd.	Singapore	–	50	Real estate investment and development

The joint venture was dissolved during the financial year through Members' Voluntary Liquidation.

10 Deferred tax assets/(liabilities)

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

The Group

	2017 $	2016 $
Deferred tax assets		
At 1 October	**854,955**	929,444
Recognised in profit or loss (Note 28)	**(553,554)**	(74,489)
At 30 September	**301,401**	854,955

Deferred tax assets comprise the following:

	2017 $	2016 $
Development properties for sale	**301,401**	854,955
To be recovered:		
– between one and five years	**301,401**	854,955

10 Deferred tax assets/(liabilities) (Cont'd)

Deferred tax liabilities comprise the following:

	2017 $	2016 $
Deferred tax liabilities		
At 1 October	**31,033,063**	31,041,474
Recognised in profit or loss (Note 28)	**(15,667,437)**	(8,411)
Currency translation differences	**(4,628,392)**	–
At 30 September	**10,737,234**	31,033,063

	2017 $	2016 $
Investment properties	**1,032,308**	722,721
Development properties for sale	**9,704,926**	30,310,342
	10,737,234	31,033,063

	2017 $	2016 $
Deferred tax liabilities to be realised:		
– between one and five years	**9,704,926**	30,310,342
– after five years	**1,032,308**	722,721
	10,737,234	31,033,063

11 Trade and other receivables

	The Group		The Company	
	2017 $	2016 $	2017 $	2016 $
Trade receivables				
– Third parties	**43,569,739**	38,335,898	**–**	–
– Related party	**24,197**	–	**–**	–
– Associates	**–**	2,140	**–**	–
	43,593,936	38,338,038	**–**	–
Other receivables				
– Third parties, net[@]	**729,316**	802,193	**–**	22,897
– Subsidiaries	**–**	–	**66,490,498**	66,141,856
– Related party	**2,300**	33,759	**–**	–
– Associates	**7,878,316**	12,490,521	**–**	–
– Joint venture, net[#]	**–**	–	**–**	–
Deposits	**156,099**	117,462	**16,395**	16,395
	52,359,967	51,781,973	**66,506,893**	66,181,148

11 Trade and other receivables (Cont'd)

Movements in the allowance for impairment on other receivables are as follows:

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Third parties				
Gross amount	**763,274**	802,193	**–**	22,897
Less: Allowance for impairment				
At beginning of year	**–**	–	**–**	–
Allowance made	**33,958**	–	**–**	–
At end of year	**33,958**	–	**–**	–
Third parties, net@	**729,316**	802,193	**–**	22,897
Joint venture				
Gross amount	**1,312,066**	1,312,066	**–**	–
Less: Impairment loss at beginning and end of year	**(1,312,066)**	(1,312,066)	**–**	–
Joint venture, net#	**–**	–	**–**	–

Trade receivables have credit terms of between 30 to 90 (2016: 30 to 90) days.

The trade amounts due from related parties and associates are unsecured, interest-free and repayable on demand.

The non-trade amounts due from subsidiaries, associates and related party, comprising mainly advances, are unsecured, interest-free and repayable on demand.

Related party refers to an entity controlled by an executive director of Goodland Group Limited.

12 Other current assets

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Prepayments	**53,036**	55,608	**19,546**	22,612

13 Development properties

The Group	2017 $	2016 $
Properties under development:		
Costs incurred and attributable profits	**321,951,435**	296,259,890
Progress billings	**(145,183,222)**	(85,298,497)
	176,768,213	210,961,393
Completed properties, at cost	**20,183,354**	24,900,498
Completed properties, at net realisable value	**–**	4,172,697
Total development properties	**196,951,567**	240,034,588
Borrowing costs capitalised during the year	**1,828,537**	2,712,369

The rates used to determine the amount of borrowing costs eligible for capitalisation ranged from 2.56% to 3.25% (2016: 2.21% to 4.75%) per annum.

During the financial year ended 30 September 2016, the Group recognised a write down in the value of completed properties amounting to $1,721,738 due to market conditions.

As at 30 September 2017, development properties for sale with a total carrying amount of $196,951,567 (2016: $240,034,588) were pledged to certain banks to secure credit facilities for the Group (Note 21).

13 Development properties (Cont'd)

Details of development properties are as follows:

Property Name and Location	Stage of completion	Expected date of completion	Approximate land area (square meters)	Approximate gross floor area (square meters)	Description	Group's effective interest 2017 %	Group's effective interest 2016 %
Goodland Investments Pte. Ltd. 33 Sirat Road, Singapore	–	1st quarter 2019	179	471	3-storey intermediate terrace dwelling house with an attic	**100**	–
Goodland Development Pte. Ltd. 5 Jalan Chempedak, Singapore	18%	4th quarter 2018	183	329	2-storey intermediate terrace dwelling house with an attic	**100**	–
Goodland Global Pte. Ltd. 28 & 30 Kovan Road Singapore ("The Bently Residences@Kovan"), Singapore	100%	Completed	2,420	3,724	Residential apartment units	**100**	100
Goodland Assets Pte. Ltd. 1 Marne Road ("The Citron and The Citron Residences"), Singapore	95%	1st quarter 2018	1,700	5,100	Residential apartment units with commercial shops at 1st storey	**100**	100
Goodland Harvest Pte. Ltd. 63 Paya Lebar Crescent ("The Morris Residences"), Singapore	100%	Completed	1,515	2,027	A strata terrace landed residential development	**100**	100
GLG International Investments Pte. Ltd. 22 Jalan Tanjong, Singapore	89%	2nd quarter 2018	189	391	3-storey intermediate terrace dwelling house with roof terrace and swimming pool	**100**	100
T City (Ipoh) Sdn. Bhd. Off Jalan Simpang Pulai/Gopeng, Perak Darul Ridzuan, Malaysia	–	To be advised	178,455	To be advised	Commercial and residential development	**70**	70
Banyan Housing Development Sdn. Bhd. No. 204/206/208 Jalan Dr. Lim Chwee Leong, Penang, Malaysia	62%	1st quarter 2018	419	1,109	Commercial shophouses/offices	**72**	72

14 Other financial assets

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Financial assets, at fair value through profit or loss				
– Quoted equity securities, at fair value	**171,981**	137,387	**–**	–

15 Cash and cash equivalents

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Cash and bank balances	**24,070,663**	29,933,802	**818,254**	599,591
Fixed deposit	**1,004,092**	297,245	**1,004,092**	–
Cash and cash equivalents	**25,074,755**	30,231,047	**1,822,346**	599,591

Cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Singapore Dollar	**24,987,713**	29,780,888	**1,822,346**	599,591
Malaysia Ringgit	**87,042**	450,159	**–**	–
	25,074,755	30,231,047	**1,822,346**	599,591

Included in cash and cash equivalents are amounts of $21,117,167 (2016: $28,286,362) maintained in the project accounts. The project accounts consist of monies held under the Housing Developers (Project Account) Rules 1997 from which withdrawals are restricted to payments for costs incurred on projects.

16 Share capital

	2017	2016	2017	2016
The Group and The Company	No. of shares		$	$
Issued and fully paid with no par value:				
At 1 October	**394,066,518**	339,363,442	**63,280,416**	53,980,893
Issue of Shares	**–**	54,703,076	**–**	9,299,523
At 30 September	**394,066,518**	394,066,518	**63,280,416**	63,280,416

The holders of ordinary shares (except for treasury shares) are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restriction.

During the financial year ended 30 September 2016, 54,703,076 warrants were exercised and converted into ordinary shares in the capital of the company, and 57,467,124 warrants expired and lapsed.

17 Treasury shares

The Group and The Company	2017 No. of shares	2016 No. of shares	2017 $	2016 $
At 1 October	**33,371,600**	7,151,000	**9,356,702**	1,992,727
Purchased during the year	**–**	26,220,600	**–**	7,363,975
At 30 September	**33,371,600**	33,371,600	**9,356,702**	9,356,702

During the financial year ended 30 September 2016, the Company acquired 26,220,600 shares in the Company through purchases on the Singapore Exchange. The total amount paid to acquire the shares was $7,363,975 and this was presented as a component within shareholders' equity.

18 Reserves

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Acquisition reserve[(a)]	**78,743,302**	78,743,302	**–**	–
Currency translation reserve[(b)]	**(21,186,346)**	(21,635,806)	**–**	–
Equity reserve[(c)]	**228,811**	228,811	**228,811**	228,811
Fair value reserve[(d)]	**(468,315)**	6,718	**–**	–
Merger reserve[(e)]	**(485,076)**	(485,076)	**–**	–
Revaluation surplus reserve[(f)]	**3,224,151**	1,699,316	**–**	–
Retained earnings	**91,029,163**	76,590,599	**2,305,735**	4,002,452
	151,085,690	135,147,864	**2,534,546**	4,231,263

(a) Acquisition reserve refers to the excess of the net identifiable assets acquired over the consideration transferred arising from a business combination with an entity in which a shareholder has an equity interest.

(b) Translation reserve arises from the translation of financial statements of foreign entities whose functional currencies are different from the Group's presentation currency.

(c) Equity reserve refers to the equity component of the convertible bonds (Note 20). On 30 September 2017, all convertible bonds were fully redeemed by the Company.

(d) Fair value reserve comprises the cumulative net change in the fair value of available-for-sale financial asset until the asset is derecognised or impaired.

(e) 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-interest method.

(f) Revaluation surplus reserve relates to the excess of the revalued amount and the carrying amount of the property upon its transfer from owner-occupied property to investment property.

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For the financial year ended 30 September 2017

19 Obligations under finance leases

The Group	2017 $	2016 $
Future minimum lease payments:		
Due not later than one year	**42,879**	54,264
Due later than one year and not later than five years	**61,433**	105,832
Due later than five years	**–**	–
	104,312	160,096
Future finance charges on finance leases	**(16,572)**	(24,445)
Present value of minimum lease payments	**87,740**	135,651
Present value of minimum lease payments:		
Due not later than one year	**36,622**	46,578
Due later than one year and not later than five years	**51,118**	89,073
Due later than five years	**–**	–
	51,118	89,073
	87,740	135,651
Nominal interest rate	**5.43% to 5.47%**	5.43% to 5.47%

The Group leases certain motor vehicles from third parties under finance leases.

20 Convertible bonds

The Group and The Company	2017 $	2016 $
Issue of convertible bonds	**1,739,422**	1,739,422
Amount classified as equity	**(228,811)**	(228,811)
	1,510,611	1,510,611
Accrued interest	**228,811**	148,928
Redemption	**(1,739,422)**	–
	–	1,659,539
Mature and repayable:		
– within one year	**–**	1,659,539
– between one and five years	**–**	–

As part of the purchase consideration for the acquisition of a subsidiary, Citrine Assets Pte. Ltd. on 1 October 2014 the Company issued non-interest bearing convertible bonds of $1,739,422, that may be convertible by holders into new ordinary shares in the capital of the Company at the conversion price of S$0.38 per share at any time on or after 28 December 2014 and up to the close of business on 30 September 2017. On 29 September 2017, the convertible bonds were fully redeemed by the Company.

21 Bank borrowings

The Group	2017 $	2016 $
Non-current liabilities		
Bank loans	**15,264,576**	17,601,957
Current liabilities		
Bank loans	**91,725,142**	131,730,460
	106,989,718	149,332,417

The Group	2017 $	2016 $
Bank loans due:		
– within one year	**91,725,142**	131,730,460
– between one to five years	**15,264,576**	16,545,867
– after five years	**–**	1,056,090
	106,989,718	149,332,417
Nominal interest rate	**2.47% to 3.25%**	2.21% to 4.75%

Bank loans are secured by:

(i) Mortgages on property, plant and equipment (Note 4), investment properties (Note 5) and development properties (Note 13);

(ii) Assignment of all rights, titles and benefits with respect to these properties;

(iii) Corporate guarantee by the Company;

(iv) Assignment of performance bond, insurances, proceeds and construction contract; and

(v) Assignment of developer's rights and benefits in sale and purchase agreements.

22 Trade and other payables

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Trade payables	**865,085**	1,763,481	**–**	–
Retention sums payable	**5,014**	5,014	**–**	–
Other payables:				
– Third parties	**1,211,028**	2,075,608	**119,060**	66,278
– Subsidiaries	**–**	–	**22,532,688**	17,406,643
– Related parties	**932,974**	926,400	**–**	–
– Associates	**1,450,000**	970,000	**–**	–
Advances/deposits received	**184,523**	286,282	**–**	–
Accrued operating expenses	**2,096,653**	3,214,477	**47,240**	32,000
	6,745,277	9,241,262	**22,698,988**	17,504,921

Trade and other payables have credit terms of between 30 to 90 (2016: 30 to 90) days.

The non-trade amounts due to subsidiaries, related parties and associates, comprising mainly advances, are unsecured, interest-free and repayable on demand.

Related parties refer to the director of the Group and non-controlling interest of subsidiaries.

23 Other operating income

	2017	2016
The Group	$	$
Dividend income	**4,596**	3,198
Gain on disposal of property, plant and equipment	**171,929**	49,392
Fair value gain on investment properties (Note 5)	**272,000**	–
Fair value gain on financial assets, at fair value through profit or loss	**34,594**	–
Management fees	**–**	24,869
Rental Income	**352,700**	378,405
Sales of materials	**–**	23,191
Government grants	**251,906**	139,889
Others	**53,730**	10,072
	1,141,455	629,016

24 Finance income

The Group	2017 $	2016 $
Interest income on bank balances	**23,342**	2,410

25 Finance costs

The Group	2017 $	2016 $
Interest expense on:		
– Finance lease liabilities	**698,006**	8,236
– Borrowings	**913,960**	1,786,292
– Bank overdrafts	**60**	26,251
– Convertible bonds	**79,883**	76,214
	1,691,909	1,896,993

26 Profit/(loss) before taxation

The following items have been included in arriving at profit/(loss) before taxation:

The Group	Note	2017 $	2016 $
Audit fees paid/payable to the auditors of the Company		**135,000**	130,000
Depreciation of property, plant and equipment	4	**571,286**	654,957
Fair value (gain)/loss on financial assets, at fair value through profit or loss		**(34,954)**	12,701
Gain on disposal of property, plant and equipment		**(171,929)**	(49,392)
Exchange loss, net		**10,830**	44,233
Impairment allowance on other receivables	11	**33,958**	–
Operating lease expense – rental		**83,171**	88,681
Fair value (gain)/loss on investment properties	5	**(272,000)**	381,005
Loss on disposal of investment properties		**–**	800,000
Write-down in value of completed properties		**–**	1,721,738

27 Employee benefit expenses

The Group	2017 $	2016 $
Salaries and related costs	**4,296,077**	4,352,657
Contributions to defined contribution plans	**636,727**	624,418
	4,932,804	4,977,075
Included in:		
Cost of sales	**637,751**	892,604
Administrative expenses	**3,943,900**	3,742,237
Development properties	**351,153**	342,234
	4,932,804	4,977,075

28 Income tax expense

The Group	2017 $	2016 $
Current tax expense		
Current year	**437,193**	–
Adjustment for prior years	**(73,725)**	(131,810)
	363,468	(131,810)
Deferred tax expense		
Origination and reversal of temporary differences	**(16,323,002)**	66,078
Adjustment for prior years	**1,209,119**	–
(Note 10)	**(15,113,883)**	66,078
	(14,750,415)	(65,732)

The income tax expense on profit for the financial year varies from the amount of income tax determined by applying the Singapore standard rate of income tax to profit before taxation due to the following factors:

The Group	2017 $	2016 $
Profit before taxation	**2,922,447**	(3,951,978)
Tax at statutory rate of 17% (2016: 17%)	**496,816**	(671,836)
Tax effect on non-deductible expenses	**126,139**	439,819
Tax effect on non-taxable income	**(425,298)**	(5,873)
Effect of different tax rate in foreign jurisdictions	**(6,451)**	(13,105)
Tax credit, exemption and rebate	**(93,578)**	(14,911)
Deferred tax benefits on tax losses not recognised	**370,626**	331,984
Utilisation of tax benefits previously not recognised	**(263,525)**	–
Adjustment/derecognition#	**(14,955,144)**	(131,810)
	(14,750,415)	(65,732)

Includes an amount of $16,164,263 related to derecognition of deferred tax liability on real property gains tax arising from acquisition of properties in a business combination in prior years.

As at 30 September 2017, the Group has unutilised tax losses amounting to approximately $2,042,000 (2016: $1,412,000). Deferred tax assets have not been recognised in respect of these tax losses because it is not probable that future taxable profit will be available against which the Group can utilise the benefits therefrom. The tax losses do not expire and can be carried forward to offset future taxable profits subject to compliance with tax regulations.

29 Earnings/(Loss) per Share

The Group	2017 $	2016 $
Profit/(loss) attributable to owners of the Company	**17,684,820**	(3,867,030)

The Group	2017	2016
Weighted average number of ordinary shares issued used in the calculation of basic earnings/(loss) per share	**360,694,918**	353,807,166
Effect of shares to be issued upon conversion of convertible bonds	**–**	4,577,426
Weighted average number of ordinary shares used to compute diluted earnings/(loss) per share	**360,694,918**	358,384,592
Basic earnings/(loss) (cents per share)	**4.90**	(1.09)
Diluted earnings/(loss) (cents per share)	**4.90**	(1.09)

30 Significant related party transactions

The Group	2017 $	2016 $
Short-term employee benefits	**2,097,085**	2,027,462
Contributions to defined contribution plans	**191,634**	171,235
	2,288,719	2,198,697
Comprised amounts paid/payable to:		
Directors of the Company*	**1,599,138**	1,455,570
Other key management personnel	**689,581**	743,127
	2,288,719	2,198,697

* Includes directors' fees of $150,000 (2016: $150,000)

31 Operating lease commitments (non-cancellable)

(a) Where the Group is the lessee

At the reporting date, the Group was committed to make the following rental payments in respect of operating leases of office premises and office equipment.

The Group	2017 $	2016 $
Not later than one year	**3,180**	42,520
Later than one year and not later than five years	**3,975**	155,012
Later than five years	**–**	603,749

The lease on the Group's office equipment expires on December 2019.

(b) Where the Group is the lessor

At the reporting date, the Group had the following rentals receivable under non-cancellable operating leases related to investment properties:

The Group	2017 $	2016 $
Not later than one year	266,578	308,259
Later than one year and not later than five years	58,902	122,804
Later than five years	–	–

The leases on the Group's investment properties expire between November 2017 and July 2019.

32 Corporate guarantees

As at 30 September 2017, the Company has provided guarantees to banks in respect of credit facilities granted to subsidiaries amounting to $124,569,412 (2016: $166,217,779), of which $106,989,719 (2016: $149,332,417) has been drawn down. At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantees. The fair value of these corporate guarantees is estimated to be insignificant as the borrowings are fully collateralised by the related mortgaged properties and the subsidiaries have the ability to generate sufficient cash flows from their operations to repay the borrowings.

33 Operating segments

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 2017 and 2016 are largely derived from Singapore.

The Group's reportable segments are as follows:

(i) Property development segment – developing properties for sale

(ii) Construction segment – constructing residential and commercial properties

(iii) Property investment segment – investing in properties to earn rentals and for capital appreciation

(iv) Others – comprising mainly corporate office functions and investment in shares

Performance is measured based on segment profit before income tax which is used as a measure of performance is used to measure performance as management believes that such information is the most relevant in evaluating the results of the segments. Segment results include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Inter-segment transactions are determined on mutually agreed terms. Certain assets of the Group that are shared between the different segments. There is no reasonable basis to allocate such 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.

33 Operating segments (Cont'd)

	Sale of development properties		Construction revenue		Investment properties		Others		Total	
	2017	2016	2017	2016	2017	2016	2017	2016	2017	2016
	$	$	$	$	$	$	$	$	$	$
Revenue and other operating income	**69,634,726**	51,969,604	**11,467,573**	9,437,728	**352,700**	378,405	**788,755**	250,611	**82,243,754**	62,036,348
Less: Elimination	**–**	–	**(11,281,893)**	(9,124,025)	**–**	–	**–**	–	**(11,281,893)**	(9,124,025)
	69,634,726	51,969,604	**185,680**	313,703	**352,700**	378,405	**788,755**	250,611	**70,961,861**	52,912,323
Segment result	**8,837,690**	3,680,713	**(15,640)**	(135,695)	**(639,658)**	(1,899,153)	**691,506**	250,611	**8,873,898**	1,896,476
Share of results of associates	**(372,265)**	143,249							**(372,265)**	143,249
Unallocated income									**–**	–
Unallocated expenses									**(5,602,468)**	(5,967,562)
Results from operating activities									**2,899,165**	(3,927,837)
Unallocated interest income									**23,342**	2,410
Unallocated finance costs									**(60)**	(26,551)
Profit before taxation									**2,922,447**	(3,951,978)
Taxation									**14,750,415**	65,732
(Loss)/profit for the year									**17,672,862**	(3,886,246)
Other segment information:										
Write down in value of development properties for sale	**–**	(1,721,738)	**–**	–	**–**	–	**–**	–	**–**	(1,721,738)
Gain on disposal of property, plant and equipment (unallocated)	**–**	–	**–**	–	**–**	–	**–**	–	**171,929**	49,392
Loss on disposal of investment properties	**–**	–	**–**	–	**–**	(800,000)	**–**	–	**–**	(800,000)
Fair value gain/(loss) on investment properties	**–**	–	**–**	–	**272,000**	(381,005)	**–**	–	**272,000**	(381,005)
Gain/(loss) on change in fair value of financial assets, at fair value through profit or loss	**–**	–	**–**	–	**–**	–	**34,954**	(12,701)	**34,954**	(12,701)
Capital expenditures										
– allocated	–	–	**120,454**	158,880	**68,660**	57,215	–	–	**189,114**	216,095
– unallocated	–	–	–	–	**–**	–	–	–	**135,224**	11,513
	–	–	**120,454**	158,880	**68,660**	57,215	–	–	**324,338**	227,608
Additions to investment properties	–	–	**–**	–	**10,314**	1,286,279	**–**	–	**10,314**	1,286,279
Depreciation of property, plant and equipment										
– allocated	–	–	**250,091**	388,092	–	–	–	–	**250,091**	388,092
– unallocated	–	–	–	–	–	–	–	–	**321,195**	266,865
	–	–	**250,091**	388,092	–	–	–	–	**571,286**	654,957
Assets and liabilities										
Segment assets	**260,948,918**	304,145,360	**967,028**	4,065,798	**89,320,485**	88,119,663		–	**351,236,431**	396,330,821
Unallocated assets	**–**	–	**–**	–	**–**	–	**–**	–	**25,301,454**	30,490,578
Total assets	**260,948,918**	304,145,360	**967,028**	4,065,798	**89,320,485**	88,119,663	–	–	**376,537,885**	426,821,399
Segment liabilities	**80,191,966**	142,989,616	**2,271,612**	7,425,702	**29,261,705**	27,827,818	–	–	**111,725,283**	178,243,136
Unallocated liabilities	**–**	–	**–**	–	**–**	–	–	–	**13,270,650**	13,158,796
Total liabilities	**80,191,966**	142,989,616	**2,271,612**	7,425,702	**29,261,705**	27,827,818	**–**	–	**124,995,933**	191,401,932

33 Operating segments (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

The unallocated assets and liabilities are as follows:

The Group	2017 $	2016 $
Unallocated assets:		
Property, plant and equipment	**776**	20,737
Trade and other receivables	**906**	45,799
Other current assets	**53,036**	55,608
Other financial assets	**171,981**	137,387
Cash and cash equivalents	**25,074,755**	30,231,047
	25,301,454	30,490,578
Unallocated liabilities:		
Trade and other payables	**182,910**	23,145
Obligation under finance lease	**87,740**	135,651
Borrowings	**13,000,000**	13,000,000
	13,270,650	13,158,796

Geographical segment

The following table presents revenue and total non-current assets information based on the geographical location of customers and assets:

The Group	Singapore $	Malaysia $	Total $
2017			
External revenue	**69,634,726**	**185,680**	**69,820,406**
Non-current assets excluding deferred tax assets and financial instruments	**70,599,300**	**21,015,878**	**91,615,178**
Deferred tax assets	**301,401**	**–**	**301,401**
Available for sale financial asset	**10,010,000**	**–**	**10,010,000**
Total non-current assets	**80,910,701**	**21,015,878**	**101,926,579**
2016			
External revenue	51,969,604	313,703	52,283,307
Non-current assets excluding deferred tax assets and financial instruments	71,717,324	21,523,484	93,240,808
Deferred tax assets	854,955	–	854,955
Available for sale financial asset	10,485,033	–	10,485,033
Total non-current assets	83,057,312	21,523,484	104,580,796

33 Operating segments (Cont'd)

There is no single external customer or group of customers who accounts for 10% or more of the Group's revenue. Therefore, no information about major customers is disclosed.

34 Financial risk management

The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group is exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk, foreign currency risk and market price risk.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

The carrying amounts of financial assets and financial liabilities at the reporting date by categories of FRS 39 are as follows:

The Group	2017 $	2016 $
Financial assets at fair value through profit or loss		
Other financial assets	**171,981**	137,387
Financial assets at fair value		
Available-for-sale financial asset	**10,010,000**	10,485,033
Loans and receivables		
Trade and other receivables	**52,359,967**	51,781,973
Cash and cash equivalents	**25,074,755**	30,231,047
	77,434,722	82,013,020
Financial liabilities at amortised cost		
Trade and other payables*	**6,560,754**	8,954,980
Obligations under finance leases	**87,740**	135,651
Convertible bonds	**–**	1,659,539
Bank borrowings	**106,989,718**	149,332,417
	113,638,212	160,082,587

* exclude advances/deposits received

34 Financial risk management (Cont'd)

The Company	2017 $	2016 $
Loans and receivables		
Trade and other receivables	**66,506,893**	66,181,148
Cash and cash equivalents	**1,822,346**	599,591
	68,329,239	66,780,739
Financial liabilities at amortised cost		
Trade and other payables	**22,698,988**	17,504,921
Convertible bonds	**–**	1,659,539
	22,698,988	19,164,460

34.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market interest rates.

The Group's exposure to interest rate risk arises from its variable rate borrowings.

Cash flow sensitivity analysis for variable rate instruments

A change of 10 basis points (bp) in interest rates on variable rate borrowings at the reporting date would increase/decrease profit or loss before tax and equity by the amounts shown below.

The magnitude represents management's assessment of the likely movement in interest rates under normal economic conditions. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular foreign currency rates, remain constant.

	Profit before tax increase/(decrease)		Equity increase/(decrease)	
The Group	(10 bp increase) $	(10 bp decrease) $	(10 bp increase) $	(10 bp decrease) $
At 30 September 2017				
Bank loans	**(106,990)**	**106,990**	**(106,990)**	**106,990**

	Loss before tax increase/(decrease)		Equity (decrease)/increase	
The Group	(10 bp increase) $	(10 bp decrease) $	(10 bp increase) $	(10 bp decrease) $
At 30 September 2016				
Bank loans	149,332	(149,332)	(149,332)	149,332

34 Financial risk management (Cont'd)

34.2 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group is exposed to currency risk on financial assets and financial liabilities giving rise to this risk that are denominated in a currency other than the respective functional currencies of Group entities. The currency giving rise to this risk is primarily the United States Dollar. All of the Company's financial assets and financial liabilities are denominated in Singapore Dollar.

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

The Group	USD $
At 30 September 2017	
Financial assets	
Trade and other receivables	**3,883,316**
Financial liabilities	
Trade and other payables*	**(3,880)**
Net financial assets	**3,879,436**
At 30 September 2016	
Financial assets	
Trade and other receivables	3,395,437
Financial liabilities	
Trade and other payables*	(3,602)
Net financial assets	3,391,835

* exclude advances/deposits received

34 Financial risk management (Cont'd)

34.2 Currency risk (Cont'd)

Sensitivity analysis for foreign currency risk

A 5% strengthening of the United States Dollar against the against the functional currency of each of the Group's entities at the reporting date held by the Group and the Company would increase/(decrease) profit or loss before tax by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the reporting date. A weakening of the United States Dollar would have the equal but opposite effect. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular interest rates, remain constant.

	2017		2016	
The Group	**Profit before tax increase/ (decrease) $**	**Equity increase/ (decrease) $**	**Loss before tax increase/ (decrease) $**	**Equity increase/ (decrease) $**
United States Dollar strengthens 5% (2016: 5%)	**193,972**	**193,972**	(169,592)	169,592

34.3 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. As part of its overall prudent liquidity management, the Group maintains sufficient level of cash to meet its working capital requirement.

34 Financial risk management (Cont'd)

34.3 Liquidity risk (Cont'd)

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

	Carrying amount	Contractual undiscounted cash flows			
		Total	Less than 1 year	Between 2 and 5 years	Over 5 years
	$	$	$	$	$
The Group					
As at 30 September 2017					
Trade and other payables*	**6,560,754**	**6,560,754**	**6,560,754**	**–**	**–**
Obligations under finance leases	**87,740**	**104,312**	**42,879**	**61,433**	**–**
Bank borrowings	**106,989,718**	**108,690,683**	**88,893,327**	**19,797,356**	**–**
	113,638,212	**115,355,749**	**95,496,960**	**19,858,789**	**–**
As at 30 September 2016					
Trade and other payables*	8,954,980	8,954,980	8,954,980	–	–
Obligations under finance leases	135,651	160,096	54,264	105,832	–
Bank borrowings	149,332,417	152,271,135	134,014,011	16,664,804	1,592,320
	158,423,048	161,386,211	143,023,255	16,770,636	1,592,320

* exclude advances/deposits received

	Carrying amount	Contractual undiscounted cash flows			
		Total	Less than 1 year	Between 2 and 5 years	Over 5 years
	$	$	$	$	$
The Company					
As at 30 September 2017					
Trade and other payables	**22,698,988**	**22,698,988**	**22,698,988**	**–**	**–**
Financial guarantee contracts	**124,569,412**	**124,569,412**	**124,569,412**	**–**	**–**
	147,268,400	**147,268,400**	**147,268,400**	**–**	**–**
As at 30 September 2016					
Trade and other payables	17,504,921	17,504,921	17,504,921	–	–
Financial guarantee contracts	166,217,779	166,217,779	166,217,779	–	–
	183,722,700	183,722,700	183,722,700	–	–

At the reporting date, the Company does not consider it probable that a claim will be made against under the intragroup financial guarantees.

34 Financial risk management (Cont'd)

34.4 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's exposure to credit risk arises primarily from trade and other receivables.

The Group's objective is to seek continual growth while minimising losses arising from credit risk exposure. The Group closely monitors and avoids any significant concentration of credit risk on any of its development properties sold. In addition, receivable balances and payment profile of the debtors are monitored on an on-going basis with the result that the Group's exposure to bad debts is not significant. For other financial assets, the Group adopts the policy of dealing mainly with reliable credit quality counterparties.

As the Group does not hold any collateral, the maximum exposure to credit risk is represented by the carrying amount of each financial asset. The Company has provided guarantees to banks in respect of credit facilities granted to subsidiaries amounting to $124,569,412 (2016: $166,217,779). At the reporting date, the Company does not consider it probable that a claim will be made against the Company under the intra-group financial guarantees.

The Group establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. This allowance account in respect of trade and other receivables is used to record impairment losses unless the Group 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.

At the reporting date, other than as disclosed in Note 11, no allowance for impairment is necessary in respect of trade and other receivables past due and not past due based on the credit quality and past collection history of the counterparties.

Cash and cash equivalents are placed with banks and financial institutions which are regulated and of good credit ratings.

At the reporting date, there was no significant concentration of credit risk.

The ageing of trade and other receivables that were not impaired at the reporting date was:

	The Group		The Company	
	2017	**2016**	**2017**	**2016**
	$	**$**	**$**	**$**
Neither past due nor impaired	**52,312,808**	47,078,683	**66,490,498**	66,181,148
Past due 0 – 30 days	**41,809**	4,695,732	**–**	–
Past due 31 – 60 days	**160**	470	**–**	–
Past due over 60 days	**5,190**	7,088	**–**	–
	52,359,967	51,781,973	**66,490,498**	66,181,148

34 Financial risk management (Cont'd)

34.5 Market price risk

Market price risk is the risk that the fair value or future cash flows of the Group's financial instruments will fluctuate because of changes in market prices.

Market price risk arises from quoted investments which are classified as financial assets, at fair value through profit or loss.

Market price sensitivity analysis

A 3% increase/decrease in prices of these investments at the reporting date would not result in a material impact on the financial statements of the Group.

35 Capital management

The Group's and the Company's objectives when managing capital are:

(a) To safeguard the Group's and the Company's ability to continue as a going concern;

(b) To support the Group's and the Company's stability and growth;

(c) To provide capital for the purpose of strengthening the Group's and the Company's risk management capability; and

(d) To provide an adequate return to shareholders.

The Group and the Company reviews and manages their capital structures to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group and the Company currently do not adopt any formal dividend policy.

35 Capital management (Cont'd)

Management monitors capital based on net gearing ratio. Net gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as borrowings less cash and cash equivalents.

There were no changes in the Group's and the Company's approach to capital management during the year.

The Group and the Company are not subject to externally imposed capital requirements other than as disclosed.

	The Group		The Company	
	2017	2016	2017	2016
	$	$	$	$
Obligations under finance leases	**87,740**	135,651	–	–
Convertible bonds	–	1,659,539	–	1,659,539
Bank borrowings	**106,989,718**	149,332,417	–	–
Borrowings	**107,077,458**	151,127,607	–	1,659,539
Cash and cash equivalents	**(25,074,755)**	(30,231,047)	**(1,822,346)**	(599,591)
Net debt	**82,002,703**	120,896,560	**(1,822,346)**	1,059,948
Total equity	**251,541,952**	235,419,467	**56,458,260**	58,154,977
Capital net debt ratio	**33%**	51%	**-3%**	2%

36 Fair value measurement

Definition of fair value

FRSs define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy

Financial assets and financial liabilities measured at fair value in the statement of financial position are grouped into three Levels of a fair value hierarchy. The three Levels are defined based on the observability of significant inputs to the measurement, as follows:

- Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 : inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 : unobservable inputs for the asset or liability.

36 Fair value measurement (Cont'd)

Fair values of financial instruments

The following table shows the Levels within the hierarchy of financial assets and liabilities measured at fair value on a recurring basis:

The Group	Level 1 $	Level 2 $	Level 3 $	Total $
30 September 2017				
Available-for-sale financial asset (Note 8)	**–**	**–**	**10,010,000**	**10,010,000**
Financial assets, at fair value through profit or loss (Note 14)	**171,981**	**–**	**–**	**171,981**
	171,981	**–**	**10,010,000**	**10,181,981**
30 September 2016				
Available-for-sale financial asset (Note 8)	–	–	10,485,033	10,485,033
Financial assets, at fair value through profit or loss (Note 14)	137,387	–	–	137,387
	137,387	–	10,485,033	10,622,420

Fair value measurement of financial assets

Available-for-sale financial asset

The fair value of available-for-sale financial asset included in Level 3 is determined as follows:

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Fair value adjusted net asset value	Control	The higher the control, the higher the fair value
	Liquidity	The higher the liquidity, the higher the fair value
	Net assets of investee – land adjusted for factors specific to the revalued land including plot size, plot ratio, location encumbrances and intended use	The higher the net assets of the investee, the higher the fair value.

The reconciliation of the movement is disclosed in Note 8.

Financial assets at fair value through profit or loss (Note 14)

The fair value of quoted equity securities is determined by reference to their quoted closing bid price at the reporting date.

Obligations under finance leases (Note 19)

The carrying amounts of finance leases approximate fair value as they bear interest at rates which approximate market rates for similar arrangements.

36 Fair value measurement (Cont'd)

Bank borrowings (Note 21)

The carrying amounts of bank borrowings (current and non-current) whose interest rates are re-priced within 12 months, approximate their fair values.

Other financial assets and liabilities

The carrying amounts of financial assets and financial liabilities of less than one year including trade and other receivables (Note 11), cash and cash equivalents (Note 15) and trade and other payables, excluding advances/deposits received, (Note 22) approximate their fair values because of the short period to maturity.

Fair value measurement of non-financial assets

Investment properties (Note 5)

The fair value of the investment properties is determined by independent firms of professional valuers who have appropriate recognised professional qualification and experience in the category of the investment properties being valued.

Investment properties are valued on a highest and best used basis. Highest and best used basis is used for fair value measurement of non-financial assets. For all of the Group's investment properties, the current use is considered to be the highest and best use. The fair value of investment properties, classified as Level 3, has been determined using the direct comparison method which is checked against the fair value derived from the income capitalisation method, and residual method.

The direct comparison method involves the analysis of comparable sales of similar properties with adjustments made to reflect the differences in size, location, physical features, condition, tenure, prevailing market conditions and other relevant factors affecting its fair value. The residual method is based on assessment of the value of the project as if it is completed using a comparison approach and deducting the total costs of the development as well as an appropriate allowance for profit on the development.

The fair value of investment properties included in Level 3 is determined as follows:

Valuation technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurement
Direct comparison method	– Price per square meter – Expected average rental growth – Capitalisation rate	The estimated fair value would increase (decrease) if: – Price per square meter was higher (lower); – Expected average rental growth was higher (lower); – Capitalisation rate was lower (higher).
Residual method	– Gross development value – Discount rate	The estimated fair value would increase (decrease) if: – Gross development value was lower (higher); – Discount rate was lower (higher).

The reconciliation of the carrying amounts of investment properties is disclosed in Note 5.

37 Dividend

The Company	2017 $	2016 $
Tax-exempt dividends paid:		
Final dividend of 0.3 cent (2016: 0.3 cent) per share in respect of previous financial year	**1,082,085**	1,083,131
Interim dividend of 0.6 cent (2016: nil) per share in respect of current financial year	**2,164,171**	–
	3,246,256	1,083,131

At the Annual General Meeting, a final dividend of 0.3 Singapore cent per share for the financial year ended 30 September 2017 will be proposed. 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 2018.

STATISTICS OF **SHAREHOLDINGS**

as at 28 December 2017

NUMBER OF ISSUED SHARES	:	394,066,518
NUMBER OF ISSUED SHARES (EXCLUDING TREASURY SHARES)	:	360,694,918
NUMBER/PERCENTAGE OF TREASURY SHARES	:	33,371,600 (9.25%)
CLASS OF SHARES	:	ORDINARY SHARES
VOTING RIGHTS	:	1 VOTE PER SHARE

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO OF SHARES	%
1 – 99	110	24.02	1,560	0.00
100 – 1,000	87	18.99	79,227	0.02
1,001 – 10,000	99	21.62	524,110	0.15
10,001 – 1,000,000	142	30.57	13,711,519	3.80
1,000,001 & above	21	4.80	346,378,502	96.03
TOTAL	459	100.00	360,694,918	100.00

TOP TWENTY SHAREHOLDERS AS AT 28 DECEMBER 2017	NO.OF SHARES	%
CITRINE CAPITAL PTE LTD	79,000,794	21.90
HONG LEONG FINANCE NOMINEES PTE LTD	56,500,000	15.66
KOH CHIN KIM	45,780,000	12.69
DB NOMINEES (S) PTE LTD	35,246,000	9.77
TAN CHEE BENG	27,795,000	7.71
TAN CHEE TIONG	22,917,400	6.35
TAN BEE BEE	21,208,700	5.88
RHB SECURITIES SINGAPORE PTE LTD	13,272,100	3.68
SBS NOMINEES PTE LTD	9,760,000	2.71
CIMB SECURITIES (SINGAPORE) PTE LTD	5,897,989	1.64
RAFFLES NOMINEES (PTE) LTD	4,248,800	1.18
SNG SIEW LIN	3,985,500	1.10
WEE HUI HIAN	3,024,000	0.84
TEO YOKE KWAN	2,669,400	0.74
TAN KIM SENG	2,560,500	0.71
DIANA SNG SIEW KHIM	2,498,400	0.69
DBS NOMINEES PTE LTD	2,373,019	0.66
SEAH KHENG LUN	2,000,000	0.55
YEO KOK HIONG	1,780,000	0.49
MOH SWEE SHYONG	1,142,100	0.32
	344,177,902	95.27

STATISTICS OF SHAREHOLDINGS

as at 28 December 2017

SUBSTANTIAL SHAREHOLDERS

Substantial Shareholders of the Company (as recorded in the Register of Substantial Shareholders) as at 28 December 2017:

	Direct Interest		Deemed Interest	
Name	No. of Shares	%	No. of Shares	%
Koh Chin Kim	45,780,000	12.69	237,549,994	65.86
Tan Chee Beng	27,795,000	7.71	255,534,994(2)	70.84
Tan Chee Tiong	22,917,400	6.35	260,412,594(3)	72.20
Tan Bee Bee	21,208,700	5.88	262,121,294	72.67
Citrine Capital Pte Ltd	79,000,794	21.90	56,500,000(4)	15.67

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 Beng is deemed interested in 14,000,000 ordinary shares held in the name of DB Nominees (S) Pte Ltd, 79,000,794 shares held in the name of Citrine Capital Pte Ltd and 56,500,000 shares held in the name of Hong Leong Finance Nominees Pte Ltd through Citrine Capital Pte Ltd.

(3) Tan Chee Tiong is deemed interested in 16,128,100 ordinary shares held in the name of DB Nominees (S) Pte Ltd.

(4) Citrine Capital Pte Ltd is deemed interested in 56,500,000 ordinary shares held in the name of Hong Leong Finance Nominees Pte Ltd.

SHAREHOLDING BY THE PUBLIC

Based on the information available to the Company as at 28 December 2017, approximately 21.45% 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.

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, 25 January 2018 at 9.00 a.m. to transact the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Statement and the Audited Financial Statements of the Company for the financial year ended 30 September 2017 together with the Auditors' Report thereon. **(Resolution 1)**

2. To declare a final tax-exempt (one-tier) dividend of 0.3 Singapore cent per ordinary share for the financial year ended 30 September 2017. **(Resolution 2)**

3. To approve the payment of Directors' Fees of $150,000.00 for the financial year ending 30 September 2018. (2017: S$150,000.00) **(Resolution 3)**

4. To re-elect the following Directors of the Company who retire by rotation in accordance with Article 98 of the Company's Constitution and who, being eligible, offer themselves for re-election:

   4.1 Mr Lye Hoong Yip, Raymond **(Resolution 4)**

   Mr Lye Hoong Yip, Raymond 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.

   Note: The Company has received a letter from Mr Wong Ming Kwong that he does not wish to seek re-election and will retire at the close of this Annual General Meeting. Mr Wong will relinquish all his positions in the Board Committees.

5. To re-appoint Messrs Foo Kon Tan LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**

6. To transact any other ordinary business which may properly be transacted at an AGM.

AS SPECIAL BUSINESS

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

7. **Authority to allot and issue shares**

   That pursuant to Section 161 of the Companies Act, Chapter 50 ("**Companies Act**") and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), the Directors of the Company be authorised and empowered 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 of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding 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 of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed twenty per cent (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such 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 total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

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

(ii) new Shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(iii) any subsequent bonus issue, consolidation or subdivision of Shares;

in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) all applicable legal requirements under the Companies Act and otherwise, and the Constitution of the Company; and

(3) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.
[See Explanatory Note (i)] **(Resolution 6)**

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:

(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 Constitution 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 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 date by which such annual general meeting is required by law to be held; or

(ii) the date on which the share buybacks 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 of the passing of this Resolution 8 and expiring on the earliest of the date the next annual general meeting of the Company 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 revoked or varied 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

(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;

(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 7.
[See Explanatory Note (ii)] **(Resolution 7)**

Explanatory Notes:

(i) The Ordinary Resolution 6 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 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 the an amount not exceeding in aggregate fifty per cent (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) 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 and subsidiary holdings) 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.

(ii) The Ordinary Resolution 7 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 2 February 2018, for the purpose of determining members' entitlements to the final exempt (one-tier) dividend of 0.3 Singapore cent (the "**Proposed Final Dividend**") to be proposed at the Annual General Meeting of the Company ("**AGM**") to be held on 25 January 2018.

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 2 February 2018 by the Company's Share Registrar, B.A.C.S. Private Limited, 8 Robinson Road, #03-00 ASO Building, Singapore 048544 will be registered to determine members' entitlements to the 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 2 February 2018 will be entitled to such Proposed Final Dividend.

The Proposed Final Dividend, if approved by shareholders at the AGM to be held on 25 January 2018, will be paid on or about on 9 February 2018.

By Order of the Board

Hor Swee Liang
Company Secretary

10 January 2018

Notes:

1. A member of the Company who is not a relevant intermediary is entitled to appoint not more than two proxies to attend and vote at the Annual General Meeting. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy. A proxy need not be a member of the Company.
2. A member of the Company who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the Annual General Meeting, provided that each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in the form of proxy including the number and class of shares in relation to which each proxy has been appointed, at its office at 3 Kim Chuan Lane, #07-01 Goodland Group Building, Singapore 537069.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.
3. The instrument appointing a proxy or proxies must be deposited at its office at 3 Kim Chuan Lane, #07-01 Goodland Group Building, Singapore 537069, not less than forty-eight (48) hours before the time appointed for the Annual General Meeting.

PERSONAL DATA PRIVACY

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

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GOODLAND GROUP LIMITED
Company Registration No. 200405522N
(Incorporated in the Republic of Singapore)

IMPORTANT

1. Relevant intermediaries as defined in Section 181 of the Companies Act, Chapter 50 of Singapore may appoint more than two proxies to attend, speak and vote the Annual General Meeting.
2. This Proxy Form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by CPF investors who hold shares through their CPF funds. CPF investors should contact their respective Agent Banks if they have any queries regarding their appointment as proxies.

PROXY FORM
(Please see notes overleaf before completing this Form)

I/We, ____ *(Name)*

of ____ *(Address)*

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, 25 January 2018 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.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

No.	Resolutions relating to:	For	Against
	Ordinary Business		
1	Adoption of Directors' Statement and Audited Financial Statements for the financial year ended 30 September 2017		
2	Declaration of a final tax-exempt (one-tier) dividend		
3	Approval of Directors' Fees amounting to S$150,000.00 for the financial year ending 30 September 2018 (2017: S$150,000.00)		
4	Re-election of Mr Lye Hoong Yip, Raymond as a Director		
5	Re-appointment of Foo Kon Tan LLP as Auditors		
	Special Business		
6	Authority to allot and issue Shares pursuant to Section 161 of the Companies Act, Cap. 50 of Singapore		
7	Renewal of Share Buy-Back Mandate		

Dated this __________ day of ______________________ 2018

Total number of Shares held

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

IMPORTANT: PLEASE READ NOTES OVERLEAF

Notes:

1. Please insert the total number of shares held by you. If you only have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you only have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. However, 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 who is not a relevant intermediary is entitled to appoint not more than two proxies to attend and vote at the Meeting. Where such Member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.

3. A Member who is a relevant intermediary is entitled to appoint more than two proxies to attend and vote at the Meeting, provided that each proxy must be appointed to exercise the rights attached to a different share or shares held by such Member. In such event, the relevant intermediary shall submit a list of its proxies together with the information required in this form of proxy including the number and class of shares in relation to which each proxy has been appointed, at its office at 3 Kim Chuan Lane, #07-01 Goodland Group Building, Singapore 537069.

   "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act, Chapter 50 of Singapore.

4. A proxy need not be a Member.

5. Completion and return of this instrument appointing a proxy or proxies 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 the 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.

6. The instrument appointing a proxy or proxies must be deposited at its office at 3 Kim Chuan Lane, #07-01 Goodland Group Building, Singapore 537069, not less than forty-eight (48) hours before the time appointed for the Meeting.

Personal Data Privacy

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of AGM dated 10 January 2018.

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GOODLAND GROUP LIMITED
良園集團

Company Registration Number: 200405522N

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