

## Goodland Group Limited

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### Full Year Financial Statement and Dividend Announcement for the Year Ended 30 September 2010

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*Goodland Group Limited (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 8 October 2009. The initial public offering of the Company was sponsored by PrimePartners Corporate Finance Pte. Ltd. (the "Sponsor").*

*This announcement has been prepared by the Company and its contents have been reviewed by the Sponsor for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this announcement.*

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

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**PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS**

**1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

Consolidated Statement of Comprehensive Income

|   | <b>Group</b> |            |                         |
|---|--------------|------------|-------------------------|
|   | S\$'000      |            | %                       |
|   | 30/09/2010   | 30/09/2009 | Increase/<br>(Decrease) |
| Revenue   | 8,219        | 8,554      | (3.9)                   |
| Cost of sales   | (6,457)      | (6,235)    | (3.6)                   |
| Gross profit  | 1,762        | 2,319      | (24.0)                  |
| Other operating income                                    | 1,505        | 710        | 112.0                   |
| Administrative expenses                                   | (2,449)      | (1,864)    | 31.4                    |
| Other operating expenses                                  | (89)         | -          | NM                      |
| Operating profit  | 729          | 1,165      | (37.4)                  |
| Interest income   | 4            | 2          | 100.0                   |
| Finance costs   | (309)        | (357)      | (13.4)                  |
| Share of results of associated companies                  | 649          | (348)      | NM                      |
| Profit before income tax                                  | 1,073        | 462        | 132.3                   |
| Income tax  | 34           | 57         | (40.4)                  |
| Profit for the year                                       | 1,107        | 519        | 113.3                   |
| Other comprehensive income                                |              |            |                         |
| Exchange differences arising from translation, net of tax | 17           | (29)       | NM                      |
| Total comprehensive income                                | 1,124        | 490        | 129.4                   |
| Profit / (Loss) attributable to:                          |              |            |                         |
| Owners of the parent, net of tax                          | 1,114        | 484        | 130.2                   |
| Non controlling interest, net of tax                      | (7)          | 35         | NM                      |
|   | 1,107        | 519        | 113.3                   |
| Total comprehensive income attributable to:               |              |            |                         |
| Owners of the parent, net of tax                          | 1,119        | 472        | 137.1                   |
| Non controlling interest, net of tax                      | 5            | 18         | (72.2)                  |
|   | 1,124        | 490        | 129.4                   |
|   |              |            |                         |

| Notes to Consolidated Statement of Comprehensive Income                     |            |            |                         |
|---|------------|------------|-------------------------|
|   | S\$'000    |            | %                       |
|   | 30/09/2010 | 30/09/2009 | Increase/<br>(Decrease) |
| Profit after income tax is arrived at:                                      |            |            |                         |
| <b>After charging:</b>  |            |            |                         |
| Depreciation of property, plant and equipment                               | 79         | 87         | (9.2)                   |
| Loss / (Gain) on disposal of property, plant and equipment                  | 12         | (9)        | NM                      |
| Interest expense  | 309        | 357        | (13.4)                  |
| Allowance for impairment of debts   | 25         | -          | NM                      |
| Bad debts written off   | 52         | -          | NM                      |
| <b>and crediting:</b>   |            |            |                         |
| Interest income   | (4)        | (2)        | 100.0                   |
| Fair value gain on investment property                                      | (961)      | -          | NM                      |
| Fair value gain on financial assets, at fair value through profit or loss   | (22)       | -          | NM                      |
| Gain on disposal of financial assets, at fair value through profit and loss | (1)        | (7)        | (85.7)                  |
| Dividend income   | (4)        | (5)        | (20.0)                  |
| Gain on disposal of investment property                                     | -          | (115)      | NM                      |

NM = Not Meaningful

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

Statement of Financial Position

|  | <b>Group</b><br>30/09/2010<br>S\$'000 | <b>Group</b><br>30/09/2009<br>S\$'000 | <b>Company</b><br>30/09/2010<br>S\$'000 | <b>Company</b><br>30/09/2009<br>S\$'000 |
|--|---------------------------------------|---------------------------------------|---|---|
| <b>Non-current assets</b>                              |                                       |                                       |   |   |
| Property, plant and equipment                          | 1,626                                 | 1,031                                 | -                                       | -                                       |
| Investment properties                                  | 13,355                                | 15,247                                | -                                       | -                                       |
| Development properties for sale                        | 8,647                                 | -                                     | -                                       | -                                       |
| Investments in associated companies                    | 2,362                                 | 370                                   | -                                       | -                                       |
| Investment in subsidiaries                             | -                                     | -                                     | 2,641                                   | 1,816                                   |
|  | <u>25,990</u>                         | <u>16,648</u>                         | <u>2,641</u>                            | <u>1,816</u>                            |
| <b>Current assets</b>                                  |                                       |                                       |   |   |
| Cash and bank balances                                 | 3,648                                 | 1,419                                 | 3                                       | 489                                     |
| Financial assets, at fair value through profit or loss | 157                                   | 134                                   | -                                       | -                                       |
| Trade and other receivables                            | 5,758                                 | 2,263                                 | 1,386                                   | 186                                     |
| Other current assets                                   | 292                                   | 2,135                                 | -                                       | 2,089                                   |
| Development properties for sale                        | 13,254                                | -                                     | -                                       | -                                       |
|  | <u>23,109</u>                         | <u>5,951</u>                          | <u>1,389</u>                            | <u>2,764</u>                            |
| Less:-   |                                       |                                       |   |   |
| <b>Current liabilities</b>                             |                                       |                                       |   |   |
| Trade and other payables                               | 8,070                                 | 2,787                                 | 167                                     | 3,734                                   |
| Finance lease liabilities                              | 27                                    | 17                                    | -                                       | -                                       |
| Borrowings   | 14,447                                | 2,234                                 | -                                       | -                                       |
| Income tax payable                                     | 415                                   | 735                                   | -                                       | -                                       |
|  | <u>22,959</u>                         | <u>5,773</u>                          | <u>167</u>                              | <u>3,734</u>                            |
| Net current assets /(liabilities)                      | <u>150</u>                            | <u>178</u>                            | <u>1,222</u>                            | <u>(970)</u>                            |
| <b>Non-current liabilities</b>                         |                                       |                                       |   |   |
| Finance lease liabilities                              | 61                                    | 65                                    | -                                       | -                                       |
| Borrowings   | 11,153                                | 6,214                                 | -                                       | -                                       |
| Deferred tax liabilities                               | 165                                   | 306                                   | -                                       | -                                       |
|  | <u>11,379</u>                         | <u>6,585</u>                          | <u>-</u>                                | <u>-</u>                                |
| Net assets   | <u>14,761</u>                         | <u>10,241</u>                         | <u>3,863</u>                            | <u>846</u>                              |
| <b>Capital and reserves</b>                            |                                       |                                       |   |   |
| Share capital  | 4,312                                 | 916                                   | 4,312                                   | 916                                     |
| Retained earnings                                      | 10,851                                | 9,737                                 | (449)                                   | (70)                                    |
| Other reserves   | (503)                                 | (508)                                 | -                                       | -                                       |
| Equity attributable to owners of the parent            | <u>14,660</u>                         | <u>10,145</u>                         | <u>3,863</u>                            | <u>846</u>                              |
| Non controlling interest                               | 101                                   | 96                                    | -                                       | -                                       |
| Total equity   | <u>14,761</u>                         | <u>10,241</u>                         | <u>3,863</u>                            | <u>846</u>                              |

**1(b)(ii) Aggregate amount of group's borrowings and debt securities****Amount repayable in one year or less, or on demand**

| As at 30/09/2010 |           | As at 30/09/2009 |           |
|------------------|-----------|------------------|-----------|
| Secured          | Unsecured | Secured          | Unsecured |
| S\$'000          | S\$'000   | S\$'000          | S\$'000   |
| 14,447           | -         | 2,234            | -         |

**Amount repayable after one year**

| As at 30/09/2010 |           | As at 30/09/2009 |           |
|------------------|-----------|------------------|-----------|
| Secured          | Unsecured | Secured          | Unsecured |
| S\$'000          | S\$'000   | S\$'000          | S\$'000   |
| 11,153           | -         | 6,214            | -         |

**Details of any collateral**

Bank overdraft of the Group is secured by:-

- 1) Legal mortgage on the subsidiary's property
- 2) Assignment of all rights, interest and benefits with respect to the property
- 3) Deed of Subordination of all shareholders' and directors' loans for all monies up to the full retirement of the credit Facilities
- 4) Corporate Guarantee by Goodland Group Limited

Bank borrowings are secured by:-

- 1) Legal mortgages on the borrowing subsidiaries' property, plant and equipment, investment properties and development properties for sale
- 2) Assignment of all rights, interest and benefits with respect to these properties
- 3) Assignment of performance bond, insurances, proceeds and construction contract
- 4) Credit agreement
- 5) Deed of Subordination of all shareholders' and directors' loans for all monies up to the full retirement of the credit Facilities
- 6) Charge on cash deposit
- 7) Corporate Guarantee by Goodland Group Limited
- 8) Joint and several guarantees from certain directors

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

Consolidated Statement of Cash Flows

|   | 30/09/2010 | 30/09/2009 |
|---|------------|------------|
|   | S\$'000    | S\$'000    |
| <b>Cash flows from operating activities</b>   |            |            |
| Profit before income tax  | 1,073      | 462        |
| Adjustments for:-   |            |            |
| Fair value gain on investment property  | (961)      | -          |
| Loss / (Gain) on disposal of plant and equipment  | 12         | (9)        |
| Gain on disposal of financial assets, at fair value through profit or loss              | (1)        | (7)        |
| Gain on disposal of investment property   | -          | (115)      |
| Fair value gain on financial assets, at fair value through profit or loss               | (22)       | -          |
| Allowance for impairment of debts   | 25         | -          |
| Bad debts written off   | 52         | -          |
| Depreciation of property, plant and equipment   | 79         | 87         |
| Interest expense  | 309        | 357        |
| Dividend income   | (4)        | (5)        |
| Interest income   | (4)        | (2)        |
| Share of results of associated companies  | (649)      | 348        |
| Operating cash flow before working capital changes                                      | (91)       | 1,116      |
| Trade and other receivables   | (1,722)    | (1,767)    |
| Trade and other payables  | 4,940      | 780        |
| Development properties for sale   | (19,048)   | 2,331      |
| Cash (used in) / generated from operations  | (15,921)   | 2,460      |
| Income tax paid   | (428)      | (249)      |
| Net cash flow (used in) / generated from operating activities                           | (16,349)   | 2,211      |
| <b>Cash flows from investing activities</b>   |            |            |
| Purchase of property, plant and equipment (Note B)                                      | (269)      | (132)      |
| Purchase of financial assets, at fair value through profit or loss                      | (51)       | (177)      |
| Proceeds from disposal of financial assets, at fair value through profit or loss        | 52         | 102        |
| Proceeds from disposal of property, plant and equipment                                 | 23         | 9          |
| Investment in associated company  | (1,000)    | -          |
| Net proceeds from disposal of investment property                                       | -          | 862        |
| Interest income   | 4          | 2          |
| Dividend received   | 4          | 5          |
| Net cash (used in) / generated from investing activities                                | (1,237)    | 671        |
| <b>Cash flows from financing activities</b>   |            |            |
| Proceeds from issuance of ordinary shares, net  | 3,396      | -          |
| Proceeds from / (Repayment) of borrowings, net  | 17,247     | (2,673)    |
| Pledged deposits  | (90)       | -          |
| Repayment of finance lease liabilities  | (24)       | (25)       |
| Repayment/advances to shareholders, net   | -          | (117)      |
| Interest paid   | (309)      | (357)      |
| Net cash generated from / (used in) financing activities                                | 20,220     | (3,172)    |
| Net increase / (decrease) in cash and cash equivalents                                  | 2,634      | (290)      |
| Cash and cash equivalents at beginning of financial year                                | (518)      | (228)      |
| Effect of exchange rate changes on cash and cash equivalents held in foreign currencies | 10         | -          |
| Cash and cash equivalents at end of financial year (Note A)                             | 2,126      | (518)      |

**Note A**

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

|                           | 30/09/2010   | 30/09/2009   |
|---------------------------|--------------|--------------|
|                           | S\$'000      | S\$'000      |
| Fixed deposits with banks | 145          | 256          |
| Cash and cash at bank     | 3,503        | 1,163        |
| Bank overdraft            | (1,432)      | (1,937)      |
| Fixed deposits pledged    | (90)         | -            |
|                           | <u>2,126</u> | <u>(518)</u> |

**Note B**

Purchases of plant and equipment were financed as follows:

|   | 30/09/2010 | 30/09/2009 |
|---|------------|------------|
|   | S\$'000    | S\$'000    |
| Additions to plant and equipment                    | 709        | 175        |
| Acquired under bank loan / finance lease agreements | (440)      | (43)       |
| Cash payments                                       | <u>269</u> | <u>132</u> |

**1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

Statement of Changes in Equity

| The Group  | Attributable to owners of the parent |                            |  |                              |                  | Non controlling Interest<br>S\$'000 | Total Equity<br>S\$'000 |
|--|--------------------------------------|----------------------------|--|------------------------------|------------------|-------------------------------------|-------------------------|
|  | Share Capital<br>S\$'000             | Merger Reserves<br>S\$'000 | Currency Translation Reserves<br>S\$'000 | Retained Earnings<br>S\$'000 | Total<br>S\$'000 |                                     |                         |
| <b>Balance as at 1 October 2009</b>                              | 916                                  | (485)                      | (23)                                     | 9,737                        | 10,145           | 96                                  | 10,241                  |
| Issue of ordinary shares pursuant to the Initial Public Offering | 6,000                                | -                          | -  | -                            | 6,000            | -                                   | 6,000                   |
| Share issue expenses   | (2,604)                              | -                          | -  | -                            | (2,604)          | -                                   | (2,604)                 |
| Net profit for the year  | -                                    | -                          | -  | 1,114                        | 1,114            | (7)                                 | 1,107                   |
| Other comprehensive income for the year:                         |                                      |                            |  |                              |                  |                                     |                         |
| - Exchange differences arising from consolidation                | -                                    | -                          | 5  | -                            | 5                | 12                                  | 17                      |
| Total comprehensive income for the year                          | -                                    | -                          | 5  | 1,114                        | 1,119            | 5                                   | 1,124                   |
| <b>Balance as at 30 September 2010</b>                           | 4,312                                | (485)                      | (18)                                     | 10,851                       | 14,660           | 101                                 | 14,761                  |
|  |                                      |                            |  |                              |                  |                                     |                         |



| The Group  | Attributable to owners of the parent |                            |                             |  |                              |                  | Non controlling Interest<br>S\$'000 | Total Equity<br>S\$'000 |
|--|--------------------------------------|----------------------------|-----------------------------|--|------------------------------|------------------|-------------------------------------|-------------------------|
|  | Share Capital<br>S\$'000             | Merger Reserves<br>S\$'000 | Capital Reserves<br>S\$'000 | Currency Translation Reserves<br>S\$'000 | Retained Earnings<br>S\$'000 | Total<br>S\$'000 |                                     |                         |
| <b>Balance as at 1 October 2008</b>                              | 431                                  | -                          | 349                         | (11)                                     | 8,904                        | 9,673            | 78                                  | 9,751                   |
| Share swap pursuant to restructuring exercise                    | (31)                                 | -                          | -                           | -  | -                            | (31)             | -                                   | (31)                    |
| Issue of new shares pursuant to restructuring exercise           | 516                                  | -                          | -                           | -  | -                            | 516              | -                                   | 516                     |
| Issue of ordinary shares pursuant to the Initial Public Offering | 322                                  | -                          | -                           | -  | -                            | 322              | -                                   | 322                     |
| Share issue expenses   | (322)                                | -                          | -                           | -  | -                            | (322)            | -                                   | (322)                   |
| Merger reserves arising from the restructuring exercise          | -                                    | (485)                      | -                           | -  | -                            | (485)            | -                                   | (485)                   |
| Net profit for the year  | -                                    | -                          | -                           | -  | 484                          | 484              | 35                                  | 519                     |
| Other comprehensive income for the year:                         |                                      |                            |                             |  |                              |                  |                                     |                         |
| - Exchange differences arising from consolidation                | -                                    | -                          | -                           | (12)                                     | -                            | (12)             | (17)                                | (29)                    |
| Total comprehensive income for the year                          | -                                    | -                          | -                           | (12)                                     | 484                          | 472              | 18                                  | 490                     |
| Transfer of capital reserves to retained earnings                | -                                    | -                          | (349)                       | -  | 349                          | -                | -                                   | -                       |
| <b>Balance as at 30 September 2009</b>                           | 916                                  | (485)                      | -                           | (23)                                     | 9,737                        | 10,145           | 96                                  | 10,241                  |
|  |                                      |                            |                             |  |                              |                  |                                     |                         |

| The Company  | Share<br>Capital<br>S\$'000 | Retained<br>Earnings<br>S\$'000 | Total<br>Equity<br>S\$'000 |
|--|-----------------------------|---------------------------------|----------------------------|
| Balance as at 1 October<br>2009  | 916                         | (70)                            | 846                        |
| Issue of ordinary shares<br>pursuant to Initial Public<br>Offering     | 6,000                       | -                               | 6,000                      |
| Share issue expenses   | (2,604)                     | -                               | (2,604)                    |
| Total comprehensive loss for<br>the year                               | -                           | (379)                           | (379)                      |
| Balance as at 30 September<br>2010                                     | 4,312                       | (449)                           | 3,863                      |
| Balance as at 1 October<br>2008  | 400                         | (15)                            | 385                        |
| Issue of new shares<br>pursuant to restructuring<br>exercise           | 516                         | -                               | 516                        |
| Issue of ordinary shares<br>pursuant to the Initial Public<br>Offering | 322                         | -                               | 322                        |
| Share issue expenses   | (322)                       | -                               | (322)                      |
| Total comprehensive loss for<br>the year                               | -                           | (55)                            | (55)                       |
| Balance as at 30 September<br>2009                                     | 916                         | (70)                            | 846                        |
|  |                             |                                 |                            |

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as well as the number of shares held as treasury shares, if any, against the total issued shares (excluding treasury shares) as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There were no changes in the company's share capital since the end of the previous period reported on.

There were no outstanding options or convertibles as at 30 September 2010 and 30 September 2009.

There were no treasury shares as at 30 September 2010 and 30 September 2009.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

|   | Group       |             |
|---|-------------|-------------|
|   | Unaudited   | Audited     |
| Company   | 30/09/2010  | 30/09/2009  |
| Total number of issued shares (excluding treasury shares) | 159,860,000 | 129,860,000 |

The Company did not have treasury shares as at 30 September 2010 and 30 September 2009 respectively.

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

Not applicable as the Company did not have any treasury shares during and as at the current period reported on.

**2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard**

The figures have not been audited or reviewed by the Company's auditor.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable as the figures have not been audited or reviewed.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied**

With effect from 1 October 2009, FRS 1 (Revised) – Presentation of Financial Statements requires an entity to present separately all owners and non-owners changes in equity. All non-owner changes

in equity (i.e. comprehensive income) are required to be presented in one statement of Comprehensive Income or in two statements (a separate Income Statement and a statement of Comprehensive Income). Non-owner changes will include income and expenses recognised directly in equity. This is a change of presentation and does not affect the recognition or measurement of the Group's transactions. The Group is presenting the statement of comprehensive income in one statement. Previously, such non-owner changes are included in Statement of Changes in Equity and 2009 comparatives have been restated to conform to the requirements of the revised standard.

With effect from 1 October 2009, FRS 108 – Operating Segments requires segment information to be presented on the same basis as that used for internal reporting purposes. Since the basis of the Group's presentation of segment information is consistent with that used for internal reporting purposes, the adoption of this standard did not result in any change to the presentation.

Also, in accordance with the requirement of the Singapore Financial Reporting Standards, with effect from 1 October 2009, the Group adopted FRS 23 (revised) – Borrowing Costs, FRS 27 (revised) – Consolidation and Separate Financial Statements, Amendments to FRS 40 – Investment Property and FRS 103 (revised) – Business Combination. The adoption of these revised accounting standards did not result in any significant effect on the Group's financial statements.

Other than that described above, the Group has applied the same accounting policies and methods of computation to the financial statements for the current financial period as those applied to the audited financial statements for the financial year ended 30 September 2009.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

Save as disclosed above in Note (4), there were no changes in the accounting policies and methods of computation used in the preparation of the financial information in this announcement.

**6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

|  | Group      |            |
|--|------------|------------|
|  | 30/09/2010 | 30/09/2009 |
| Earnings per ordinary share after deducting any provision for preference dividends:- |            |            |
| (a) Basic  | 0.70 cents | 0.86 cents |
| (b) Diluted  | 0.70 cents | 0.86 cents |

Earnings per ordinary share for the financial year ended 30 September 2010 (“FY2010”) in Item 6(a) is computed based on weighted average issued share capital 159,449,041 ordinary shares.

Earnings per ordinary share for the financial year ended 30 September 2009 (“FY2009”) in Item 6(a) is computed based on weighted average issued share capital 57,192,099 ordinary shares.

Diluted earnings per share for FY2009 and FY2010 are the same as basic earnings per share because there were no potential dilutive ordinary shares existing during the respective financial years.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year**

|  | Group      |            | Company    |            |
|--|------------|------------|------------|------------|
|  | 30/09/2010 | 30/09/2009 | 30/09/2010 | 30/09/2009 |
| Net asset value per ordinary share based on issued share capital | 9.17 cents | 7.81 cents | 2.42 cents | 0.65 cents |

Net asset value per share is computed based on the net assets of the Group and the Company respectively, and the issued ordinary share capital of 159,860,000 shares and 129,860,000 shares as at 30 September 2010 and 30 September 2009 respectively.

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, asset or liabilities of the group during the current financial period reported on.**

#### **Revenue**

The Group adopts the completion method for the sale of development properties, in which revenue is booked after Temporary Occupation Permit ("TOP") is obtained.

Group revenue decreased by \$0.3 million, or 3.9%, from \$8.6 million reported in FY2009 to \$8.2 million in FY2010.

The decrease was mainly attributable to lower revenue from the sale of development property from \$3.1 million in FY2009 to \$2.2 million in FY2010. However, this was mitigated by the increase in construction revenue from \$5.4 million in FY2009 to \$6.0 million in FY2010 as the construction revenue was recorded in accordance to the stage of completion.

#### **Cost of sales / Gross profit**

Cost of sales increased from \$6.2 million to \$6.5 million. As a result, gross profit declined from \$2.3 million in FY2009 to \$1.8 million in FY2010 and gross profit margin declined from 27.1% to 21.4%. The lower gross profit margin was due to the lower margin contribution from construction services compared to that achieved in the last financial year.

#### **Other operating income**

Other operating income as reported in FY2010 comprised mainly the gain on revaluation of investment property of \$1.0 million and rental income of \$0.5 million. In FY2009, the Group recorded rental income of \$0.5 million and gain on disposal of investment property of \$0.1 million.

#### **Administrative expenses**

Administrative expenses increased by \$0.6 million to \$2.5 million in FY2010 compared to FY2009 of \$1.9 million. This was due to new hires of qualified management staff, higher professional fees and increased expenses after listing.

### **Other operating expenses**

Other operating expenses mainly pertained to allowance for impairment of debts of \$25,000 and bad debts written off of \$52,000. In addition, there was a loss on disposal of property, plant and equipment which amounted to \$12,000.

### **Depreciation**

Depreciation reduced from \$87,000 in FY2009 to \$79,000 in FY2010 due to certain fully depreciated assets.

### **Finance costs**

Finance cost were reduced by 13.4% from \$357,000 in FY2009 to \$309,000 in FY2010 as the Group decided to develop one of the investment properties held previously and thus the interest expenses were capitalized instead. However, this decline was offset partially by the higher borrowings to finance purchase of property, plant and equipment and for working capital.

### **Share of results of associated companies**

In FY2010, the share of profit of associated companies of \$649,000 was mainly derived from AG Development (Mar Thoma) Pte Ltd as the Vetro project had completed and TOP was obtained. This was in contrast to the share of loss from AG Development (Mar Thoma) Pte Ltd in the previous financial year due to operational expenses.

### **Profit Before Income Tax**

Profit before income tax was \$1.1 million in FY2010 as compared to \$0.5 million in FY2009. The increase was mainly due to the gain on revaluation of investment property of \$1.0 million and the share of profit from associated companies of \$649,000. However, the profit was reduced by the higher administrative expenses of \$0.6 million.

### **Current assets**

Trade and other receivables increased from \$2.3 million as at 30 September 2009 to \$5.8 million as at 30 September 2010 as amount due from associated companies increased and amount receivable from the sale of development property increased.

Other current assets of \$2.1 million in FY2009 were mainly related to the Initial Public Offering expenses incurred which were offset against share capital in FY2010 when the new shares were issued.

Cash and bank balances increased from \$1.4 million as at 30 September 2009 to \$3.6 million as at 30 September 2010 as explained in cash and cash equivalents section below.

Development properties for sale increased by \$13.3 million as the Group purchased a number of new land banks for development purposes during the financial year. These properties are expected to obtain TOP and be sold in the next 12 months.

### **Non-current assets**

Property, plant and equipment increased from \$1.0 million as at 30 September 2009 to \$1.6 million as at 30 September 2010 mainly due to the purchase of a strata-titled factory unit at Northstar for ancillary office and warehousing usage of the Group's construction arm.

Investment properties reduced from \$15.2 million as at 30 September 2009 to \$13.4 million as at 30 September 2010 as the Group commenced development of the properties at Punggol

previously held as investment properties. During the financial year, the Group recognized a gain in revaluation of one of the investment properties of \$1.0 million.

Development properties for sales was \$8.6 million as at 30 September 2010 as the Group purchased new land banks during the financial year for development purposes and these are expected to obtain TOP beyond the 12 months period. This will ensure continuity in the generation of revenue.

The increase in investments in associated companies was due to the 50% investment in the share capital of Goodland Sunny Pte Ltd and the share of profit of AG Development (Mar Thoma) Pte Ltd.

#### **Current and Non-current liabilities**

Trade and other payables increased from \$2.8 million as at 30 September 2009 to \$8.1 million as at 30 September 2010 as the Group received deposits from buyers for the sold units of the development projects. Also, the amount due to associated companies increased.

Finance leases and borrowings increased as the Group obtained higher financing for the purchase of property, plant and equipment and to finance the purchase of land banks and construction cost.

The Group paid the corporate income tax for FY2009 and made necessary provisions for income tax for FY 2010 of \$124,000. Deferred tax liabilities were reduced by \$141,000 in FY2010 due to the recognition of deferred tax benefits from unabsorbed tax losses from certain subsidiaries.

The Group had a net positive working capital of \$150,000 as at 30 September 2010 as compared to \$178,000 as at 30 September 2009.

#### **Capital and reserves**

Share capital increased from \$916,000 as at 30 September 2009 to \$4,312,000 as at 30 September 2010 as the Company issued 30,000,000 new ordinary shares at \$0.20 each pursuant to the IPO exercise and offset \$2,604,000 of related shares issue expenses against the share capital.

Total reserves increased from \$9.2 million as at 30 September 2009 to \$10.3 million as at 30 September 2010 due to the profit earned for the year.

#### **Cash and cash equivalents**

Cash and cash equivalents as at 30 September 2010 were \$2.1 million as compared to deficit of \$0.5 million as at 30 September 2009.

The net cash flow used in operating activities was \$16.3 million in FY2010 as compared to cash inflow of \$2.2 million in FY2009. The cash used was mainly for the purchase of land banks for the purpose of developing properties for sale and higher receivables. However, the amount was partially reduced by the higher payables.

The net cash used in investing activities of \$1.2 million in FY2010 was mainly due to the investment in associated company and the purchase of property, plant and equipment.

The net cash generated from financing activities of \$20.2 million in FY2010 was mainly from the net proceeds from the issuance of 30,000,000 ordinary shares of \$3.4 million and the proceeds from borrowings of \$17.2 million.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable as no profit forecast or prospect statement had been disclosed previously.

**10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.**

According to the real estate statistics released by Urban Redevelopment Authority (“URA”) on 22 October 2010, overall prices of private residential properties increased by 2.9% in 3rd Quarter 2010, compared with the 5.3% increase in the previous quarter.

Prices of landed properties increased by 7.7% in 3rd Quarter 2010, compared with 6.2% in the previous quarter while prices of non-landed properties increased by 1.6% in 3rd Quarter 2010, compared with the 5.0% increase in the previous quarter. On 30 August 2010, the Government introduced certain measures to maintain a stable and sustainable property market, the full impact of which was not felt in the 3rd Quarter statistics. Our Directors believe that these measures will affect the market sentiment as well as create a short term impact upon the property market, resulting in lower transactional volume, and that this phenomenon will continue at least in the near future.

The Group has a mix of land banks that comprises landed and non-landed properties which the Group intends to develop over the next 12 months or more, depending on future developments in the industry. As such, monitoring current market developments with selective land purchases will encourage prudence for the next 12 months.

The construction arm has a healthy pipeline of projects from our development business segment and at the same time, is exploring more opportunities outside the Group.

To aid the expansion of the Group’s businesses, the Company is exploring opportunities to raise funds through either the issuance of securities or derivatives instruments. The Company will update shareholders if there are material developments in this aspect.

**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current period? No

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year? No

**(c) Date payable**

Not applicable

**(d) Books closure date**

Not applicable



**12. If no dividend has been declared/recommended, a statement to that effect**

Not applicable as no dividend has been declared or recommended for the financial year ended 30 September 2010.

**PART II – ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer’s most recently audited annual financial statements, with comparative information for the immediately preceding year.**

|  | Sale of<br>Development<br>properties<br>S\$'000 | Construction<br>revenue<br>S\$'000 | Investment<br>properties<br>S\$'000 | Elimination<br>S\$'000 | Total<br>S\$'000    |
|--|---|------------------------------------|-------------------------------------|------------------------|---------------------|
| <b>2010</b>  |   |                                    |                                     |                        |                     |
| Revenue  | 2,200   | 8,028                              | -                                   | (2,009)                | 8,219               |
| Segment Results  | <u>527</u>                                      | <u>1,235</u>                       | <u>1,431</u>                        |                        | <u>3,193</u>        |
| Unallocated income                                     |   |                                    |                                     |                        | 74                  |
| Unallocated expenses                                   |   |                                    |                                     |                        | <u>(2,538)</u>      |
| Results from<br>operating activities                   |   |                                    |                                     |                        | 729                 |
| Interest income  |   |                                    |                                     |                        | 4                   |
| Finance costs  |   |                                    |                                     |                        | (309)               |
| Share of profit of<br>associated companies             |   |                                    |                                     |                        | <u>649</u>          |
| Profit before income<br>tax expense                    |   |                                    |                                     |                        | 1,073               |
| Income tax expenses                                    |   |                                    |                                     |                        | <u>34</u>           |
| Profit for the year                                    |   |                                    |                                     |                        | <u><u>1,107</u></u> |
| <u>Other segment items</u>                             |   |                                    |                                     |                        |                     |
| Capital expenditure -<br>Property, plant and equipment |   |                                    |                                     |                        | <u>709</u>          |
| Depreciation – Property,<br>plant and equipment        |   |                                    |                                     |                        | <u>79</u>           |
| <u>Assets and Liabilities</u>                          |   |                                    |                                     |                        |                     |
| Segment assets   | <u>21,901</u>                                   | <u>-</u>                           | <u>13,355</u>                       | <u>-</u>               | 35,256              |
| Unallocated assets                                     |   |                                    |                                     |                        | <u>13,843</u>       |
|  |   |                                    |                                     |                        | <u>49,099</u>       |
| Unallocated liabilities<br>and total liabilities       |   |                                    |                                     |                        | <u>34,339</u>       |

|   | <u>Sale of<br/>Development<br/>properties</u><br>S\$'000 | <u>Construction<br/>revenue</u><br>S\$'000 | <u>Investment<br/>properties</u><br>S\$'000 | <u>Others</u><br>S\$'000 | <u>Elimination</u><br>S\$'000 | <u>Total</u><br>S\$'000 |
|---|--|--|---|--------------------------|-------------------------------|-------------------------|
| <b>2009</b>   |  |  |   |                          |                               |                         |
| Revenue   | 3,119  | 5,698                                      | -   | 10                       | (273)                         | 8,554                   |
| Segment Results   | <u>741</u>   | <u>1,576</u>                               | <u>632</u>                                  | <u>2</u>                 |                               | <u>2,951</u>            |
| Unallocated Income  |  |  |   |                          |                               | 78                      |
| Unallocated Expenses                                      |  |  |   |                          |                               | <u>(1,864)</u>          |
| Results from<br>operating activities                      |  |  |   |                          |                               | 1,165                   |
| Interest income   |  |  |   |                          |                               | 2                       |
| Finance costs   |  |  |   |                          |                               | (357)                   |
| Share of profit of<br>associated<br>companies             |  |  |   |                          |                               | <u>(348)</u>            |
| Profit before income<br>tax expense                       |  |  |   |                          |                               | 462                     |
| Income tax credit   |  |  |   |                          |                               | <u>57</u>               |
| Profit for the year                                       |  |  |   |                          |                               | <u>519</u>              |
| <u>Other segment items</u>                                |  |  |   |                          |                               |                         |
| Capital expenditure -<br>Property, plant and<br>equipment |  |  |   |                          |                               | <u>175</u>              |
| Depreciation – Property,<br>plant and equipment           |  |  |   |                          |                               | <u>87</u>               |
| <u>Assets and Liabilities</u>                             |  |  |   |                          |                               |                         |
| Segment assets  | -  | -  | 15,247                                      | -                        | -                             | 15,247                  |
| Unallocated assets  |  |  |   |                          |                               | <u>7,352</u>            |
|   |  |  |   |                          |                               | <u>22,599</u>           |
| Unallocated liabilities<br>and total liabilities          |  |  |   |                          |                               | <u>12,358</u>           |

**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**

Refer to item 8

**15. A breakdown of sales**

|  | Group      |            |                         | Company    |            |                         |
|--|------------|------------|-------------------------|------------|------------|-------------------------|
|  | S\$'000    |            | %                       | S\$'000    |            | %                       |
|  | 30/09/2010 | 30/09/2009 | Increase/<br>(Decrease) | 30/09/2010 | 30/09/2009 | Increase/<br>(Decrease) |
| Sales reported for first half year   | 3,220      | 6,182      | (47.9)                  | -          | -          | -                       |
| Operating profit/(loss) after tax before deducting minority interests reported for first half year | (380)      | 200        | NM                      | (213)      | (2)        | 10,550.0                |
| Sales reported for second half year  | 4,999      | 2,372      | 110.8                   | -          | -          | -                       |
| Operating profit/(loss) after tax before deducting minority interests reported for first half year | 1,487      | 319        | 360.8                   | (165)      | (53)       | 211.3                   |

**16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

Not applicable as no annual dividends were issued for the latest full year and the previous full year.

**17. Interested person transactions**

For the financial year ended 30 September 2010:

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

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

**BY ORDER OF THE BOARD**

**Tan Chee Tiong  
Chief Executive Officer  
26 November 2010**