



BUILDING EXCELLENCE

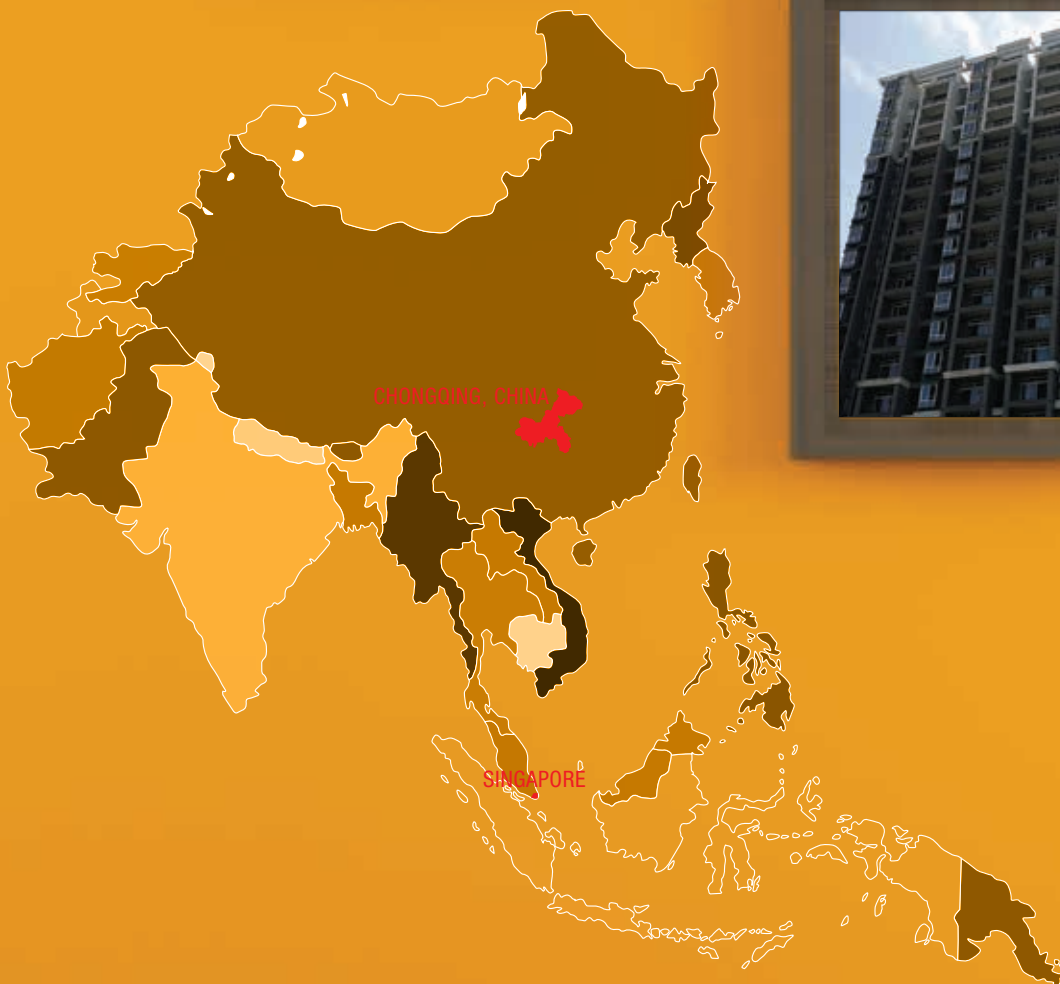
ANNUAL REPORT 2014



CONTENTS



01	CORPORATE PROFILE
02	OUR BUSINESS
04	OUR MILESTONES
06	GROWTH IN PHASES
08	CHAIRMAN'S STATEMENT
10	OPERATING AND FINANCIAL REVIEW
12	FINANCIAL HIGHLIGHTS
13	CORPORATE INFORMATION
14	FOSTERING TIES ENSURING GROWTH
16	BOARD OF DIRECTORS
18	EXECUTIVE OFFICERS
19	GROUP STRUCTURE
20	FINANCIAL CONTENTS



This annual report and its content has been reviewed by the Company's sponsor, Prime Partners Corporate Finance Pte. Ltd. (the "Sponsor"), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this annual report. This annual report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made or reports contained in this annual report.

The contact person for the sponsor is Mr Mark Liew, Managing Director, Corporate Finance, at 20 Cecil Street, #21-02 Equity Plaza, Singapore 049705, telephone (65) 6229 8088.

CORPORATE PROFILE

Starland Holdings Limited (the “Company”) has been listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) since 27 April 2012. The Company and together with its subsidiaries (the “Group”), were formed pursuant to a restructuring exercise which involved acquisition and rationalization of the Group’s corporate and shareholding structure prior to the initial public offering of the Company (the “IPO”).

The Group engages principally in the development of quality integrated residential and commercial properties in the People’s Republic of China (the “PRC”). With established expertise in key aspects of property development and management, the Group will continue to build a strong presence and brand name for premium integrated residential and commercial properties development in Chongqing and other second and third tier PRC cities, focusing on large scale middle to high end and multi-phased projects.

OUR BUSINESS

SINGAPORE GARDEN 新加坡花苑

ONGOING PROPERTY DEVELOPMENT



PERCENTAGE INTEREST

100%

LOCATION

8 Wubao Road, Fuling District, Chongqing

EXISTING USE

Residential and Commercial

TARGET MARKET

Mid to High-end

LAND TENURE

Leasehold

SITE AREA (sq m)

32,616

TOTAL GFA (sq m)

107,142

STAGE OF COMPLETION

95% (est)

DATE OF COMPLETION

Second half of 2015 (est)

JALAN NIPAH

ONGOING PROPERTY DEVELOPMENT



PERCENTAGE INTEREST

100%

LOCATION

Jalan Nipah, Singapore

EXISTING USE

Residential

TARGET MARKET

High-end

LAND TENURE

Freehold

SITE AREA (sq m)

700

TOTAL GFA (sq m)

883

STAGE OF COMPLETION

NA

DATE OF COMPLETION

Second half of 2016 (est)

OUR
BUSINESS

UNIVERSITY TOWN 学府新城

COMPLETED PROPERTY DEVELOPMENT



PERCENTAGE INTEREST

100%

LOCATION

89 Julong Avenue, Lidu, Fuling District, Chongqing

EXISTING USE

Residential and Commercial

TARGET MARKET

Mass

LAND TENURE

Leasehold

SITE AREA (sq m)

19,330

TOTAL GFA (sq m)

43,284

STAGE OF COMPLETION

Completed

DATE OF COMPLETION

April 2011

ROYAL WATERHOUSE 江畔豪庭

PROPOSED PROPERTY DEVELOPMENT



PERCENTAGE INTEREST

100%

LOCATION

Zone 5, Dianyi Residential Committee,
Jiangbei Office, Fuling District, Chongqing

EXISTING USE

Residential

TARGET MARKET

High-end

LAND TENURE

Leasehold

SITE AREA (sq m)

25,560

TOTAL GFA (sq m)

25,560

STAGE OF COMPLETION

NA

DATE OF COMPLETION

Construction Not Commenced

OUR MILESTONES



OUR MILESTONES

APRIL 2011

- Successfully completed our first property development project, University Town Project value approximately RMB257.7 million

APRIL 2012

- Admission of 144,733,000 ordinary shares to the Official List of SGX-Catalist

OCTOBER 2011

- Incorporation of Starland Holdings Limited

JANUARY 2013

- Incorporated Starland Axis Pte. Ltd.
- Incorporated Starland Commercial Trading Pte. Ltd.
- Launched our second integrated residential and commercial property development, the Singapore Garden Project, comprising approximately 960 residential and several commercial units with a GFA of approximately 107,142 square metres.





GROWTH IN PHASES

We continue to focus on our property development in the PRC and Singapore. Providing customers with high quality projects will remain a critical focus for the Group in 2015. We remained positive that the Group will be able to achieve stable progress and growth amidst challenging environments.



CHAIRMAN'S STATEMENT

“The Group will remain focused and continue to enhance our presence in key gateway cities in PRC as well as Singapore.”

Dear Shareholders

On behalf of the Board of Directors (the “Board”) of Starland Holdings Limited (the “Company” and together with its subsidiaries, the “Group”), I am pleased to present our Company’s annual report for the financial year ended 30 September 2014 (“FY2014”).

ECONOMY OVERVIEW OF CHINA AND CHONGQING

As an overview, China’s economy in the first three quarters of 2014 has maintained an overall stable and moderate growth trend with a gross domestic product (“GDP”) of 7.4% as announced by the National Bureau Statistics of China. Being one of China’s key cities, Chongqing’s GDP grew by 10.8% year-on-year to

RMB950.1 billion in the first three quarters of 2014, according to the Chongqing Statistic Bureau. This growth rate was powered partly by Chongqing’s real estate investment and development which grew steadily, increasing by 22.1% over the last year. According to the Chongqing Municipal Government’s report, the disposable income per capita of urban residents amounted to RMB14,023, a year-on-year growth of 11.2% in the first three quarters of 2014, an indication that the residents’ overall spending power continues to improve.

SINGAPORE PROPERTY MARKET

The Singapore property market continues to face challenges, with the

most notable challenge amongst the various measures implemented was the Singapore Government’s announcement in relation to the total debt servicing ratio (“TDSR”). In view that these measures would stay put as announced during the Budget 2014, they would inevitably have some impact on the demand of housing property.

KEY HIGHLIGHTS IN 2014

The Group’s development project in Fuling, People’s Republic of China (“PRC”), namely Singapore Garden, is expected to be completed in the second half of 2015. The Group’s success in this project is attested by the strong demand as approximately 70% of the units launched have been

CHAIRMAN'S STATEMENT



APPRECIATION

On behalf of the Board of Directors, I would like to express my appreciation and thanks to our shareholders, management, customers, business partners, bankers and our employees for their dedicated support and contributions to the Group. I also wish to acknowledge the good counsel and guidance from fellow directors as well as the management and staff for their invaluable contributions.

TAN HOE SAN

*Executive Chairman and
Managing Director*

sold. As at 30 September 2014, 8 blocks out of a total of 9 blocks of the residential buildings in the project have been successfully launched. This comprises 915 units with a gross floor area ("GFA") of approximately 81,600 square meters.

The construction of our residential property development project located at Jalan Nipah, Singapore has been delayed and is expected to commence in the first half of 2015.

LOOKING AHEAD

The Group will remain focused and continue to enhance its presence in key gateway cities in PRC as well as Singapore. Presenting customers with high quality projects would be a critical focus for the Group in 2015 as we continue to build up our land bank that will value add to our portfolio via selective site acquisitions. We shall also source for opportunities in the real estate sector by actively exploring and seeking new projects that could yield positive returns for our shareholders.

OPERATING AND FINANCIAL REVIEW



“ Our sale of commercial properties and car park space accounted for 83.3% of our total revenue for FY2014 from the University Town project.”



OPERATING AND FINANCIAL REVIEW



FINANCIAL HIGHLIGHTS

For the financial year ended 30 September 2014 ("FY2014"), the Group recorded revenue of RMB13.6 million, a decrease of 62.9% as compared to the financial year ended 30 September 2013 ("FY2013"). Revenue was mainly derived from the sales of commercial units and car park space of the University Town project, which accounted for 83.3% of the Group's total revenue in FY2014. The decrease in revenue was mainly attributed to lower sales of the commercial units under the University Town project. During the financial year, we have sold and recognised the sales of 10 commercial units. As at 30 September 2014, 16 commercial units of the University Town project remains unsold and have been fully leased out.

Rental income derived from the rental of the unsold commercial units under the University Town project amounted to RMB1.6 million or 11.7% of the total revenue in FY2014 as compared to RMB2.0 million for FY2013.

The Group recorded operating loss before tax of RMB6.0 million in FY2014 as compared to operating profit of RMB16.2 million in FY2013. The loss in operating profit was mainly due to a reduction in commercial units sold during the year. During the financial year, we have sold 10 commercial units as compared to 1 residential and 24 commercial units in FY 2013.

Income tax expenses amounted to RMB3.7 million and RMB13.7 million for FY2014 and FY2013 respectively. The Group posted a loss after tax amounting to RMB9.7 million for FY2014 as compared to a profit after tax of RMB2.4 million for FY2013.

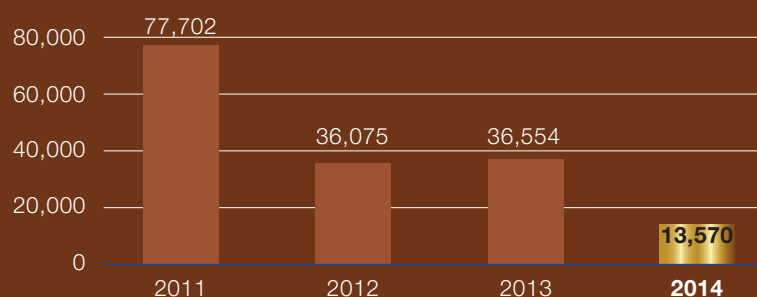
On a per share basis, basic and diluted loss per share for FY2014 was RMB6.72 cents as compared to earnings per share of RMB1.69 cents in FY2013. Net asset value per share as at end of FY2014 amounted to RMB80.64 cents, a RMB6.70 cents decrease as compared to RMB87.34 cents as at the end of FY2013.

BUSINESS SEGMENT

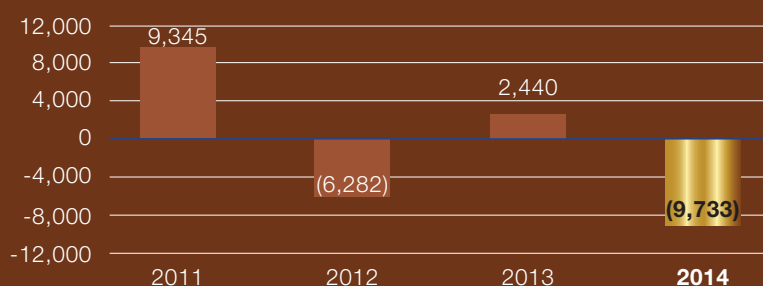
The Group derives its revenue mainly from sales of properties, rental income and other income such as management fees. For FY2014, the percentage contribution to revenue from these segments was 83.3%, 11.7% and 5.0% respectively (FY2013: 92.6%, 5.4% and 2.0% respectively). The Group derived its profit solely from the People's Republic of China in FY2014.

FINANCIAL HIGHLIGHTS

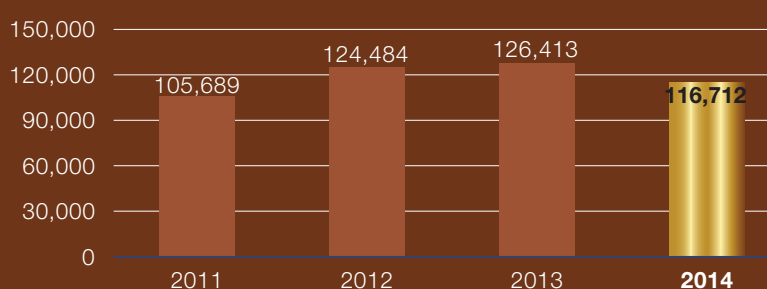
REVENUE (RMB'000)



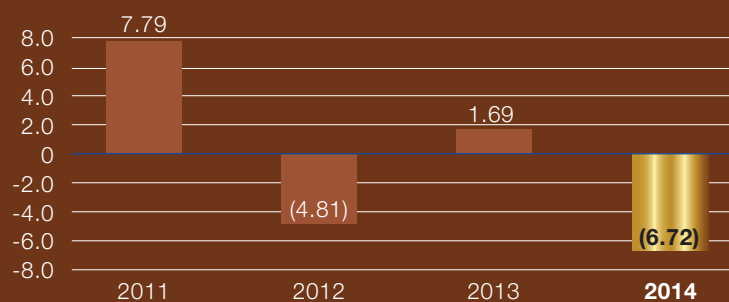
NET PROFIT/(LOSS) ATTRIBUTABLE TO OWNERS OF THE COMPANY (RMB'000)



SHAREHOLDERS' EQUITY (RMB'000)



EARNINGS/(LOSS) PER SHARE (RMB fen)



CORPORATE INFORMATION

FULL NAME OF COMPANY

Starland Holdings Limited

(Company registration number: 201131382E)

BOARD OF DIRECTORS

Tan Hoe San *(Executive Chairman and Managing Director)*

Fan Yi Ru *(Non-Executive Director)*

Foong Daw Ching *(Lead Independent Director)*

Low Wai Cheong *(Independent Director)*

COMPANY SECRETARY

Teo Meng Keong

REGISTERED OFFICE

80 Robinson Road | #02-00 | Singapore 068898

TEL: (65) 6236 3333 | FAX: (65) 6236 4399

SHARE REGISTRAR & SHARE TRANSFER OFFICE

Tricor Barbinder Share Registration Services

80 Robinson Road | #02-00 | Singapore 068898

CATALIST SPONSOR

PrimePartners Corporate Finance Pte. Ltd.

20 Cecil Street | #21-02 Equity Plaza | Singapore 049705 |

INDEPENDENT AUDITORS

Ernst & Young LLP

Public Accountants and Chartered Accountants, Singapore

One Raffles Quay | North Tower, Level 18 | Singapore 048583

Partner-in-charge: **Philip Ling Soon Hwa**

(Appointed since financial year ended 30 September 2013)

PRINCIPAL BANKERS

United Overseas Bank 大华银行

OCBC Bank 华侨银行

Bank of China 中国银行

Industrial and Commercial Bank of China Limited 中国工商银行

China Merchant Bank 招商银行

Bank of Chongqing 重庆银行







FOSTERING TIES ENSURING GROWTH

As we continue strengthening our foundations in Chongqing, we also look beyond our borders for opportunities to grow.

BOARD OF DIRECTORS



MR TAN HOE SAN is our *Executive Chairman and Managing Director* and was appointed to the Board of our Company on 20 October 2011. Mr Tan founded our Group in August 2008, when he ventured into the property development business in Fuling, People's Republic of China ("PRC"). Prior to this, he was the deputy general manager of Zhangzhou Golden River Estate Development Co., Ltd. (漳州金河房地产开发有限公司) from April 2006 to July 2008, where he was in charge of the development of Golden River Square. He was also the deputy general manager of Zhangzhou Gaohui Property Development Co., Ltd. (漳州高辉房地产开发有限公司) from April 2004 to April 2005, where he was in charge of the development of Gaohui Apartment.

Mr Tan obtained a Diploma in Manufacturing Engineering from Singapore Polytechnic and a Bachelor of Commerce in International Supply Chain Management from Curtin University of Technology.



MS FAN YI RU is our *Non-Executive Director* and was appointed to the Board of our Company on 10 January 2012. Ms Fan co-founded our Group with Mr Tan Hoe San in August 2008. From August 2008 to September 2011, she was the finance and administrative manager in our Group. Prior to that, from October 2006 to December 2008, she held the position of manager in charge of finance, administration, and sales in Fun Corp. From October 1999 to December 2000, she was also employed in Fun Corp as a sales operations manager.

She has more than 15 years of experience in finance and sales, also having previously worked in Philips Electronics (S) Pte. Ltd. from March 2001 to May 2006, with the last held position as an assistant manager.

Ms Fan obtained a Diploma in Accountancy from Ngee Ann Polytechnic and a Bachelor of Arts (Business Administration) from Ottawa University. Ms Fan is the spouse of our Company's Executive Chairman and Managing Director, Mr Tan Hoe San.

BOARD OF DIRECTORS



MR FOONG DAW CHING is our *Independent Director* and was appointed to the Board of our Company on 26 March 2012. He has more than 30 years of audit experience and is the senior partner of Baker Tilly TFW LLP. He is also the chairman of the Asia Pacific region for Baker Tilly International Limited.

He is also an independent director and the chairman of the audit committee of Travelite Holdings Ltd. and Suntar Eco-city Limited, all of which are companies listed on the SGX-ST. He was awarded the Merit Service Award by the Institute of Certified Public Accountants of Singapore in 2000, and a Public Service Medal (Pingat Bakti Masyarakat) by the President of Singapore in 2003.

Mr Foong is a Fellow of the Institute of Chartered Accountants in England and Wales, a Fellow of the Institute of Singapore Chartered Accountants and a Fellow of CPA Australia.



MR LOW WAI CHEONG is our *Independent Director* and was appointed to the Board of our Company on 26 March 2012. He has been an equity partner of Chris Chong & C T Ho Partnership since April 2004, and is currently the partner in charge of the firm's corporate and securities practice. He is also involved in the overall management and business direction of the firm as part of the firm's executive committee.

Prior to that, he was at Yeo-Leong & Peh LLC (formerly known as Yeo-Leong & Peh) from 1994 to 2004, where he was the head of its China Desk and corporate department. He is also an independent director and chairman of the remuneration and nomination committees of China Fibretech Limited, a company listed on the SGX-ST.

Mr Low graduated from the National University of Singapore with a Bachelor of Laws and a Masters of Law Degree.

EXECUTIVE OFFICERS

LINA TAN LAY NAH

Financial Controller

Lina Tan Lay Nah was appointed as the Financial Controller effective from 7 November 2014. She first joined the Company in July 2012 as a Finance and Administrative Manager and was subsequently promoted as the Group Finance Manager in January 2014. Prior to that, from July 2005 to July 2012, she worked with Philips Electronics (S) Pte. Ltd. and has extensive financial and operational experience in different industries.

Ms Lina Tan graduated from Murdoch University of Australia with a Bachelor of Commerce in Accounting and Finance.

ZHONG MA MING

General Manager

Mr Zhong Ma Ming is our General Manager and joined our Group in January 2009. Mr Zhong has more than 20 years of relevant experience in the PRC retail industry. He was a managing director of Fun Corp from March 2006 to December 2008, where he was in charge of their business and operation strategies in the PRC. From October 1989 to February 2006, he was a deputy general manager in Fun Corp, and was appointed as its executive director in June 1997. During this time, he was responsible for project management and development of its retail shops in the PRC.

Mr Zhong was previously an executive director and general manager of Zhangzhou City Gaohui Property Development Co., Ltd. (漳州高辉房地产开发有限公司) from March 2004 to December 2005.

He was also a Member of the Sixth Committee of the Chinese People's Political Consultative Conference in Huli District, Xiamen (中国人民政治协商会议厦门市湖里区第六届委员会委员).

LUO DENG XIAO

Deputy General Manager

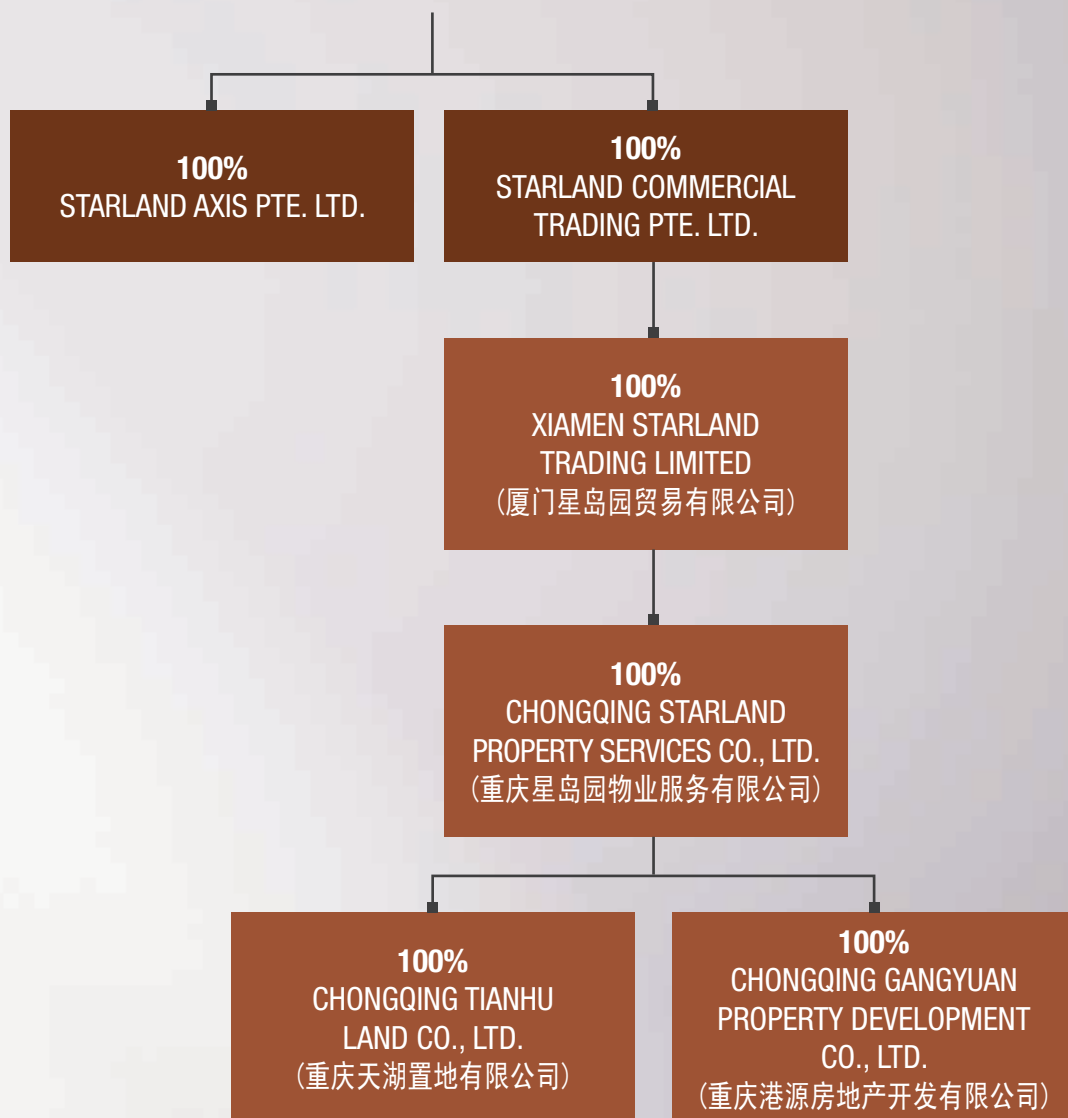
Mr Luo Deng Xiao is our Deputy General Manager and joined our Group in August 2008. Prior to that, from April 1992 to July 2008, he was a superintendent in Fuling Iron Alloy Plant (涪陵铁合金厂) in charge of operations, administrative matters, human resources and finance matters, where he held the position of head of technical department. He was also a planning executive in Sichuan Automobile Factory (四川汽车制造厂) from July 1983 to March 1992, where he was in charge of its production plans and supervised the production departments.

Mr Luo graduated with a Diploma in Economic Management from the Party School of the Central Committee of the Communist Party of China (中共中央党校) in June 2000.

GROUP STRUCTURE



STARLAND HOLDINGS LIMITED



FINANCIAL CONTENTS

21	REPORT ON CORPORATE GOVERNANCE
38	DIRECTORS' REPORT
41	STATEMENT BY DIRECTORS
42	INDEPENDENT AUDITOR'S REPORT
43	STATEMENTS OF FINANCIAL POSITION
44	CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
45	STATEMENTS OF CHANGES IN EQUITY
47	CONSOLIDATED CASH FLOWS STATEMENT
48	NOTES TO FINANCIAL STATEMENTS
88	STATISTICS OF SHAREHOLDINGS
90	NOTICE OF ANNUAL GENERAL MEETING
	PROXY FORM



REPORT ON CORPORATE GOVERNANCE

The Board of Directors (the “Board”) of Starland Holdings Limited (the “Company”) is committed to maintain high standards of corporate governance within the Company and its subsidiaries (the “Group”) to ensure effective self regulation practices are in place to enhance corporate performance and accountability. This report outlines the Company’s corporate governance practices for the financial year ended 30 September 2014 (“FY2014”), with specific references made to the principles and guidelines of the Singapore Code of Corporate Governance 2012 (the “Code”) issued by the Monetary Authority of Singapore, so as to remain committed to the principles and guidelines stated therein to ensure greater transparency and protection of shareholders’ interests. The Company has complied with the principles of the Code and where applicable, deviations from the Code have been explained.

BOARD MATTERS

Principle 1: The Board’s Conduct of its Affairs

The Board is entrusted with the responsibility for the overall management of the Group with primary function to protect interest of shareholders and to enhance long-term shareholders’ value. Besides carrying out its statutory duties and responsibilities, the Board reviews and advises on overall strategic plans, key operational initiatives, the performance of the management of the Company (the “Management”) and assumes responsibility for overall corporate governance of the Group to ensure that the Group’s strategies are in the interests of the Group.

The Board is also responsible for the review and approval of, *inter alia*, the following corporate matters:

1. strategic direction of the Group;
2. business practices and risk management of the Group;
3. annual budgets, major funding proposals, investment and divestment of proposals;
4. the Group’s internal control, financial performance, compliance practices and resources allocation;
5. material acquisitions and disposal of assets;
6. convening of shareholders’ meetings;
7. corporate or financial restructuring;
8. share issuance, dividends and other returns to shareholders; and
9. interested person transaction.

To facilitate effective management and support to the Board in its duties, certain functions of the Board have been delegated to various Board committees, namely the Audit, Nominating and Remuneration Committees (collectively, “Board Committees”). The Board Committees function within clearly defined terms of references and operating procedures, which will be reviewed on a regular basis. The effectiveness of each Board Committee will also be constantly reviewed by the Board.

REPORT ON CORPORATE GOVERNANCE

The Board meets at least twice yearly and additional meetings for particular matters will be convened as and when they are deemed necessary. To ensure meetings are held regularly with maximum Directors' participation, the Company's Articles of Association allows for telephone and video-conferencing meetings.

Prior to their appointments, newly appointed Directors are provided with information on their duties as a director under the Singapore law and regulations. Upon the appointment of a new Director, the Company will provide him/her with a formal letter, setting out his/her duties and obligations. The Company will put in place an orientation program for all newly appointed Director(s) to assimilate him/her into his/her new role. Directors with no prior Board experience have to undergo training programme, particularly courses conducted by the Singapore Institute of Directors, to develop the requisite individual skills, such as knowledge on the Companies Act (Chapter 50) of Singapore and the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") (the "Catalist Rules").

Directors are updated regularly on key accounting and regulatory changes. Where necessary, the Company will arrange for presentations by external professionals, consultants and advisers on topics that would have an impact on the regulations, accounting standards and the implications of certain regulatory changes that may affect the Group and the responsibilities of the Directors. They will be given training appropriate to the level of their previous experience and will be provided with extensive background information about the Group's history and core values, its strategic direction and corporate governance practices as well as industry-specific knowledge. The Directors will also have the opportunity to visit the Group's operational facilities and meet with the Management to gain a better understanding of the Group's business operation. The Company will prepare a document with guidelines setting forth the matters reserved for the Board's decision and clear directions to Management on matters that must be approved by the Board.

The attendance of the Directors at meetings of the Board and Board Committees for FY2014 is set out in the table below:

Name	Board	Audit Committee	Nominating Committee	Remuneration Committee
Number of meetings held	3	2	1	1
Directors	No. of Meetings Attended			
Tan Hoe San	3	NA	1	NA
Fan Yi Ru	3	2	NA	1
Foong Daw Ching	3	2	1	1
Low Wai Cheong	3	2	1	1

NA: Not Applicable

REPORT ON CORPORATE GOVERNANCE

Principle 2: Board Composition and Guidance

The Board of Directors comprises the following members:

- | | | |
|----|-----------------|--|
| 1. | Tan Hoe San | Executive Chairman and Managing Director |
| 2. | Fan Yi Ru | Non-Executive Director |
| 3. | Foong Daw Ching | Lead Independent Director |
| 4. | Low Wai Cheong | Independent Director |

Currently, the Board comprises four (4) Directors, two (2) of whom are Independent Directors. The current number of Independent Directors of the Company's has fulfilled the Code's requirement that at least one-third of the Board should comprise independent directors.

The Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competencies for effective functioning and informed decision-making. Key information regarding the Directors is disclosed in the "Board of Directors" section, pages 16 and 17 of this Annual Report.

The Independent Directors have confirmed that they do not have any relationship with the Company or its related companies or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgement with a view to the best interests of the Company.

The independence of each Director has been and will be reviewed annually by the Nominating Committee based on the guidelines set forth in the Code. The Nominating Committee ("NC") has reviewed and determined that the Independent Directors are independent.

Given the nature and scope of the Company's operations, the Board considers the present board size appropriate to facilitate effective decision-making and that no individual or small group of individuals dominates the Board's decision making process. The NC is also of the view that the Board comprises persons who as a group provide capabilities that are required for the Board to be effective. NC also facilitate a more effective check on Management and Non-Executive Directors which to encourage them to meet regularly without the presence of Management.

The Group's Non-Executive Directors had been actively participating in discussions and decision making at Board and Board Committees level and also had open discussions with the Management.

Principle 3: Executive Chairman and Managing Director

The Group's Executive Chairman, Mr Tan Hoe San, also assumes the role of the Managing Director ("MD") as he is the founder of the Group. Mr Tan Hoe San oversees the day-to-day operations and leads the Management in setting strategies, objectives and missions, translates the Board's decisions and plans into execution, leads the Board to ensure its effectiveness in all aspects of its role, ensures that the Board receives accurate, timely and clear information, encourages constructive relations among the Directors and their interactions with the Management, and facilitates the effective contribution of the Non-Executive Directors.

REPORT ON CORPORATE GOVERNANCE

Although the Executive Chairman and MD is the same person, the Board is of the view that there are sufficient safeguards and checks to ensure that the decision making process by the Board is independent and based on collective decision without any individual or group of individuals exercising any considerable concentration of power or influence and there is accountability for good corporate governance. All the Board Committees are chaired by Independent Directors and half of the Board consists of Independent Directors.

In order to ensure good corporate governance practice and that there is no concentration of power and authority vested in an individual, the Company has appointed Mr Foong Daw Ching as the Company's Lead Independent Director who will be available to the shareholders of the Company whenever they have concerns and when such concerns cannot be resolved through the normal channels of the Executive Chairman and MD, or where such contact is not possible or appropriate.

NOMINATING COMMITTEE

Principle 4: Board Membership

Principle 5: Board Performance

The Board has established a NC which comprises three (3) members, a majority of whom are Independent and Non-Executive Directors. The members of the NC are as follows:

- | | | |
|----|-------------------------------------|---------------------------|
| 1. | Low Wai Cheong
(Chairman) | Independent Director |
| 2. | Foong Daw Ching
(Member) | Lead Independent Director |
| 3. | Tan Hoe San
(Member) | Executive Chairman and MD |

The principal functions of the NC include, but are not limited to, the following:

1. To make recommendations to the Board on relevant matters relating to:
 - (a) review of board succession plans for directors, in particular, the Chairman and MD;
 - (b) development of a process for evaluation of the performance of the Board, the Board Committees and individual Director;
 - (c) review of training and professional development programs for the Board;
 - (d) review and approve any new employment of related persons and proposed terms of their employment;
 - (e) decide whether or not a Director is able to and has been adequately carrying out his duties as a director; and

REPORT ON CORPORATE GOVERNANCE

(f) Board appointments and re-nominations of existing Directors for re-election in accordance with the Company's Articles of Association (including alternate directors, if applicable) after having considered important issues, as part of the process for the selection, appointment and re-appointment of directors, as to composition and progressive renewal of the Board and each director's competencies, commitment, contribution and performance (e.g. attendance, preparedness, participation, candour) including, if applicable, as an independent director. Save for the Executive Chairman and MD of the Company, all Directors should submit themselves for re-nomination and re-appointment at regular intervals and at least once every three years.

2. To determine annually the independence of a Director;
3. To regularly review the Board's structure, size and composition and make recommendations to the Board with regards to any adjustments that are deemed necessary;
4. To make recommendations to the Board for the continuation (or not) in services of any Director who has reached the age of seventy (70) years;
5. In respect of a Director who has multiple board representations on various companies, if any, to review and decide whether or not such Director is able to and has been adequately carrying out his duties as a director, having regard to the competing time commitments that are faced by the Director when serving on multiple boards and discharging his duties towards other principal commitments;
6. To recommend to the Board internal guidelines to address the competing time commitments faced by Directors who serve on multiple boards;
7. To review and conclude that the person would similarly qualify as an independent director before his appointment as an alternate director to an independent director;
8. To carry out a process for assessing:
 - (a) the effectiveness of the Board as a whole and its Board Committees; and
 - (b) the contribution by the Executive Chairman and MD and each individual Director to the effectiveness of the Board.
9. To decide how the Board's performance is to be evaluated and propose objective performance criteria, subject to the approval by the Board, which address how the Board has enhanced long term shareholders' value. The Board has also implemented a process to be proposed by the NC for assessing the effectiveness of the Board;

Individual evaluation should aim to assess whether each Director continues to contribute effectively and demonstrate commitment to the role (including commitment of time for meetings of the Board and board committees, and any other duties). The Chairman of the Board should act on the results of the performance evaluation, and, in consultation with the NC, propose, where appropriate, new members to be appointed to the Board or seek the resignation of directors.

REPORT ON CORPORATE GOVERNANCE

The dates of initial appointment and last re-election/re-appointment of each of the Directors and their present and past three (3) years' Directorship in other listed companies are set out below:

Name of Director	Appointment	Date of initial appointment	Date of last re-election/ re-appointment	Directorships in other listed companies	
				Current	Past 3 Years
Tan Hoe San	Executive Chairman and MD	20 October 2011	NA	–	–
Fan Yi Ru	Non-Executive Director	10 January 2012	23 January 2014	–	–
Foong Daw Ching	Lead Independent Director	26 March 2012	28 January 2013	(1) Travelite Holdings Ltd. (2) Suntar Eco-City Limited	(1) Medi-Flex Limited
Low Wai Cheong	Independent Director	26 March 2012	28 January 2013	China Fibretech Limited	(1) Asia Environment Holdings Limited

NA: Not Applicable

In identifying suitable candidates for new appointment of Director, the NC will tap on the Directors' personal contacts and recommendations and/or through search companies. New Directors will be appointed by way of Board resolutions after the NC has reviewed and nominated them, taking into consideration the qualification and experience of each candidate, his/her ability to increase the effectiveness of the Board and to add value to the Group's business in line with its strategic objectives.

The NC recommends all appointment and retirement of Directors. At each Annual General Meeting of the Company ("AGM"), at least one-third of the Directors, excluding the Executive Chairman and MD, for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) are required to retire from office by rotation. Save for the Executive Chairman and MD, all Directors are required to retire from office at least once in every three years. A retiring Director is eligible for re-election by the shareholders at the AGM. The MD is not subject to the retirement by rotation and shall not be taken into account in determining the rotation of retirement of Directors in accordance with the Article 85 of the Company's Articles of Association.

The details of Directors who will retire by rotation at the forthcoming AGM, namely Mr Foong Daw Ching, is disclosed on page 17 of this Annual Report. After assessing Mr Foong Daw Ching's contribution and performance, the NC has recommended that Mr Foong Daw Ching be nominated for re-election at the AGM.

Mr Foong Daw Ching will upon re-election as a Director of the Company, remain as the Chairman of the Audit Committee and as a member of the NC and Remuneration Committees. He will be considered independent for the purposes of Rule 704(7) of the Catalist Rules.

REPORT ON CORPORATE GOVERNANCE

All newly appointed Directors during the year will hold office only until the next AGM following his appointment and will be eligible for re-election but shall not be taken into account in determining the number of Directors who are retire by rotation at such meeting.

In evaluating the Director's contribution and performance for the purpose of re-nomination, factors such as attendance, preparedness, participation and candour are taken into consideration.

Each member of the NC shall abstain from voting on any resolutions and making any recommendation and/or participating in respect of matters in which he has an interest.

The NC reviews and evaluates the performance of the Board as a whole, taking into consideration, *inter-alia*, size and composition of the Board, information to the Board, Board procedures, strategic planning and accountability, the attendance record at the meetings of the Board and the Board Committees and also the contribution of each Director to the effectiveness of the Board. The assessment criteria for individual Director include, *inter-alia*, commitment of time, knowledge and abilities, teamwork and overall effectiveness.

The evaluation of the Board is conducted annually. As part of the evaluation process, the Directors will complete appraisal forms which are collated by the Company Secretary. The Company Secretary will then review the results of the appraisal and present the results to the NC Chairman who will then present a report to the Board.

An individual assessment of each Director is also undertaken annually. The process of the assessment is through a self-assessment where each Director will complete appraisal forms which are collated by the Company Secretary. The Company Secretary consolidates the appraisal forms and presents the results to the NC Chairman who will then present a report to the Board.

The NC, having reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole, and the individual Directors' performance, is of the view that the performance of the Board, the Board Committees and each individual Director has been satisfactory. The NC is satisfied that despite some of the Directors having board representations in other listed companies, the Directors are able to and have adequately carried out their duties as Directors of the Company. As time requirements of each Director are subjective, the NC has decided to fix a maximum limit of five (5) on the number of directorships a Director can hold in publicly listed companies.

Principle 6: Access to Information

The Management provides the Board with periodic updates covering operational performance, financial results, market and business development and other important and relevant information.

The Company or the Board will seek the appropriate independent and professional advice as and when the Directors, whether as a group or individually, need independent professional advice. The expenses of such services will be borne by the Company.

Together with the Management, the Company Secretary ensures that the Company complies with the requirements of the Companies Act (Chapter 50) of Singapore and other rules and regulations that are applicable to the Company.

REPORT ON CORPORATE GOVERNANCE

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

The Board has established a Remuneration Committee ("RC") which comprises three (3) members, a majority of whom are Independent and Non-Executive Directors. The members of the RC are as follows:

- | | | |
|----|-------------------|---------------------------|
| 1. | Low Wai Cheong | Independent Director |
| | (Chairman) | |
| 2. | Foong Daw Ching | Lead Independent Director |
| | (Member) | |
| 3. | Fan Yi Ru | Non-Executive Director |
| | (Member) | |

The principal functions of the RC include, but are not limited to, the following:

1. To review and recommend to the Board a general framework of remuneration for the Board and key management personnel, as well as specific remuneration packages for each Director and key management personnel of the Company;
2. To annually review the remuneration of the key management personnel and Director including the terms of renewal for their service agreements;
3. To consider, review and approve and/or to vary (if necessary) the entire remuneration package, including but not limited to Directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind;
4. To review the Company's obligations arising in the event of termination of the Executive Director(s) and key management personnel's contracts of service and to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous. The RC should aim to be fair and avoid rewarding poor performance;
5. To review and ensure that the level and structure of remuneration should be aligned with the long-term interest and risk policies of the Company, and should be appropriate and commercially competitive to attract, retain and motivate (a) the Directors to provide good stewardship of the Company; and (b) key management personnel to successfully manage the Company;
6. To review and consider whether Executive Director(s) and key management personnel should be eligible for benefits under long-term incentive schemes. The costs and benefits of long-term incentive schemes should be carefully evaluated. In normal circumstances, offers of shares or grants of options or other forms of deferred remuneration should vest over a period of time. The use of vesting schedules, whereby only a portion of the benefits can be exercised each year, is also strongly encouraged. Executive Director(s) and key management personnel should be encouraged to hold their shares beyond the vesting period, subject to the need to finance any cost of acquiring the shares and associated tax liability;

REPORT ON CORPORATE GOVERNANCE

7. The RC's recommendations should be submitted for endorsement by the entire Board; and
8. To oversee the administration of Starland Performance Share Plan (or such other similar share plans as may be implemented by the Company from time to time) upon the terms of reference as defined in the said plan.

The recommendations of the RC will be submitted for endorsement by the entire Board. Each member of the RC shall abstain from voting on any resolution and making any recommendations in respect of his remuneration package.

Principle 8: Level and Mix of Remuneration

In setting the remuneration packages of the Executive Director, the Company takes into consideration the remuneration and employment conditions and packages of Executive Director in comparable companies/industries as well as the Group's relative performance and risk policies.

Directors' fees are set in accordance with the remuneration framework comprising basic fee and committee fees. These are subject to the approval of the Company's shareholders during the AGM.

Principle 9: Disclosure on Remuneration

- (i) The breakdown of the level and mix of remuneration of the Directors for FY2014 are as follows:

Directors' Name	Remuneration (SGD)	Salary (%)	Bonus (%)	Fees (%)	Others (%)	Total (%)
Tan Hoe San	532,000	82	8	–	10	100
Fan Yi Ru	40,000	–	–	100	–	100
Foong Daw Ching	40,000	–	–	100	–	100
Low Wai Cheong	40,000	–	–	100	–	100

- (ii) The breakdown of remuneration of the key executives' remuneration for FY2014 are as follows:

Key Management Personnel	Salary (%)	Fees (%)	Bonus (%)	Others (%)	Total (%)
Remuneration bands and names					
Below S\$250,000					
Chua Wei Chye Lawrence ⁽¹⁾	87	–	8	5	100
Zhong Ma Ming	100	–	–	–	100
Luo Deng Xiao	100	–	–	–	100

Note:

- (1) Chua Wei Chye Lawrence was appointed as the Chief Financial Officer of the Group on 10 September 2012. He resigned on 1 January 2014.

REPORT ON CORPORATE GOVERNANCE

The Group confirms that there are only three key executives for FY2014 and the annual aggregate remuneration paid to the top three key executives of the Group for FY2014 is S\$151,041.

There are no termination, retirement and post-employment benefits that may be granted to the Directors and the key executives.

For FY2014, none of the Directors' immediate family members are employees of the Group or any of its principal subsidiaries and whose remuneration exceeds \$50,000 per annum.

In addition to the above, the Company ensures that performance-related remuneration system was implemented to ensure that the interests of the shareholders are aligned with the Board and Management and in order to promote the long-term success of the Company.

The Company has a staff remuneration policy which comprises a fixed component and a variable component. The fixed and variable components are in the form of a base salary and variable bonus that is linked to the performance of the Company and individual.

The Company has adopted a performance share plan known as the "Starland Performance Share Plan" (the "Plan") which has been approved at the extraordinary general meeting held on 11 April 2012. The details of the Plan can be found in the offer document of the Company dated 19 April 2012. The objectives of the Plan are to:

1. foster a culture of ownership within the Group which aligns the interests of employees and Directors with the interests of the shareholders;
2. motivate participants of the Plan to achieve key financial and operational goals of the Group and/or their respective business units and encourage greater dedication and loyalty to the Group; and
3. make total employee remuneration sufficiently competitive to recruit new employees and/or retain existing employees whose contributions are important to the long term growth and profitability of our Group.

Since the commencement of the Plan up to the date of this report, no shares were awarded under the Plan to Directors and/or employees of the Group.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board is accountable to the Shareholders and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information in compliance with statutory requirements and the Catalist Rules.

In presenting the annual and half-yearly financial statements and announcements to the shareholders, it is the aim of the Board to provide the shareholders with a balanced and understandable assessment of the Group's performance, position and prospects.

REPORT ON CORPORATE GOVERNANCE

The Management provides the Board with periodic updates covering operational performance, financial results, marketing and business development and other important and relevant information.

Other methods in which information is disseminated to shareholders are further disclosed under Principles 14, 15 and 16 of this report.

Principle 11: Risk Management and Internal Controls

The Board is responsible for the governance of risk and sets the tone and direction for the Group in the way risks are managed in the Group's businesses. The Board has ultimate responsibility for approving the strategy of the Group in a manner which addresses stakeholders' expectations and does not expose the Group to an unacceptable level of operational, financial and compliance risks. The Board approves the key management policies and ensures a sound system of risk management and internal controls and monitors performance against them. In addition to determining the approach to risk governance, the Board sets and instils the right risk-focused culture throughout the Group for effective risk governance.

The Board has received assurance from the Executive Chairman and MD, and the Financial Controller that the financial records as at 30 September 2014 have been properly maintained and the financial statements for the financial year under review give a true and fair view of the Company's operations and finances and regarding the effectiveness of the Company's risk management and internal control systems.

A risk assessment exercise was also conducted during the financial year ended 30 September 2014 based on the requirements of the Enterprise Risk Management Framework ("ERM"), which involve identifying, analyzing, evaluating, monitoring and reporting risks on a continuing basis.

Based on the internal control established, and maintained by the Group, work performed by the Internal and External Auditors, assurance from the Executive Chairman and MD, and Financial Controller, as well as reviews performed by Management and the various Board Committees, the AC and the Board are of the opinion that the Group's internal controls, addressing financial, operational, compliance risks, and information technology risks, and risk management systems were adequate for FY2014.

Principle 12: Audit Committee

The Audit Committee ("AC") comprises three (3) members, the majority of whom are Independent and Non-Executive Directors. The members of the AC are as follows:

- | | | |
|----|--------------------------------------|---------------------------|
| 1. | Foong Daw Ching
(Chairman) | Lead Independent Director |
| 2. | Low Wai Cheong
(Member) | Independent Director |
| 3. | Fan Yi Ru
(Member) | Non-Executive Director |

REPORT ON CORPORATE GOVERNANCE

The AC meets periodically to perform, but are not limited to, the following functions:

1. To review the financial statements and results announcement before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risks areas, significant adjustments resulting from the audit, the going concern statement, compliance with accounting standards as well as compliance with the Catalist Rules and any other statutory/regulatory requirements;
2. To review with the Company's external auditors ("External Auditors") their audit plan including the nature and scope of the audit, their evaluation of the system of internal controls, their audit report, their management letter and the Management's response;
3. To review annually the scope and results of the audit and its cost effectiveness as well as the independence and objectivity of the External Auditors.

Where the External Auditors also provide non-audit services to the Company, to review the nature and extent of such services in order to balance the maintenance of objectivity and value for money, and to ensure that the independence of the External Auditors would not be affected;

4. To make recommendation to the Board on the proposals to the shareholder on the appointment or re-appointment of the External Auditors and matters relating to resignation or removal of the External Auditors, and approving the remuneration and terms of engagement of the External Auditors;
5. To review with the Company's internal auditors ("Internal Auditors") their internal audit plan and their evaluation of the adequacy of the internal control and accounting system before submission of the results of such review to the Board for approval and its assessment in relation to the adequacy of internal controls prior to the incorporation of such results in the annual report;
6. To review the internal control and procedures and ensure co-ordination between the Management and each of the External Auditors and Internal Auditors, reviewing the assistance given by the Management to the auditors, and discuss problems and concerns, if any, arising from the interim and/or final audits, and any matters which the Internal Auditors and External Auditors may wish to discuss in the absence of the Management where necessary;
7. To review and discuss with any professional, including the Company's sponsor, the External Auditors 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;
8. To review and approve transactions falling within the scope of Chapter 9 and Chapter 10 of the Catalist Rules;
9. To review and ratify any interested person transactions falling within the scope of Chapter 9 of the Catalist Rules as may be amended from time to time and such other rules and regulations under the Catalist Rules that may be applicable in relation to such matters from time to time;
10. To review potential conflicts of interest (if any) and to set out a framework to resolve or mitigate any potential conflicts of interest;

REPORT ON CORPORATE GOVERNANCE

11. To conduct periodic review of hedging policies (if any) undertaken by the Group;
12. To review the Group's compliance with such functions and duties as may be required under the relevant statutes and regulations or the Catalyst Rules, including such amendments made thereto from time to time;
13. To 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;
14. To review at least annually the Group's key financial risk areas, with a view to provide an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual report of the Company or, where the findings are material, to announce such material findings immediately via SGXNET;
15. To review and sight at least annually all resignation and authorisation letters of the legal representatives of the Company's subsidiaries in People's Republic of China which have been signed in advance and such letters shall be held in custody by the Company Secretaries;
16. To ensure effective co-ordination where more than one audit firm is involved;
17. To investigate any matter within its terms of reference, with full access to and co-operation by the Management and full discretion to invite any Director or executive officer to attend its meetings, and reasonable resources to enable it to discharge its functions properly;
18. To commission an annual internal controls audit until such time as the AC is satisfied that the Group's internal controls are robust and effective enough to mitigate the Group's internal control weaknesses (if any), and prior to the decommissioning of such annual internal controls audit, the Board is required to report to the SGX-ST and the Sponsor on how the key internal control weaknesses have been rectified, and the basis for the AC's decision to decommission the annual internal controls audit;
19. To review the adequacy and effectiveness of the internal audit function and to ensure that it is adequately resourced and has appropriate standing within the Company. The internal audit function should be staffed with persons with the relevant qualifications and experience. The Internal Auditor should carry out its function according to the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. The Internal Auditor's primary line of reporting should be to the Chairman of the AC although he would also report administratively to the Chief Executive Officer or CFO (or its equivalent rank);
20. To approve the hiring, removal, evaluation and compensation of the head of the internal audit function, or the accounting/auditing firm or corporation to which the internal audit function is outsourced. The Internal Auditor should have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC;
21. To review and report to the Board at least annually the adequacy and effectiveness of the Group's material internal controls with the Head of Finance (or its equivalent rank), the Internal Auditors and External Auditors, including financial, operation, compliance and information technology controls via reviews carried out by the Internal Auditors;

REPORT ON CORPORATE GOVERNANCE

22. To review the whistle-blowing policy and procedures by which employees of the Group may, in confidence, report to the chairman of the AC, possible improprieties in matters of financial reporting or other matters and ensure that there are arrangements in place for independent investigation and follow-up actions thereto;
23. To ensure that if different auditors are appointed for its subsidiaries or significant associated companies, such appointment would not compromise the standard and effectiveness of the audit of the Company;
24. To review the policy and arrangements by which staff of the Company and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The AC's objective should be to ensure that arrangements are in place for such concerns to be raised and independently investigated, and for appropriate follow-up action to be taken;
25. To 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;
26. To undertake such other functions and duties as may be required by statute or the Catalist Rules, and by such amendments made thereto from time to time;
27. To review with the External Auditors the impact of any new or proposed changes in accounting policies or regulatory requirements on the financial statements of the Group;
28. To assess whether the person to be appointed CFO (or its equivalent rank) does have the competence, character and integrity expected of a CFO (or its equivalent rank) of a listed issuer;
29. To review the co-operation given by the Management to the External Auditors;
30. To meet with the External and Internal Auditors without the presence of the Management at least once a year;
31. To review the performance of CEO/CFO on an annual basis to ensure satisfactory performance;
32. To review filings with the SGX-ST or other regulatory bodies which contain the Group's financial statements and ensure proper disclosure; and
33. To 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, rules or regulations which have or is likely to have a material impact on the Group's operating results and/or financial position.

The AC will also 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, rules or regulations which have or is likely to have a materials impact on the Group's operating results and/or financial position. In the event that a member of the AC is interested in any matter being considered by the AC, he will abstain from reviewing and deliberating on that particular transaction or voting on that particular resolution.

REPORT ON CORPORATE GOVERNANCE

The AC will review annually the independence of the External Auditors including the volume of non-audit services provided by them, if any. The AC has recommended the re-appointment of Ernst & Young LLP as External Auditors at the forthcoming AGM.

The audit fees to the Group during FY2014 paid to Ernst & Young LLP are S\$131,000.

There were non-audit services provided by Ernst & Young LLP during the FY2014 amounting to S\$3,000. The AC noted that the non-audit service provided by the External Auditors were not material and is satisfied that it has not compromised their independence.

The AC will meet with the External Auditors and Internal Auditors without the presence of the Management at least annually to review Management's level of cooperation and other matters that warrants the AC's attention. The AC has met with the External Auditors and the Internal Auditors without the presence of the Management during FY2014. The AC has reasonable resources to enable it to discharge its functions properly.

The Company confirms that the appointment of the External Auditors is in accordance with Rules 712 and 715 of the Catalist Rules.

The Company has in place a whistle-blowing policy and arrangements by which staff may, in confidence, raise concerns about possible corporate improprieties in matters of financial reporting or other matters. To ensure independent investigation of such matters and for appropriate follow-up action, all whistle-blowing reports are to be sent to the AC Chairman.

Details of the whistle-blowing policy and arrangements are given to all staff for their easy reference. New staff is briefed on these during the orientation programme.

Principle 13: Internal Audit

The Board recognises the importance of maintaining a system of internal controls to safeguard the Shareholders' investments and the Company's assets. The Company has outsourced its internal audit functions of the Group to Yang Lee & Associates ("YLA") to perform the review and test of controls of its processes.

YLA reports directly to the AC and responsible for assessing the reliability, adequacy and effectiveness of the system of internal controls are in place to protect the fund and assets of the Group to ensure control procedures are complied with, assessing the operations of the business processes under review are conducted efficiently and effectively and identifying and recommending improvements to internal control procedures, where required.

The AC will review and approve the internal audit plan on an annual basis and ensures that the internal audit function is adequately resourced and has appropriate standing within the Company.

The AC has reviewed the internal audit reports and its evaluation of the system of internal controls, their audit findings and the Management's response to those findings for FY 2014. The AC is satisfied that the internal audit functions have been adequately carried out.

The AC has also met the Internal Auditors for FY2014 without the presence of the Management.

REPORT ON CORPORATE GOVERNANCE

COMMUNICATIONS WITH SHAREHOLDERS

Principle 14: Shareholder Rights

Principle 15: Communications with Shareholders

Principle 16: Conduct of Shareholder Meetings

The Company is committed to maintaining high standards of corporate disclosure and transparency. Shareholders, the investment community, media and analysts are kept informed of the Group's performance, progress and prospects and major developments of the Company on a timely basis through various means of communication as follows:

1. Announcements including half-year and full-year announcements of financial results, price sensitive information, significant transactions or other announcements or press releases through SGXNET;
2. Annual reports and notices of AGM issued to all shareholders; and
3. Company's general meetings.

At the Company's AGM, shareholders are given the opportunity to voice their views and ask Directors or the Management questions regarding the Company. In addition, the Chairman of the various Board Committees and the External Auditors are also present at the AGM to assist the Directors to address shareholders' queries about the conduct of audit and the preparation and contents of the auditors' report.

The Company's Articles of Association allow a shareholder of the Company to appoint one or two proxies to attend to vote on behalf of the shareholder at general meetings. The Articles also allow for voting on absentia by mail, facsimile or electronic email.

At an AGM, separate resolutions are set out on distinct issues for approval by shareholders. The Company Secretary is present to brief the attendees the rules govern the general meetings, including voting procedures, upon requested by the shareholder. The proceeding of the AGM is properly recorded, including all comments or queries from shareholders relating to the agenda of the meeting and responses from the Board and Management. All minutes of general meetings are available to shareholders upon request.

The Board is of the view that voting by poll is time-consuming and increase the cost of holding general meetings. However, the Board will continue to study the feasibility of conducting poll voting in general meetings on a case-by-case basis. Unless the context otherwise requires or a poll is demanded in accordance with the provision of the Articles, the Company shall, for the time being continue to conduct its votes on a show of hands. The Board notes that pursuant to the Catalist Listing Rules 730A (2), voting by way of poll would be required by 1 August 2015.

The Company does not have a fixed dividend policy. The form, frequency and amount of future dividends on the shares will depend on the Company's level of cash and retained earnings, actual and projected financial performance, projected levels of capital expenditure and other investment plans and restrictions on payment of dividends imposed by financial arrangements (if any). The Board has not declared or recommended dividend in respect of FY2014. The Company is currently in its growth phase and therefore it is intended that the funds to be reserved as general working capital for the Company's business.

REPORT ON CORPORATE GOVERNANCE

INTERESTED PERSON TRANSACTIONS ("IPT")

The AC is satisfied that the review procedures for IPTs and the reviews to be made periodically by the AC in relation thereto are adequate to ensure that the IPTs will be transacted on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

There were no IPTs with value of \$100,000 or more entered into during FY2014 pursuant to Rule 907 of the Catalist Rules.

The AC is also satisfied with the internal controls and processes on the identification, evaluation, review, approval and reporting of IPTs.

MATERIAL CONTRACTS

Save for disclosed in Notes 5 and 15 of the Financial Statements, there were no material contracts of the Company or its subsidiaries involving the interests of the Executive Chairman and MD or any Director or controlling shareholder, which are either still subsisting at the end of FY2014 or if not then subsisting, entered into since the end of the previous financial year.

DEALINGS IN SECURITIES

In line with Rule 1204(19) of the Catalist Rules on dealing in securities, the Company has in place a policy prohibiting share dealings by the Company, Directors and employees of the Group during the period commencing one month before the announcement of the Company's half-year and full-year financial statements, as the case may be, and ending on the date of the announcement of the relevant results. In addition, the Directors and employees of the Group are discouraged from dealing in the Company's shares on short-term considerations. This has been made known to Directors, officers and staff of the Company and the Group. They are also reminded to observe the insider trading laws at all times even when dealing in securities within permitted trading period.

NON-SPONSORSHIP FEES

No non-sponsor fees were paid to the Company's Sponsor, PrimePartners Corporate Finance Pte. Ltd., in FY2014.

DIRECTORS' REPORT

The directors are pleased to present their report to the members together with the audited consolidated financial statements of Starland Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended 30 September 2014.

Directors

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

Tan Hoe San
Fan Yi Ru
Foong Daw Ching
Low Wai Cheong

In accordance with article 89 of the Company's Article of Association, Foong Daw Ching retires and, being eligible, offers himself for re-election.

Arrangements to enable directors to acquire shares and debentures

Except as disclosed in this report, neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures of the Company or any other body corporate.

Directors' interests in shares and debentures

The following directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Cap. 50 (the "Act"), an interest in shares of the Company, as stated below:

Name of director	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Starland Holdings Limited (Ordinary shares)				
Tan Hoe San	–	–	96,000,000	96,000,000
Fan Yi Ru	–	–	96,000,000	96,000,000

There was no change in any of the above-mentioned interests in the Company between the end of the financial year and 21 October 2014.

Except as disclosed in this report, no director who held office at the end of the financial year had interests in shares, share options, warrants or debentures of the Company, or of related corporations, either at the beginning of the financial year, at the end of the financial year or on 21 October 2014.

Directors' contractual benefits

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

DIRECTORS' REPORT

Share options

(a) *Options to take up unissued shares*

During the financial year, no options to take up unissued shares of the Company or any corporation in the Group were granted.

(b) *Options exercised*

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) *Unissued shares under option*

At the end of financial year, there were no unissued shares of the Company or any corporation in the Group under option.

Audit committee

The members of the Audit Committee ("AC") at the end of the financial year were as follows:

- Foong Daw Ching (Chairman and lead independent director)
- Low Wai Cheong (Independent director)
- Fan Yi Ru (Non-executive director)

The AC carried out its functions in accordance with Section 201B(5) of the Act. In performing those functions, the AC reviewed:

- the audit plans and results of the internal auditors' examination and evaluation of the Group's systems of internal accounting controls;
- the Group's financial and operating results and accounting policies;
- the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company before their submission to the directors of the Company and external auditors' report on those financial statements;
- the half-yearly and annual announcements on the results and financial position of the Company and the Group;
- the co-operation and assistance given by management to the Group's external and internal auditors; and
- the re-appointment of the external auditors of the Company.

The AC has also conducted a review of interested person transactions.

The AC convened two (2) meetings during the year with full attendance from all members. The AC has also met with internal and external auditors, without the presence of the Company's management, at least once a year.

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

DIRECTORS' REPORT

Auditor

Ernst & Young LLP have expressed their willingness to accept re-appointment as auditor.

On behalf of the board of directors:

Tan Hoe San
Director

Fan Yi Ru
Director

Singapore
19 December 2014

STATEMENT BY DIRECTORS

We, Tan Hoe San and Fan Yi Ru, being two of the directors of Starland Holdings Limited, do hereby state that, in the opinion of the directors,

- (i) the accompanying statements of financial position, consolidated statement of comprehensive income, statements of changes in equity and consolidated cash flows statement together with notes thereto are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 September 2014 and the results of the business, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the board of directors:

Tan Hoe San
Director

Fan Yi Ru
Director

Singapore
19 December 2014

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF STARLAND HOLDINGS LIMITED

Report on the Financial Statements

We have audited the accompanying financial statements of Starland Holdings Limited (the "Company") and its subsidiaries (collectively, the "Group") set out on pages 43 to 87, which comprise the statements of financial position of the Group and the Company as at 30 September 2014, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated cash flows statement of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and statements of financial position and to maintain accountability of assets.

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 September 2014 and the results, changes in equity and cash flows of the Group and the changes in equity of the Company for the year ended on that date.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore
19 December 2014

STATEMENTS OF FINANCIAL POSITION

AS AT 30 SEPTEMBER 2014

	Note	Group		Company	
		2014	2013	2014	2013
		RMB'000	RMB'000	RMB'000	RMB'000
ASSETS					
Current assets					
Cash and bank balances	6	98,598	72,783	340	1,554
Other receivables and deposits	7	10,828	4,883	868	3,755
Properties held for sale	8	13,413	15,848	–	–
Development properties	9	436,305	302,600	–	–
Total current assets		559,144	396,114	1,208	5,309
Non-current assets					
Equipment	10	1,185	1,012	78	63
Investment in subsidiaries	11	–	–	9,773	5,519
Deferred tax assets	12	3,242	1,698	–	–
Total non-current assets		4,427	2,710	9,851	5,582
Total assets		563,571	398,824	11,059	10,891
LIABILITIES AND EQUITY					
Current liabilities					
Trade payables	13	74,447	30,548	–	–
Other payables and accruals	14	304,982	164,205	3,083	2,991
Advances from a director	15	6,049	10,017	–	–
Income tax payable		24,102	38,807	–	–
Loans and borrowings	16	8,455	–	6,039	–
Total current liabilities		418,035	243,577	9,122	2,991
Non-current liabilities					
Trade payables	13	259	–	–	–
Deferred tax liabilities	12	2,594	2,594	–	–
Loans and borrowings	16	25,971	26,240	–	–
Total non-current liabilities		28,824	28,834	–	–
Capital and reserves					
Share capital	17	24,471	24,471	24,471	24,471
Other reserves	18	103,018	102,624	727	654
Accumulated losses		(10,777)	(682)	(23,261)	(17,225)
Total equity		116,712	126,413	1,937	7,900
Total liabilities and equity		563,571	398,824	11,059	10,891

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Note	Group 2014 RMB'000	Group 2013 RMB'000
Revenue	19	13,570	36,554
Cost of sales		(3,214)	(6,828)
Gross profit		10,356	29,726
Other operating income	20	830	327
Other operating expenses	21	(3,942)	(197)
Selling expenses		(2,581)	(2,416)
Administrative expenses		(10,668)	(11,284)
(Loss)/profit before tax	22	(6,005)	16,156
Income tax expense	23	(3,728)	(13,716)
(Loss)/profit for the year attributable to owners of the Company		(9,733)	2,440
Other comprehensive income/(loss):			
Item that may be reclassified subsequently to profit or loss			
Foreign currency translation		32	(511)
Total comprehensive (loss)/income for the year attributable to owners of the Company		(9,701)	1,929
Basic and diluted (loss)/earnings per share (RMB cents)	24	(6.72)	1.69

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2014

Group	Share capital RMB'000	Capital reserve RMB'000	Merger reserve RMB'000	Statutory reserve RMB'000	Translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 30 September 2012	24,471	99,027	628	–	620	(262)	124,484
Profit for the year	–	–	–	–	–	2,440	2,440
Other comprehensive income	–	–	–	–	–	–	–
Foreign currency translation	–	–	–	–	(511)	–	(511)
Total comprehensive income for the year	–	–	–	–	(511)	2,440	1,929
Others	–	–	–	–	–	–	–
Transfer to statutory reserve	–	–	–	2,860	–	(2,860)	–
At 30 September 2013 and 1 October 2013	24,471	99,027	628	2,860	109	(682)	126,413
Loss for the year	–	–	–	–	–	(9,733)	(9,733)
Other comprehensive income	–	–	–	–	–	–	–
Foreign currency translation	–	–	–	–	32	–	32
Total comprehensive loss for the year	–	–	–	–	32	(9,733)	(9,701)
Others	–	–	–	–	–	–	–
Transfer to statutory reserve	–	–	–	362	–	(362)	–
At 30 September 2014	24,471	99,027	628	3,222	141	(10,777)	116,712

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 30 SEPTEMBER 2014

Company	Share capital RMB'000	Merger reserve RMB'000	Translation reserve RMB'000	Accumulated losses RMB'000	Total RMB'000
At 30 September 2013	24,471	628	590	(11,213)	14,476
Loss for the year	–	–	–	(6,012)	(6,012)
Other comprehensive income	–	–	–	–	–
Foreign currency translation	–	–	(564)	–	(564)
Total comprehensive loss for the year	–	–	(564)	(6,012)	(6,576)
At 30 September 2013 and 1 October 2013	24,471	628	26	(17,225)	7,900
Loss for the year	–	–	–	(6,036)	(6,036)
Other comprehensive income	–	–	–	–	–
Foreign currency translation	–	–	73	–	73
Total comprehensive loss for the year	–	–	73	(6,036)	(5,963)
At 30 September 2014	24,471	628	99	(23,261)	1,937

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

CONSOLIDATED CASH FLOWS STATEMENT

FOR THE YEAR ENDED 30 SEPTEMBER 2014

	Note	Group 2014 RMB'000	2013 RMB'000
Operating activities			
(Loss)/profit before tax		(6,005)	16,156
Adjustments for:			
(Gain)/loss on disposal of equipment		(82)	55
Depreciation of equipment		396	303
Impairment loss on development property		3,465	–
Interest income		(698)	(302)
Interest expense		74	1
Operating cash flows before movements in working capital		(2,850)	16,213
Properties held for sale		2,435	6,447
Development properties		(137,170)	(178,084)
Other receivables and deposits		(5,945)	(2,230)
Trade payables		44,158	22,994
Other payables and accruals		140,777	147,583
Cash from operations		41,405	12,923
Interest received		698	302
Interest paid		(74)	(1)
Income tax paid		(19,977)	(14,316)
Net cash from/(used in) operating activities		22,052	(1,093)
Investing activities			
Proceeds from disposal of equipment		84	100
Purchase of equipment		(571)	(940)
Net cash used in investing activities		(487)	(840)
Financing activities			
Pledged bank deposits		(22,071)	(10,789)
(Repayment)/advances (to)/from a director		(3,968)	10,017
Proceeds from loans and borrowings		8,186	26,240
Net cash (used in)/from financing activities		(17,853)	25,468
Net increase in cash and cash equivalents		3,712	23,536
Effect of foreign exchange rate changes		32	(511)
Cash and cash equivalents at beginning of the year		61,994	38,969
Cash and cash equivalents at end of the year	6	65,738	61,994

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

1. General

Starland Holdings Limited (the “Company”) is a limited liability company incorporated and domiciled in the Republic of Singapore with its registered office at 80 Robinson Road, #02-00, Singapore 068898 and principal place of business at 20 Upper Circular Road, #01-17 The Riverwalk, Singapore 058416. On 27 April 2012, the Company was listed on Catalyst, the sponsor-supervised board of the Singapore Exchange Securities Trading Limited.

The principal activity of the Company is that of an investment holding company.

The principal activities of the subsidiaries are disclosed in Note 11 to the financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (“FRS”).

The financial statements have been prepared on a historical cost basis except as disclosed in the accounting policies below.

The financial statements are presented in Renminbi (“RMB”) and all values in the tables are rounded to the nearest thousand (RMB’000) as indicated.

2.2 Change in accounting policies

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual periods beginning on or after 1 October 2013. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

Accordingly to the transition provisions of FRS 113 *Fair Value Measurement*, FRS 113 has been applied prospectively by the Group on 1 October 2013.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.3 Standards issued but not yet effective

The Company has not adopted the following standards and interpretations that have been issued but are not yet effective:

Description	Effective for annual periods beginning on or after
Revised FRS 27 <i>Separate Financial Statements</i>	1 January 2014
Revised FRS 28 <i>Investments in Associates and Joint Ventures</i>	1 January 2014
FRS 110 <i>Consolidated Financial Statements</i>	1 January 2014
FRS 111 <i>Joint Arrangements</i>	1 January 2014
FRS 112 <i>Disclosure of Interests in Other Entities</i>	1 January 2014
INT FRS 121 <i>Levies</i>	1 January 2014
Amendments to FRS 32 <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
Amendments to FRS 36 <i>Recoverable Amount Disclosures for Non-financial Assets</i>	1 January 2014
Amendments FRS 39 <i>Novation of Derivatives and Continuation of Hedge Accounting</i>	1 January 2014
Amendments to FRS 19 <i>Defined Benefit Plans: Employee Contributions</i>	1 July 2014
Improvements to FRS 2014	
– Amendments to FRS 16 <i>Property, Plant and Equipment</i>	1 July 2014
– Amendments to FRS 24 <i>Related Party Disclosures</i>	1 July 2014
– Amendments to FRS 38 <i>Intangible Assets</i>	1 July 2014
– Amendments to FRS 40 <i>Investment Property</i>	1 July 2014
– Amendments to FRS 102 <i>Share-based Payment</i>	1 July 2014
– Amendments to FRS 103 <i>Business Combinations</i>	1 July 2014
– Amendments to FRS 108 <i>Operating Segments</i>	1 July 2014
– Amendments to FRS 113 <i>Fair Value Measurement</i>	1 July 2014

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

2.4 Basis of consolidation and business combinations

(a) Basis of 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.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation and business combinations (cont'd)

(a) *Basis of consolidation (cont'd)*

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 within a subsidiary are attributed to the non-controlling interests even if that results in a deficit balance.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- de-recognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when controls is lost;
- de-recognises the carrying amount of any non-controlling interest;
- de-recognises the cumulative translation differences recorded in equity;
- recognises the fair value of the consideration received;
- recognises the fair value of any investment retained;
- recognises any surplus or deficit in profit or loss;
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

(b) *Business combinations*

Business combinations are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition-related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date. This includes the separation of embedded derivatives in host contracts by the acquiree.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.4 Basis of consolidation and business combinations (cont'd)

(b) *Business combinations (cont'd)*

Any contingent consideration to be transferred by the acquirer will be recognised at fair value at the acquisition date. Subsequent changes to the fair value of the contingent consideration which is deemed to be an asset or liability, will be recognised in accordance with FRS 39 either in profit or loss or as a change to other comprehensive income. If the contingent consideration is classified as equity, it is not remeasured until it is finally settled within equity.

In business combinations achieved in stages, previously held equity interests in the acquiree are remeasured to fair value at the acquisition date and any corresponding gain or loss is recognised in profit or loss.

The Group elects for each individual business combination, whether non-controlling interest in the acquiree (if any), that are present ownership interests and entitle their holders to a proportionate share of net assets in the event of liquidation, is recognised on the acquisition date at fair value, or at the non-controlling interest's proportionate share of the acquiree's identifiable net assets. Other components of non-controlling interests are measured at their acquisition date fair value, unless another measurement basis is required by another FRS.

Any excess of the sum of the fair value of the consideration transferred in the business combination, the amount of non-controlling interest in the acquiree (if any), and the fair value of the Group's previously held equity interest in the acquiree (if any), over the net fair value of the acquiree's identifiable assets and liabilities is recorded as goodwill. In instances where the latter amount exceeds the former, the excess is recognised as gain on bargain purchase in profit or loss on the acquisition date.

Business combinations involving entities under common control

Business combinations involving entities under common control are accounted for by applying the pooling of interest method which involves the following:

- The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company.
- No adjustments are made to reflect the fair values on the date of combination, or recognise any new assets or liabilities.
- No additional goodwill is recognised as a result of the combination.
- Any difference between the consideration paid/transferred and the equity 'acquired' is reflected within the equity as merger reserve.
- The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination took place.
- Comparatives are restated to reflect the combination as if it had occurred from the beginning of the earliest period presented in the financial statements or from the date the entities had come under common control, if later.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.5 Foreign currency transactions and translation

Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency. The functional currency of the Company is Singapore Dollars ("S\$"). The financial statements are presented in Renminbi as the Group's operations are mainly in the People's Republic of China ("PRC").

(a) *Transactions and balances*

Transactions in foreign currencies are measured in the respective functional currencies of the Company and its subsidiaries and are recorded on initial recognition in the functional currencies at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the end of the reporting period. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

(b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of entities whose functional currency differs from the presentation currency are translated into Renminbi at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

In the case of a partial disposal without loss of control of a subsidiary that includes a foreign operation, the proportionate share of the cumulative amount of the exchange differences are re-attributed to non-controlling interest and are not recognised in profit or loss.

2.6 Equipment

All items of equipment are initially recorded at cost. Subsequent to recognition, equipment is measured at cost less accumulated depreciation and any accumulated impairment losses. The cost includes the cost of replacing part of the equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying equipment. The cost of an item of equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.6 Equipment (cont'd)

When significant parts of equipment are required to be replaced in intervals, the Group recognises such parts as individual assets with specific useful lives and depreciation, respectively. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Depreciation is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Motor vehicles	–	3 to 4 years
Furniture, fixtures and equipment	–	5 years

The carrying values of equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual value, useful life and depreciation method are reviewed at each financial year-end, and adjusted prospectively, if appropriate.

An item of equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.7 Development properties

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

Development properties are held as inventories and are measured at the lower of cost and net realisable value.

Net realisable value takes into account the price ultimately expected to be realised and the anticipated costs to completion. Cost of development properties comprises land cost, development costs and borrowing costs capitalised during the development period. When completed, the units held for sale are classified as completed properties held for sale.

2.8 Properties held for sale

Completed properties held for sale are stated at lower of cost or net realisable value. Cost is determined by apportionment of the total land cost, development costs and borrowing costs capitalised to the unsold properties with such apportionment based on floor area.

Net realisable value is determined by reference to sale proceeds of properties sold in the ordinary course of business less all estimated selling expenses; or estimated by management in the absence of comparable transactions taking into consideration prevailing market conditions.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.9 Impairment of non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs of disposal and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. Where the carrying amount of an asset or cash-generating unit exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. If such indication exists, the Group estimates the asset's or cash-generating unit's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

2.10 Subsidiaries

A subsidiary is an entity over which the Group has the power to govern the financial and operating policies so as to obtain benefits from its activities.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less impairment losses.

2.11 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial assets at initial recognition.

When financial assets are recognised initially, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.11 Financial instruments (cont'd)

(a) *Financial assets (cont'd)*

Subsequent measurement

The subsequent measurement of financial assets depends on their classification.

Loans and receivables

Non-derivative financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On de-recognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way of purchase or sale of a financial asset

All regular way purchases and sales of financial assets are recognised or derecognised on the trade date i.e., the date that the Group commits to purchase or sell the asset. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned.

(b) *Financial liabilities*

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognised initially at fair value and in the case of financial liabilities not at fair value through profit or loss, directly attributable transaction costs.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.11 Financial instruments (cont'd)

(b) *Financial liabilities (cont'd)*

Subsequent measurement

The measurement of financial liabilities depends on their classification.

Financial liabilities at amortised cost

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

De-recognition

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a de-recognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

(c) *Offsetting of financial instruments*

Financial assets and financial liabilities are offset and the net amount is presented in the statements of financial position, when and only when, there is a currently enforceable legal right to set off the recognised amounts and there is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

2.12 Impairment of financial assets

The Group assesses at each reporting date whether there is any objective evidence that a financial asset is impaired.

Financial assets carried at amortised cost

For financial assets carried at amortised cost, the Group first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the Group determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be recognised are not included in a collective assessment of impairment.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.12 Impairment of financial assets (cont'd)

Financial assets carried at amortised cost (cont'd)

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account. The impairment loss is recognised in profit or loss.

When the asset becomes uncollectible, the carrying amount of impaired financial asset is reduced directly or if an amount was charged to the allowance account, the amounts charged to the allowance account are written off against the carrying value of the financial asset.

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group considers factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.13 Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand.

2.14 Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.15 Financial guarantee

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the terms of a debt instrument.

Financial guarantees are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. 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.

2.16 Borrowing costs

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.17 Employee benefits

(a) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. In particular, the Singapore companies in the Group make contributions to the Central Provident Fund scheme in Singapore, a defined contribution pension scheme. Contributions to defined contribution pension schemes are recognised as an expense in the period in which the related service is performed.

Pursuant to the relevant regulations of the PRC government, the PRC Subsidiaries of the Group ("PRC Subsidiaries") have participated in central pension schemes ("the Schemes") operated by local municipal governments whereby the PRC Subsidiaries are required to contribute a certain percentage of the basic salaries of their employees to the Schemes to fund their retirement benefits. The local municipal governments undertake to assume the retirement benefit obligations of all existing and future retired employees of the PRC Subsidiaries. The only obligation of the PRC Subsidiaries with respect to the Schemes is to pay the ongoing required contributions under the Schemes mentioned above. Contributions under the Schemes are charged as an expense when incurred.

(b) *Employee leave entitlement*

Employee entitlements to annual leave are recognised as a liability when they are accrued to the employees. The estimated liability for leave is recognised for services rendered by employees up to the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.18 Leases

The determination of whether an arrangement is, or contains a lease is based on the substance of the arrangement at inception date: whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

(a) *As lessee*

Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

(b) *As lessor*

Leases where the Group retains substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same bases as rental income. The accounting policy for rental income is set out in Note 2.19(d). Contingent rents are recognised as revenue in the period in which they are earned.

2.19 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is made. Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment excluding taxes or duty.

(a) *Sale of development properties*

Revenue from properties developed for sale is recognised when the risks and rewards of ownership of units have been transferred to the buyer either upon the issue of completion certificate or handing over of keys to the buyers, whichever is later. Payments received from buyers prior to this stage are recorded as advances from customers for sales of properties.

(b) *Rendering of services*

Property management fee income and service income are recognised over the period when services are rendered.

(c) *Interest income*

Interest income is recognised using the effective interest method.

(d) *Rental income*

Rental income arising from properties held for sale is accounted for on a straight-line basis over the lease terms. The aggregate costs of incentives provided to lessees are recognised as a reduction of rental income over the lease term on a straight-line basis.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.20 Taxes

(a) *Current income tax*

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the end of the reporting period, in the countries where the Group operates and generates taxable income.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(b) *Deferred tax*

Deferred tax is provided using the liability method on temporary differences at the end of the reporting period between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

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

- Where the deferred tax liability arises from the initial recognition of goodwill or 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; and
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- Where the deferred tax asset relating to the deductible temporary difference 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; and
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period 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 the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.20 Taxes (cont'd)

(b) *Deferred tax (cont'd)*

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in 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 end of each reporting period.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(c) *Sales tax*

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.21 Share capital and share issuance expenses

Proceeds from issuance of ordinary shares are recognised as share capital in equity. Incremental costs directly attributable to the issuance of ordinary shares are deducted against share capital.

2.22 Contingencies

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group; or
- (b) a present obligation that arises from past events but is not recognised because:
 - (i) It is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
 - (ii) The amount of the obligation cannot be measured with sufficient reliability.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

2. Summary of significant accounting policies (cont'd)

2.22 Contingencies (cont'd)

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group.

Contingent liabilities and assets are not recognised on the statement of financial position of the Group, except for contingent liabilities assumed in a business combination that are present obligations and which the fair values can be reliably determined.

2.23 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).

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

3. Significant accounting judgments and estimates

The preparation of the Group's consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Judgments made in applying accounting policies

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Determination of functional currency

FRS 21 The Effects of Changes in Foreign Exchange Rates requires the Company and the entities in the Group to determine its functional currency in preparing the financial statements. When determining its functional currency, the Company and the entities in the Group consider the primary economic environment in which it operates i.e. the one in which it primarily generates and expends cash. The Company and the entities in the Group may also consider the funds from financing activities are generated. Management applied its judgment and determined that the functional currency of the Company is Singapore Dollars on the basis that its funding is denominated in Singapore Dollars and its transactions are mainly in Singapore Dollars.

3.2 Key sources of estimation uncertainty

(a) Estimation of net realisable value of development properties

Development properties are stated at the lower of cost and estimated net realisable value (NRV) in accordance with the accounting policy in Note 2.7.

Development properties are tested for impairment when there are indicators that the carrying amounts may not be recoverable. The Group obtained valuations performed by accredited independent valuers to determine the recoverable amount of the development properties. The carrying amount of the development property stated at net realisable value as at 30 September 2014 was RMB436,305,000 (2013: RMB302,600,000).

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

3. Significant accounting judgments and estimates (cont'd)

3.2 Key sources of estimation uncertainty (cont'd)

(b) Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations and the amount and timing of future taxable income. Given the wide range of international business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax provisions already recorded. The Group establishes provisions, based on reasonable estimates, for possible consequences of audits by the tax authorities of the respective countries in which it operates. The amount of such provisions is based on various factors, such as experience of previous tax audits and differing interpretations of tax regulations by the taxable entity and the relevant tax authority. Such differences of interpretation may arise on a wide variety of issues depending on the conditions prevailing in the respective Group company's domicile.

Deferred tax assets are recognised for all unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits.

4. Financial instruments, financial risks and capital risks management

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of the reporting period:

	Group		Company	
	2014	2013	2014	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Financial assets				
Loans and receivables				
(including cash and bank balances)	101,755	75,882	1,208	5,309
Financial liabilities				
Financial liabilities carried at amortised cost	128,327	84,522	9,122	2,991

(b) Financial risk management policies and objectives

Management of the Group monitors and manages the financial risks relating to the operations of the Group to ensure appropriate measures are implemented in a timely and effective manner. These risks include market risk (foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Group does not hold or issue derivative financial instruments for speculative purposes.

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.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

4. Financial instruments, financial risks and capital risks management (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(i) Foreign currency risk

The Group's transactions are largely denominated in Renminbi. The Group does not enter into derivative foreign exchange contracts and foreign currency borrowings to hedge its foreign exchange risk.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the company's functional currency are as follows:

	Assets		Liabilities	
	2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
Group				
United States Dollars (USD)	370	377	–	–
Singapore Dollars (SGD)	–	47	–	–
Company				
Renminbi (RMB)	–	–	2,227	2,187

The sensitivity rate used when reporting foreign currency risk to key management personnel is 10%, which is the change in foreign exchange rate that management deems reasonably possible which will affect outstanding foreign currency denominated monetary items at period end.

If USD were to appreciate/depreciate by 10% against the RMB, the loss after tax for the year of the Group will decrease/increase by approximately RMB37,000 (2013: the profit after tax for the year will increase/decrease by RMB37,700).

If SGD were to appreciate/depreciate by 10% against RMB, the loss after tax for the year of the Company will decrease/increase by approximately RMB223,000 (2013: the profit after tax for the year will increase/decrease by RMB219,000).

No sensitivity analysis is presented for other foreign currencies as the impact of changes in these currencies is not expected to be material.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates. The Group's exposure to interest rate risk arises primarily from their loans and borrowings and bank deposits.

The Group monitors its interest cost regularly and may prepay its interest-bearing loans or source for other loans and borrowings with lower interest rates.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

4. Financial instruments, financial risks and capital risks management (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(ii) Interest rate risk (cont'd)

An increase in 100 basis point in interest rate at the reporting date would increase the Group's loss before tax by approximately RMB267,000. In prior year, no sensitivity analysis is presented as the floating rate loan was entered into on 25 September 2013 and the impact of changes in interest rate is immaterial.

(iii) Credit risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in financial loss to the Group. The Group's exposure to credit risk arises primarily from deposits. The Group has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. For sales of properties, sales proceeds are fully settled concurrent with delivery of properties.

The Group does not have any significant credit risk exposure to any single counterparty or any group of counterparties having similar characteristics.

The Group's maximum exposure to credit risk comprises the sum of the carrying amounts of financial assets recorded in the financial statements.

Financial assets that are neither past due nor impaired

Other receivables that are neither past due nor impaired are with creditworthy debtors. Cash and bank balances are placed with reputable financial institutions.

Financial assets that are either past due or impaired

The Group has no financial assets that are past due or impaired.

(iv) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. The Group's and the Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. The Group's and the Company's objective is to maintain a balance between continuity of funding and flexibility through the use of stand-by credit facilities.

The Group monitors its liquidity risk and maintains a level of cash and cash equivalents deemed adequate by management to finance the Group's operations and to mitigate the effects of fluctuations in cash flows, and having adequate amounts of committed credit facilities.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

4. Financial instruments, financial risks and capital risks management (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iv) Liquidity risk (cont'd)

At 30 September 2014, the Group has committed borrowing facilities of S\$13,841,000 (approximately RMB67,501,000) (2013: S\$8,991,000, approximately RMB43,885,000) to finance the Group's operations and to mitigate the effects of fluctuations in cash flows. Approximately 25% (2013: None) of the Group's loans and borrowings will mature in less than one year based on the carrying amount reflected in the financial statement. 100% (2013: None) of the Company's loans and borrowings will mature in less than one year at the end of the reporting period.

The Group assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. Access to sources of funding is available.

Analysis of financial instruments by remaining contractual maturities

The table below summarises the maturity profile of the Group's and the Company's financial assets and liabilities at the end of the reporting period based on contractual undiscounted repayment obligations.

Group	2014			Total RMB'000
	One year or less RMB'000	One to five years RMB'000	Over five years RMB'000	
Financial assets:				
Cash and bank balances	98,598	–	–	98,598
Other receivables and deposits*	3,157	–	–	3,157
Total undiscounted financial assets	101,755	–	–	101,755
Financial liabilities:				
Trade payables	74,447	259	–	74,706
Other payables and accruals#	13,146	–	–	13,146
Advances from a director	6,049	–	–	6,049
Loans and borrowings	9,258	26,842	–	36,100
Total undiscounted financial liabilities	102,900	27,101	–	130,001
Total net undiscounted financial assets/(liabilities)	(1,145)	(27,101)	–	(28,246)

* Excludes advances to suppliers and prepayments.

Excludes advance rental and advance receipt from the sale of properties.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

4. Financial instruments, financial risks and capital risks management (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iv) Liquidity risk (cont'd)

Group	2013			
	One year or less RMB'000	One to five years RMB'000	Over five years RMB'000	Total RMB'000
Financial assets:				
Cash and bank balances	72,783	–	–	72,783
Other receivables and deposits*	3,099	–	–	3,099
Total undiscounted financial assets	75,882	–	–	75,882
Financial liabilities:				
Trade payables	30,548	–	–	30,548
Other payables and accruals*	17,717	–	–	17,717
Advances from a director	10,017	–	–	10,017
Loans and borrowings	756	27,059	–	27,815
Total undiscounted financial liabilities	59,038	27,059	–	86,097
Total net undiscounted financial assets/(liabilities)	16,844	(27,059)	–	(10,215)

* Excludes advances to suppliers and prepayments.

Excludes advance rental and advance receipt from the sale of properties.

Company	2014			
	One year or less RMB'000	One to five years RMB'000	Over five years RMB'000	Total RMB'000
Financial assets:				
Cash and bank balances	340	–	–	340
Other receivables and deposits	868	–	–	868
Total undiscounted financial assets	1,208	–	–	1,208
Financial liabilities:				
Other payables and accruals	3,083	–	–	3,083
Loans and borrowings	6,039	–	–	6,039
Total undiscounted financial liabilities	9,122	–	–	9,122
Total net undiscounted financial liabilities	(7,914)	–	–	(7,914)

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

4. Financial instruments, financial risks and capital risks management (cont'd)

(b) Financial risk management policies and objectives (cont'd)

(iv) Liquidity risk (cont'd)

Company	2013			Total RMB'000
	One year or less RMB'000	One to five years RMB'000	Over five years RMB'000	
Financial assets:				
Cash and bank balances	1,554	–	–	1,554
Other receivables and deposits	3,755	–	–	3,755
Total undiscounted financial assets	5,309	–	–	5,309
Financial liabilities:				
Other payables and accruals	2,991	–	–	2,991
Total undiscounted financial liabilities	2,991	–	–	2,991
Total net undiscounted financial assets	2,318	–	–	2,318

(v) Fair value of financial assets and financial liabilities

Cash and bank balances (Note 6), other receivables and deposits (excludes advances to suppliers and prepayments) (Note 7), trade payables (Note 13), other payables and accruals (excludes advance rental and advance receipt from the sale of properties) (Note 14), advances from a director (Note 15) and loans – current (Note 16)

The carrying amounts of these financial assets and liabilities are reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are re-priced to market interest rates on or near the end of the reporting period.

Loans and borrowings – non-current (Note 16)

The fair value of the loans and borrowings – non-current, amounting to RMB25,971,000 have been measured under Level 2 of the fair value hierarchy, by discounting expected future cash flows at market incremental lending rate for similar type of borrowings arrangements at the end of the reporting period.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

4. Financial instruments, financial risks and capital risks management (cont'd)

(c) Capital management

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, loans and borrowings, trade and other payables, advances from a director, less cash and cash equivalents. Capital includes equity attributable to owners of the Company less the above-mentioned restricted statutory reserve fund.

	Group	
	2014	2013
	RMB'000	RMB'000
Loans and borrowings (Note 16)	34,426	26,240
Trade payables (Note 13)	74,706	30,548
Other payables and accruals (Note 14)	304,982	164,205
Advances from a director (Note 15)	6,049	10,017
Less: Cash and cash equivalent	(98,598)	(72,783)
	<u>321,565</u>	<u>158,227</u>
Equity attributable to owners of the Company	116,712	126,413
Less: Statutory reserve fund	(3,222)	(2,860)
Total capital	<u>113,490</u>	<u>123,553</u>
Capital and net debt	435,055	281,780
Gearing ratio	<u>74%</u>	<u>56%</u>

The Group reviews the capital structure on an annual basis. As a part of this review, the Group considers the cost of capital and the risks associated with each class of capital. The Group's overall strategy remains unchanged from prior year

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

5. Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, the following significant transactions between the Group and related parties took place at terms agreed between the parties during the financial year:

	Group	
	2014	2013
	RMB'000	RMB'000
(Repayment)/advances (to)/from a director	(3,968)	10,017

A personal guarantee for S\$13,841,000 (approximately RMB67,501,000) (2013: S\$8,991,000, approximately RMB43,885,000) was provided by a director of the Company to obtain the loan as disclosed in Note 16.

Compensation of key management personnel

	Group	
	2014	2013
	RMB'000	RMB'000
Short-term benefits	3,839	4,670
Defined contribution plans	89	134
	3,928	4,804
<i>Comprise amounts paid to:</i>		
Directors of the Company	3,189	3,255
Other key management personnel	739	1,549
	3,928	4,804

6. Cash and bank balances

	Group		Company	
	2014	2013	2014	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Cash on hand	19	22	–	–
Cash at bank	65,719	61,972	340	1,554
Deposits pledged	32,860	10,789	–	–
Cash and bank balances	98,598	72,783	340	1,554

Fixed deposit of S\$5,325,000 (approximately RMB25,736,000) (2013: S\$768,000, approximately RMB3,749,000) is pledged with the bank to secure loans and borrowings in Note 16.

RMB7,057,000 (2013: RMB7,029,000) is placed in an escrow account with a bank in the PRC in accordance with the requirements of the local authority to complete the construction of a property development project in the PRC.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

6. Cash and bank balances (cont'd)

RMB67,000 (2013: RMB11,000) is pledged with a bank in the PRC to secure bank guarantees.

For the purpose of the consolidated cash flows statement, cash and cash equivalents comprise the following as at the end of the reporting period:

	Group	
	2014	2013
	RMB'000	RMB'000
Cash and bank balances	98,598	72,783
Less: Deposits pledged	(32,860)	(10,789)
Cash and cash equivalents	<u>65,738</u>	<u>61,994</u>

The Group's cash and bank balances that are denominated in the foreign currencies of the respective entities are as follows:

	Group		Company	
	2014	2013	2014	2013
	RMB'000	RMB'000	RMB'000	RMB'000
United States dollars	370	377	–	–
Singapore dollars	<u>–</u>	<u>47</u>	<u>–</u>	<u>–</u>

7. Other receivables and deposits

	Group		Company	
	2014	2013	2014	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Other receivables from third parties	142	7	–	–
Other receivables from subsidiaries	–	–	750	3,609
Advances to suppliers	7,656	1,766	–	–
Deposits	3,015	3,092	118	146
Prepayments	<u>15</u>	<u>18</u>	<u>–</u>	<u>–</u>
	<u>10,828</u>	<u>4,883</u>	<u>868</u>	<u>3,755</u>

Other receivables from third parties and subsidiaries

Other receivables are interest-free, repayable on demand and unsecured.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

7. Other receivables and deposits (cont'd)

Deposits

Deposits of RMB2,650,000 (2013: RMB2,650,000) are placed with local authority in the PRC in relation to the Group's property development projects in the PRC.

Receivables that are past due but not impaired

There are no receivables that are past due at the end of the reporting period but not impaired.

Receivables that are impaired

There are no receivables that are impaired at the end of the reporting period as management is of the view that these receivables are recoverable.

8. Properties held for sale

	Group	
	2014	2013
	RMB'000	RMB'000
Cost	13,413	15,848

The properties held for sale are located at Fuling District, Chongqing Municipality, the PRC.

9. Development properties

	Group	
	2014	2013
	RMB'000	RMB'000
Land costs	126,821	129,475
Construction costs	309,484	173,125
	436,305	302,600

The development properties are located at Fuling District, Chongqing Municipality, the PRC and Singapore.

Included in development properties are interest expenses capitalised amounting to S\$218,000 (equivalent to RMB1,055,000) (2013: S\$60,000, equivalent to RMB294,000).

During the financial year ended, the Group recorded an impairment loss on development properties in Singapore amounting to RMB3,465,000 (equivalent of S\$705,000) due to decrease in net realisable value, which are recognised as an expense in "other operating expenses".

Development properties amounting to S\$7,499,000 (approximately RMB36,225,000) (2013: S\$7,965,000, approximately RMB38,879,000) were mortgaged to a bank as security for borrowings as referred to in Note 16.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

10. Equipment

Group	Motor vehicles RMB'000	Furniture, fixtures and equipment RMB'000	Total RMB'000
Cost			
At 1 October 2012	525	310	835
Additions	809	131	940
Disposals	(200)	(26)	(226)
At 30 September 2013 and 1 October 2013	1,134	415	1,549
Additions	529	42	571
Disposals	(70)	(4)	(74)
At 30 September 2014	1,593	453	2,046
Accumulated depreciation			
At 1 October 2012	112	193	305
Depreciation for the year	240	63	303
Disposals	(69)	(2)	(71)
At 30 September 2013 and 1 October 2013	283	254	537
Depreciation for the year	326	70	396
Disposals	(70)	(2)	(72)
At 30 September 2014	539	322	861
Carrying amount			
At 30 September 2014	1,054	131	1,185
At 30 September 2013	851	161	1,012

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

10. Equipment (cont'd)

Company	Furniture, fixtures and equipment RMB'000
Cost	
At 1 October 2012	60
Additions	17
At 30 September 2013 and 1 October 2013	77
Additions	33
At 30 September 2014	110
Accumulated depreciation	
At 1 October 2012	2
Depreciation for the year	12
At 30 September 2013 and 1 October 2013	14
Depreciation for the year	18
At 30 September 2014	32
Carrying amount	
At 30 September 2014	78
At 30 September 2013	63

11. Investment in subsidiaries

	Company	
	2014	2013
	RMB'000	RMB'000
Unquoted equity shares, at cost	9,773	5,519
Unquoted equity investment, at cost		
At beginning of the year	5,519	638
Addition	4,892	4,881
Disposal	(638)	—
At end of the year	9,773	5,519

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

11. Investment in subsidiaries (cont'd)

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation and operations	Principal activity	Attributable equity interest of the Group	
			2014 %	2013 %
Jumbo Equity Group Limited ⁽¹⁾⁽⁵⁾	British Virgin Islands	Investment holding	–	100
Starland Axis Pte. Ltd. ⁽²⁾⁽⁶⁾	Singapore	Property development	100	100
Starland Commercial Trading Pte. Ltd. ⁽²⁾	Singapore	Investment holding	100	100
<u>Subsidiary of Starland Commercial Trading Pte. Ltd.</u>				
Xiamen Starland Trading Limited ⁽³⁾	People's Republic of China	Wholesale, import and export of chemical product, office furniture and clothing; consultancy on the enterprise management and business information	100	100
<u>Subsidiary of Xiamen Starland Trading Limited</u>				
Chongqing Starland Property Service Co., Ltd. ⁽⁴⁾	People's Republic of China	Property management service	100	100
<u>Subsidiaries of Chongqing Starland Property Service Co., Ltd.</u>				
Chongqing Gangyuan Property Development Co., Ltd. ⁽⁴⁾	People's Republic of China	Property development, marketing planning of property; sales of construction material, decoration material and low voltage electronic apparatus	100	100
Chongqing Tianhu Land Co., Ltd. ⁽⁴⁾	People's Republic of China	Property development, marketing planning of property; sales of construction material, decoration material and low voltage electronic apparatus	100	100

(1) Not required to be audited by law in its country of incorporation.

(2) Audited by Ernst & Young LLP, Singapore.

(3) Audited by Fujian ZhongHao Certified Public Accountants Co., Ltd., and audited by member firm of Ernst & Young Global in China for group consolidation purposes.

(4) Audited by Chongqing Wanlong Fangzheng Certified Public Accountants Co., Ltd., and audited by member firm of Ernst & Young Global in China for group consolidation purposes.

(5) On 31 October 2013, the Company disposed its entire interest in Jumbo Equity Group Limited, a wholly-owned subsidiary to the Group's Executive Chairman at a nominal sum of S\$1 (approximately RMB5). The disposal consideration was fully settled in cash. The value of assets and liabilities of Jumbo Equity Limited recorded in the consolidated financial statements at the date of disposal are RMB Nil. Hence, there is no cash flow effect of the disposal.

(6) During the year, the Company increased its investment in Starland Axis Pte. Ltd., a wholly-owned subsidiary by allotment and issuance of an additional 1,000,000 ordinary shares for a consideration of S\$1,000,000 (equivalent to RMB4,892,000).

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

12. Deferred tax assets/(liabilities)

	Group	
	2014	2013
	RMB'000	RMB'000
Deferred tax assets	3,242	1,698
Deferred tax liabilities	(2,594)	(2,594)

The following are the deferred tax assets and liabilities recognised by the Group and movements thereon during the current and prior reporting years:

Group	Undistributed retained profits RMB'000	Tax credits RMB'000	Tax losses RMB'000	Total RMB'000
Cost				
At 30 September 2012	(1,538)	–	498	(1,040)
Charge to income statement for the year (Note 21)	(1,056)	397	803	144
At 30 September 2013	(2,594)	397	1,301	(896)
Charge to income statement for the year (Note 21)	–	475	1,069	1,544
At 30 September 2014	(2,594)	872	2,370	648

Temporary differences relating to investment in subsidiaries

In accordance with the PRC tax circular (Guoshuihan [2008] 112) effective from 1 January 2008, PRC withholding income tax at the rate of 10% is applicable to dividends payable by the PRC subsidiaries based on their profits generated from 1 January 2008 onwards to its “non-resident” investors who do not have an establishment or place of business in the PRC.

As at 30 September 2014, the temporary differences for which no deferred tax liability has been recognised aggregate to RMB3,260,000 as the Group has determined that undistributed earnings of its subsidiaries will not be distributed in the foreseeable future. The deferred tax liability is estimated to RMB326,000.

Tax losses

The use of these tax losses is subject to the agreement of the tax authorities and compliance with certain provisions of the tax legislation of the respective countries in which the companies operate. Pursuant to PRC tax regulations, for the years on which the tax losses are incurred, tax losses may be carried forward for 5 years subject to the conditions imposed by law including the retention of majority shareholders as defined.

The unused tax losses at years ended 30 September 2014 and 2013 is as follows:

	Group	
	2014	2013
	RMB'000	RMB'000
<u>Expiry of unused tax losses</u>		
Not later than 1 year	549	549
Later than 1 year but not later than 5 years	8,931	4,655
	9,480	5,204

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

13. Trade payables

Included in trade payables is retention sum payable amounted to RMB259,000 as at 30 September 2014 (2013: RMB262,000).

14. Other payables and accruals

	Group		Company	
	2014	2013	2014	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Deposits from contractors	10,811	15,971	–	–
Deposits from tenants	325	387	–	–
Advance rental	156	144	–	–
Advance receipt from the sale of properties	291,680	146,344	–	–
Other payables due to third parties	321	291	–	–
Other payables due to subsidiaries	–	–	2,227	2,178
Accrued expenses	1,689	1,068	856	813
	<u>304,982</u>	<u>164,205</u>	<u>3,083</u>	<u>2,991</u>

The Group's and Company's other payables that are not denominated in the functional currencies of the respective entities are as follows:

	Group		Company	
	2014	2013	2014	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Renminbi	<u>–</u>	<u>–</u>	<u>2,227</u>	<u>2,178</u>

15. Advances from a director

Advances from a director are non-trade, unsecured, interest-free and repayable on demand.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

16. Loans and borrowings

	Maturity	Group		Company	
		2014 RMB'000	2013 RMB'000	2014 RMB'000	2013 RMB'000
Non-current					
Bank loan					
– financing facility	2015/2016	25,971	26,240	–	–
Current					
Bank loan					
– revolving credit facility	2014/2015	6,039	–	6,039	–
– money market loan	2014/2015	2,416	–	–	–
		8,455	–	6,039	–
Total loans and borrowings		34,426	26,240	6,039	–

Financing facility

The Group has obtained a property development financing facility (the “facility”) for a property development project in Singapore. The facility comprises of a land loan, development charge loan and a construction loan. The Group has drawdown the land loan on 25 September 2013.

Interest is charged at 2.50% per annum over the bank’s cost of funds or 2.50% per annum over the applicable SWAP Offer Rate as determined by the bank on the day of transaction, whichever is the higher or at such other rate at the sole discretion of the bank for an interest period of 3 months.

The loan shall be fully repaid in one lump sum within 25 months from the date of the first drawdown of the land loan or 6 months after the issuance of the Temporary Occupation Permit, whichever is the earliest.

The facility is secured and guaranteed by the following:

- First legal mortgage over the acquired property in Singapore and the proposed development to be erected thereon;
- Fixed deposit of S\$773,000 (approximately RMB3,736,000) (2013: S\$768,000, approximately RMB3,749,000) pledged with the bank;
- Legal assignment of all rights, title and interests in the construction contract, insurance policies, performance bonds (if any), tenancy agreements and sale and purchase agreements in respect of the proposed development;
- A personal guarantee for S\$8,991,000 (approximately RMB43,885,000) (2013: S\$768,000, approximately RMB3,748,000) by a director of the Company; and
- A corporate guarantee for S\$8,991,000 (approximately RMB43,885,000) by the Company.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

16. Loans and borrowings (cont'd)

Revolving credit facility

The Group and the Company has also obtained a Revolving Credit Facility (the "RCF") for general working capital purposes. The Group and the Company has drawn down partial of the facility, amounting to S\$1,250,000 (approximately RMB6,039,000) as at 30 September 2014.

Interest is charged at 1.5% per annum over the bank's cost of fund. The tenure for the drawdown is 1 month.

The RCF is secured and guaranteed by the following:

- (a) Standby Letter of Credit ("SBLC") for not less than RMB17,000,000 issued by another bank;
- (b) Fixed deposit of RMB17,000,000 (2013: Nil) pledged with the bank; and
- (c) A personal guarantee of S\$3,050,000 (approximately RMB14,921,000) by a director of the Company.

Money market loan

The Group has also obtained a Money Market Loan (the "MML") for general working capital purposes. The Group has drawn down S\$500,000 (approximately RMB2,416,000) as at 30 September 2014.

Interest is charged at 0.70% per annum over the Singapore Inter Bank Offer Rate ("SIBOR") prevailing as determined by the bank on the date of transaction, or at such other rate at the sole discretion of the bank. The tenure for the drawdown ranges from 3 to 6 months.

The MML is secured and guaranteed by the following:

- (a) Standby Letter of Credit ("SBLC") for not less than RMB10,000,000 issued by another bank;
- (b) Fixed deposit of RMB5,000,000 (2013: Nil) pledged with the bank;
- (c) A personal guarantee of S\$1,800,000 (approximately RMB8,695,000) by a director of the Company; and
- (d) A corporate guarantee for S\$1,800,000 (approximately RMB8,695,000) by the Company.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

17. Share capital

	Group and Company			
	2014		2013	
	No. of shares '000	RMB'000	No. of shares '000	RMB'000
Issued and fully paid ordinary shares				
At the beginning and the end of financial year	144,733	24,471	144,733	24,471

Fully paid ordinary shares, which have no par value, carry one vote per share and a right to dividends as and when declared by the Company.

18. Other reserves

Capital reserve

Arising from the restructuring exercise in financial year 2012, advances from shareholders amounted to RMB132,036,000 less tax of RMB33,009,000 that were waived by the shareholders are included as capital reserve.

Merger reserve

Arising from the restructuring exercise in financial year 2012, the merger reserve is the difference between the nominal amount of the share capital of the subsidiaries at the date on which the subsidiaries were acquired by the Company and the nominal amount of the share capital issued as consideration for the acquisition.

Statutory reserve

In accordance with the Foreign Enterprise Law applicable to the subsidiary in the PRC, the subsidiary is required to make appropriation to a Statutory Reserve Fund (SRF). At least 10% of the statutory profits after tax as determined in accordance with the applicable PRC accounting standards and regulations must be allocated to the SRF until the cumulative total of the SRF reaches 50% of the subsidiary's registered capital. Subject to approval from the relevant PRC authorities, the SRF may be used to offset any accumulated losses or increase the registered capital of the subsidiary. The SRF is not available for dividend distribution to shareholders.

Translation reserve

The translation reserve represents exchange differences arising from the translation of the financial statements of entities whose functional currencies are different from that of the Group's presentation currency.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

19. Revenue

	Group	
	2014	2013
	RMB'000	RMB'000
Income from sale of properties	11,307	33,832
Property management income	673	762
Rental income	1,590	1,960
	<u>13,570</u>	<u>36,554</u>

20. Other operating income

	Group	
	2014	2013
	RMB'000	RMB'000
Interest income	698	302
Gain on disposal of assets	82	–
Others	50	25
	<u>830</u>	<u>327</u>

21. Other operating expenses

	Group	
	2014	2013
	RMB'000	RMB'000
Interest expenses	74	1
Loss on disposal of assets	–	55
Impairment loss on development property	3,465	–
Write off of receivables	139	–
Others	264	141
	<u>3,942</u>	<u>197</u>

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

22. (Loss)/profit before tax

(Loss)/profit before tax has been arrived at after charging/(crediting):

	Group	
	2014	2013
	RMB'000	RMB'000
Depreciation of equipment	396	303
Net foreign exchange (gain)/loss	(132)	118
Employee benefits expense (including directors' remuneration):		
Defined contribution plans	396	396
Salaries and other short-term benefits	4,563	6,789
Total employee benefits expense	4,959	7,185
Audit fees:		
– auditors of the Company	297	215
– affiliates of auditors of the Company	446	325
– other auditors	51	580
Non-audit fees:		
– other auditors	140	246
– auditors of the Company	15	–
Cost of completed properties for sale recognised as expenses	2,072	6,448

23. Income tax expense

	Group	
	2014	2013
	RMB'000	RMB'000
Current tax:		
PRC enterprise income tax	1,370	4,417
PRC land appreciation tax	3,902	9,443
	5,272	13,860
Deferred tax:		
Origination of temporary differences	–	1,056
Unused tax losses and tax credits	(1,544)	(1,200)
Total income tax expense	3,728	13,716

The Group is subject to income tax on an entity basis on profits from the jurisdictions in which members of the Group are domiciled and operate.

Singapore income tax is calculated at 17% (2013: 17%) of the estimated assessable profit for the year. No provision for Singapore income tax has been made as the Group did not derive any taxable income in Singapore during the financial year.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

23. Income tax expense (cont'd)

On 16 March 2007, the PRC promulgated the Law of the PRC on Enterprise Income Tax ("New Law") by Order No.63 of the President of the PRC, with an effective date of 1 January 2008. On 28 December 2007, the State Council of the PRC issued Implementation Regulations of the New Law. Due to the New Law and Implementation Regulations, the PRC subsidiaries will be subject to 25% Enterprise Income Tax, commencing 1 January 2008. Accordingly, taxation arising in the PRC is calculated at the prevailing rate of 25% (2013: 25%) for subsidiaries in the PRC.

The Group is subject to Land Appreciation Tax ("LAT") in the PRC which has been included in the income tax expense of the Group. The PRC LAT is levied at progressive rates ranging on the appreciation of land value, being the proceeds of sales of properties less deductible expenditures including sales charges, borrowing costs and all property development expenditures in accordance with the PRC tax laws and regulations.

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 30 September 2014 and 2013 is as follows:

	Group	
	2014	2013
	RMB'000	RMB'000
(Loss)/profit before tax	(6,005)	16,156
Income tax expense at statutory rate of the respective entities	(1,873)	4,533
Non-deductible items	1,649	1,074
Deferred tax benefits not recognised	76	–
Effect of land appreciation tax	3,902	7,082
Withholding tax on undistributed profits	–	1,056
Others	(26)	(29)
Total income tax expense	3,728	13,716

24. Earnings/(loss) per share

Loss per share for 30 September 2014 was calculated by dividing loss for the year attributable to owners of the Company of RMB9,733,000 by the weighted average number of ordinary shares outstanding during the year of 144,733,000 shares.

Earnings per share for 30 September 2013 has been calculated by dividing profit for the year attributable to owners of the Company of RMB2,440,000 by the weighted average number of ordinary shares outstanding during the year of 144,733,000 shares.

Basic and diluted earnings per share are the same as there is no dilutive potential ordinary share outstanding during the year.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

25. Segment information

The Group's reportable operating segments are the property development, property management and rental income. Property development covers development of residential, commercial and other properties.

Accordingly, the above are the Group's reportable segments under FRS 108 *Operating Segments*. Information regarding the Group's reportable segments is presented below.

Operating segments are aggregated into a single reportable operating segment if they have similar economic characteristics and are similar in respect of nature of services and processes and/or their reported revenue.

Segment	Principal activities
(a) Property development	Development of residential, commercial and other properties.
(b) Property management	Provision of property management and other services.
(c) Rental income	Leasing of properties held for sale to generate rental income.

Information regarding the Group's reportable segments is presented in the tables below.

Segment revenues and results

	Revenue		Profit/(loss)	
	2014	2013	2014	2013
	RMB'000	RMB'000	RMB'000	RMB'000
Property development	11,307	33,832	(2,740)	20,044
Property management	673	762	(142)	(79)
Rental income	1,590	1,960	1,590	1,960
Total	13,570	36,554	(1,292)	21,925
Unallocated expense			(5,337)	(6,070)
Interest expense			(74)	(1)
Interest income			698	302
(Loss)/profit before income tax			(6,005)	16,156
Income tax			(3,728)	(13,716)
Combined (loss)/profit			(9,733)	2,440

Revenue reported above represents revenue generated from external customers. There were no inter-segment sales in the year (2013: Nil).

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment profit represents profit earned by each segment without allocation of interest income.

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

25. Segment information (cont'd)

Geographical segment

Development properties information based on the geographical location of assets respectively are as follows:

	Development properties	
	2014	2013
	RMB'000	RMB'000
People's Republic of China	400,080	263,721
Singapore	36,225	38,879
	<u>436,305</u>	<u>302,600</u>

The Group's operations are mainly located in the PRC, hence no analysis by geographical area of operations is provided.

The Group has a large number of customers and does not have any significant revenue arising from sales of properties to any major customers which are individually accounted for over 10% of the Group's total revenue.

26. Operating lease arrangements

As lessor

The Group rents out its properties held for sale in the PRC under operating leases. The leases are negotiated for terms between 1 to 6 years and rentals are fixed during the term of the lease. Property rental income earned during the year was RMB1,590,000 (2013: RMB1,960,000).

At the end of the reporting period, the Group has contracted with tenants for the following future minimum lease payments:

	Group	
	2014	2013
	RMB'000	RMB'000
Within one year	1,344	1,421
In the second to fifth years inclusive	2,437	3,761
	<u>3,781</u>	<u>5,182</u>

NOTES TO FINANCIAL STATEMENTS

30 SEPTEMBER 2014

26. Operating lease arrangements (cont'd)

As lessee

The Group has entered into operating lease for its office premises. The leases are negotiated for terms between 1 to 5 years and rentals are fixed during the term of the lease.

	Group	
	2014	2013
	RMB'000	RMB'000
Minimum lease payments under operating lease recognised as an expense in the financial year	133	215

At the end of the reporting period, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	Group	
	2014	2013
	RMB'000	RMB'000
Within one year	73	118
In the second to fifth years inclusive	—	94
	73	212

27. Expenditure commitments – contracted

Estimated amounts committed for following future expenditures but not provided for in the financial statements at the end of the reporting period:

	Group	
	2014	2013
	RMB'000	RMB'000
Construction of properties	81,671	117,879

28. Contingent liability

The Company has provided a corporate guarantee of S\$10,791,000 (approximately RMB52,580,000) (2013: S\$8,991,000 which approximate to RMB43,885,000) to a bank for a loan taken by a subsidiary in Note 16.

29. Authorisation of financial statements for issue

The financial statements for the year ended 30 September 2014 were authorised for issue in accordance with a resolution of the Directors on 19 December 2014.

STATISTICS OF SHAREHOLDINGS

AS AT 16 DECEMBER 2014

Number of Shares in Issue : 144,733,000
 Class of shares : Ordinary shares
 Voting rights : One vote per ordinary share

DISTRIBUTION OF HOLDERS OF SHARES BY SIZE OF SHAREHOLDINGS AS AT 16 DECEMBER 2014

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS		NO. OF SHARES	
		%		%
1 – 999	0	0.00	0	0.00
1,000 – 10,000	35	20.59	208,000	0.14
10,001 – 1,000,000	126	74.12	12,702,000	8.78
1,000,001 and above	9	5.29	131,823,000	91.08
	170	100.00	144,733,000	100.00

TOP TWENTY HOLDERS OF SHARES AS AT 16 DECEMBER 2014

	NAME OF SHAREHOLDER	NO. OF SHARES	%
1	SUPER VANTAGE INVESTMENT LIMITED	81,600,000	56.38
2	ABLE LEAD INTERNATIONAL LIMITED	14,400,000	9.95
3	BILLION LIGHT INVESTMENT LIMITED	12,000,000	8.29
4	ZHONGLI INVESTMENT LIMITED	12,000,000	8.29
5	UOB KAY HIAN PTE LTD	5,438,000	3.76
6	PRIMEPARTNERS CORPORATE FINANCE PTE LTD	2,533,000	1.75
7	RAMESH S/O PRITAMDAS CHANDIRAMANI	1,440,000	0.99
8	OCBC SECURITIES PRIVATE LTD	1,308,000	0.90
9	NG GUEK KEOW	1,104,000	0.76
10	LI QINGHONG	850,000	0.59
11	CHONG SHAW WEE @ LIEW SHAW WEE	600,000	0.41
12	LIM BOON GUAN	591,000	0.41
13	NG TECK SENG	558,000	0.39
14	NG CHAI LIAN	499,000	0.34
15	TEO BOCK HENG	494,000	0.34
16	NG SOO FWEE	462,000	0.32
17	MAYBANK KIM ENG SECURITIES PTE LTD	436,000	0.30
18	BANK OF EAST ASIA NOMINEES PTE LTD	370,000	0.26
19	PHILIP SECURITIES PTE LTD	309,000	0.21
20	NEO BEE TIN	300,000	0.21
	TOTAL:	137,292,000	94.86

Note: The percentages are computed based on 144,733,000 ordinary shares as 16 December 2014.

STATISTICS OF SHAREHOLDINGS

AS AT 16 DECEMBER 2014

SUBSTANTIAL SHAREHOLDERS AS AT 16 DECEMBER 2014

Name of substantial shareholders	Direct Interest		Indirect Interest	
	No. of Shares	%	No. of shares	%
Super Vantage Investment Limited	81,600,000	56.38	–	–
Able Lead International Limited	14,400,000	9.95	–	–
Billion Light Investment Limited	12,000,000	8.29	–	–
Zhongli Investment Limited	12,000,000	8.29	–	–
Tan Hoe San ⁽¹⁾	–	–	96,000,000	66.33
Fan Yi Ru ⁽²⁾	–	–	96,000,000	66.33
Zhong Ma Ming ⁽³⁾	–	–	12,000,000	8.29
Zhong Jia Feng ⁽⁴⁾	–	–	12,000,000	8.29

Notes:

- (1) Tan Hoe San is deemed to be interested in 96,000,000 shares includes:
- (i) 81,600,000 shares held by Super Vantage Investment Limited
 - (ii) 14,400,000 shares held by Able Lead International Limited by virtue of his spouse, Fan Yi Ru, whereby Fan Yi Ru is the legal and beneficial owner of the entire issued share capital of Able Lead International Limited.
- (2) Fan Yi Ru is deemed to be interested in 96,000,000 shares includes:
- (i) 14,400,000 shares held by Able Lead International Limited
 - (ii) 81,600,000 shares held by Super Vantage Investment Limited by virtue of her spouse, Tan Hoe San, whereby Tan Hoe San is the legal and beneficial owner of the entire issued share capital of Super Vantage Investment Limited.
- (3) Deemed to be interested in 12,000,000 shares held by Zhongli Investment Limited by virtue of his son, Zhong Jia Feng.
- (4) Deemed to be interested in 12,000,000 shares held by Zhongli Investment Limited, whereby Zhong Jia Feng is the legal and beneficial owner of the entire issued share capital of Zhongli Investment Limited.

SHARES HELD BY PUBLIC

Based on the information available to the Company as at 16 December 2014, approximately 17.09% of the issued shares of the Company was held in the hands of the public as defined in the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (The "Rules of Catalist"). Accordingly, Rule 723 of the Rules of Catalist has been complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Starland Holdings Limited (the “Company”) will be held at Seminar Room, 21 Heritage Place, Tan Quee Lan Street, #02-08 Singapore 188108 on Friday, 23 January 2015 at 10.30 a.m. for the following purposes:

As Ordinary Business

1. To receive and adopt the Audited Financial Statements for the financial year ended 30 September 2014 and the Reports of the Directors and the Auditors thereon. **(Resolution 1)**

2. To re-elect Mr Foong Daw Ching, who is retiring pursuant to Article 89 of the Articles of Association of the Company and has offered himself for re-election.

Mr Foong Daw Ching will, upon re-election as a Director of the Company, remain as the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees. The Board considers him to be independent for the purpose of Rule 704(7) of the Listing Manual (Section B: Rules of Catalyst) of the Singapore Exchange Securities Trading Limited **(Resolution 2)**

3. To approve the payment of Directors’ fees amounting to S\$120,000 for the financial year ending 30 September 2015 payable half yearly in arrears. **(Resolution 3)**

4. To re-appoint Messrs Ernst & Young LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 4)**

5. To transact any other ordinary business which may be properly transacted at an annual general meeting.

As Special Business

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

6. Authority to Allot and Issue Shares

THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore (the “**Act**”) and Rule 806 of the Listing Manual (Section B: Rules of Catalyst) of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Catalist Rules**”), the Directors of the Company be authorised and empowered to:

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

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

NOTICE OF ANNUAL GENERAL MEETING

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

provided that:

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

[See Explanatory Note 1]

(Resolution 5)

NOTICE OF ANNUAL GENERAL MEETING

7. Authority to allot and issue shares pursuant to the Starland Performance Share Plan (the “Plan”)

THAT pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore, authority be and is hereby given to the Directors to offer and grant awards (“**Awards**”) in accordance with the provisions of the Plan and to allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be issued pursuant to the vesting of the Awards granted under the Plan, provided always that the aggregate number of Shares to be allotted and issued pursuant to the Plan, shall not exceed 15% of the total issued share capital of the Company (excluding treasury shares) on the date preceding the date of the relevant grant.

[See Explanatory Note 2]

(Resolution 6)

By Order of the Board

Teo Meng Keong
Company Secretary
Singapore
8 January 2015

Explanatory Notes:

(1) Resolution 5

This is to empower the Directors of the Company, effective until conclusion of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to allot and issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, without seeking any further approval from shareholders in general meeting but within the limitation imposed by this Resolution, for such purposes as the Directors of the Company may consider would be in the best interests of the Company. The aggregate number of Shares (including Shares to be made in pursuance of Instruments made or granted pursuant to this Resolution) to be allotted and issued would not exceed 100% of the total number of issued Shares (excluding treasury shares) at the time of passing of this Resolution. For issue of Shares (including Shares to be made in pursuance of instruments made or granted pursuant to this Resolution) other than on a pro-rata basis to all shareholders shall not exceed 50% of the total issued Shares (excluding treasury shares) at the time of the passing of this Resolution.

(2) Resolution 6

This is to authorise the Directors of the Company to offer and grant options in accordance with the provisions of the Plan and to allot and issue Shares under the Plan up to an amount not exceeding 15% of the Company's total number of issued Shares (excluding treasury shares) on the date preceding the date of the relevant grant.

Notes:

1. A member of the Company entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint not more than two proxies to attend in his stead. A proxy need not be a member of the Company.
2. Where a member appoints two proxies, he shall specify the proportion of his shareholding to be represented by each proxy in the instrument appointing the proxies.
3. If the member is a corporation, the instrument appointing the proxy must be under seal or the hand of an officer or attorney duly authorised.
4. The instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #02-00, Singapore 068898, not less than 48 hours before the time appointed for holding the Annual General Meeting.

STARLAND HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 201131382E)

PROXY FORM

I/We, _____ (Name)

of _____ (Address)

being a member/members of STARLAND HOLDINGS LIMITED (the "Company"), hereby appoint:

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

and/or (delete as appropriate)

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

or failing him/her, the Chairman of the Annual General Meeting of the Company, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf and, if necessary, to demand a poll at the Annual General Meeting of the Company to be held at Seminar Room, 21 Heritage Place, Tan Quee Lan Street, #02-08, Singapore 188108 on Friday, 23 January 2015 at 10.30 a.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the resolutions as set out in the Notice of Annual General Meeting. In the absence of specific directions, the proxy/proxies will vote or abstain as he/she/they may think fit, as he/she/they will on any other matter arising at the Annual General Meeting.)

	ORDINARY BUSINESS	For	Against
Resolution 1	To receive and adopt the Audited Financial Statements for the financial year ended 30 September 2014 and the Reports of the Directors and the Auditors thereon		
Resolution 2	To re-elect Mr Foong Daw Ching as a Director of the Company		
Resolution 3	To approve the payment of Directors' fees amounting to S\$120,000 for the financial year ending 30 September 2015, payable half yearly in arrears		
Resolution 4	To re-appoint Messrs Ernst & Young LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration		
	SPECIAL BUSINESS		
Resolution 5	To approve the authority to allot and issue shares		
Resolution 6	To approve the authority to allot and issue shares pursuant to the Starland Performance Share Plan		

Date this _____ day of _____ 2015

Total Number of Shares held in:	
CDP Register	
Register of Members	

Signature(s) of members(s) or Common Seal



Important: Please read notes overleaf

NOTES:**IMPORTANT**

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members of the Company, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.
2. A member of the Company entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the member must specify the proportion of shareholdings (expressed as a percentage of the whole) to be represented by each proxy. If no proportion of shareholdings is specified, the proxy whose name appears first shall be deemed to carry 100 per cent of the shareholdings of his/its appointor and the proxy whose name appears after shall be deemed to be appointed in the alternate.
4. The instrument appointing a proxy or proxies must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services at 80 Robinson Road, #02-00, Singapore 068898, not less than 48 hours before the time set for the Annual General Meeting.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised.
6. Where an instrument appointing a proxy or proxies is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.



STARLAND HOLDINGS LIMITED

80 Robinson Road
#02-00 Singapore 068898
www.starland.cc

