騰龍
國際集團
GLOBAL DRAGON LIMITED

BUILDING SUSTAINABLE GROWTH IN REAL ESTATE

2019 ANNUAL REPORT



Artist's impression

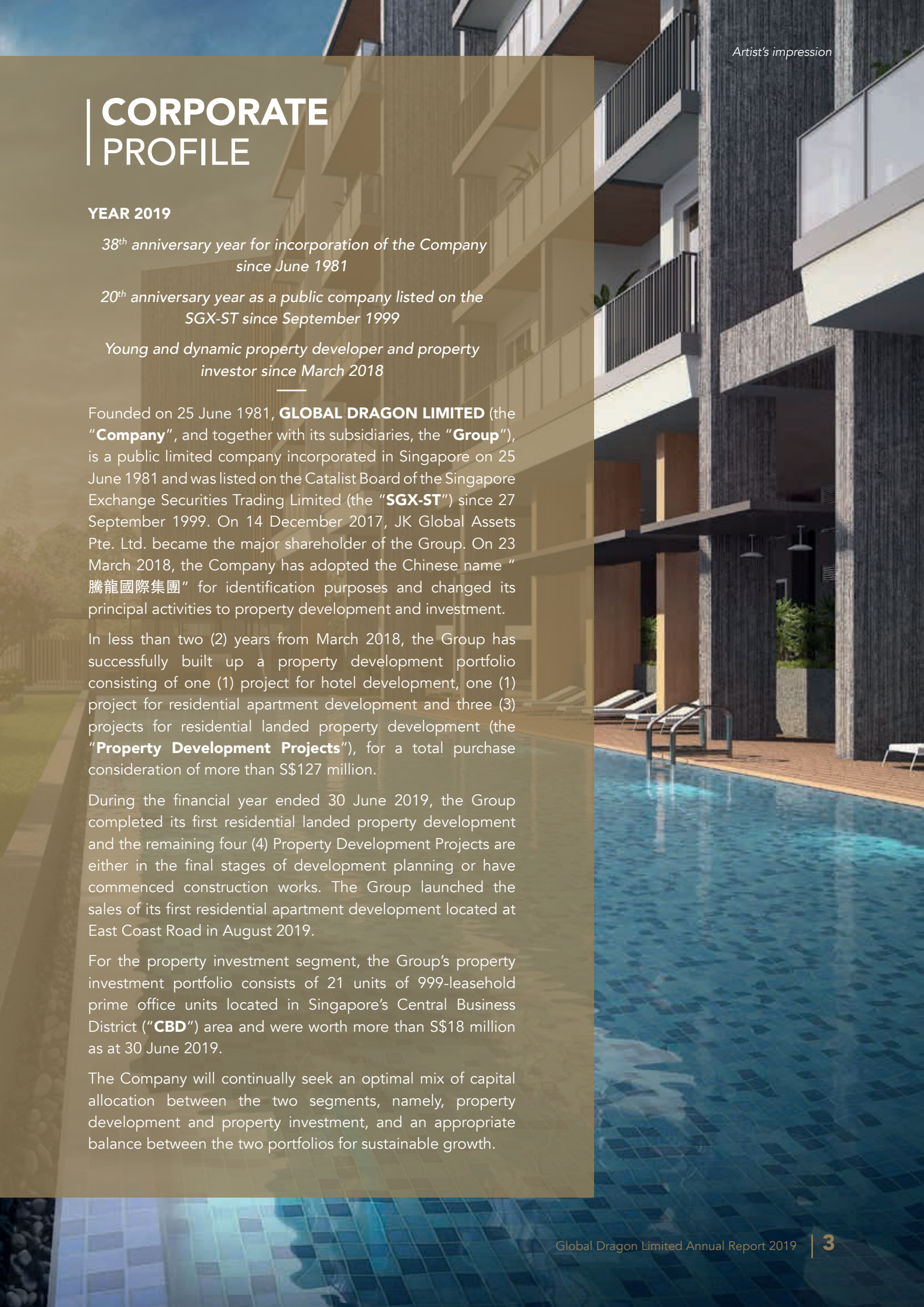
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This Annual Report has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "Exchange") and the Exchange assumes no responsibility 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 Ms Lee Khai Yinn (Telephone no.: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.



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CORPORATE PROFILE

YEAR 2019

38th anniversary year for incorporation of the Company since June 1981

20th anniversary year as a public company listed on the SGX-ST since September 1999

Young and dynamic property developer and property investor since March 2018

Founded on 25 June 1981, **GLOBAL DRAGON LIMITED** (the "**Company**", and together with its subsidiaries, the "**Group**"), is a public limited company incorporated in Singapore on 25 June 1981 and was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") since 27 September 1999. On 14 December 2017, JK Global Assets Pte. Ltd. became the major shareholder of the Group. On 23 March 2018, the Company has adopted the Chinese name "騰龍國際集團" for identification purposes and changed its principal activities to property development and investment.

In less than two (2) years from March 2018, the Group has successfully built up a property development portfolio consisting of one (1) project for hotel development, one (1) project for residential apartment development and three (3) projects for residential landed property development (the "**Property Development Projects**"), for a total purchase consideration of more than S$127 million.

During the financial year ended 30 June 2019, the Group completed its first residential landed property development and the remaining four (4) Property Development Projects are either in the final stages of development planning or have commenced construction works. The Group launched the sales of its first residential apartment development located at East Coast Road in August 2019.

For the property investment segment, the Group's property investment portfolio consists of 21 units of 999-leasehold prime office units located in Singapore's Central Business District ("**CBD**") area and were worth more than S$18 million as at 30 June 2019.

The Company will continually seek an optimal mix of capital allocation between the two segments, namely, property development and property investment, and an appropriate balance between the two portfolios for sustainable growth.

CHAIRMAN'S STATEMENT

"In order to achieve a sustainable business growth, the Group will remain proactive in exploring new property investment opportunities, continue to take a disciplined approach towards building its residential pipelines in Singapore and explore fundraising activities to strengthen the financial position of the Group."

Mr Koh Kian Soo, Executive Chairman

Dear Shareholders,

On behalf of the Board of Directors, I am pleased to present the Annual Report of Global Dragon Limited (the "**Company**", and together with its subsidiaries, the "**Group**") for the financial year ended 30 June 2019 ("**FY2019**").

OVERVIEW

The Singapore Bicentennial in 2019 marks the 200th anniversary of Sir Stamford Raffles' arrival in Singapore – a key milestone in our rich and storied history. Since the Group's founding in 1981 and granting of SGX listing status in 1999, our growth as a Group has closely mirrored Singapore's economy development. It is so timely that we celebrate our 38th anniversary since incorporation in 2019 as a significant milestone in our history and heritage.

FY2019 was the second financial year since the takeover of the Group by JK Global Assets Pte. Ltd. in December 2017. It is my hope that the Group can continue to grow and prosper alongside Singapore as we venture into the next chapter of our business growth stories.

OPERATIONS

As mentioned last year, the Group's strategy for FY2019 was to expand its presence into the property development segment, reinforce its foundation in property investment as well as enhance its financial position for sustainable growth.

Although FY2019 was a challenging year with the ongoing China-US trade war and the new property cooling measures were introduced in July 2018, the Group has endeavoured to transform and grow the property development segment. The Group has successfully built up a property development portfolio consisting of one (1) project for hotel development, one (1) project for residential apartment development and three (3) projects for residential landed property development (the "**Property Development Projects**") in less than two (2) years.

During FY2019, the Group completed the development of its first residential landed property development and the remaining four (4) Property Development Projects are either in the final stage of development planning or have commenced construction works. In August 2019, the Group launched its first residential apartment development located at East Coast Road for sales.

Between March 2018 and September 2019, the Group secured properties for its development projects for a total purchase consideration of more than S$127 million and total Gross Development Value ("**GDV**") of the Property Development Projects were valued at more than $280 million by accredited professional valuers as at 29 August 2019.

As announced on 29 August 2019 via SGXNet, the Group is pleased to inform the Shareholders that the Urban Redevelopment Authority ("**URA**") has granted provisional permission for the change of land use from commercial

CHAIRMAN'S STATEMENT

development to hotel development for its properties located at Telok Blangah Road ("**Project Telok Blangah**"), subject to the fulfilment of the conditions/plan presentation required by the URA (the "**URA Approval**").

The proposed development of the Telok Blangah Project comprises one (1) block of 5-storey hotel (180 rooms) with attic, ancillary facilities and a basement carpark. With the URA Approval, the Telok Blangah Project will see a positive impact in value. Based on the valuation report from an independent valuer, the land value and the Gross Development Value ("**GDV**") of the Telok Blangah Project are S$105 million and S$153 million respectively.

For the property investment segment as at 30 June 2019, the Group tenanted approximately 90% of its 21 units of 999-year leasehold office units ("**CBD Office Units**") in the Central Business District area. As part of the Group's strategy to unlock the value of the CBD Office Units, the Group disposed four (4) units of the CBD Office Units during FY2019 and launched a tender for the sale of the remaining 21 units of the CBD Office Units in August 2019.

FINANCIALS

For the year ended 30 June 2019, the Group's revenue surged 65% to S$1.64 million, which was primarily attributable to the rental income from office units and campuses from the Group's property investment and management segment. The Group recorded a net loss of S$3.20 million, as compared to a net profit of S$0.72 million for the financial year ended 30 June 2018 ("**FY2018**"), as the Group's property development projects were mostly in the development preparation stage or have just commenced the construction in FY2019. Thus, no revenue from the property development segment was recognised.

As at 30 June 2019, the Group's share capital and net assets increased to S$46.12 million and S$39.05 million respectively (30 June 2018: S$35.70 million and S$31.77 million respectively), due to the proceeds of S$10.51 million raised from the Company's Rights Issue in April 2019.

Cash and short-term deposits comprised cash and cash equivalents of S$1.63 million and fixed deposits pledged of S$1.00 million, which decreased by S$20.70 million to S$2.63 million as at 30 June 2019 (30 June 2018: S$23.33 million). The decrease in cash and short-term deposits was mainly contributed by the acquisition of properties for the Group's development projects.

SUSTAINABILITY

In order to achieve a sustainable business growth, the Group will remain proactive in exploring new property investment opportunities, continue to take a disciplined approach towards building its residential pipelines in Singapore and explore fundraising activities to strengthen the financial position of the Group.

APPRECIATION

On behalf of the Board of Directors and Management, I would like to take this opportunity to thank our customers, tenants, business partners and professional advisors for your support throughout the years.

Last but not least, we would like to extend our heartfelt appreciation to you, our valuable shareholders, for your continuing support and confidence in us.

Mr Koh Kian Soo

Executive Chairman
October 2019

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INFINI AT EAST COAST

36 EXCLUSIVE FREEHOLD RESIDENCES





INFINITE ADVANTAGE



MASTER UNIT	STUDIO UNIT
OWNER/S	OWNER/S PARENT/S
OWNER/S	OWNER/S CHILDREN
OWNER/S	TENANT/S
TENANT/S	TENANT/S
TENANT/S	OWNER/S







A home that gives you alternatives and opportunities. The dual-key concept allows you to enjoy your stay while others help you pay. Explore, and you will see all the possible ways.

DUAL-KEY SMART INVESTMENT

BOARD OF DIRECTORS

MR KOH KIAN SOO

EXECUTIVE CHAIRMAN

Mr Koh Kian Soo ("**Mr Koh**") was appointed as Executive Chairman of the Company on 14 February 2018. He is responsible for the business strategy and direction of the Group, implementation of the Group's corporate plans and policies, executive decision-making, ensuring that the Board meetings are held when necessary, scheduling and preparing agendas and exercising control over the information flow between the Board and the Management by ensuring that the Board receives complete, adequate and timely information.

Mr Koh has over 15 years of experience in the property development industry and has vast experience in managing and executing property development projects from inception to completion as well as in identifying market trends of development of residential properties. Prior to joining the Group, Mr Koh has a track record of investing, developing and launching more than 30 property development projects in Singapore, including some notable developments, such as Inova 100, Sunnidora, Sunniflora, Sunny Legend and Sunny Lodge.

Mr Koh holds both a Master of Science (Industrial Engineering) and Bachelor of Engineering (Mechanical) from the National University of Singapore.

MR TAN CHEE WEE (CHEN ZHIWEI)

EXECUTIVE DIRECTOR AND CHIEF OPERATING OFFICER

Mr Tan Chee Wee (Chen Zhiwei) ("**Mr Gary Tan**") was appointed as Executive Director and Chief Operating Officer of the Company on 1 May 2018. He is responsible for the implementation of the Group's corporate plans and policies, as well as executive decision-making.

Mr Gary Tan has over 20 years of experience in the real estate business, being extensively involved in providing residential project agency and consultancy services. His strength lies in project marketing and sales services for residential property projects in Singapore, England, China, Australia, Malaysia, Indonesia, Thailand and Cambodia. Mr Gary Tan's last held position was Senior Director (Residential) at a leading international real estate consultancy firm. On top of new launches, he is also experienced in handling the ad-hoc sales and leasing of homes across Singapore. His project consulting expertise includes areas such as pricing, planning and feasibility analysis.

Mr Gary Tan holds a Bachelor of Science (Real Estate) from the National University of Singapore.

BOARD OF DIRECTORS

MR WOO PENG KONG

LEAD INDEPENDENT DIRECTOR

Mr Woo Peng Kong ("**Mr Woo**") was appointed as Lead Independent Director of the Company on 14 February 2018. He is also the Chairman of the Audit Committee and a member of the Nominating and Remuneration Committees of the Company.

Mr Woo has over 30 years of experience in the oil & gas and marine & offshore industries, holding diversified senior management roles as General Manager, Executive Director and Chief Executive Officer in engineering, sales and marketing, new business start-ups and joint ventures, with particular strength in business operations and financial management. Mr Woo is presently a Lead Independent Director of AF Global Limited, a property development and property investment group, which is listed on the SGX-ST Main Board.

Mr Woo holds a Bachelor degree in Engineering (Mechanical) (First Class Honours) from the University of Singapore (now known as the National University of Singapore) and a Certified Diploma in Accounting and Finance from the Association of the Chartered Certified Accountants, United Kingdom. He is a member of both Institution of Engineers Singapore and Singapore Institute of Directors.

DR KWAN CHEE WAI

INDEPENDENT DIRECTOR

Dr Kwan Chee Wai ("**Dr James Kwan**") was appointed as Independent Director of the Company on 14 February 2018. He is also the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees of the Company.

Dr James Kwan has over 23 years of corporate and training experiences in the finance, FMCG (Fast-Moving Consumer Goods), higher education, consultancy, hotel and property management industries. He is an Assistant Professor in Accounting and Finance at Embry-Riddle Aeronautical University. In addition, he is currently an adjunct faculty and career coach with Nanyang Business School, Nanyang Technological University. He also conducts training in accounting, finance and corporate finance with various training institutions.

Dr James Kwan holds a Doctor of Philosophy (Finance) from the University of Western Australia, Master of Business Research from the University of Western Australia, Master of Business Administration (Investment and Finance) from the University of Hull, Master of Business Administration from the University of Strathclyde, Master of Science (Digital Education) from the University of Edinburgh and Bachelor of Accountancy from the Nanyang Technological University. He is a Fellow Chartered Accountant of ISCA (Institute of Singapore Chartered Accountants), a Fellow CPA (Certified Practising Accountant) of CPA Australia, an ASEAN Chartered Professional Accountant, and a member of the Singapore Institute of Directors.

BOARD OF DIRECTORS

MS PAN PEI SAY

INDEPENDENT DIRECTOR

Ms Pan Pei Say ("**Ms Julia Pan**") was appointed as Independent Director of the Company on 14 February 2018. She is also the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees of the Company.

Ms Julia Pan has over 30 years of experience in the banking and financial industry, in which she is well-versed and has 28 years of experience in evaluating applications of property development loans from small and medium enterprises as well as large corporations for both residential and commercial projects. Ms Julia Pan's last held position was Senior Vice President of Credit Marketing at a leading finance company in Singapore.

Ms Julia Pan holds a Diploma in Banking and Finance from the Institute of Banking and Finance Singapore.

KEY EXECUTIVE

MR KWAN YEW TING

CHIEF FINANCIAL OFFICER AND DIRECTOR OF CORPORATE SERVICES

Mr Kwan Yew Ting ("**Mr Kwan**") was appointed as Chief Financial Officer ("**CFO**") and Director of Corporate Services of the Group on 1 April 2016. He is responsible for the Group's finance and treasury functions, as well as corporate services divisions.

Mr Kwan has extensive experience in accounting, auditing, corporate finance, budgeting and treasury, group restructuring, mergers and acquisitions and initial public offering ("**IPO**") implementation, both locally and overseas. Prior to joining our Group, Mr Kwan held various senior positions, including CFO of the largest automotive electrical and electronics distribution system manufacturer in the People's Republic of China, which was listed on the SGX-ST Main Board, CFO of a mining group in Indonesia, Finance Director of one of the leading electrical appliance retailers in Singapore, IPO Audit Manager of Ernst & Young (EY) in Singapore and Senior Auditor of both Deloitte and PricewaterhouseCoopers (PwC) in Malaysia.

Mr Kwan holds an MBA in Business Law from the University of New England, Australia, and a Bachelor of Management (Accountancy) (Honours) from the University of Technology Malaysia. He is a Chartered Accountant of ISCA (Institute of Singapore Chartered Accountants), a CPA (Certified Practising Accountant) of CPA Australia, a Chartered Accountant of MIA (Malaysian Institute of Accountants) and a CPA (Chartered Professional Accountant) of ASEAN CPA.

CORPORATE INFORMATION

Board of Directors

Koh Kian Soo *(Executive Chairman)*
Tan Chee Wee (Chen Zhiwei)
(Executive Director and Chief Operating Officer)
Woo Peng Kong *(Lead Independent Director)*
Kwan Chee Wai *(Independent Director)*
Pan Pei Say *(Independent Director)*

Audit Committee

Woo Peng Kong *(Chairman)*
Kwan Chee Wai *(Member)*
Pan Pei Say *(Member)*

Nominating Committee

Kwan Chee Wai *(Chairman)*
Koh Kian Soo *(Member)*
Pan Pei Say *(Member)*
Woo Peng Kong *(Member)*

Remuneration Committee

Pan Pei Say *(Chairman)*
Kwan Chee Wai *(Member)*
Woo Peng Kong *(Member)*

Registered Office

456 Alexandra Road
#02-09 Fragrance Empire Building
Singapore 119962
Tel: (65) 6916 1028

Registration Number

198102945K

Company Secretaries

Janet Tan
Kwan Yew Ting

Share Registrar

Boardroom Corporate & Advisory Services Pte Ltd
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Independent Auditors

Ernst & Young LLP
Level 18 North Tower
One Raffles Quay
Singapore 048583
Engagement Partner: Max Loh Khum Whai
(since the financial year ended 30 June 2018)

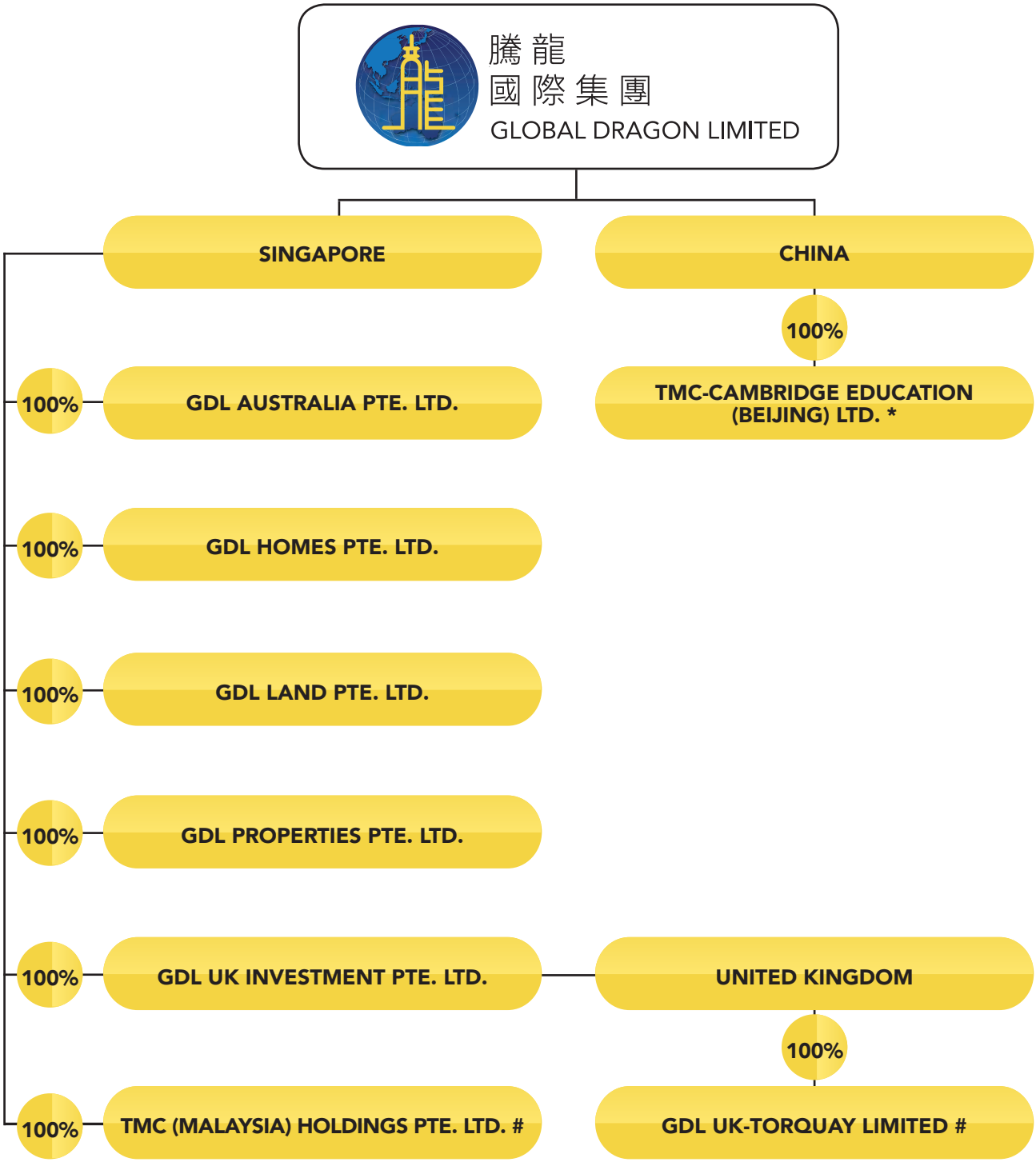
Company Sponsor

SAC Capital Private Limited
1 Robinson Road
#21-00 AIA Tower
Singapore 048542

Principal Financial Institutions

DBS Bank Limited
Hong Leong Finance Limited
Oversea-Chinese Banking Corporation Limited
Sing Investments & Finance Limited
United Overseas Bank Limited

CORPORATE STRUCTURE



Notes:

* In the process of striking off.

Struck off or dissolved subsequent to the financial year ended 30 June 2019.

YEAR IN BRIEF
FY2019

JULY 2018

- Completion of the acquisitions of properties located at Lorong Mydin and East Coast Road.

AUGUST 2018

- Project East Coast obtained Grant of Provisional Permission for property development.

SEPTEMBER 2018

- Incorporation of a wholly-owned subsidiary in Singapore, GDL Properties Pte. Ltd.
- Acquisition of properties located at Telok Blangah Road.
- Received option-to-purchase for disposal of investment properties located at #06-17 Peninsula Plaza.
- Project Demak obtained Grant of Written Permission for property development.

OCTOBER 2018

- Held the FY2018 Annual General Meeting with all resolutions duly passed.

NOVEMBER 2018

- Deregistration of a wholly-owned subsidiary, Technology Management Centre (HK) Limited, from the Companies Registry of Hong Kong.
- Received option-to-purchase for disposal of investment properties located at #06-14/15/16 Peninsula Plaza.

DECEMBER 2018

- Project East Coast obtained Grant of Written Permission for property development.
- Completion of disposal of investment properties located at #06-17 Peninsula Plaza.

YEAR IN BRIEF
FY2019

JANUARY 2019

- Awarded Singapore 1,000 Company Public Listed Companies 2019 by DP Information Group.

FEBRUARY 2019

- Completion of disposal of investment properties located at #06-14/15/16 Peninsula Plaza.

MARCH 2019

- Struck off five (5) wholly-owned subsidiaries, namely, Asia Pacific College Int'l Pte. Ltd., Boston East Int'l Pte. Ltd., Creative Education Development Pte. Ltd., TMC Franchise Int'l Pte. Ltd. and TMC Pte. Ltd., from the Register of Companies of Singapore.

APRIL 2019

- Listing and quotation of the 155,667,663 Rights Shares.

MAY 2019

- Received option-to-purchase for acquisition of properties at Flower Road.
- Struck off a wholly-owned subsidiary, TMC Learning Hub Pte. Ltd., from the Register of Companies of Singapore.

JUNE 2019

- Completion of acquisition of properties located at Telok Blangah Road.
- Project Demak obtained Temporary Occupation Permit.
- Struck off a wholly-owned subsidiary, Technology Management & Communications Academy Pte. Ltd., from the Register of Companies of Singapore.

BUSINESS REVIEW

The financial year ended 30 June 2019 ("**FY2019**") was marked with a series of significant corporate events which enabled the Group to strengthen its financial fundamentals for future growth.

For the financial year ended 30 June 2019, the Group's revenue surged 65% to S$1.64 million, which was primarily attributable to the rental income from office units and campuses from the Group's property investment and management segment. The Group recorded a net loss of S$3.20 million, as compared to a net profit of S$0.72 million for the financial year ended 30 June 2018 ("**FY2018**"), as the Group's property development projects are mostly in the development preparation stage or have just commenced construction in FY2019. Thus, no revenue from property development segment was recognised.

As at 30 June 2019, the Group's share capital and net assets increased to S$46.12 million and S$39.05 million respectively (30 June 2018: S$35.70 million and S$31.77 million respectively), due to proceeds of S$10.51 million raised from the Company's Rights Issue in April 2019.

Cash and short-term deposits comprised cash and cash equivalents of S$1.63 million and fixed deposits pledged of S$1.00 million, which decreased by S$20.70 million to S$2.63 million as at 30 June 2019 (30 June 2018: S$23.33 million). The decrease in cash and short-term deposits was mainly attributable to the acquisition of properties for the Group's development projects.



INVESTMENT PROPERTIES AT PENINSULA PLAZA









For the property development segment, the Group has completed its first residential landed property development project located at Jalan Demak ("**Project Demak**") and commenced the construction of its first residential apartment development project located at East Coast Road ("**Project East Coast**") and second residential landed property development project located at Lorong Mydin ("**Project Mydin**") during FY2019. In addition, the Group also completed its first property acquisition for its hotel development project located at Telok Blangah Road ("**Project Telok Blangah**") during FY2019.

Subsequent to FY2019, the Group secured freehold properties located at Flower Road in September 2019 for a total purchase consideration of S$20.03 million. Barring any unforeseen circumstances, the Group expects to complete the purchase of properties located at Flower Road ("**Project Flower**") for the purpose of a residential landed development project during the financial period ending 31 December 2019 and commence the construction of Project Telok Blangah and Project Flower during the financial year ending 30 June 2020.

For the property investment segment, the Group's property investment portfolio consists of 21 units of the 999-leasehold prime office located in Singapore's CBD area. The Group tenanted approximately 90% of our 999-year leasehold office units during FY2019.

The Group will monitor the property market closely and continue to seek suitable opportunities to ensure sustainable long-term growth for the Group as well as to enhance shareholders' value.

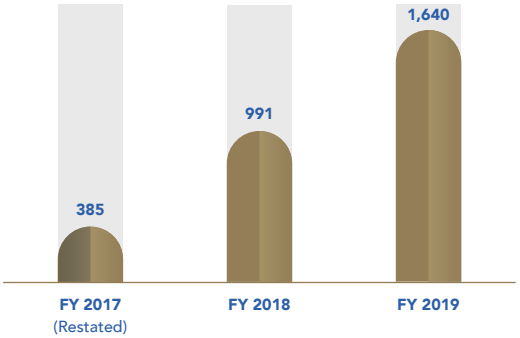
FINANCIAL HIGHLIGHTS

	FY 2017 (Restated) [2]	FY2018	FY2019
Consolidated Statements of Comprehensive Income (S$'000)			
Revenue [1]	385	991	1,640
Loss Before Tax [1]	(1,388)	(423)	(3,203)
EBITDA [1]	(517)	18	(2,775)
Statement of Financial Position (S$'000)			
Property, Plant and Equipment	217	65	47,385
Investment Properties	19,960	22,100	18,120
Development Properties	-	9,205	64,341
Total Assets	22,225	54,980	135,808
Total Liabilities	(14,681)	(23,210)	(96,760)
Net Assets	7,544	31,770	39,048
Financial Ratios			
Loss Per Ordinary Share (Cents) [1]	(0.83)	(0.19)	(0.57)
Net Assets Per Share (Cents)	4.51	6.04	5.73

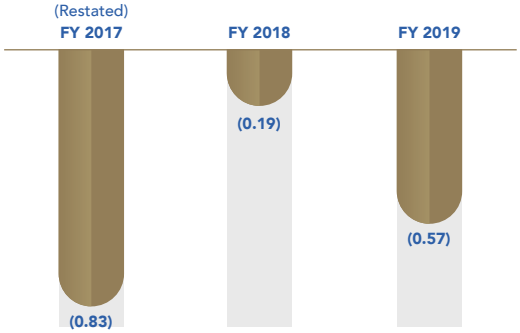
Notes:

1. Amounts from continuing operations.
2. Restatement was due to the disposal of the education segment.

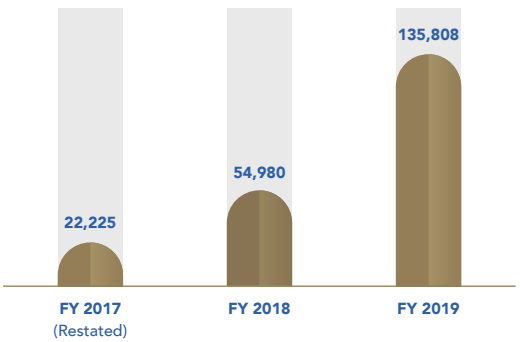
REVENUE (S$'000)



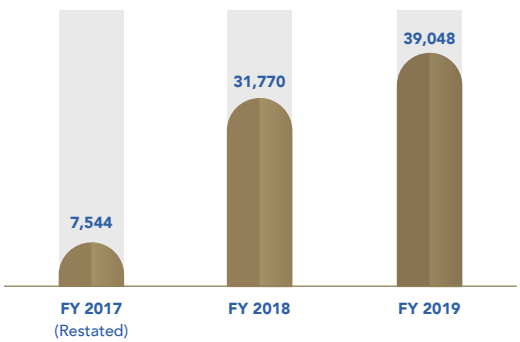
LOSS PER ORDINARY SHARE (CENTS)



TOTAL ASSETS (S$'000)



NET ASSETS (S$'000)



CORPORATE GOVERNANCE REPORT

The Board of Directors (the "**Board**") of Global Dragon Limited (the "**Company**" and together with its subsidiaries, the "**Group**") is committed to maintaining a high standard of corporate governance within the Group. The Board recognises the importance of practising good corporate governance as a fundamental part of its responsibilities to look after and enhance shareholders' values and the financial performance of the Group.

This report describes the Company's corporate governance practices that were in place for the financial year ended 30 June 2019 ("**FY2019**"), with specific reference to the principles and guidelines as set out in the Code of Corporate Governance 2012 (the "**Code**"), and the disclosure guide developed by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in January 2015 (the "**Guide**"). The Company has complied with the principles and guidelines as set out in the Code, where appropriate. Where there are deviations from the Code, appropriate explanations are provided.

On 6 August 2018, the Monetary Authority of Singapore issued a revised Code of Corporate Governance 2018 (the "**2018 Code**") and accompanying Practice Guidance. The 2018 Code supersedes and replaces the Code and applies to annual reports covering financial years commencing from 1 January 2019. The Group will outline its corporate governance practices and structures in place to comply with the 2018 Code, where appropriate, in the next annual report for the financial year ending 30 June 2020.

The Company will continue to enhance its corporate governance practices appropriate to the conduct and growth of its business and to review such practices from time to time to ensure compliance with the requirements of the SGX-ST Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**").

BOARD MATTERS

As at 30 June 2019, the Board comprises the following Directors:

Mr Koh Kian Soo	(Executive Chairman)
Mr Tan Chee Wee (Chen Zhiwei)	(Executive Director and Chief Operating Officer)
Mr Woo Peng Kong	(Lead Independent Director)
Mr Kwan Chee Wai	(Independent Director)
Ms Pan Pei Say	(Independent Director)

Principle 1: The Board's Conduct of its Affairs

Every company should be headed by an effective Board to lead and control the Company. The Board is collectively responsible for the long-term success of the Company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

Guideline 1.1 – Principal Duties of the Board

The Board is entrusted to lead, supervise and oversee the Company, with the fundamental principle to act in the best interests of the Company.

The Board regularly reviews the Group's strategic business plans, assesses key risks, operational and financial performance of the Group to enable the Group to meet its objectives. The Board has the overall responsibility for establishing and maintaining a framework of good corporate governance in the Group, including the risk management systems and internal controls to safeguard shareholders' interests and the Group's assets. In addition, the Board considers sustainability issues as part of its strategic formulation.

Apart from its statutory duties and responsibilities, the Board oversees the business affairs and dealings of the Group, determines the Group's corporate strategies and sets its directions and goals. It also monitors and evaluates the Group's operations and financial performance, establishes targets for the management of the Company, which comprises the Executive Chairman, Chief Operating Officer ("**COO**") and Chief Financial Officer ("**CFO**") (collectively, the "**Management**") and monitors the achievement of these targets. The Board works with the Management to achieve this and the Management remains accountable to the Board.

In addition, the Board also identifies key stakeholder groups to gain their perceptions of the Company's reputation and standing and sets the Company's values and standards (including ethical standards) to ensure that obligations to the shareholders and other stakeholders are understood and met.

Guideline 1.2 – Directors' Duties and Responsibilities

All Board members bring their independent judgment, diversified knowledge and experience to bear on issues of strategy (including social and environmental issues), performance, resources and standards of conduct and ethics. All Directors

exercise due care in discharging their duties and responsibilities and make decisions objectively at all times in the best interests of the Company.

Guideline 1.3 – Delegation of Authorities by the Board

The Board has delegated certain matters to the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") (collectively, the "**Board Committees**") to assist the Board in carrying out and discharging its duties and its responsibilities efficiently and effectively.

Each Board Committee has its terms of reference and operating procedures, which are reviewed periodically by the Board. Where necessary, the terms of reference and operating procedures would be updated to keep in line with the Catalist Rules and the Code.

While the Board Committees have the authority to examine particular issues and will report back to the Board with their decisions and/or recommendations, the ultimate responsibility on all matters lies with the Board.

Guideline 1.4 – Board and Board Committee Meetings and Attendance Records

The Board meets at least once every quarter and it also meets regularly to review, consider and approve strategic, operational and financial matters. Important matters concerning the Group are put before the Board for its decision and approval. Fixed meetings are scheduled at the beginning of each calendar year. Where necessary, additional or ad-hoc meetings may be held to address significant transactions or issues.

To facilitate meetings, the Company's Constitution allows for meetings to be held through telephone and/or video-conference. The number of meetings of the Board and Board Committees held during FY2019 and the attendance of each Director at the said meetings are tabulated below:

Attendance at Meetings

	Board	AC	NC	RC
No. of meetings held	4	4	2	2
No. of meetings attended by each Board member				
Mr Koh Kian Soo	4	4*	2	2*
Mr Tan Chee Wee (Chen Zhiwei)	4	3*	1*	1*
Mr Woo Peng Kong	4	4	2	2
Mr Kwan Chee Wai	4	4	2	2
Ms Pan Pei Say	4	4	2	2

* *By invitation.*

The Company Secretaries attend the Board and Board Committee meetings and ensure that Board procedures are followed. The Company Secretaries also ensure that the Companies Act (Chapter 50) of Singapore (the "**Companies Act**") and all other regulations of the SGX-ST are complied with.

Guideline 1.5 – Matters requiring Board's Approval

Matters that are specifically reserved for the approval by the Board include, among others:

- regulatory and statutory requirements such as approval of annual report and half-yearly financial announcements;
- approving the Group's policies, strategies and financial objectives, and monitoring the performance of the Management;
- overseeing the processes for evaluating the adequacy and effectiveness of internal controls, risk management system, financial reporting and compliance;
- approving the nominations of persons to the Board and appointment of key executives;
- reviewing and approving annual budgets, major funding proposals, investments, material acquisitions and divestment proposals; and
- assuming responsibility for corporate governance and compliance with the Catalist Rules, the Code, the Guide and the rules and requirements of regulatory bodies that the Company is subject to.

Guideline 1.6 – Induction and Training of Directors
Guideline 1.7 – Appointment Letter to New Director

Newly appointed Directors will be provided with a formal letter, setting out the Director's duties and obligations and will be given appropriate briefings by the Management on the business activities of the Group, its strategic directions and the Company's corporate governance policies and practices, as well as orientation programs and training courses conducted by the Singapore Institute of Directors.

All Directors are updated regularly on changes in Company's policies and business updates. The Directors are also regularly briefed by the external auditors on new regulations and key changes to the financial reporting standards.

The Directors may also attend other trainings, conferences, and seminars which may have a bearing on their duties and contribution to the Board, organised by the professional bodies, regulatory institutions and corporations at the Company's expense, if required. During FY2019, the Independent Directors had attended training courses conducted by the Singapore Institute of Directors.

Principle 2: Board Composition and Guidance

There should be a strong and independent element on the Board, which is able to exercise objective judgment on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

Guideline 2.1 – Independent Element of the Board
Guideline 2.2 – Composition of Independent Directors on the Board

The Board comprises five (5) members, three (3) of whom are Independent Directors and two (2) are Executive Directors. Details of the Board members are as follows:

Name of Directors	Designation	Date of Appointment	AC	NC	RC
Mr Koh Kian Soo	Executive Chairman	14 February 2018	–	Member	–
Mr Tan Chee Wee (Chen Zhiwei)	Executive Director and COO	1 May 2018	–	–	–
Mr Woo Peng Kong	Lead Independent Director	14 February 2018	Chairman	Member	Member
Mr Kwan Chee Wai	Independent Director	14 February 2018	Member	Chairman	Member
Ms Pan Pei Say	Independent Director	14 February 2018	Member	Member	Chairman

As three (3) out of five (5) Directors are Independent Directors, the requirement of the Code that the Independent Directors must make up at least half of the Board when the Chairman of the Board is not an independent director is satisfied.

Guideline 2.3 – Independence of Directors
Guideline 2.4 – Independent Directors with More Than 9-year Tenure

The NC reviews the independence of the Directors at least twice a year based on specific tests of Director's Independence set out in the Code and the Catalist Rules.

The Board, taking into account the NC's view, has confirmed that Mr Woo Peng Kong, Mr Kwan Chee Wai, and Ms Pan Pei Say are independent in character and judgment in accordance to the Code and the Catalist Rules.

The Independent Directors have confirmed that, in accordance to the Code, they do not have any relationship with the Company, its related corporations, its 10% shareholders or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Directors' independent business judgment with a view to the best interests of the Company.

During FY2019, none of the Independent Directors has served the Company for more than nine (9) years from his/her date of first appointment to the Board.

Guideline 2.5 – Board Composition and Size
Guideline 2.6 – Competency of the Board

The Board's composition, size, balance and independence of each Independent Director are reviewed by the NC. The Board considers its present size and composition appropriate, taking into account the nature and scope of the Group's operations, the skills and knowledge of the Directors.

The NC is of the view that the current Board comprises persons whose diverse skills, experience and attributes provide for an effective Board. The Board members also collectively possess the necessary core competencies for an effective functioning of the Board.

As Independent Directors make up more than half of the Board, no individual or group is able to dominate the Board's decision-making process. There is also balance in the Board because of the presence and calibre of Independent Directors to carry sufficient weight and to contribute an objective perspective in Board's decisions.

Guideline 2.7 – Role of Non-Executive Directors
Guideline 2.8 – Meetings of the Non-Executive Directors without the Presence of Management

Although all the Directors have an equal responsibility for the Group's operations, the role of the Independent Directors is particularly important in ensuring that the strategies proposed by the Executive Directors and Management are constructively challenged, fully discussed and examined. As the Independent Directors make up at least half of the Board, the objectivity of such deliberations is assured.

The Independent Directors constructively challenged and assisted to develop both the Group's short-term and long-term business strategies. The Management's progress in implementing such agreed business strategies is monitored by the Independent Directors.

The Independent Directors also communicate regularly without the presence of Management to discuss matters such as the Group's financial performance, corporate governance initiatives, and the performance of the Management.

During FY2019, the Independent Directors had met twice in the absence of Management.

Principle 3: Chairman and Chief Executive Officer

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the Company's business. No one individual should represent a considerable concentration of power.

Guideline 3.1 – Separation of the Role of Chairman and Chief Executive Officer

Mr Koh Kian Soo is currently the Executive Chairman of the Company. The Company does not have a Chief Executive Officer. Mr Tan Chee Wee (Chen Zhiwei) is currently the Executive Director and COO of the Company.

Guideline 3.2 – Role and Responsibilities of the Chairman

As the Executive Chairman, Mr Koh Kian Soo is responsible for (a) the business strategy and direction of the Group, implementation of the Group's corporate plans and policies, and executive decision-making, (b) ensuring that the Board meetings are held when necessary and (c) scheduling and preparing agendas and exercising control over the information flow between the Board and the Management by ensuring that the Board receive complete, adequate and timely information. Mr Koh Kian Soo is assisted by the Company Secretary at all the Board meetings. Where necessary, the auditors of the Company and other external consultants are invited to attend the Board meetings to assist the Directors in their deliberations.

As the COO, Mr Tan Chee Wee (Chen Zhiwei) is responsible for the implementation of the Group's corporate plans and policies, and executive decision-making.

Major decisions made by the Executive Chairman and the COO are reviewed by the Board. Their performance and re-appointment to the Board are reviewed by the NC and their remuneration packages are reviewed by the RC.

Guideline 3.3 – Lead Independent Director
Guideline 3.4 – Meetings of Independent Directors

As recommended by the Code, the Board has appointed Independent Director, Mr Woo Peng Kong, as the Lead Independent Director of the Company. Mr Woo Peng Kong will be available to shareholders where they have concerns

and for which contact through the normal channels of the Executive Chairman, the COO or the CFO had failed to resolve or when such contact channels were inappropriate.

Led by the Lead Independent Director, the Independent Directors will meet, where necessary, without the presence of the other Directors and the Lead Independent Director will provide feedback to the Executive Chairman and the COO after such meetings as deemed appropriate.

Principle 4: Board Membership

There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

Guideline 4.1 – Composition of NC
Guideline 4.2 – Role and Responsibilities of NC

The NC comprises four (4) directors, of which three (3) out of four (4) directors are Independent Directors. The NC shall meet at least once a year. The members of the NC are as follows:

Mr Kwan Chee Wai (Chairman)	(Independent Director)
Mr Koh Kian Soo (Member)	(Executive Chairman)
Mr Woo Peng Kong (Member)	(Lead Independent Director)
Ms Pan Pei Say (Member)	(Independent Director)

The NC is responsible for:

- deciding how the performance of the Board, its Board Committees and Directors may be evaluated and proposing objective performance criteria;
- regularly reviewing the Board structure and size and making recommendations to the Board with regards to any adjustments that are deemed necessary;
- identifying suitable candidates, reviewing and recommending all nominations on appointments and re-appointments of Directors, having regard to the Director's contribution and performance including making recommendations on the composition of the Board and the balance between executive and non-executive Directors appointed to the Board;
- determining on an annual basis whether or not a Director is independent under the definition set out in the Code and the Catalist Rules; and
- deciding whether a Director, who has multiple board representation, is able to and has adequately carried out his /her duties as Director.

Guideline 4.3 – Review of Directors' Independence

The independence of each Director is reviewed by the NC with reference to the guidelines set out in the Code, the Catalist Rules and any other salient factors which would render a director to be deemed not independent. The NC had assessed the independence of the Directors and is satisfied that there are no relationships which would deem any of the Independent Directors not to be independent.

The Board, with the concurrence of the NC, has also considered Mr Woo Peng Kong, Mr Kwan Chee Wai and Ms Pan Pei Say to be independent for the purposes of Rule 704(7) of the Catalist Rules.

By virtue of Section 7 of the Companies Act, Mr Koh Kian Soo is deemed to be interested in 8.8% of the shares in the Company held by his spouse, Ms Ko Lee Meng and is the brother-in-law of the controlling shareholder of the Company.

Apart from this, there are no other relationships (including any immediate family relationships) between Mr Koh Kian Soo, the Directors, the Company or any of its shareholders who hold 10% or more of the shares in the Company.

Guideline 4.4 – Multiple Board Representations

The Code requires listed companies to fix the maximum number of board representations on other listed companies that their directors may hold and to disclose this in their annual report. The Board, with the concurrence of the NC, has agreed that the Company shall not impose a maximum number of listed board representations on the Directors as the Board is of the opinion that setting a fixed number would not adequately take into account the varied circumstances of each Director. The NC will instead focus on whether a Director has sufficient time and attention to adequately discharge his/her duties to the Company.

Although some of the Board members have multiple board representations, the NC was satisfied that sufficient time and attention had been given to the affairs of the Company by the Directors. Meetings of the Board and the Board Committees are scheduled in advance to ensure that the Directors have sufficient time to plan their schedules accordingly.

The NC would monitor and determine annually, on a case-by-case basis, whether the Directors have given sufficient time and attention to the affairs of the Company and adequately carry out his/her duties as a Director of the Company.

Guideline 4.5 – Alternate Director

During FY2019, the Company does not have any alternate directors.

Guideline 4.6 – Selection, Appointment and Re-appointment of Directors

The Board, through the delegation of its authority to the NC, has used its best efforts to ensure that Directors appointed to the Board possess the skills, experience and knowledge, business, finance and management skills necessary for the Group's businesses and each Director, through his/her contributions, brings to the Board an independent (when applicable) and objective perspective to enable balanced and well-considered decisions to be made.

The process for the search, selection and appointment of new Directors are as follows:

- the NC has, at its disposal, executive search companies, personal contacts and recommendations in its search and nomination process for the right candidate;
- the NC meets with the short-listed candidates to assess their suitability and to ensure that the candidates are aware of the expectations and the level of commitment required of them; and
- the NC makes recommendations to the Board for approval.

Apart from guidance under the Code and regulations under the Constitution, the NC also takes into consideration the individual contributions of each Director based on their respective areas of competence. These assessments are undertaken periodically both at formal meetings and in other discussions outside formal meetings. There is no formal test for the assessment of any Director and their duties and the NC takes into account factors such as the availability and responsiveness of each Director to ad-hoc queries and the quality of the responses received, the value that each Director brings to the Board, whether their respective expertise and skillsets would result in a balanced Board with the range of experiences that would add value to the Company.

The Constitution of the Company provides that at least one-third of its Directors shall retire from office and are subject to re-election at every annual general meeting, all Directors shall submit themselves for re-nomination and re-election at regular intervals and at least once every three (3) years. In addition, the Constitution of the Company also provides that a newly appointed Director must submit himself/herself for re-election at the next annual general meeting following his/her appointment. Pursuant to Article 104 of the Constitution of the Company, Mr Koh Kian Soo and Ms Pan Pei Say are due for retirement by rotation at the forthcoming AGM and these Directors have each consented to remain in office.

Mr Koh Kian Soo shall, upon re-election as a Director of the Company, remain as the Executive Chairman of the Board and a member of the NC of the Company.

Ms Pan Pei Say shall, upon re-election as Director of the Company, remain as an Independent Director, the Chairman of the RC and a member of each of the AC and NC of the Company.

The NC has recommended to the Board in which the Board has accepted the re-election of all Mr Koh Kian Soo and Ms Pan Pei Say as the Directors of the Company at the forthcoming AGM.

In making the above recommendations, the NC had considered the said Directors' overall contribution and performance. Please refer to the Notice of AGM for the resolutions put forth on their proposed re-election and re-appointment.

Guideline 4.7 – Key Information on Directors

The directorships or chairmanships held by the Directors presently and/or in the last three years in other listed companies are set out in the table below:

Name of directors	Date of Appointment	Date of Last Re-election	Directorships in other companies	
			Current	Past 3 years
Mr Koh Kian Soo	14 February 2018	26 October 2018	Nil	Nil
Mr Tan Chee Wee (Chen Zhiwei)	1 May 2018	26 October 2018	Nil	Nil

Name of directors	Date of Appointment	Date of Last Re-election	Directorships in other companies	
			Current	Past 3 years
Mr Woo Peng Kong	14 February 2018	26 October 2018	AF Global Limited	Global Premium Hotels Limited
Mr Kwan Chee Wai	14 February 2018	26 October 2018	Nil	Global Premium Hotels Limited
Ms Pan Pei Say	14 February 2018	26 October 2018	Nil	Nil

Key information regarding the Directors is set out in the "Board of Directors" and "Additional Information on Directors Seeking Re-election" sections in the Annual Report.

Principle 5: Board Performance

There should be a formal assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each Director to the effectiveness of the Board.

Guideline 5.1 – Board Evaluation Process

The NC is also responsible for deciding how the Board's performance may be evaluated and proposing an objective performance criteria for the Board's approval and implementing corporate governance measures to achieve good stewardship of the Company. The NC has adopted processes for the evaluation of the performance and effectiveness of the Board as a whole, the Board Committees and individual Directors, based on the performance criteria approved by the Board. The objective of the annual evaluation is to identify areas for improvement and thereafter implement appropriate action.

During FY2019, the Board did not engage an independent external consultant to facilitate the annual review of the performance of the Board and the Board Committees.

Guideline 5.2 – Board Performance Criteria
Guideline 5.3 – Individual Director Evaluation

The NC evaluates each Director's performance based on the following review parameters, including:

- attendance at Board/Board Committee meetings;
- participation at meetings;
- involvement in management;
- availability for consultation and advice, when required;
- independence of the Directors (where applicable); and
- appropriate skill, experience and expertise.

Although the Board performance evaluation does not include a benchmark index of its industry peers and its share performance, the Board performance assessment is undertaken collectively and informally on a continual basis by the NC with input from the other Board members. The NC also takes into account the Board's balance and mix in evaluating the performance and effectiveness of the Board as a whole.

Factors taken into consideration for the assessment of the Board as a whole includes the contribution to the development of strategies and effective risk management, response to problems and crisis and the evaluation that underpins the Board's effectiveness in providing timely information. The assessment of the contribution of the Chairman encompasses effective leadership and communication with shareholders and the Board.

Meanwhile, the assessment of the contribution by each Director is specifically related to the individual Director's duties such as preparedness, contribution and industry and business knowledge and experience which are crucial to the Group's business. Each of the Board Committees is assessed for its effectiveness to address the matters and timely resolution of issues. The NC will review the performance evaluation results and where appropriate, propose new members to be appointed to the Board or seek the resignation of Directors. The NC has assessed the effectiveness of the current Board as a whole and its Board Committees and contribution by each Director to the effectiveness of the Board. Results of the performance evaluation were reported to the Board.

During FY2019, the NC had reviewed the overall performance of the Board in terms of its role and responsibilities and the conduct of its affairs as a whole and was of the view that the performance of the Board and the Board Committees as a whole has been satisfactory. Each Director continues to contribute effectively to the Board and is able to discharge responsibilities in the Board Committees without any issue of time commitment.

The NC will continue to review the formal assessment processes for evaluating Board performance, its Board Committees, as well as the contribution of individual Directors to the effectiveness of the Board. Each member of the NC shall abstain from voting on any resolutions in respect of his/her re-nomination and assessment as a Director of the Company.

Principle 6: Access to Information

In order to fulfill their responsibilities, Directors should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

Guidelines 6.1 and 6.2 – Complete and Adequate Information

The Directors have unrestricted access to the Company's records and information, minutes of the Board and Board Committee meetings, and management accounts so as to enable them to carry out their duties. Directors may also liaise with senior executives and other employees to seek additional information if required.

Detailed Board papers and agenda with the relevant background or explanatory information relating to the business of the meeting and information on major operational, financial and corporate issues, are sent out to the Directors before meetings so that all Directors can better understand the issues beforehand, allowing more time at such meetings for questions that the Directors may have.

In relation to the Independent Directors, in order to enable them to understand the business, the business and financial environment as well as the risks faced by the Company, the below table presents some of the information the Company provides its Independent Directors and the frequency at which such information is provided:

Types of information provided by Management to Independent Directors	
Information	**Frequency**
1. Board papers (with background or explanatory information relating to the matters brought before the Board, where necessary)	Every meeting
2. Updates to the Group's operations and the markets in which the Group operates in	Every meeting
3. Budgets and/or forecasts (with variance analysis), and management accounts (with financial ratios analysis)	Every meeting
4. Reports on on-going or planned corporate actions	Every meeting
5. Internal auditors' report	Yearly
6. Shareholding statistics	Yearly
7. External auditors' report	Yearly

Guideline 6.3 – Company Secretary
Guideline 6.4 – Appointment and Removal of Company Secretary

The Company Secretary attends and prepares minutes of meetings of the Board and the Board Committees which are circulated for review. The Company Secretary is responsible to the Board for advising on the implementation of the Group's compliance requirements pursuant to the relevant statutes and regulations.

All Directors have separate and independent access to the Company Secretary.

The appointment and removal of the Company Secretary is subject to approval of the Board as a whole.

Guideline 6.5 – Independent Professional Advice

Should Directors, whether as a group or individually require professional advice, the Company, upon the directive by the Board, shall appoint an independent professional advisor to render advice. The costs shall be borne by the Company.

During FY2019, no independent professional advisor was appointed by the Board.

CORPORATE GOVERNANCE REPORT

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing remuneration packages of individual Directors. No Director should be involved in deciding his own remuneration.

Guideline 7.1 – Composition of RC and Role and Responsibilities of RC

The Company has established a RC for determining the remuneration of Directors and key executives of the Company. The RC is comprised of three (3) Independent Directors, as set out below:

Ms Pan Pei Say (Chairman)
Mr Woo Peng Kong (Member)
Mr Kwan Chee Wai (Member)

The responsibilities of the RC are:

- to review and recommend to the Board the framework of remuneration for Directors and key executives. The RC's recommendations are made in consultation with the Executive Chairman and submitted for endorsement by the entire Board. The review covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind, of the Directors and key executives;
- to review and recommend to the Board the terms of the service agreements of the Directors;
- to determine the specific remuneration packages for each key executive based on performance, service, seniority, experience and scope of responsibility;
- to recommend the fees payable to non-executive directors based on the level of responsibilities undertaken by them;
- to consider the disclosure requirements for Directors' and key executives' remuneration as required by the SGX-ST and as recommended by the Code, as the case may be; and
- to administer the GDL Share Award Scheme (as applicable).

Guideline 7.2 – Remuneration Framework

The RC ensures that a formal and transparent procedure is in place for fixing the remuneration packages of individual Directors and key executives. The recommendations of the RC are submitted to the Board for endorsement.

All aspects of remuneration, including but not limited to, Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind are reviewed by the RC. No Director is involved in deciding his/her own remuneration. The RC shall review the Company's obligations arising in the event of termination of the Executive Directors' service contracts to ensure that such service contracts contain fair and reasonable termination clause.

Guideline 7.3 – Advice on Remuneration Matters

The RC has the right to seek professional advice relating to the remuneration of all Directors and the RC would ensure that any relationship between the appointed remuneration consultant and any of the Directors will not affect the independence and objectivity of the remuneration consultant. The expenses of such advice shall be borne by the Company.

During FY2019, no remuneration consultant was engaged by the Board.

Guideline 7.4 – Termination Clauses in Service Contract

The Company's obligations arising in the event of termination of service contracts of its Executive Directors and key management personnel are contained in their respective employment letters.

The RC is satisfied that such contracts of service provide for fair and reasonable termination clauses, applicable to the respective employment class and not overly generous.

Principle 8: Level and Mix of Remuneration

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the Company, and should be appropriate 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. However, companies should avoid paying more than is necessary for this purpose.

Guideline 8.1 – Remuneration of Executive Directors and Key Management Personnel

The remuneration policy of the Group is to provide compensation packages at market rates that reward successful performance and attract, retain and motivate Directors and key executives.

The Group's remuneration policy comprises a fixed component and a variable component. The fixed component is in the form of fixed monthly salary or allowance whereas the variable component is linked to the performance of the Group and individual. The variable component is designed to align the interests of such Directors and key executives with those of the shareholders.

The remuneration packages of the Executive Directors and key executives are based on service contracts. In setting remuneration packages, the RC ensures that the Executive Directors and key executives are adequately but not excessively remunerated as compared to the industry and other comparable companies. The remuneration packages comprise a basic salary component and a variable component, which is a discretionary bonus, based on the performance of the Group as a whole and their individual performance. There are no pre-determined performance conditions for the discretionary bonus. The discretionary bonus for the Executive Directors and key executives is recommended by the RC on an annual basis and subject to approval by the Board, which is based on quantitative criteria (including revenue, profit after tax and relative financial performance of the Group to its peers).

Guideline 8.2 – Long-term Incentive Scheme

During FY2019, the Company does not have any material long-term incentive benefits involving the grant of options or any other form of deferred remuneration which needs to be accrued.

Guideline 8.3 – Remuneration of Non-Executive Directors

Independent Directors are paid annually and such fees, being an agreed amount, are subject to shareholders' approval at the AGM. The proposed Directors' fees are determined in accordance with their contributions, taking into account factors such as effort, time spent and responsibilities of the Directors.

Guideline 8.4 – Contractual Provisions

The Company does not currently use contractual provisions to allow the Company to reclaim incentive components of remuneration from the Executive Director and key management personnel in exceptional circumstances of misstatement of financial results, or of misconduct resulting in financial loss to the Company.

The Executive Director owes fiduciary duty to the Company, and hence, the Company should be able to avail itself of remedies against the Executive Director in the event of such breach of fiduciary duties. Similarly for the key management personnel, the Company believes that there are alternative legal avenues to specific contractual provisions that will enable the Company to recover financial losses arising from exceptional circumstances above from the key management personnel.

The RC will review such contractual provisions with the Executive Directors and key management personnel as and when necessary.

Principle 9: Disclosure on Remuneration

Every company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to Directors and key management personnel, and performance.

Guideline 9.1 – Annual Remuneration Report

The RC has reviewed and approved the remuneration packages of the Directors and key executives having due regard to their contributions as well as the financial capabilities of the Company. The Directors and key executives are paid based on a fixed schedule of fees and remuneration (including base salary, fixed allowances and benefits, and bonus) respectively.

During FY2019, there were no termination, retirement and post-employment benefits granted to the Directors, the COO or the key executive.

Details on the remuneration of Directors and key management personnel for FY2019 are reported below.

Guideline 9.2 – Directors' Remuneration

The Company has disclosed the remuneration of the Directors in bands of S$250,000. The Company is of the view that due to confidentiality and sensitivity attached to remuneration matters it would not be in the best interests of the Company to disclose the exact details of the remuneration of the Directors.

In arriving at this decision, the Board had taken into consideration, *inter alia*, the commercial sensitivity and confidential nature of remuneration matters, the relative size of the Group, the competitive business environment in which the Group operates, and the need of the Group to attracting and retaining talent at the Board level on a long-term basis.

Details of the Directors' remuneration for FY2019 are set out below:

	Directors' Fees %	Base Salary* %	Variable or Performance Related Income/ Bonus* %	Allowances* & Benefits %
S$250,000 to S$499,999				
Mr Koh Kian Soo	-	92	-	8
Below S$250,000				
Mr Tan Chee Wee (Chen Zhiwei)	-	83	8	9
Mr Woo Peng Kong	100	-	-	-
Mr Kwan Chee Wai	100	-	-	-
Ms Pan Pei Say	100	-	-	-

* *Inclusive of Central Provident Fund Contributions.*

The RC has recommended that the Independent Directors to be paid Directors' fee of S$95,000 for the financial year ending 30 June 2020, to be paid yearly, which will be tabled at the forthcoming AGM for approval by the Company's shareholders.

Guideline 9.3 – Remuneration of Key Management Personnel

The Company has one (1) key management personnel (who is not a Director), being the CFO. The band and aggregate remuneration paid to him is not disclosed in this report.

The Board believes that disclosure of the remuneration of the key executive as recommended by the Code would be disadvantageous to the business interest of the Company, in view of the sensitive nature of such information and high competition for talent.

Guideline 9.4 – Immediate Family Members of a Director or CEO

Apart from Ms Koh Sor Cher, who is the sister of Mr Koh Kian Soo and a Director of a principal subsidiary of the Company, there is no other person occupying a managerial position in the Company or its principal subsidiaries that are related to any Director or CEO or substantial shareholder of the Company.

Name	Age	Family relationship with any Director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Koh Sor Cher	65	Sister of Mr Koh Kian Soo	Director of GDL Land Pte. Ltd., a principal subsidiary of the Company, since 19 June 2018. Ms Koh is in charge of the application of the developer's licence and its compliance requirements.	None

During FY2019, there was no employee of the Group who is an immediate family member of any Director or the CEO whose remuneration exceeds S$50,000 per annum.

Guideline 9.5 – Employee Share Scheme

Other than the GDL Share Award Scheme, the Company does not have any employee share scheme nor any long-term incentive scheme.

GDL Share Award Scheme

The GDL Share Award Scheme of the Company was approved and adopted by its shareholders at the Extraordinary General Meeting held in 2011. The name of the share award scheme has been changed from "TMC Share Award Scheme" to "GDL Share Award Scheme". This is consequent upon the change of Company's name from TMC Education Corporation Ltd to Global Dragon Limited on 23 March 2018. The rules of share award scheme remain unchanged.

Under the GDL Share Award Scheme, the aggregate number of shares which may be issued or transferred pursuant to awards granted under the scheme on any date, when added to (i) the number of shares issued and issuable and/or transferred and transferable in respect of all awards granted under the scheme; and (ii) all shares issued and issuable and/or transferred and transferable in respect of all options granted or awards granted under any other share incentive schemes or share plans adopted by the Company for the time being in force, shall not exceed fifteen per cent (15%) of the issued and paid-up share capital (excluding treasury shares) of the Company on the day preceding that date.

The awards granted under the GDL Share Award Scheme are principally performance-based, incorporating an element of stretched targets for Management and staff.

Further, the number of shares which are the subject of each award to be granted to a participant in accordance with the scheme shall be determined at the absolute discretion of the Directors of the Company authorised and appointed by the Board to administer the scheme, which shall take into account criteria such as his rank, job performance, years of service and potential for future development, his contribution to the success and development of the Group and the extent of effort and resourcefulness with which the performance condition may be achieved within the performance period, provided that in relation to controlling shareholders and associates of controlling shareholders:

(a) the aggregate number of shares comprised in awards granted to controlling shareholders or associates of controlling shareholders under the scheme shall not exceed 25% of the aggregate number of shares (comprised in awards) which may be granted under the scheme; and
(b) the number of shares available to each controlling shareholder or associate of a controlling shareholder shall not exceed 10% of the shares available under the scheme.

Any participation in the GDL Share Award Scheme by controlling shareholders and their associates must be approved by independent shareholders of the Company and a separate resolution must be passed for each person and to approve the actual number and terms of options to be granted to that participant.

No share awards have been granted pursuant to the GDL Share Award Scheme since its commencement.

Guideline 9.6 – Link between Remuneration and Performance

The information on the link between remuneration of Executive Directors and key management personnel, and performance is set out under Guideline 8.1 of this Report.

ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board should present a balanced and understandable assessment of the Company's performance, position and prospects.

Guideline 10.1 – Accountability of the Board and Management

The Board is accountable to the shareholders while the Management is accountable to the Board. The Board takes adequate steps to ensure compliance with legislative and regulatory requirements, including requirements under the Catalist Rules.

The Board reviews and approves the financial results, financial reports and other price sensitive information after review and authorises the release of such announcements to shareholders, the SGX-ST and the public via SGXNet.

By presenting the annual financial statements, half-year and full-year financial results announcements to shareholders, it is the aim of the Board to provide the shareholders with a balanced and comprehensive assessment of the Group's financial position, performance and prospects.

Guideline 10.2 - Compliance with Legislative and Regulatory Requirements

In accordance with Rule 705(5) of the Catalist Rules, the Board issued Negative Assurance statements in its half-yearly financial results announcement, confirming to the best of its knowledge that nothing had come to the attention of the Board which might render the financial statements false or misleading in any material aspect.

In addition, the Company had, pursuant to Rule 720(1) of the Catalist Rules, received undertakings from all its Directors and Executive Officers in the form set out in Appendix 7H of the Catalist Rules.

Guideline 10.3 – Management Accounts

The Management provides the Board with detailed management accounts of the Group's performance, financial position and prospects on a half-yearly basis and as the Board may require from time to time to enable the Board to make a balanced and informed assessment. The Board 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.

Principle 11: Risk Management and Internal Controls

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

Guideline 11.1 – Risk Management and Internal Control Systems

The Management is responsible to the Board for the design, implementation and monitoring of the Group's risk management and internal control systems and to provide the Board with the basis to determine the Company's levels of risk tolerance and risk policies.

The Board notes that all internal control systems contain inherent limitations and no sound system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgment in decision making, human error losses, fraud or other irregularities. However, alternative procedures, policies, guidelines and compliance regulations are in place to mitigate any possible and/or suspected irregularities. To date, nothing has come to the attention of the AC and/or Board of any deficiency and/or dysfunction of the internal control implementation that has resulted in any significant loss and/or material financial misstatement.

Guideline 11.2 – Adequacy and Effectiveness of Risk Management and Internal Control Systems
Guideline 11.3 – Board's Comment on Adequacy and Effectiveness of Internal Controls

In FY2019, the Group's external auditors (to the extent as required by them to form an audit opinion on the statutory financial statements) and internal auditors conducted a review of the adequacy and effectiveness of the Group's internal control system and risk management system. Findings and recommendations for improvement were reported to the AC.

The AC also enquires and relies on reports from the Management and the external auditors on any material non-compliance and internal control weaknesses. The AC oversees and monitors the implementation of any improvements thereto. The AC had reviewed with the Management and the internal auditors their findings of the existence and adequacy of material accounting controls procedures as part of its audit for the financial year under review. The AC is of the view that the works carried out by the Management and internal auditors are adequate.

Based on the internal controls established and maintained by the Group, work performed by the internal and external auditors, the assurance (as defined herein) received, and reviews performed by the Management, the Board Committees and the Board, the AC and the Board are of the opinion that the Group's internal controls, addressing financial, operational, compliance and information technology risks, and its risk management systems were adequate and effective in FY2019.

The AC and the Board will continue to review the adequacy and effectiveness of the key internal control system, including financial, operational, compliance and information technology controls, and risk management system on an on-going basis.

The Executive Chairman, the COO and the CFO have provided assurance (the "**Assurance**") to the Board that:

(a) the financial records have been properly maintained and that the financial statements give a true and fair view of the Company's operations and finances; and
(b) the Company's risk management and internal control systems in place are effective and adequate in addressing the financial, operational, compliance, information technology controls and risk management throughout the financial year ended 30 June 2019 and up to the date of this report.

Guideline 11.4 – Risk Committee

The AC oversees the Company's risk management and framework. Having considered the Company's business and operations as well as its existing internal control and risk management systems, the Board is of the view that a separate The management committee is not required for the time being.

As the Company does not have a risk management committee, the AC and the Management assume the responsibility of the risk management function. The AC and Management review the Company's business and operational activities regularly to identify areas of significant risks as well as appropriate measures to control and mitigate these risks. The AC and Management reviews and highlights all significant matters to the Board.

Principle 12: Audit Committee

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties

Guideline 12.1 – Composition of AC

The AC consists of the following three (3) Directors, including the Chairman, all of whom are Independent Directors:

Mr Woo Peng Kong (Chairman)
Mr Kwan Chee Wai (Member)
Ms Pan Pei Say (Member)

The Independent Directors do not have any existing business or professional relationship of a material nature with the Group, other Directors or substantial shareholders. They are also not related to the other Directors or the substantial shareholders.

Guideline 12.2 – Qualification of AC Members

The Board and the NC are of the view that the members of the AC are appropriately qualified to discharge their responsibilities and they have the requisite recent and relevant accounting or related financial management expertise or experience.

Guidelines 12.3 and 12.4 – Role and Responsibilities of AC

The role and responsibilities of the AC are to assist the Board in the execution of its corporate governance responsibilities within its terms of reference and requirements.

The AC has explicit authority to investigate any matters within its terms of reference, full access to and cooperation of the Management and also full discretion to invite any Director or key executives to attend its meetings, and has been given reasonable resources to enable it to discharge its functions.

The key terms of reference and responsibilities of the AC are, *inter alia*, to:

- review the audit plans, scope and feedback of the external auditors and ensure the adequacy of the Group's system of internal accounting controls and the co-operation given by the Management to the external auditors;
- review the half yearly and full year financial statements and the auditor's report on the annual financial statements of the Company and of the Group before their submission to the Board, and before their announcement;
- review, with the internal auditors, the internal audit plan, the scope and results of the internal audit function, and ensuring co-ordination between the internal auditors and the Management;
- review the auditors' evaluation of the system of internal controls, the results of the audit and Management's response and actions to correct any noted deficiencies, to discuss issues and concerns arising from their audits or any other matters which the audit might wish to discuss privately with the AC;
- review any formal announcements relating to the Company's financial performance in addition to the half yearly and full year financial statements compliance;

- review the scope and results of the external audit;
- review the nature and extent of non-audit services provided by the external auditors;
- review the assistance given by the Group's officer to the auditors and discuss any concerns with the external auditors and internal auditors in the absence of Management;
- review the independence and objectivity of the external auditors annually and recommend the external auditors to be nominated for re-appointment, or removal of the external auditor, and approve the compensation of the external auditors;
- review and report to the Board the adequacy and effectiveness of the Group's internal controls on an annual basis, including financial, operational, information technology and compliance controls, and risk management system;
- review the effectiveness of the Company's internal audit function;
- review legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programs and any reports received from regulators; and
- review interested person transactions in accordance with the requirements of the Catalist Rules.

In AC's review of the financial statements of the Group for FY2019, it had discussed with the Management the accounting principles that were applied and their judgement of items that could affect the integrity of the financial statements and also considered the clarity of key disclosures in the financial statements.

The following significant matters impacting the financial statements were discussed with the Management and the external auditors and reviewed by the AC:

Key Audit Matters	**How these issues were addressed by the AC**
Valuation of investment properties	The valuation of investments properties was conducted by external valuer. The AC considered the qualifications, competencies and scope of work of the valuer. In addition, the AC obtained assurance from Management that the investment properties are carried at fair value, which is determined using the direct comparison method by external valuation experts engaged by Management. The AC has also considered the disclosures in the financial statements in describing the subjectivity of the valuations, the key observable inputs and the relationships between the key unobservable inputs and fair value. The AC discussed with the external auditors on their review of the reasonableness of the valuation determined by the external valuer. Following the above, the AC is satisfied that the carrying value of the investment properties is not materially misstated.

The AC has power to conduct or authorise investigations into any matters within the AC's scope of responsibility.

The AC has been given full access to Management and has reasonable resources to discharge its function properly. The AC has full discretion to invite any Director or Executive Director or executive officer to attend its meetings.

The number of meetings convened by the AC is set out in Principle 1: The Board's Conduct of its Affairs. The Directors and the Company Secretaries are invited to these meetings. Minutes of the AC meetings are submitted to the Board for information and review with such recommendations as the AC considers appropriate.

Guideline 12.5 – Meeting with External Auditors and Internal Auditors

The AC also has met the external auditors and the internal auditors without the presence of the Management in FY2019.

Guideline 12.6 – Independence of External Auditors

The AC reviews the independence of the external auditors annually. The aggregate amount of audit fees and non-audit fees payable/paid to the Company's external auditors, Messrs Ernst & Young LLP, and its network firms for FY2019 were $63,000 and $18,000, respectively.

The Group confirms that it has complied with Rule 712 and 715 of the Catalist Rules in relation to its auditing firms. Having reviewed Messrs Ernst & Young LLP's independence, the AC has recommended to the Board the re-appointment of Ernst & Young LLP as the external auditors of the Group at the forthcoming AGM.

Guideline 12.7 – Whistle-blowing Policy

The Group has implemented the whistle-blowing policy since 2006. The policy aims to provide an avenue for employees and external parties to raise concerns about misconducts in the Group and at the same time assure them that they will

be protected from victimisation for whistle blowing in good faith. The Company's employees and any external parties may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters by submitting a whistle-blowing report to whistleblow@globaldragon.com.sg. There have been no incidents pertaining to whistle-blowing for FY2019.

Guideline 12.8 – Measures taken by AC to Keep Abreast on Changes to Accounting Standards

The AC is kept abreast by the Management and external auditors of changes to accounting standards and by the Company Secretary and the Sponsor on the Catalist Rules of the SGX-ST and other regulations which could have an impact on the Group's business and financial statements.

Guideline 12.9 – Cooling Off Period for Partners or Directors of the Company's Auditing Firm

None of the AC members (including the Chairman) were previous partners or directors of the Company's external audit firm within the last twelve months and none of the AC members hold any financial interest in the external audit firm.

Principle 13: Internal Audit

The Company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

Guidelines 13.1 and 13.2 – Internal Auditor

The Board recognises its responsibilities for maintaining a system of internal control processes to safeguard shareholders' investments and the Group's assets and business.

The Company has appointed Baker Tilly Consultancy (Singapore) Pte. Ltd., an independent and reputable professional firm, to undertake the internal audit function for the Group. The internal auditors have unrestricted direct access and reports directly to the AC on audit matters.

Guidelines 13.3 and 13.4 – Internal Audit Function

The internal auditors are guided by the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The AC will review annually the adequacy and effectiveness of the internal audit function.

The internal audit plan, which is approved by the AC, is drawn up by the internal auditors in consultation with the Management and the AC. The internal audits were carried out in accordance with the approved audit plan for FY2019 and the findings and corrective actions taken by the Management had been submitted to the AC.

Guideline 13.5 – Adequacy and Effectiveness of Internal Audit Function

The AC reviews the scope and results of the internal audit and ensures that the internal audit function is adequately resourced. Following the review of the internal auditor's internal audit plan and their evaluation of the system of internal controls, the AC is satisfied that the internal audit is adequately staffed with suitably qualified and experienced professionals with relevant experience and has the appropriate standing within the Group.

SHAREHOLDERS RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights

Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Guideline 14.1 – Sufficient Information to Shareholders

The Group is committed to providing shareholders with adequate, timely and sufficient information pertaining to changes in the Group's business which could have a material impact on the share price or value.

Guideline 14.2 – Opportunity to Shareholders to Participate and Vote at General Meetings

The Group strongly encourages shareholders to participate at the general meetings of the Company. Shareholders are able to proactively engage the Board and Management on the Group's business activities, financial performance and other business related matters. Shareholders are briefed by the Company on the rules, including voting procedures that

govern general meetings. The voting process at annual general meetings is by poll for all resolutions. Votes cast for or against and the respective percentages on each resolution will be tallied and displayed 'live' on-screen to shareholders immediately after each poll for each resolution is conducted. The total number of votes cast for or against each resolution and the respective percentages will also be announced in a timely manner after the AGM via SGXNet.

Guideline 14.3 – Appointment of Proxies

The Constitution provides that a member may appoint not more than two (2) proxies to attend and vote at general meetings in his/her stead. For shareholders who hold shares through nominees such as Central Provident Fund Investment ("**CPF Investors**") and/or Supplementary Retirement Scheme ("**SRS Investors**"), and custodian banks, they are now able to attend and vote at the general meetings under the multiple proxy regime. The Company has not amended its Constitution to provide for other methods of voting in absentia due to security and integrity concerns. Voting in absentia and by electronic mail may only be possible following careful study to ensure that integrity of the information and authentication of the identity of shareholders through the web is not compromised.

Principle 15: Communication with Shareholders

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

Guideline 15.1 – Communication with Shareholders

Information is communicated to shareholders on a timely basis and made through:

- annual reports where the Board makes every effort to ensure that all relevant information about the Group, including future developments, disclosures required by the Companies Act, and Financial Reporting Standards are disclosed;
- SGXNet; and
- press releases on major developments of the Group.

Guideline 15.2 – Disclosure of Information on a Timely Basis

The Company believes that prompt disclosure of relevant information and a high standard of disclosure are the keys to raising the level of corporate governance. The Board believes in regular and timely communication with its shareholders. In line with the continuous disclosure obligations of the Company pursuant to the Catalist Rules, the Company's policy is that all shareholders should be equally and timely informed of all major developments that impact the Company.

Guideline 15.3 – Interaction with Shareholders

The AGM is the principal forum for dialogue with our shareholders. The Company encourages shareholders to attend the annual general meeting to ensure a high level of accountability and to keep informed of the Group's strategy and goals.

At each AGM, the Executive Chairman presents the progress and performance of the Group and encourages shareholders to participate in the question and answer session. The Board also welcomes questions and views of shareholders on matters affecting the Company raised either informally or formally before or during the annual general meeting. The Directors, including the chairman of each Board Committee and the Management will be present at the annual general meeting to address shareholders' queries. The external auditors will be also present to address shareholders' queries on the conduct of the audit and the preparation and content of the auditor's report.

The Company does not have a dedicated investor relations team. If the need arises, the Company may organise media/analyst briefings to enable a better appreciation of the Group's performance and developments, which will also act as platforms to solicit and understand the view of Shareholders and investors.

Guideline 15.4 – Soliciting and Understanding Views of Shareholders

To promote a better understanding of shareholders' views, the Board actively encourages shareholders to participate during the Company's general meetings. These meetings provide excellent opportunities for the Company to obtain shareholders' views on value creation. Information on general meetings is disseminated through notices in the annual reports or circulars sent to all shareholders.

Guideline 15.5 – Dividend Policy

Currently, the Company does not have a fixed dividend policy. The Board would consider establishing a dividend policy when appropriate. In considering the payment of dividend, the Board shall consider factors such as the Company's profits,

cash flows, working capital and capital expenditure requirements, investment plans and other factors that the Board may deem relevant. Taking into consideration these factors, the Company has not declared any dividends for FY2019.

Principle 16: Conduct of Shareholder Meetings

Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

Guideline 16.1 – Shareholders' Participation

The Group believes in encouraging shareholder participation at general meetings. A shareholder who is entitled to attend and vote may either vote in person or appoint not more than two (2) proxies on its behalf. Pursuant to Section 181(1C) of the Companies Act, a member who is a relevant intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member.

Guideline 16.2 – Separate Resolutions at General Meetings

In general, separate resolutions are proposed for substantially separate issues and for items of special business. Where appropriate, an explanation for proposed resolution would be provided.

Guideline 16.3 – Attendees at General Meetings

The Chairman of the Board Committees, or members of the Board Committees standing in for them, are present at each AGM, and other general meetings held by the Company, if any, to address shareholders' queries. Appropriate senior management personnel/members are also present at general meetings to respond, if necessary, to operational questions from shareholders.

All Directors attended the Company's last AGM held on 26 October 2018.

Guideline 16.4 – Minutes of General Meetings

The Company Secretary prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management, and such minutes are available to shareholders upon their request.

Guideline 16.5 – Voting by Poll at General Meetings

Voting and polling procedures are disclosed at the general meetings. An independent scrutineer firm is present to validate the votes at the AGM. The Company will put all resolutions to vote by poll and make an announcement of the detailed results showing the number of votes case for and against for each resolution and the respective percentages, were also announced after the AGM via SGXNet.

Internal Code on Dealings in Securities

Pursuant to Rule 1204(19) of the Catalist Rules, the Company has put in place an internal code on dealings with securities, which has been issued to all Directors and employees setting out the implications on insider trading.

The internal code prohibits the dealing in securities of the Company by the Company, its Directors and employees while in possession of price-sensitive information, and during the period beginning one (1) month before the announcement of the half-yearly and annual financial results, and ending on the date of the respective announcements. The Directors are required to report securities dealings to the Company Secretary who will assist to make the necessary announcements.

In addition, the Directors and the employees are reminded to observe insider trading laws at all times and are advised not to deal in the Company's securities on short-term considerations.

Interested Person Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported on a timely manner to the AC and the transactions are carried out on normal commercial terms and will not be prejudicial to the interests of the Company and its minority shareholders.

The Group has not obtained a general mandate from shareholders in respect of any interested person transactions and there were no interested person transactions with value of S$100,000 and above in FY2019.

Non-Sponsor Fees

During FY2019, there were no non-sponsor fees paid/payable to SAC Capital Private Limited.

Material Contracts

Save for the service contracts between the Company and the Executive Directors, there were no material contracts entered into by the Company or any of its subsidiaries companies involving the interest of the Executive Chairman, each Director or controlling shareholder of the Company, either still subsisting at the end of the financial year, or if not the subsisting, which were entered into since the end of the previous financial year.

Use of Proceeds

As at the date of this report, the utilisation of net proceeds from the rights issues pursuant to the Offer Information Statement dated 25 February 2019 ("**Offer Information Statement 2019**") is set out as follows:

Use of net proceeds	Allocation of net proceeds (as disclosed in the Company's announcement dated 5 April 2019) (S$'million)	Amount utilised as at 27 September 2019 (S$'million)	Amount unutilised as at 27 September 2019
Expansion/growth of the Property Business	9.41	(9.41)[1]	–
General working capital purposes	1.00	(1.00)[2]	–
Total	**10.41**	**(10.41)**	–

Notes:

(1) The amount was utilised to fund the development costs of Demak property, East Coast properties and Telok Blangah properties, which were disclosed in the announcements dated 26 March 2018, 6 April 2018, 15 May 2018, 1 June 2018, 7 September 2018 and 27 May 2019 and 27 August 2019, Mydin properties, of which the purchase was completed in July 2018, and Flower property, of which the purchase is targeted to be completed during the financial period ending 31 December 2019.

(2) The amount utilised for general working capital requirements comprised mainly payments for operating expenses, professional fees and loan interests.

Subsequent to the aforementioned, as at the date of this report, the Company has fully utilised the net proceeds from the rights issue pursuant to the Offer Information Statement 2019.

DIRECTORS' STATEMENT

The directors are pleased to present their statement to the members together with the audited consolidated financial statements of Global Dragon Limited (the "Company") and its subsidiaries (collectively, the "Group") and the balance sheet of the Company for the financial year ended 30 June 2019.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the balance sheet of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2019 and the financial performance, changes in equity and cash flows of the Group for the financial 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 based on the Group's financial and cash flow projections.

Directors of the Company

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

Koh Kian Soo	(Executive Chairman)
Tan Chee Wee (Chen Zhiwei)	(Executive Director and Chief Operating Officer)
Woo Peng Kong	(Lead Independent Director)
Kwan Chee Wai	(Independent Director)
Pan Pei Say	(Independent Director)

In accordance with Article 104 of the Company's Constitution, Koh Kian Soo and Pan Pei Say retire and, being eligible, offer themselves for re-election.

Arrangements to enable directors to acquire shares and debentures

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 object 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 director, 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, Chapter 50 (the "Act"), an interest in shares of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

	Direct interest		Deemed interest	
Name of director	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
Ordinary shares of the Company				
Koh Kian Soo	–	–	30,000,000	60,000,000

There was no change in the Directors' interests in shares and debentures of the Company and related corporations between the end of the financial year and 21 July 2019.

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

Share Award Scheme

Following the expiry of the TMC Share Option Scheme ("SOS") on 24 May 2011, the Company implemented the GDL Share Award Scheme (the "Scheme") to replace the SOS. The Scheme was approved and adopted by the Company's shareholders at an Extraordinary General Meeting held on 31 March 2011. The Scheme is administered by the Company's Remuneration Committee, comprising three directors, Pan Pei Say (Chairman), Kwan Chee Wai (Member) and Woo Peng Kong (Member).

The name of the Scheme has been changed from "TMC Share Award Scheme" to "GDL Share Award Scheme". This is consequent upon the change of the Company's name from TMC Education Corporation Limited on 23 March 2018. The rules of the Scheme remain unchanged.

Awards of fully-paid ordinary shares in the Company under the Scheme will be performance-based, with performance targets to be set over a designated performance period.

The awards granted by the Company do not entitle the holders of the awards, by virtue of such holding, to any rights to participate in any share issue of any other company.

No shares of the Company have been awarded under the Scheme since its commencement.

Audit Committee

The Audit Committee ("AC") at the end of the financial year comprises the following members:

Woo Peng Kong (Chairman)
Kwan Chee Wai (Member)
Pan Pei Say (Member)

The AC carried out its functions in accordance with section 201B (5) of the Act, the Listing Manual Section B: Rules of Catalist (the "Catalist Rules") of the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the Code of Corporate Governance, including the following:

(a) reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors;

(b) reviewed the half-yearly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the board of directors (the "Board");

(c) reviewed the adequacy and effectiveness of the Group and the Company's material internal controls, including financial, operational, compliance and information technology controls and risk management systems via reviews carried out by the internal auditor;

(d) met with the external auditor, internal auditor, other committees, and management in separate executive sessions to discuss any matters that these groups believe should be discussed privately with the AC;

(e) reviewed legal and regulatory matters that may have a material impact on the financial statements, related compliance policies and programmes and any reports received from regulators;

(f) reviewed the cost effectiveness and the independence and objectivity of the external auditor;

(g) reviewed the nature and extent of non-audit services provided by the external auditor;

(h) recommended to the Board the external auditor to be nominated, approved the compensation of the external auditor, and reviewed the scope and results of the audit;

(i) reported actions and minutes of the AC to the Board with such recommendations as the AC considered appropriate; and

(j) reviewed interested person transactions in accordance with the requirements of the Catalist Rules of the SGX-ST.

DIRECTORS' STATEMENT

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

The AC convened four meetings during the financial 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 Corporate Governance Report.

Auditor

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

On behalf of the board of directors:

Koh Kian Soo
Director

Tan Chee Wee (Chen Zhiwei)
Director

Singapore

27 September 2019

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2019

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Global Dragon Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the balance sheets of the Group and Company as at 30 June 2019, consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2019 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

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

We have fulfilled our responsibilities described in the *Auditor's responsibilities* for the *Audit of the Financial Statements* section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying financial statements.

Valuation of investment properties

The Group's investment properties are valued at $18.12 million, which represented 13.30% of total assets on the balance sheet as at 30 June 2019. As disclosed in Note 13, the investment properties are carried at fair value, which is determined using the direct comparison method by the external valuation expert engaged by management. The valuation process requires both management and the external valuation expert to exercise judgement and the value derived is dependent on key inputs and adjustments for comparability. For these reasons, we have determined this to be a key audit matter.

As part of our audit, we considered the objectivity, independence and competency of the external valuation expert, and discussed and obtained an understanding of the valuation techniques used by the external valuation expert. We evaluated the reasonableness of the comparable transactions data used by the external valuation expert by comparing the data against transacted prices of comparable properties. We also assessed the appropriateness of the valuation model used and reviewed the reasonableness of the adjustments for comparability factored in the valuation model. We also considered the presentation and disclosure of Notes 13 and 30 relating to the inputs and assumptions used.

Other Information

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

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

Other Information (cont'd)

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

Responsibilities of Management and Directors for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

The engagement partner on the audit resulting in this independent auditor's report is Max Loh.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

27 September 2019

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2019

Group	Note	2019 $'000	2018 $'000
Continuing operations			
Revenue	4	1,640	991
Other income	5	110	105
Fair value (loss)/gain on investment properties	13	(220)	2,140
Sales and marketing expenses		(394)	(8)
General and administrative expenses		(2,765)	(3,255)
Other expenses	6	(1,170)	–
Finance costs	7	(404)	(396)
Loss before tax from continuing operations	8	(3,203)	(423)
Income tax expense	9	–	–
Loss from continuing operations, net of tax		(3,203)	(423)
Discontinued operations			
Profit from discontinued operations, net of tax	10	–	1,142
(Loss)/profit for the year		(3,203)	719
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences – foreign operations, at nil tax		67	(29)
Total comprehensive income for the year		(3,136)	690
Attributable to:			
Owners of the Company			
Loss from continuing operations, net of tax		(3,203)	(423)
Profit from discontinued operations, net of tax		–	1,142
(Loss)/profit for the year		(3,203)	719
Attributable to:			
Owners of the Company			
Total comprehensive income from continuing operations, net of tax		(3,136)	(452)
Total comprehensive income from discontinued operations, net of tax		–	1,142
Total comprehensive income for the year		(3,136)	690
(Loss)/earnings per share from continuing operations attributable to owners of the Company (cents per share)			
Attributable to equity holders of the Company			
Basic and diluted			
- From continuing operations	11	(0.57)	(0.19)
- From discontinued operations	11	–	0.50

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

BALANCE SHEETS

As at 30 June 2019

	Note	Group			Company		
		2019	30.6.2018	1.7.2017	2019	30.6.2018	1.7.2017
		$'000	$'000	$'000	$'000	$'000	$'000
Assets							
Non-current assets							
Property, plant and equipment	12	47,385	65	217	73	65	210
Investment properties	13	18,120	22,100	19,960	18,120	22,100	19,960
Investment in subsidiaries	14	–	–	–	5,000	4,000	5,000
		65,505	22,165	20,177	23,193	26,165	25,170
Current assets							
Trade and other receivables	15	3,285	280	169	62	254	149
Due from subsidiaries (non-trade)	16	–	–	–	30,312	12,557	132
Prepayments		49	2	209	22	1	202
Development properties	17	64,341	9,205	–	–	–	–
Cash and short-term deposits	18	2,628	23,328	1,670	1,146	16,049	36
		70,303	32,815	2,048	31,542	28,861	519
Total assets		135,808	54,980	22,225	54,735	55,026	25,689
Liabilities							
Current liabilities							
Trade and other payables	19	1,221	632	2,968	485	476	1,293
Due to subsidiaries (non-trade)	16	–	–	–	965	1,400	10,392
Provisions	20	15	15	170	15	15	170
Borrowings	21	83,692	6,204	4,465	828	4,884	1,069
		84,928	6,851	7,603	2,293	6,775	12,924
Net current (liabilities)/assets		(14,625)	25,964	(5,555)	29,249	22,086	(12,405)
Non-current liability							
Borrowings	21	11,832	16,359	7,078	11,832	16,359	5,715
Total liabilities		96,760	23,210	14,681	14,125	23,134	18,639
Net assets		39,048	31,770	7,544	40,610	31,892	7,050
Equity							
Share capital	22	46,116	35,702	11,477	46,116	35,702	11,477
Reserves	23	(7,068)	(3,932)	(3,933)	(5,506)	(3,810)	(4,427)
Equity attributable to owners of the Company		39,048	31,770	7,544	40,610	31,892	7,050
Total equity		39,048	31,770	7,544	40,610	31,892	7,050
Total equity and liabilities		135,808	54,980	22,225	54,735	55,026	25,689

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

CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 30 June 2019

	Share capital	Exchange fluctuation reserve	Share option reserve	Accumulated losses	Total equity
	$'000	$'000	$'000	$'000	$'000
Group					
At 1 July 2018	35,702	173	498	(4,603)	31,770
Loss for the year	–	–	–	(3,203)	(3,203)
Other comprehensive income					
- Foreign currency translation differences	–	67	–	–	67
Total comprehensive income for the year	–	67	–	(3,203)	(3,136)
Rights issue of new ordinary shares	10,507	–	–	–	10,507
Share issuance expense	(93)	–	–	–	(93)
Total transactions with owners, recognised directly in equity	10,414	–	–	–	10,414
At 30 June 2019	46,116	240	498	(7,806)	39,048

	Share capital	Exchange fluctuation reserve	Share option reserve	Accumulated losses	Total equity
	$'000	$'000	$'000	$'000	$'000
Group					
At 1 July 2017	11,477	202	498	(4,633)	7,544
Profit for the year	–	–	–	719	719
Other comprehensive income					
- Foreign currency translation differences	–	(29)	–	–	(29)
Total comprehensive income for the year	–	(29)	–	719	690
Rights issue of new ordinary shares	24,225	–	–	–	24,225
Fair value loss on shareholders' loans	–	–	–	(689)	(689)
Total transactions with owners, recognised directly in equity	24,225	–	–	(689)	23,536
At 30 June 2018	35,702	173	498	(4,603)	31,770

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

CONSOLIDATED STATEMENTS OF CASH FLOWS

For the financial year ended 30 June 2019

	Note	Group 2019 $'000	2018 $'000
Operating activities			
Loss before tax from continuing operations		(3,203)	(423)
Profit before tax from discontinued operations		–	1,142
(Loss)/profit before tax		(3,203)	719
Adjustments for:			
Allowance for estimated credit losses	15	33	15
Bad debts written off		54	–
Depreciation of property, plant and equipment	12	28	50
Fair value loss/(gain) on investment properties	13	220	(2,140)
Gain on disposal of property, plant and equipment	8	–	(5)
Loss on disposal of investment properties	8	82	–
Gain on disposal of subsidiary	10	–	(1,215)
Interest expense	8	400	391
Interest income	8	(109)	(29)
Writeback of restoration costs	8	–	(155)
Operating loss before working capital changes		(2,495)	(2,369)
Changes in working capital:			
(Increase)/decrease in trade and other receivables		(3,138)	74
Increase/(decrease) in trade and other payables		656	(486)
Increase in development properties		(53,777)	(9,201)
Cash used in operations		(58,754)	(11,982)
Interest paid		(1,359)	(4)
Net cash flows used in operating activities		(60,113)	(11,986)
Investing activities			
Interest received		108	29
Interest paid		(53)	–
Acquisition of property, plant and equipment		(47,295)	(96)
Proceeds from disposal of property, plant and equipment		–	203
Proceeds from disposal of investment properties		3,678	–
Net cash outflow on disposal of subsidiary	10	–	(657)
Net cash flows used in investing activities		(43,562)	(521)

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

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CONSOLIDATED STATEMENTS OF CASH FLOWS

For the financial year ended 30 June 2019

	Note	Group 2019 $'000	2018 $'000
Financing activities			
Interest paid		(385)	(212)
Decrease/(increase) in fixed deposits pledged		1,000	(2,000)
Proceeds from bank loans		81,544	18,120
Proceeds from shareholders' loans		–	3,500
Proceeds from third party loan		–	500
Proceeds from rights issue	22	10,507	24,225
Repayment of bank loans		(4,098)	(5,968)
Repayment of shareholders' loans		(4,500)	(4,500)
Repayment of third party loan		–	(1,500)
Share issuance expense		(93)	–
Net cash flows from financing activities		83,975	32,165
Net (decrease)/increase in cash and cash equivalents		(19,700)	19,658
Cash and cash equivalents at beginning of financial year		21,328	1,670
Cash and cash equivalents at end of financial year	18	1,628	21,328

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

1. Corporate information

Global Dragon Limited (the "Company") is a limited liability company incorporated and domiciled in Singapore and is listed on the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office and principal place of business are located at 456 Alexandra Road #02-09 Fragrance Empire Building Singapore 119962.

The principal activities of the Company are property development and investment. The principal activities of the subsidiaries are disclosed in Note 14 to the financial statements.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

For all periods up to and including the financial year ended 30 June 2018, the Group prepared its financial statements in accordance with Financial Reporting Standards in Singapore (FRS). These financial statements for the year ended 30 June 2019 are the first the Group has prepared in accordance with SFRS(I). Refer to Note 2.2 for information on how the Group adopted SFRS(I).

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

The financial statements are presented in Singapore Dollars (SGD or $) and all values in the tables are rounded to the nearest thousand ($'000), except when otherwise indicated.

The Group incurred a net loss of $3,203,000 during the financial year ended 30 June 2019 and as at that date, the Group's current liabilities exceeded its current assets by $14,625,000. The financial statements have been prepared on a going concern basis based on financial and cash flow projections, the Board and management are reasonably confident that the Group will have sufficient cash to pay its debts as and when they fall due.

2.2 *First-time adoption of (SFRS(I))*

These financial statements for the year ended 30 June 2019 are the first the Group and the Company have prepared in accordance with SFRS(I). Accordingly, the Group and the Company have prepared financial statements that comply with SFRS(I) applicable as at 30 June 2019, together with the comparative period data for the year ended 30 June 2018, as described in the summary of significant accounting policies. On preparing the financial statements, the Group's and the Company's opening balance sheets were prepared as at 1 July 2017, the Group and the Company's date of transition to SFRS(I).

New accounting standards effective on 1 July 2018

The accounting policies adopted are consistent with those previously applied under FRS except that in the current financial year, the Company has adopted all the SFRS(I) which are effective for annual financial periods beginning on or after 1 July 2018. The adoption of these standards did not have any material effect on the financial performance or position of the Group.

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

2.2 ***First-time adoption of (SFRS(I)) (cont'd)***

SFRS(I) 9 Financial Instruments

On 1 July 2018, the Group adopted SFRS(I) 9 Financial instruments, which is effective for annual periods beginning on or after 1 January 2018.

The changes arising from the adoption of SFRS(I) 9 have been applied retrospectively. The Group has elected to apply the exemption in SFRS(I) 1 and has not restated comparative information in the year of application. The comparative information was prepared in accordance with the requirements of FRS 39.

Classification and measurement

SFRS(I) 9 requires debt instruments to be measured either at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVPL"). Classification of debt instruments depends on the entity's business model for managing the financial assets and whether the contractual cash flows represent solely payments of principal and interest ("SPPI"). An entity's business model is how an entity manages its financial assets in order to generate cash flows and create value for the entity either from collecting contractual cash flows, selling financial assets or both. If a debt instrument is held to collect contractual cash flows, it is measured at amortised cost if it also meets the SPPI requirement. Debt instruments that meet the SPPI requirement that are held both to collect the assets' contractual cash flows and to sell the assets are measured at FVOCI. Financial assets are measured at FVPL if they do not meet the criteria of FVOCI or amortised cost.

The Group's trade receivables include receivables arising from the Group's property development segment and rental receivables. The Group's intention is to hold these receivables to collect the contractual cash flows. Consequently, upon adoption of SFRS(I) 9, these have been measured at amortised cost.

The assessment of the business model and whether the financial assets meet the SPPI requirements was made as of 1 July 2019, and if applicable, then applied retrospectively to those financial assets that were not derecognised before 1 July 2019.

Impairment

SFRS(I) 9 requires the Group to record expected credit losses on all of its financial assets measured at amortised cost or FVOCI and financial guarantees. The Group previously recorded impairment based on the incurred loss model when there is objective evidence that a financial asset is impaired.

Upon adoption of SFRS(I) 9, the Group has assessed that there is no material impact to the financial statements.

SFRS(I) 15 Revenue from Contracts with Customers

The Group adopted SFRS(I) 15 which is effective for annual periods beginning on or after 1 January 2018.

The Group is in the business of property development and construction. The impact of adopting SFRS(I) 15 is detailed as follows:

Sale of development properties

Capitalisation of borrowing costs for entities which recognise revenue over time for the sale of development properties

The Group previously capitalised borrowing costs in relation to its residential development properties. Under SFRS(I) 15, borrowing costs incurred in relation to development projects where revenue is recognised over time are capitalised up to the point that the project is ready for its intended sale. Finance costs incurred after that date is expensed as incurred.

There was no material impact to the Group's financial statements arising from the adoption of the SFRS(I) 15 as the Group's development projects where revenue is recognised over time remain under construction during the year.

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

2.3 ***Standards issued but not yet effective***

The Group has not adopted the following standards applicable to the Group that have been issued but not yet effective:

Description	***Effective for annual periods beginning on or after***
SFRS(I) 16 Leases	1 January 2019
SFRS(I) INT 23 Uncertainty over Income Tax Treatments	1 January 2019
Amendments to SFRS(I) 9 Prepayment Features with Negative Compensation	1 January 2019
Amendments to SFRS(I) 1-28 Long-term Interests in Associates and Joint Ventures	1 January 2019
Annual Improvements to SFRS(I)s 2015-2017 Cycle	1 January 2019
Amendments to SFRS(I) 10 and SFRS(I) 1-28 S*ale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

Except for SFRS(I) 16, the directors expect that the adoption of the other standards above will have no material impact on the financial statements in the year of initial application. The nature of the impending changes in accounting policy on adoption of SFRS(I) 16 are described as follows:

SFRS(I) 16 Leases

SFRS(I) 16 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. SFRS(I) 16 is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make a lease payment (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

On the adoption of SFRS(I) 16, the Group expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at either:

(i) its carrying amount as if SFRS(I) 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 July 2019; or

(ii) an amount equal to the lease liability, adjusted by the amount of any prepaid or accrued lease payments relating to that lease recognised in the statement of financial position immediately before 1 July 2019.

In addition, the Group plans to elect the following practical expedients:

- not to reassess whether a contract is, or contains a lease at the date of initial application and to apply SFRS(I) 16 to all contracts that were previously identified as leases

- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 July 2019

- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics

The Group has performed a preliminary impact assessment based on currently available information, and the assessment may be subject to changes arising from ongoing analysis until the Group adopts SFRS(I) 16 in FY2020.

On the adoption of SFRS(I) 16, the Group expects to recognise right-of-use assets and lease liabilities for its leases previously classified as operating leases.

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

2.4 ***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 for like transactions and events in similar circumstances.

All intra-group balances and transactions, 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 interest 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 control 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; and
- re-classifies the Group's share of components previously recognised in other comprehensive income to profit or loss or retained earnings, as appropriate.

2.5 ***Subsidiaries***

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

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

2.6 ***Foreign currency***

The Group's consolidated financial statements are presented in Singapore Dollar ("SGD"), which is also the Company's functional currency. 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.

(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 determined.

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.

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

2.6 ***Foreign currency (cont'd)***

(b) *Consolidated financial statements*

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD 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.

2.7 ***Property, plant and equipment***

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation of an asset begins when it is available for use and is computed on a straight-line basis over the estimated useful life of the asset as follows:

Computers and software	3 years
Furniture and fittings	3 to 10 years
Office equipment	3 to 10 years
Renovation	3 to 10 years
Buildings	60 years
Leasehold land	99 years

The carrying values of property, plant and 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 property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on de-recognition of the asset is included in profit or loss in the year the asset is derecognised.

2.8 ***Investment properties***

Investment properties are properties that are either owned by the Group or leased under a finance lease that are held to earn rentals or for capital appreciation, or both, rather than for use in the production or supply of goods or services, or for administrative purposes, or in the ordinary course of business. Investment properties comprise completed investment properties and properties that are being constructed or developed for future use as investment properties. Properties held under operating leases are classified as investment properties when the definition of an investment property is met.

Investment properties are initially measured at cost, including transaction costs.

Subsequent to initial recognition, investment properties are measured at fair value. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the year in which they arise.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in profit or loss in the year of retirement or disposal.

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 annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount.

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

2.9 ***Impairment of non-financial assets (cont'd)***

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 groups 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.

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 unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase.

2.10 ***Financial instruments***

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are:

(i) Amortised cost

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

(ii) Fair value through other comprehensive income ("FVOCI")

Financial assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised.

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

2.10 ***Financial instruments (cont'd)***

(a) Financial assets (cont'd)

(iii) Fair value through profit or loss

Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt instrument that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss in the period in which it arises.

De-recognition

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.

b) Financial liabilities

Initial recognition and measurement

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

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

Subsequent measurement

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 de-recognised, 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.

2.11 ***Impairment of financial assets***

The Group recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment.

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

2.11 ***Impairment of financial assets (cont'd)***

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.12 ***Development properties***

Development properties are properties acquired for development 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 of development properties is the estimated selling price in the ordinary course of the business, based on market prices at the reporting date and discounted for the time value of money if material, less the estimated costs of completion and the estimated costs necessary to make the sale.

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

2.13 ***Cash and cash equivalents***

Cash and cash equivalents comprise cash at bank and short-term deposits.

2.14 ***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.

2.15 ***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.

2.16 ***Revenue***

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

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

2.16 ***Revenue (cont'd)***

(a) *Rental income*

Rental income arising from operating leases on investment properties 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.

(b) *Sale of completed development properties*

The Group develops and sells residential properties before completion of construction of the properties. Revenue is recognised when control over the property has been transferred to the customer, either over time or at a point in time, depending on the contractual terms and the practices in the legal jurisdictions.

For development properties whereby the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the construction and other costs incurred to date as a proportion of the estimated total construction and other costs to be incurred.

For development properties whereby the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advance payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expenses.

(c) *Interest income*

Interest income is accrued on a time basis, by reference to the principal sums and at the applicable effective interest rates.

2.17 ***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.

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

2.17 ***Taxes (cont'd)***

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

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 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, 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.

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.

(c) *Sales tax*

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

- Where the goods and services tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the goods and services 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 goods and services tax included.

The net amount of goods and services tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

2.18 ***Employees benefits***

(a) Defined contribution plan

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 makes 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.

2.19 ***Leases***

(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 in which the Group does not transfer 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 2.16(a). Contingent rents are recognised as revenue in the period in which they are earned.

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

2.20 ***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.

2.21 ***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.

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 balance sheet 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.

2.22 ***Financial guarantees***

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due 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 measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.11 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

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 ***Judgements made in applying accounting policies***

Management is of the opinion that there is no significant judgment made in applying accounting policies that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period.

3.2 ***Key sources of estimation uncertainty***

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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

3.2 ***Key sources of estimation uncertainty (cont'd)***

(a) Valuation of investment properties

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group engaged an external valuation expert to assess fair value as at 30 June 2019.

The fair values of investment properties are determined by the external valuation expert using the direct comparison approach. The key assumptions used to determine the fair value of these investment properties are provided in Note 30.

The carrying amount of the investment properties carried at fair value as at 30 June 2019 was $18,120,000 (30 June 2018: $22,100,000; 1 July 2017: $19,960,000).

(b) Impairment of non-financial assets

Property, plant and equipment and investment in subsidiaries are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired. The recoverable amounts of these assets and, where applicable, cash-generating-units, have been determined based on value-in-use calculations. These calculations require the use of estimates. Estimating the value in use requires the Group and the Company to make an estimate of the expected future cash flows from the cash-generating unit and also to apply assumptions such as future market growth, forecast revenue and costs, useful lives and utilisation of the assets, discount rates and other factors. The carrying amounts of property, plant and equipment and investment in subsidiaries at the reporting date are disclosed in Notes 12 and 14 to the financial statements respectively.

4. Revenue

	Group	
	2019	**2018**
	$'000	$'000
Rental income from investment properties	435	497
Other rental income	1,205	494
	1,640	991

(a) **Disaggregation of revenue**

	Investment properties		Other rental income		Total revenue	
	2019	**2018**	**2019**	**2018**	**2019**	**2018**
	$'000	$'000	$'000	$'000	$'000	$'000
Primary geographical markets						
Singapore	435	497	1,205	494	1,640	991
Major product or service lines						
Commercial properties	435	497	1,194	494	1,629	991
Residential properties	–	–	11	–	11	–
Timing of transfer of goods or services						
Over time	435	497	1,205	494	1,640	991

5. Other income

	Group	
	2019	2018
	$'000	$'000
Foreign exchange gain	–	24
Gain on disposal of property, plant and equipment	–	5
Government grants	1	25
Interest income from cash and cash equivalents	109	29
Miscellaneous income	–	22
	110	105

6. Other expenses

	Group	
	2019	2018
	$'000	$'000
Loss on foreign exchange contract	1,088	–
Loss on disposal of investment properties	82	–
	1,170	–

7. Finance costs

	Group	
	2019	2018
	$'000	$'000
Interest expense on:		
- Bank loans (secured)	385	103
- Shareholders' loans (unsecured)	15	217
- Third party loan (unsecured)	–	71
	400	391
Commitment fee for borrowings	4	5
	404	396

8. Loss before tax from continuing operations

	Group	
	2019	2018
	$'000	$'000
Loss for the year has been arrived at after charging/(crediting):		
Allowance for estimated credit loss/doubtful debts	33	15
Audit fees:		
- Auditors of the Company	63	55
- Other auditors	15	18
Depreciation of property, plant and equipment	28	50
Employee benefits expense (Note 24)	928	1,394
Gain on disposal of property, plant and equipment	–	(5)
Loss on disposal of investment properties	82	–
Interest expense	400	391
Interest income	(109)	(29)
Write back of restoration costs, net	–	(155)
Operating lease expenses	1,281	1,058

9. Income tax expense

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting (loss)/profit multiplied by the applicable corporate tax rate for the financial years ended 30 June 2019 and 2018 are as follows:

	Group	
	2019	2018
	$'000	$'000
Loss before tax from continuing operations	(3,203)	(423)
Profit before tax from discontinued operations (Note 10)	–	1,142
(Loss)/profit before tax	(3,203)	719
Tax at statutory rate of 17% (2018: 17%)	(545)	122
Tax effects of:		
Expenses not deductible in determining taxable income	474	125
Income not subject to tax	(5)	(560)
Losses for which no deferred tax asset is recognised	76	318
Difference in foreign tax rates	–	(5)
	–	–

9. Income tax expense (cont'd)

As there was a substantial change of the Group's ultimate shareholders and their shareholdings on 14 December 2017, and a change in principal activities of the Group subsequently, the unutilised tax losses of $21,769,739 and unutilised capital allowances of $84,228 arising from the financial years prior to 14 December 2017 were not recognised as it was uncertain if the approval for the waiver of the shareholding continuity test will be granted by the Comptroller of Income Tax.

At the end of the reporting period, the Group has unutilised tax losses and unutilised capital allowances of approximately $23,596,000 (30 June 2018: $23,151,000) and $84,000 (30 June 2018: $84,000) respectively, that are available for offset against future taxable profits of the Group, for which no deferred tax asset is recognised due to uncertainty of its recoverability.

Subsequent to the financial year ended 30 June 2019, the Company's application for the waiver of the shareholding continuity test was granted by the Comptroller of Income Tax. These tax losses and capital allowances can only be utilised against profits arising from the same trade that gave rise to these losses and capital allowances.

10. Discontinued operations and disposal of subsidiary

On 14 December 2017, the Company entered into a sale and purchase agreement with Advanced Investment Holdings Pte. Ltd. (the "Purchaser"), Dr Chin Kon Yuen, Yeow Cheng Khim, Lee Chin Weng and its wholly-owned subsidiary, TMC Academy Pte. Ltd. ("TMC Academy"), to sell the Company's entire 100% shareholding in TMC Academy to the Purchaser (the "Disposal").

Upon completion of the disposal on 14 February 2018, TMC Academy ceased to be a subsidiary of the Company. As TMC Academy was the operating entity for the Group's education business segment, the Group ceased to operate its education business following the Disposal. The Group will continue to hold its investment properties as disclosed in Note 13 to the financial statements for rental income and capital appreciation.

Balance sheet disclosures

The major classes of assets and liabilities of TMC Academy as at 14 February 2018 is as follows:

	As at 14.2.2018
	$'000
Assets	7
Trade and other receivables	10,853
Due from related companies	657
Cash and cash equivalents	11,517
Liabilities	
Trade and other payables	(1,879)
Borrowings	(4,535)
	(6,414)
Net assets directly associated with disposal	5,103
Cash consideration	1,000
Less:	
Settlement of outstanding debts with subsidiary	(1,000)
Cash and cash equivalents of subsidiary	(657)
Net cash outflow from disposal of subsidiary	(657)

10. Discontinued operations and disposal of subsidiary (cont'd)

Income statement disclosures

The results of TMC Academy for the financial period ended 14 February 2018 is as follows:

	1.7.2017 to 14.2.2018
	$'000
Revenue	2,754
School management service fee	(2,590)
General and administrative expenses	(10)
Profit from operations	154
Finance costs	(95)
Expenses related to the disposal borne by the Company	(132)
Profit recognised on remeasurement to fair value less cost to sell	1,215
Profit before taxation from discontinued operations	1,142
Income tax expense	–
Profit for the year from discontinued operations	1,142

Cash flow statement disclosures

The net cash flows attributable to TMC Academy for the financial period ended 14 February 2018 is as follows:

	1.7.2017 to 14.2.2018
	$'000
Operating activities	(634)
Financing activities	(318)
Net cash (outflows)/inflows	(952)

11. (Loss)/earnings per share

	Group	
	2019	2018
	$'000	$'000
Attributable to ordinary shares:		
Loss from continuing operations, net of tax	(3,203)	(423)
Profit from discontinued operations, net of tax	–	1,142
(Loss)/profit for the year	(3,203)	719

11. (Loss)/earnings per share (cont'd)

	Group	
	2019	**2018**
	$'000	$'000
Weighted average number of ordinary shares in issue during the year	565,224,722	227,216,032

	2019	**2018**
	cents	cents
Basic and diluted (loss)/earnings per share		
- From continuing operations	(0.57)	(0.19)
- From discontinued operations	–	0.50

12. Property, plant and equipment

	Leasehold land	Asset under construction	Computers and software	Furniture and fittings	Office equipment	Renovation	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
Cost:							
At 1 July 2017	–	–	1,439	197	255	1,583	3,474
Additions	–	–	49	3	–	44	96
Disposals	–	–	(1,460)	(197)	(255)	(1,583)	(3,495)
At 30 June 2018 and 1 July 2018	–	–	28	3	–	44	75
Additions	47,169	143	–[1]	–	36	–	47,348
At 30 June 2019	47,169	143	28	3	36	44	47,423
Accumulated depreciation:							
At 1 July 2017	–	–	1,318	124	134	542	2,118
Depreciation charge for the year	–	–	16	2	–	32	50
Disposals	–	–	(1,329)	(126)	(134)	(569)	(2,158)
At 30 June 2018 and 1 July 2018	–	–	5	–	–	5	10
Depreciation charge for the year	–	–	9	–	4	15	28
At 30 June 2019	–	–	14	–	4	20	38

12. Property, plant and equipment (cont'd)

Group	Leasehold land	Asset under construction	Computers and software	Furniture and fittings	Office equipment	Renovation	Total
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Accumulated impairment:							
At 1 July 2017	–	–	66	67	107	899	1,139
Disposals	–	–	(66)	(67)	(107)	(899)	(1,139)
At 30 June 2018, 1 July 2018 and 30 June 2019	–	–	–	–	–	–	–
Net carrying amount:							
At 30 June 2019	47,169	143	14	3	32	24	47,385
At 30 June 2018	–	–	23	3	–	39	65
At 1 July 2017	–	–	55	6	14	142	217

Note:
[1] Amount less than $1,000.

Asset under construction

The Group's property, plant and equipment included $143,000 (30 June 2018 and 1 July 2017: Nil) which relate to expenditure for a building in the course of construction.

Company	Computers and software	Furniture and fittings	Office equipment	Renovation	Total
	$'000	$'000	$'000	$'000	$'000
Cost:					
At 1 July 2017	1,408	185	249	1,582	3,424
Additions	45	3	–	44	92
Disposals	(1,426)	(185)	(249)	(1,582)	(3,442)
At 30 June 2018 and 1 July 2018	27	3	–	44	74
Additions	–[1]	–	36	–	36
At 30 June 2019	27	3	36	44	110
Accumulated depreciation:					
At 1 July 2017	1,292	113	129	541	2,075
Depreciation	15	2	–	32	49
Disposals	(1,303)	(115)	(129)	(568)	(2,115)
At 30 June 2018 and 1 July 2018	4	–[1]	–	5	9
Depreciation	9	–[1]	4	15	28
At 30 June 2019	13	–[1]	4	20	37

12. Property, plant and equipment (cont'd)

Company	Computers and software	Furniture and fittings	Office equipment	Renovation	Total
	$'000	$'000	$'000	$'000	$'000
Accumulated impairment:					
At 1 July 2017	66	67	107	899	1,139
Disposals	(66)	(67)	(107)	(899)	(1,139)
At 30 June 2018, 1 July 2018 and 30 June 2019	–	–	–	–	–
Net carrying amount:					
At 30 June 2019	14	3	32	24	73
At 30 June 2018	23	3	–	39	65
At 1 July 2017	50	5	13	142	210

Note:
[1] Amount less than $1,000.

Leasehold land

Details of leasehold land held by the Group are as follows:

Location	Description and use	Land area (in square metres)	Tenure	Stage of Completion
GDL Properties Pte. Ltd.				
412 to 434 Telok Blangah Road Singapore 098843 to 098854	Proposed development of hotel building	2,159	99 years from 20 June 2019	Planning and designing

Capitalisation of borrowing costs

The Group's property, plant and equipment include borrowing costs arising from bank loans borrowed specifically for the purpose of the construction of the property, plant and equipment. During the financial year, the borrowing costs capitalised as cost of property, plant and equipment amounted to $53,000 (30 June 2018 and 1 July 2017: Nil). The rate used to determine the amount of borrowing costs eligible for capitalisation was 3.02% (30 June 2018 and 1 July 2017: Nil), which is the effective interest rate of the specific borrowing.

Assets pledged as security

In addition to assets held under finance leases, the Group's leasehold land and building with a carrying amount of $47,312,000 (30 June 2018 and 1 July 2017: Nil) are mortgaged to secure the Group's borrowings (Note 21).

13. Investment properties

	Group	
	2019	2018
Balance sheet:	$'000	$'000
At 1 July	22,100	19,960
Disposal of investment properties	(3,760)	–
Fair value (loss)/gain on investment properties	(220)	2,140
At 30 June	18,120	22,100

13. Investment properties (cont'd)

	Group	
	2019	2018
	$'000	$'000
Statement of comprehensive income:		
Rental income from investment properties:		
- Minimum lease payments	435	497
Direct operating expenses (including repairs and maintenance) arising from:		
- Rental generating properties	(203)	(180)
- Non-rental generating properties	(33)	(26)
	(236)	(206)

Valuation of investment properties

Investment properties are stated at fair value, which has been determined based on valuations performed as at 30 June 2019 and 30 June 2018. The valuations were performed by an external valuation expert with recognised professional qualifications and experience in the location and category of the investment properties being valued. Details of the valuation technique and inputs used are disclosed in Note 30 to the financial statements.

The investment properties are leased to non-related parties under operating leases.

Properties pledged as security

As at 30 June 2019, investment properties with a carrying value of $18,120,000 (30 June 2018: $22,100,000; 1 July 2017: $19,960,000) are mortgaged to secure bank loans (Note 21).

The investment properties held by the Group as at 30 June 2019 is as follows:

Description and location	Existing use	Floor area (in square metres)	Tenure	Unexpired lease term
Held by the Company				
111 North Bridge Road #06-01 to #06-13 & #06-18 to #06-25 Peninsula Plaza Singapore 179098	Commercial	725	999 year lease	809 years

14. Investment in subsidiaries

	Company	
	2019	2018
	$'000	$'000
Unquoted equity investments, at cost:		
At 1 July	4,000	5,000
Incorporation of subsidiaries	1,000	4,000
Disposal of subsidiary	–	(5,000)
Striking off of subsidiary	–[1]	–
At 30 June	5,000	4,000
Allowance for impairment losses:		
At 1 July	–[1]	–
Write-off during the year	–[1]	–
Impairment loss	–[1]	–[1]
At 30 June	–[1]	–[1]
	5,000	4,000

14. Investment in subsidiaries (cont'd)

Note:
[1] Amount less than $1,000.

(a) **Composition of the Group**

During the financial year ended 30 June 2019, the Group incorporated one (1) subsidiary, namely GDL Properties Pte. Ltd. with a paid-up share capital of $1,000,000.

During the financial year ended 30 June 2018, the Group incorporated five (5) subsidiaries, namely GDL Australia Pte. Ltd., GDL Homes Pte. Ltd., GDL Land Pte. Ltd. and GDL UK Investments Pte. Ltd. with a paid-up share capital of $1,000,000 each, and GDL UK-Torquay Limited with a paid up share capital of GBP $1.

Name	Principal activities	Country of incorporation	Effective (%) of equity held by the Group		
			2019	2018	2017
Held by the Company					
Asia Pacific College Int'l Pte. Ltd. [8]	Dormant	Singapore	–	100	100
Boston East Int'l Pte. Ltd. [8]	Investment holding	Singapore	–	100	100
Creative Education Development Pte. Ltd. [8]	Dormant	Singapore	–	100	100
GDL Australia Pte. Ltd. [1, 5]	Dormant	Singapore	100	100	–
GDL Homes Pte. Ltd. [1, 5]	Real estate development and investment	Singapore	100	100	–
GDL Land Pte. Ltd. [1, 5]	Real estate development and investment	Singapore	100	100	–
GDL Properties Pte. Ltd. [1, 6]	Real estate development and investment	Singapore	100	–	–
GDL UK Investment Pte. Ltd. [1, 5]	Dormant	Singapore	100	100	–
Technology Management Centre (HK) Limited [8]	Inactive	Hong Kong	–	100	100
Technology Management & Communications Academy Pte. Ltd. [8]	Inactive	Singapore	–	100	100

14. Investment in subsidiaries (cont'd)

Name	Principal activities	Country of incorporation	Effective (%) of equity held by the Group		
			2019	2018	2017
Held by the Company					
TMC Academy Pte. Ltd. [2, 7]	Provision of education courses and conducting examinations	Singapore	–	–	100
TMC Franchise Int'l Pte. Ltd. [8]	Inactive	Singapore	–	100	100
TMC Learning Hub Pte. Ltd. [8]	Provision of education services	Singapore	–	100	100
TMC (Malaysia) Holdings Pte. Ltd. [9]	Inactive	Singapore	100	100	100
TMC Pte. Ltd. [8]	Dormant	Singapore	–	100	100
Held by GDL UK Investment Pte. Ltd.					
GDL UK-Torquay Limited [5, 9]	Dormant	United Kingdom	100	100	–
Held by Boston East Int'l Pte. Ltd.					
TMC-Cambridge Education (Beijing) Ltd [3, 4]	Provision of marketing & recruitment support services	PRC	100	100	100

Notes:
1 Audited by Ernst & Young LLP, Singapore.
2 Audited by RT LLP, Singapore.
3 Audited by Grant Thornton, People's Republic of China ("PRC").
4 Dormant or inactive during the financial year ended 30 June 2019 and in the process of striking off.
5 Incorporated during the financial year ended 30 June 2018.
6 Incorporated during the financial year ended 30 June 2019.
7 Disposed during the financial year ended 30 June 2018.
8 Struck off during the financial year ended 30 June 2019.
9 Struck off subsequent to the financial year ended 30 June 2019.

15. Trade and other receivables

	Note	Group			Company		
		2019	30.6.2018	1.7.2017	2019	30.6.2018	1.7.2017
		$'000	$'000	$'000	$'000	$'000	$'000
Trade and other receivables (current)							
Trade receivables		15	97	93	15	90	93
Other receivables		3,207	124	28	–	105	27
Deposits		63	59	48	47	59	29
Total trade and other receivables		3,285	280	169	62	254	149
Add:							
Amount due from subsidiaries (non-trade)	16	–	–	–	30,312	12,557	132
Cash and short-term deposits	18	2,628	23,328	1,670	1,146	16,049	36
Total loans and receivables		5,913	23,608	1,839	31,520	28,860	317

Trade receivables are non-interest bearing and repayment is based on payment terms and conditions agreed. They are recognised at their original invoice amounts which represents their fair values on initial recognition.

As at the financial year ended 30 June 2019, other receivables included GST receivables amounting to $3,205,000 from the purchase of the leasehold land at Telok Blangah.

Receivables that are past due but not impaired

The Group has trade receivables amounting to $80,000 as at 30 June 2018 and $95,000 as at 1 July 2017 that are past due at the end of the reporting period but not impaired. The analysis of their aging at the end of the reporting period is as follows

	Group		Company	
	30.6.2018	1.7.2017	30.6.2018	1.7.2017
	$'000	$'000	$'000	$'000
Trade receivables past due but not impaired:				
- Less than 30 days	50	74	50	74
- 30 to 60 days	9	2	9	2
- 61 to 90 days	3	–	3	–
- More than 90 days	18	19	14	19
	80	95	76	95

15. Trade and other receivables (cont'd)

Receivables that are impaired

The Group's trade receivables that are impaired at the end of the reporting period and the movement of the allowance accounts used to record the impairment are as follows:

	Group		Company	
	30.6.2018	**1.7.2017**	**30.6.2018**	**1.7.2017**
	$'000	$'000	$'000	$'000
Trade receivables – nominal amounts	30	1	30	1
Less: Allowance for impairment	(16)	(1)	(16)	(1)
	14	–	14	–
Movement in allowance accounts:				
At 1 July	1	1	1	1
Charge for the year	15	–	15	–
At 30 June	16	1	16	1

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to debtors that are in significant financial difficulties and have defaulted on payments. These receivables are not secured by any collateral or credit enhancements.

Past due and impaired

Trade receivables that are individually determined to be impaired at the end of the reporting period relate to long outstanding balances due from debtors. These receivables are not secured by any collateral or credit enhancements.

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Group	Company
	2019	**2019**
	$'000	$'000
Trade receivables – nominal amounts	49	49
Less: Allowance for expected credit losses	(49)	(49)
	–	–
Movement in allowance accounts:		
At 1 July	16	16
Charge for the financial year	33	33
At 30 June	49	49

16. Due from/(to) subsidiaries (non-trade)

The amounts due from subsidiaries are unsecured, receivable/repayable on demand and are to be settled in cash. These amounts are non-interest bearing and are denominated in SGD.

17. Development properties

	Group			Company		
	2019	30.6.2018	1.7.2017	2019	30.6.2018	1.7.2017
	$'000	$'000	$'000	$'000	$'000	$'000
Land	60,399	9,027	–	–	–	–
Finance costs	1,359	4	–	–	–	–
Property tax	233	1	–	–	–	–
Professional fees	376	5	–	–	–	–
Other development expenditure	1,974	168	–	–	–	–
	64,341	9,205	–	–	–	–

During the financial year ended 30 June 2019, borrowing costs of $1,355,000 (30 June 2018: $4,000), arising from borrowings obtained specifically for the development properties were capitalised under "Development costs". The rate used to determine the amount of borrowing costs eligible for capitalisation ranges from 2.50% to 3.27% (30 June 2018: 2.50%), which is the effective interest rate of the specific borrowing.

Development properties have been pledged as security for bank borrowings as disclosed in Note 21 to the financial statements.

Details of development properties held by the Group are as follows:

Location	Description and use	Land area (in square metres)	Tenure	Stage of Completion
GDL Homes Pte. Ltd.				
26 Jalan Demak Singapore 488972	Proposed development of residential landed building	586	99 years from 1 January 1965	Construction works completed. Launched sales in July 2019
GDL Land Pte. Ltd.				
363 East Coast Road Singapore 428978	Proposed development of residential apartment building	2,592	Freehold	Construction works commenced in May 2019. Launched sales in August 2019. Expected date of completion: June 2022
37 & 37A Lorong Mydin Singapore 416829/30	Proposed development of residential landed buildings	876	Freehold	Construction works commenced in September 2019. Expected date of completion: June 2020

18. Cash and short-term deposits

	Group			Company		
	2019	30.6.2018	1.7.2017	2019	30.6.2018	1.7.2017
	$'000	$'000	$'000	$'000	$'000	$'000
Cash at banks and on hand	1,117	6,305	1,670	644	1,026	36
Fixed deposits	1,510	17,023	–	502	15,023	–
Project account	1	–	–	–	–	–
	2,628	23,328	1,670	1,146	16,049	36
Less: Deposits pledged to banks	(1,000)	(2,000)	–	–	–	–
Cash and cash equivalents	1,628	21,328	1,670	1,146	16,049	36

Cash at banks earns interest at floating rates based on daily bank deposit rates.

A floating charge has been placed on cash at bank with a carrying value of $1,000,000 as security for foreign exchange facilities granted.

Fixed deposits are made for varying periods of between one (1) month and three (3) months, depending on the immediate cash requirements of the Group and the Company, and earn interest at the respective short-term deposit rates.

The effective interest rates for fixed deposits as at 30 June 2019 for the Group and the Company ranged from 0.62% to 1.68% per annum (30 June 2018: 0.86% per annum to 1.35% per annum; 1 July 2017: Nil) and 0.68% to 1.68% per annum (30 June 2018: 1.25% to 1.35% per annum; 1 July 2017: Nil) respectively.

Monies received from sale of units of the properties under development are deposited into the project account, withdrawals from which are governed by the Housing Developers (Control and Licensing) Act. As at 30 June 2019, $1,000 (30 June 2018; 1 July 2017: Nil) of the total in the project accounts of the Group could be withdrawn without restrictions.

Cash and short-term deposits denominated in foreign currencies at 30 June are as follows:

	Group			Company		
	2019	30.6.2018	1.7.2017	2019	30.6.2018	1.7.2017
	$'000	$'000	$'000	$'000	$'000	$'000
Australian Dollar	78	–	31	–	–	–
Renminbi	–	6	18	–	–	3
	78	6	49	–	–	3

19. Trade and other payables

	Note	Group			Company		
		2019	30.6.2018	1.7.2017	2019	30.6.2018	1.7.2017
		$'000	$'000	$'000	$'000	$'000	$'000
Trade and other payables (current)							
Trade payables		199	175	307	132	173	307
Other payables		252	147	176	42	26	53
Accrued operating expenses		648	203	847	220	170	823
Rental deposits		91	107	110	91	107	110
Retention sum payable		31	–	–	–	–	–
Course and examination fees received in advance (non-refundable)		–	–	1,528	–	–	–
Total trade and other payables		1,221	632	2,968	485	476	1,293
Add:							
Due to subsidiaries (non-trade)	16	–	–	–	965	1,400	10,392
Borrowings	21	95,524	22,563	11,543	12,660	21,243	6,784
Less:							
Course and examination fees received in advance (non-refundable)		–	–	(1,528)	–	–	–
Total financial liabilities carried at amortised cost		96,745	23,195	12,983	14,110	23,119	18,469

Trade and other payables are unsecured, non-interest bearing and repayment is based on the payment terms and conditions agreed.

Trade and other payables denominated in foreign currencies as at 30 June are as follows:

	Group			Company		
	2019	30.6.2018	1.7.2017	2019	30.6.2018	1.7.2017
	$'000	$'000	$'000	$'000	$'000	$'000
Australian Dollar	–	4	4	–	4	4
Hong Kong Dollar	–	2	2	–	–	–
British Pound	–	30	288	–	30	288
Renminbi	50	53	32	–	–	–
United States Dollar	–	3	3	–	3	3
	50	92	329	–	37	295

20. Provisions

	Group		Company	
	2019	2018	2019	2018
	$'000	$'000	$'000	$'000
Provision for restoration costs:				
At 1 July	15	170	15	170
Provision (reversed)/made (Note 8), net	–	(155)	–	(155)
At 30 June	15	15	15	15

The provision for restoration costs represents the present value of anticipated costs for future restoration of leased office premises to their original condition at the end of the lease.

21. Borrowings

		Group			Company		
	Note	2019	30.6.2018	1.7.2017	2019	30.6.2018	1.7.2017
		$'000	$'000	$'000	$'000	$'000	$'000
Non-current							
Bank loans (secured)	21.1	11,832	16,359	1,461	11,832	16,359	98
Shareholders' loans (unsecured)	21.2	–	–	4,617	–	–	4,617
Third party loan (unsecured)	21.3	–	–	1,000	–	–	1,000
		11,832	16,359	7,078	11,832	16,359	5,715
Current							
Bank loans (secured)	21.1	83,692	1,719	4,465	828	399	1,069
Shareholders' loans (unsecured)	21.2	–	4,485	–	–	4,485	–
		83,692	6,204	4,465	828	4,884	1,069
Total borrowings		95,524	22,563	11,543	12,660	21,243	6,784

A reconciliation of liabilities arising from financing activities for the Group is as follows:

			Non-cash changes company		
	2018	Cash flows	Notional interest expense	Fair value loss recognised in equity	2019
	$'000	$'000	$'000	$'000	$'000
Bank loans	18,078	77,446	–	–	95,524
Shareholders' loans	4,485	(4,500)	15	–	–
Total	22,563	72,946	15	–	95,524

21. Borrowings (cont'd)

			Non-cash changes		
	2017	Cash flows	Notional interest expense	Fair value loss recognised in equity	2018
	$'000	$'000	$'000	$'000	$'000
Bank loans	5,926	12,152	–	–	18,078
Third party loans	1,000	(1,000)	–	–	–
Shareholders' loans	4,617	(1,000)	179	689	4,485
Total	11,543	10,152	179	689	22,563

21.1 Bank loans (secured)

	Group			Company		
	2019	30.6.2018	1.7.2017	2019	30.6.2018	1.7.2017
	$'000	$'000	$'000	$'000	$'000	$'000
Term loans:						
Amount due for settlement within 12 months (current)	83,692	1,719	4,465	828	399	1,069
Amount due for settlement after 12 months (non-current)	11,832	16,359	1,461	11,832	16,359	98
	95,524	18,078	5,926	12,660	16,758	1,167

(a) ***Details of securities granted for the secured borrowings are as follows:***

The term loans from banks and finance companies bear interest with rates ranging from 2.50% to 3.27% (30 June 2018: 2.40% to 2.50%; 1 July 2017: 2.43% to 2.77%) per annum for the Group and from 2.50% to 2.65% (30 June 2018: 2.40% to 2.43%; 1 July 2017: 2.43%) per annum for the Company and are secured by way of:

(i) legal mortgages over the Group's property, plant and equipment (Note 12);
(ii) legal mortgages over the Company's investment properties (Note 13);
(iii) legal mortgages over the Group's development properties (Note 17); and
(iv) corporate guarantees by the Company and assignment of developer's rights and benefits in the sale and purchase agreements.

(b) ***Maturity of borrowings***

Loans due are estimated to be repayable as follows:

	Maturity (Financial Year)	Group			Company		
		2019	30.6.2018	1.7.2017	2019	30.6.2018	1.7.2017
		$'000	$'000	$'000	$'000	$'000	$'000
Current:							
Money market loan	2017	–	–	3,000	–	–	–
Development loans	2020	82,864	1,320	–	–	–	–
Bank loan	2020	828	399	1,465	828	399	1,069
		83,692	1,719	4,465	828	399	1,069
Non-current:							
Bank loan	2021-2038	11,832	16,359	1,461	11,832	16,359	98
		95,524	18,078	5,926	12,660	16,758	1,167

21. Borrowings (cont'd)

21.2 Shareholders' loans (unsecured)

	Group and Company		
	2019	**30.6.2018**	**1.7.2017**
	$'000	$'000	$'000
Shareholders' loans	–	4,485	4,617

During the financial year ended 30 June 2017, the Company extended the repayment date of the shareholders' loans which were interest-free, unsecured and repayable at any time on or after 31 July 2018, subject to the Company's ability to repay the loans, with an option for further extension at the request of the Company. The change in the repayment date was a substantial modification and was accounted for as an extinguishment of the existing loan liability and the recognition of a new loan with a resultant gain on extinguishment of liability of $429,641 recorded in equity.

During the financial year ended 30 June 2018, the Group obtained additional shareholders' loans of $1,000,000 (1 July 2017: $1,000,000) from the non-controlling shareholders and made repayments of an aggregate of $2,000,000 (1 July 2017: Nil). As at 30 June 2018, the remaining loans from the two non-controlling shareholders are interest-free and unsecured.

During the financial year ended 30 June 2019, the Company has fully repaid the shareholders' loans.

21.3 Third party loans (unsecured)

	Group and Company		
	2019	**30.6.2018**	**1.7.2017**
	$'000	$'000	$'000
Third party loans	–	–	1,000

Third party loans are denominated in SGD and bore interest at a fixed rate of 8% per annum.

During the financial year ended 30 June 2018, the third party loans have been fully repaid.

22. Share capital

	2019	**30.6.2018**	**1.7.2017**	**2019**	**30.6.2018**	**1.7.2017**
	Number of ordinary shares			$'000	$'000	$'000
Issued and fully paid:						
At beginning of year	526,307,806	167,397,677	167,397,677	35,702	11,477	11,477
Issuance of ordinary shares [1, 2]	155,667,663	358,910,129	–	10,507	24,225	–
Share issuance expenses	–	–	–	(93)	–	–
At end of year	681,975,469	526,307,806	167,397,677	46,116	35,702	11,477

22. Share capital (cont'd)

Note:

1 On 5 April 2019, the Company completed a rights issue of 155,667,663 new ordinary shares in the capital of the Company (the "Rights Shares 2019"), at a rights issue price of S$0.0675 for each Rights Share on the basis of one (1) Rights Share for every three (3) ordinary shares in the capital of the Company ("Shares") held by each shareholder as at the books closure date on 22 February 2019.

2 On 26 April 2018, the Company completed a rights issue of 358,910,129 new ordinary shares in the capital of the Company (the "Rights Shares 2018"), at a rights issue price of S$0.0675 for each Rights Share on the basis of three (3) Rights Shares for every one (1) ordinary share in the capital of the Company ("Shares") held by each shareholder as at the books closure date on 3 April 2018.

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share at shareholders' meetings of the Company.

23. Reserves

	Group			Company		
	2019	**30.6.2018**	**1.7.2017**	**2019**	**30.6.2018**	**1.7.2017**
	$'000	$'000	$'000	$'000	$'000	$'000
Exchange fluctuation reserve	240	173	202	–	–	–
Share option reserve	498	498	498	498	498	498
Retained earnings	(7,806)	(4,603)	(4,633)	(6,004)	(4,308)	(4,925)
	(7,068)	(3,932)	(3,933)	(5,506)	(3,810)	(4,427)

Exchange fluctuation reserve

Exchange fluctuation reserve arises from the translation of financial statements of foreign entities whose functional currencies are different from the Group's presentation currency.

Share option reserve

Share option reserve represents the cumulative value of employee services received from directors, academic advisors and employees for the issue of share options.

24. Employee benefits

	Group	
	2019	**2018**
	$'000	$'000
Employee benefits expense (including directors):		
Salaries and other related costs	891	1,335
Contributions to defined contribution plans	37	59
	928	1,394

24. Employee benefits (cont'd)

TMC Share Option Scheme

TMC Share Option Scheme ("SOS") was approved and adopted by the Company's members at an Extraordinary General Meeting held on 25 May 2001 and subsequent amendments were approved on 25 November 2005.

All of the share options were fully vested and the fair value of the share options were fully recognised prior to the financial year ended 30 June 2013. The grant date fair value of share options granted under the SOS is measured based on the BlackScholes Model.

All outstanding options were forfeited consequent to the disposal of the Company's subsidiary, TMC Academy Pte. Ltd. ("TMC Academy") on 14 February 2018.

GDL Share Award Scheme

Following the expiry of the SOS on 24 May 2011, the Company implemented the TMC Share Award Scheme ("Scheme") to replace the SOS. The Scheme was approved and adopted by the Company's members at an Extraordinary General Meeting held on 31 March 2011. The Scheme is administered by the Company's Remuneration Committee, comprising three directors, Pan Pei Say (Chairman), Kwan Chee Wai (Member) and Woo Peng Kong (Member), at the end of the financial year.

The name of the Scheme has been changed from "TMC Share Award Scheme" to "GDL Share Award Scheme". This is consequent upon the change of the Company's name from TMC Education Corporation Limited on 23 March 2018. The rules of the Scheme remain unchanged.

Awards of fully-paid ordinary shares in the Company under the Scheme will be performance-based, with performance targets to be set over a designated performance period.

The awards granted by the Company do not entitle the holders of the awards, by virtue of such holding, to any rights to participate in any share issue of any other company.

No shares of the Company have been awarded under the Scheme since its commencement.

25. Related party transactions

(a) ***Sale and purchase of goods, services and shares***

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 on terms agreed between the parties during the financial year:

	Group	
	2019	**2018**
	$'000	$'000
Rental expense paid to a related party in which the controlling shareholder has an interest	87	32

25. Related party transactions (cont'd)

(b) ***Compensation of key management personnel***

The remuneration of directors and other members of key management during the financial year are as follows:

	Group	
	2019	**2018**
	$'000	$'000
Short-term employee benefits	792	1,115
Central Provident Fund contributions	43	52
	835	1,167

	Group	
	2019	**2018**
	$'000	$'000
Comprise amounts paid to:		
Directors of the Group[1]	603	867
Other key management personnel[1]	232	300
	835	1,167

The remuneration of directors and key management personnel is determined by the remuneration committee having regard to the performance of individuals and market trends.

26. Commitments

(a) ***Capital commitments***

Capital expenditure contracted for as at the end of the reporting period but not recognised in the financial statements are as follows:

	Group	
	2019	**2018**
	$'000	$'000
Capital commitments in respect of:		
Property development expenditure	32,508	52,165
Property, plant and equipment	572	–
	32,080	52,165

26. Commitments (cont'd)

(b) ***Operating lease commitments - As lessor***

At the end of the reporting period, the Group had the following rental receivable under noncancellable operating leases for commercial premises (investment properties), and the subletting of campus space with an original term of more than one year.

The Group has entered into commercial property leases on its standing property (investment properties). The non-cancellable leases on its commercial premises expire between July 2019 and July 2021 and contain renewal options.

On 1 February 2018, the Group entered into a subletting arrangement to sublet its current lease of campus premises until October 2020.

Future minimum rental receivable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2019	**2018**
	$'000	$'000
Not later than one year	1,514	1,601
Later than one year but not later than five years	435	1,747
	1,949	3,348

(c) ***Operating lease commitments - As lessee***

As at the end of the reporting period, the Group and the Company had non-cancellable lease commitments in respect of campus, office and show flat premises with an original term of more than one year.

Operating lease payments recognised as an expense in the consolidated statement of comprehensive income for the financial year ended 30 June 2019 amounted to $1,286,000 (2018: $1,058,000). The existing leases expire between October 2020 and January 2022 whereby some leases contain renewal options.

Future minimum rental payable under non-cancellable operating leases at the end of the reporting period are as follows:

	Group	
	2019	**2018**
	$'000	$'000
Not later than one year	1,326	1,248
Later than one year but not later than five years	486	1,557
	1,812	2,805

27. Contingencies

Guarantees

The Company has provided the following guarantees at the end of the reporting period:

(a) it has provided corporate guarantees to financial institutions for a total amount of $82,864,000 (30 June 2018: $1,320,000; 1 July 2017: $4,759,000) in respect of borrowings drawn down by subsidiaries of the Company;

(b) it has guaranteed the obligations of a subsidiary in satisfying the terms and conditions as required under the Balcony Bonus Gross Floor Area Incentive Scheme ("Scheme") rules for which a performance bond amounting to $363,000 (30 June 2018; 1 July 2017: Nil) was given to a subsidiary. The performance bond was issued by the external underwriters; and

(c) it has guaranteed the obligations of subsidiaries in satisfying the terms and conditions as required under the Qualifying Certificate ("QC") rules for which performance bonds of an aggregate amount of $6,147,000 (30 June 2018: $4,796,000; 1 July 2017: Nil) were given to subsidiaries. These performance bonds were issued by the external underwriters.

28. Segment information

Business and geographical segments

The Group has several reportable business segments, as described below, which are the Group's strategic business units. The strategic business units offer different products and services, and are managed separately because they are located in different geographical areas and require different marketing strategies. For each strategic business unit, the Group's Executive Chairman reviews internal management reports at least on a monthly basis.

The following summary describes the operations of each of the Group's reportable business segments:

(a) "Property investment" segment relates to holding of investment properties to earn rentals and for capital appreciation;

(b) "Property development" segment relates to development of residential properties; and

(c) "Tertiary education" segment relates to provision of education courses to tertiary students. This business segment was discontinued in February 2018 and disclosed as discontinued operations.

The Group mainly operates in a single principal geographical segment in Singapore for the financial years ended 30 June 2019, 30 June 2018 and 1 July 2017. Therefore, no information on geographical segments is disclosed.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment profit for the year, as included in the internal management reports that are reviewed by the Group's Executive Chairman. Segment profit is used to measure performance as management believes that such information is the most relevant in evaluating the results of certain segments.

Information about major customer

Other rental income arising from the Group's sub lease arrangement with a major lessee in the property investment segment amounted to $1,194,000 (2018: $494,000).

28. Segment information (cont'd)

	Property investment	Property development	Tertiary education (Discontinued operations)	Adjustments and eliminations	Notes	Total (Continuing operations)
	S$'000	S$'000	S$'000	S$'000		S$'000
Group						
30 June 2019						
External revenue	1,638	11	–	(9)	A	1,640
Fair value loss on investment properties	(220)	–	–	–		(220)
Interest income	108	1	–	–		109
Interest expense	(400)	–	–	–	A	(400)
Depreciation of property, plant and equipment	(28)	–	–	–	A	(28)
Reportable segment (loss)/profit for the year	(2,789)	(429)	–	15	B	(3,203)
Capital expenditure	36	–	–	–		36
Reportable segment assets	107,497	64,540	–	(36,229)	C	135,808
Reportable segment liabilities	(66,950)	(62,968)	–	33,158	D	(96,760)
30 June 2018						
External revenue	991	–	2,754	(2,754)	A	991
Fair value gain on investment properties	2,140	–	–	–		2,140
Interest income	28	1	–	–		29
Interest expense	(391)	–	(95)	95	A	(391)
Depreciation of property, plant and equipment	(50)	–	(9)	9	A	(50)
Reportable segment (loss)/profit for the year	(423)	–	1,142	(1,142)	B	(423)
Capital expenditure	96	–	–	–		96
Reportable segment assets	58,441	14,966	–	(18,427)	C	54,980
Reportable segment liabilities	(31,304)	(12,965)	–	21,059	D	(23,210)

28. Segment information (cont'd)

	Property investment	Property development	Tertiary education (Discontinued operations)	Adjustments and eliminations	Notes	Total (Continuing operations)
	S$'000	S$'000	S$'000	S$'000		S$'000
Group						
1 July 2017						
Capital expenditure	96	–	–	–		96
Reportable segment assets	26,247	–	11,502	(15,524)	C	22,225
Reportable segment liabilities	(25,852)	–	(6,329)	17,500	D	(14,681)

Notes:
Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.

A The amounts relating to the tertiary education segment have been excluded to arrive at amounts shown in profit and loss as they are presented separately in the statement of comprehensive income within one-line item, "profit from discontinued operations, net of tax".

B The following items are added to/(deducted from) segment profit to arrive at "loss before tax from continuing operations" presented in the consolidated income statement:

	Group	
	2019	**30.6.2018**
	$'000	$'000
Segment results of discontinued operations	–	1,142

C The following items are added to/(deducted from) segment assets to arrive at total assets reported in the consolidated balance sheet:

	Group		
	2019	**30.6.2018**	**1.7.2017**
	$'000	$'000	$'000
Property, plant and equipment	(10)	(10)	–
Trade and other receivables	59	59	–
Investment in subsidiaries	(5,000)	(4,000)	(5,000)
Inter-segment assets	(31,278)	(14,476)	(10,524)
	(36,229)	(18,427)	(15,524)

D The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated balance sheet:

	Group		
	2019	**30.6.2018**	**1.7.2017**
	$'000	$'000	$'000
Trade and other payables	(59)	(56)	–
Inter-segment liabilities	33,217	21,115	17,500
	33,158	21,059	17,500

29. Financial risk management objectives and policies

The Group and the Company are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks include credit risk, liquidity risk, interest rate risk and foreign currency risk. It is, and has been, throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Group's and Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

(a) ***Credit risk***

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience.

(b) ***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 and the Company seek to ensure that there are adequate funds to meet all their obligations in a timely and cost-effective manner by maintaining sufficient level of cash and cash equivalents and having available adequate amount of committed credit facilities from financial institutions to meet their working capital requirements.

The Group's and the Company's liquidity risk management policy is that not more than 95% (2018: 95%) of loans and borrowings should mature in the next one year, and to maintain sufficient liquid financial assets and stand-by credit facilities.

	1 year or less	1 to 5 years	Over 5 years	Total
	$'000	$'000	$'000	$'000
2019				
Group				
Financial assets:				
Trade and other receivables (Note 15)	79	–	–	3,285
Cash and short-term deposits (Note 18)	2,628	–	–	2,628
Total undiscounted financial assets	2,707	–	–	5,913
Financial liabilities:				
Trade and other payables (Note 19)	1,221	–	–	1,221
Borrowings (Note 21)	86,086	3,314	12,385	101,785
Total undiscounted financial liabilities	87,307	3,314	12,385	103,006
Total net undiscounted financial liabilities	(84,600)	(3,314)	(12,385)	(97,093)

29. Financial risk management objectives and policies (cont'd)

(b) ***Liquidity risk (cont'd)***

	1 year or less	1 to 5 years	Over 5 years	Total
	$'000	$'000	$'000	$'000
30.6.2018				
Group				
Financial assets:				
Trade and other receivables (Note 15)	280	–	–	280
Cash and short-term deposits (Note 18)	23,328	–	–	23,328
Total undiscounted financial assets	23,608	–	–	23,608
Financial liabilities:				
Trade and other payables (Note 19)	632	–	–	632
Borrowings (Note 21)	6,602	3,983	18,585	29,170
Total undiscounted financial liabilities	7,234	3,983	18,585	29,835
Total net undiscounted financial assets/ (liabilities)	16,374	(3,983)	(18,585)	(6,194)

	1 year or less	1 to 5 years	Over 5 years	Total
	$'000	$'000	$'000	$'000
1.7.2017				
Group				
Financial assets:				
Trade and other receivables (Note 15)	169	–	–	169
Cash and short-term deposits (Note 18)	1,670	–	–	1,670
Total undiscounted financial assets	1,839	–	–	1,839
Financial liabilities:				
Trade and other payables (Note 19)	1,440	–	–	1,440
Borrowings (Note 21)	4,530	8,033	–	12,563
Total undiscounted financial liabilities	5,970	8,033	–	14,003
Total net undiscounted financial liabilities	(4,131)	(8,033)	–	(12,164)

29. Financial risk management objectives and policies (cont'd)

(b) ***Liquidity risk (cont'd)***

	1 year or less	1 to 5 years	Over 5 years	Total
	$'000	$'000	$'000	$'000
2019				
Company				
Financial assets:				
Trade and other receivables (Note 15)	62	–	–	62
Due from subsidiaries (Note 16)	30,312	–	–	30,312
Cash and short-term deposits (Note 18)	1,146	–	–	1,146
Total undiscounted financial assets	31,520	–	–	31,520
Financial liabilities:				
Trade and other payables (Note 19)	485	–	–	485
Due to subsidiaries (Note 16)	965	–	–	965
Borrowings (Note 21)	828	3,313	12,385	16,526
Total undiscounted financial liabilities	2,278	3,313	12,385	17,976
Total net undiscounted financial assets/ (liabilities)	29,242	(3,313)	(12,385)	13,544

	1 year or less	1 to 5 years	Over 5 years	Total
	$'000	$'000	$'000	$'000
30.6.2018				
Company				
Financial assets:				
Trade and other receivables (Note 19)	254	–	–	254
Due from subsidiaries (Note 16)	12,557	–	–	12,557
Cash and short-term deposits (Note 18)	16,049	–	–	16,049
Total undiscounted financial assets	28,860	–	–	28,860
Financial liabilities:				
Trade and other payables (Note 19)	476	–	–	476
Due to subsidiaries (Note 16)	1,400	–	–	1,400
Borrowings (Note 21)	5,282	3,983	18,585	27,850
Total undiscounted financial liabilities	7,158	3,983	18,585	29,726
Total net undiscounted financial assets/ (liabilities)	21,702	(3,983)	(18,585)	(866)

29. Financial risk management objectives and policies (cont'd)

(b) ***Liquidity risk (cont'd)***

	1 year or less	1 to 5 years	Over 5 years	Total
	$'000	$'000	$'000	$'000
1.7.2017				
Company				
Financial assets:				
Trade and other receivables (Note 19)	149	–	–	149
Due from subsidiaries (Note 16)	132	–	–	132
Cash and short-term deposits (Note 18)	36	–	–	36
Total undiscounted financial assets	317	–	–	317
Financial liabilities:				
Trade and other payables (Note 19)	1,293	–	–	1,293
Due to subsidiaries (Note 16)	10,392	–	–	10,392
Borrowings (Note 21)	1,084	6,606	–	7,690
Total undiscounted financial liabilities	12,769	6,606	–	19,375
Total net undiscounted financial liabilities	(12,452)	(6,606)	–	(19,058)

(c) ***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 and the Company's exposure to interest rate risk arises primarily from their loans and borrowings.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 50 (2018: 50; 2017:50) basis points ("bp") higher/lower with all other variables held constant, the Group's loss before tax would have increased/ (decreased) by the amounts shown below.

	Group			Company		
	(Loss)/profit before taxation			(Loss)/profit before taxation		
	2019	30.6.2018	1.7.2017	2019	30.6.2018	1.7.2017
	$'000	$'000	$'000	$'000	$'000	$'000
Variable rates bank loans	490	49	29	76	31	6

(d) ***Foreign currency risk***

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

The Group is exposed to foreign exchange risk on transactions that are denominated in a currency other than Singapore Dollar. Exposure to foreign exchange risk is monitored on an ongoing basis by the Group to ensure that the net exposure is at an acceptable level.

The Group has minimal transactional currency exposures arising mainly from transactions denominated in Australian Dollar ("AUD) and Renminbi ("RMB").

The Group is exposed to currency risk arising from its option contract to purchase Australian dollars ("AUD") at an agreed strike price. At every month end, the Group may exercise the option to purchase AUD $20,000,000 at the agreed strike price or 'pay the difference between the spot and strike price' should they not exercise the option.

29. Financial risk management objectives and policies (cont'd)

(d) ***Foreign currency risk (cont'd)***

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's profit net of tax to a reasonably possible change in the RMB and AUD exchange rate (against SGD), with all other variables held constant.

		2019 Profit net of tax	30.6.2018 Profit net of tax
		$'000 (lower)/higher	$'000 (lower)/higher
RMB	- strengthened 5% (2018: 5%)	(3)	(3)
	- weakened 5% (2018: 5%)	3	3
AUD	- strengthened 5% (2018: Nil)	(955)	–
	- weakened 5% (2018: Nil)	955	–

30. Fair value of assets and liabilities

(a) ***Fair value hierarchy***

The Group categorises fair value measurements using a fair value hierarchy that is dependent on the valuation inputs used as follows:

Level 1 – Quoted prices (unadjusted) in active market for identical assets or liabilities that the Group can access at the measurement date;

Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly; and

Level 3 – Unobservable inputs for the asset or liability.

Fair value measurements that use inputs of different hierarchy levels are categorised in its entirety at the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

(b) ***Assets measured at fair value***

The following table shows an analysis of each class of assets measured at fair value at the end of the reporting period:

	Group and Company 2019			
	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
	$'000	$'000	$'000	$'000
Assets measured at fair value				
Non-financial assets				
Investment properties (Note 13)	–	–	18,120	18,120

30. Fair value of assets and liabilities (cont'd)

(b) ***Assets measured at fair value (cont'd)***

	Group and Company 30.6.2018			
	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
	$'000	$'000	$'000	$'000
Assets measured at fair value				
Non-financial assets				
Investment properties (Note 13)	–	–	22,100	22,100

	Group and Company 1.7.2017			
	Quoted prices in active markets for identical assets (Level 1)	Significant observable inputs other than quoted prices (Level 2)	Significant unobservable inputs (Level 3)	Total
	$'000	$'000	$'000	$'000
Assets measured at fair value				
Non-financial assets				
Investment properties (Note 13)	–	–	19,960	19,960

(c) ***Level 3 fair value measurements***

(i) *Information about significant unobservable inputs used in Level 3 fair value measurements*

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3).

Description	Fair value at 30.6.2019	Valuation techniques	Unobservable inputs	Range of unobservable inputs
	$'000			$
Recurring fair value measurements				
Investment properties:				
Commercial	18,120	Direct comparison approach	Price per square feet	2,248 – 2,389

Description	Fair value at 30.6.2018	Valuation techniques	Unobservable inputs	Range of unobservable inputs
	$'000			$
Recurring fair value measurements				
Investment properties:				
Commercial	22,100	Direct comparison approach	Price per square feet	2,248 – 2,389

30. Fair value of assets and liabilities (cont'd)

(c) **Level 3 fair value measurements (cont'd)**

(i) *Information about significant unobservable inputs used in Level 3 fair value measurements (cont'd)*

Description	Fair value at 1.7.2017 $'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs $
Recurring fair value measurements				
Investment properties:				
Commercial	19,960	Direct comparison approach	Price per square feet	1,938 – 2,356

For investment properties, a significant increase/(decrease) in price per square feet based on management's assumptions would result in a significantly higher/(lower) fair value measurement.

(ii) *Valuation policies and procedures*

The Group's Chief Financial Officer oversees the Group's financial reporting valuation process and is responsible for setting and documenting the Group's valuation policies and procedures.

For all significant financial reporting valuations using valuation models and significant unobservable inputs, it is the Group's policy to engage external valuation experts who possess the relevant credentials and knowledge on the subject of valuation, valuation methodologies and SFRS(I) 13 fair value measurement guidance to perform the valuation.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information is reasonably available.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

(d) ***Assets and liabilities not carried at fair value and whose carrying amount are a reasonable approximation of fair value***

Determination of fair value

Trade and other receivables (Note 15), cash and cash equivalents (Note 18), trade and other payables (excluding course and examination fees received in advance (non-refundable)) (Note 19) and current borrowings (Note 21).

The carrying amounts of these financial assets and liabilities are a 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, or that the applicable market rate of return at the reporting date is close to the effective interest rate of the balance.

The carrying amounts of non-current borrowings approximate their fair values because they are repriced to or approximate the market interest rates near the end of the reporting period.

31. 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 a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2019, 30 June 2018 and 1 July 2017.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. Net debt comprises trade and other payables and borrowings, less cash and short-term deposits. Total capital represents equity attributable to owners of the Company.

		Group		
		2019	**30.6.2018**	**1.7.2017**
		$'000	$'000	$'000
Trade and other payables	19	1,221	632	2,968
Borrowings	21	95,524	22,563	11,543
Total debt		96,745	23,195	14,511
Less: Cash and short-term deposits	18	(2,628)	(23,328)	(1,670)
Net debt (A)		94,117	(133)	12,841
Equity attributable to owners of the Company (B)		39,048	31,770	7,544
Total capital and net debt (C)=(A)+(B)		133,165	31,637	20,385
Gearing ratio (D)=(A)/(C)		71%	0%	63%

		Company		
		2019	**30.6.2018**	**1.7.2017**
		$'000	$'000	$'000
Trade and other payables	19	485	476	1,293
Due to subsidiaries	16	965	1,400	10,392
Borrowings	21	12,660	21,243	6,784
Total debt		14,110	23,119	18,469
Less: Cash and short-term deposits	18	(1,146)	(16,049)	(36)
Net debt (A)		12,964	7,070	18,433
Equity attributable to owners of the Company (B)		40,610	31,892	7,050
Total capital and net debt (C)=(A)+(B)		53,574	38,962	25,483
Gearing ratio (D)=(A)/(C)		24%	18%	72%

32. Events occurring after the reporting period

Other than disclosed in the financial statements, the following events occurred after the reporting period.

On 19 September 2019, the Group, via its subsidiary, GDL Land Pte. Ltd., has exercised the option-to-purchase to acquire a property at Flower Road for purchase consideration of $18,380,000.

33. Authorisation of financial statements for issue

The financial statements for the financial year ended 30 June 2019 were authorised for issue in accordance with a resolution of the directors on 27 September 2019.

STATISTICS OF SHAREHOLDINGS

For the financial year ended 30 June 2019

INFORMATION OF SHAREHOLDERS

Issued and Fully Paid-up Capital	:	S$46,116,140
Number of Shares	:	681,975,469
Class of Shares	:	Ordinary Shares
Voting Rights	:	One vote for each ordinary share
Treasury Shares	:	Nil
Subsidiary Holdings	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 - 99	2	0.17	96	-
100 - 1,000	513	42.54	496,200	0.07
1,001 - 10,000	416	34.49	1,819,967	0.27
10,001 - 1,000,000	263	21.81	20,385,433	2.99
1,000,001 AND ABOVE	12	0.99	659,273,773	96.67
TOTAL	**1,206**	**100.00**	**681,975,469**	**100.00**

SHAREHOLDINGS HELD BY THE PUBLIC

Based on information available to the Company as at 25 September 2019, approximately 17.99% of the issued ordinary shares of the Company is held by the public, and therefore, Rule 723 of the Listing Manual (Section B: Rules of Catalist) of the SGX-ST is complied with.

TWENTY LARGEST SHAREHOLDERS

NO.	SHAREHOLDER'S NAME	NO. OF SHARES	%
1	JK GLOBAL ASSETS PTE LTD	499,090,666	73.18
2	MAYBANK KIM ENG SECURITIES PTE. LTD.	61,222,000	8.98
3	DBS NOMINEES (PRIVATE) LIMITED	26,706,466	3.92
4	YEOW CHENG KHIM	19,507,140	2.86
5	ROYAL INST OF CONSTRUCTION ECONOMISTS PTE LTD	19,064,400	2.80
6	RAFFLES NOMINEES (PTE.) LIMITED	11,885,900	1.74
7	CHIN MAY YEE EMILY	10,000,000	1.47
8	YEOW CHENG CHOO	4,072,600	0.60
9	PERIAKARUPPAN ARAVINDAN	3,817,000	0.56
10	OCBC SECURITIES PRIVATE LIMITED	1,437,800	0.21
11	PHILLIP SECURITIES PTE LTD	1,313,801	0.19
12	KWAN CHEE SENG	1,156,000	0.17
13	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	956,800	0.14
14	WONG HIN SUN EUGENE	745,000	0.11
15	ONG LIAN MIN DAVID	712,000	0.10
16	LEE CHIEW ENG	700,000	0.10
17	WOO LEE YONG	671,220	0.10
18	NG POH CHENG	534,000	0.08
19	TEO YIT SOON SAMUEL (ZHANG YISHUN SAMUEL)	522,000	0.08
20	SEACARE FOUNDATION PTE LTD	500,000	0.07
	TOTAL	**664,614,793**	**97.46**

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
	NO. OF SHARES	%	NO. OF SHARES	%
JK Global Assets Pte. Ltd. [1]	499,090,666	73.18	-	-
Koh Wee Meng [1], [2]	-	-	499,090,666	73.18
Koh Kian Soo [2], [3], [4]	-	-	60,000,000	8.80
Ko Lee Meng [2], [3], [4]	60,000,000	8.80	-	-

Notes:

(1) Koh Wee Meng is deemed to be interested in the ordinary voting shares in the Company held by JK Global Assets Pte. Ltd. by virtue of him being the sole shareholder of JK Global Assets Pte. Ltd.

(2) Koh Wee Meng is the brother of Ko Lee Meng and the brother-in-law of Koh Kian Soo.

(3) Koh Kian Soo is deemed to be interested in the ordinary voting shares in the Company held by his spouse, Ko Lee Meng, by virtue Section 7 of the Companies Act (Chapter 50).

(4) 60,000,000 shares are held through Maybank Kim Eng Securities Pte. Ltd.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **GLOBAL DRAGON LIMITED** (the "**Company**") will be held at 456 Alexandra Road #02-03 Fragrance Empire Building Singapore 119962 on Friday, 25 October 2019 at 9.30 a.m. (the "**AGM**") for the following purposes:

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 30 June 2019, together with the Directors' Statement and Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors of the Company retiring by rotation pursuant to Article 104 of the Company's Constitution:
(a) Mr Koh Kian Soo *[See Explanatory Note (i)]* **(Resolution 2)**
(b) Ms Pan Pei Say *[See Explanatory Note (ii)]* **(Resolution 3)**

3. To approve Directors' fees of S$95,000 for the financial year ending 30 June 2020 (FY2019: S$95,000), payable yearly. **(Resolution 4)**

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 5)**

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

SPECIAL BUSINESS

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

6. Authority to allot and issue shares in the capital of the Company

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

(a) allot and issue shares in the capital of the Company (the "**Shares**") whether by way of bonus, rights or otherwise; or

(b) make or grant offers, agreements or options (collectively, the "**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 (notwithstanding the authority conferred by this ordinary resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this ordinary resolution was in force,

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this ordinary resolution) to be issued pursuant to this ordinary resolution shall not exceed 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (the "**Shareholders**") shall not exceed 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares that may be issued under sub-paragraph (1) above, the percentage of issued Shares shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this ordinary resolution, after adjusting for:

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

(ii) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this ordinary resolution provided that 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;

(3) in exercising the authority conferred by this ordinary 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), the Companies Act and the Constitution for the time being of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the 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, whichever is earlier.

[See Explanatory Note (iii)] **(Resolution 6)**

7. Authority to issue shares under the GDL Share Award Scheme

That pursuant to Section 161 of the Companies Act, authority be given to the Directors to offer and grant awards (the "**Awards**") in accordance with the provisions of the GDL Share Award Scheme (the "**Scheme**") and to allot and issue from time to time such number of Shares as may be required to be issued pursuant to the vesting of the Awards under the Scheme provided always that the aggregate number of Shares to be issued pursuant to the Scheme and any other share incentive schemes or share plans adopted by the Company for the time being in force, shall not exceed 15% of the total issued Shares (excluding treasury shares and subsidiary holdings) of the Company from time to time and provided also that subject to such adjustments as may be made to the Scheme as a result of any variation in the capital structure of the Company and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the 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, whichever is earlier.

(Resolution 7)

8. Proposed renewal of the Share Purchase Mandate

That for the purposes of Sections 76C and 76E of the Companies Act, the Directors be and are hereby authorised to make purchases of Shares from time to time (whether by way of market purchases or off-market purchases on an equal access scheme) of up to 10% of the total issued Shares (excluding treasury shares and subsidiary holdings) ascertained as at the time of passing of this ordinary resolution, at the price of up to but not exceeding the Maximum Price as set out in Appendix 1 to the Annual Report and this mandate shall, unless revoked or varied by the Company in general meeting, continue in force until the date that the next annual general meeting of the Company is held or is required by law to be held or the date when purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated, whichever is the earlier.

For the purposes of this ordinary resolution, "**Maximum Price**" means the maximum price at which the Shares can be purchased pursuant to the Share Purchase Mandate, which shall not exceed the sum constituting 5% above the average closing price of the Shares over the period of five (5) Market Days ("**Market Day**" being a day on which the SGX-ST is open for securities trading) in which transactions in the Shares on the SGX-ST were recorded, in the case of a market purchase, before the day on which such purchase is made, and in the case of an off-market purchase on an equal access scheme, immediately preceding the date of offer by the Company, as the case may be, and adjusted for any corporate action that occurs after the relevant five (5)-day period.

[See Explanatory Note (iv)] **(Resolution 8)**

By Order of the Board

Janet Tan
Company Secretary

Singapore,
9 October 2019

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes

(i) Mr Koh Kian Soo ("**Mr Koh**") shall, upon re-election as a Director of the Company, remain as the Executive Chairman of the Board of Directors of the Company (the "**Board**") and a member of the Nominating Committee of the Company. Mr Koh is deemed to be interested in 8.8% of the shares in the Company held by his spouse, Ms Ko Lee Meng, and he is the brother-in-law of the controlling shareholder of the Company. Save as disclosed, Mr Koh does not have any relationships including immediate family relationship with any other directors, the Company or its 10% shareholders. Further information on Mr Koh can be found under the sections entitled "Board of Directors" and "Additional Information on Directors seeking Re-election" in the Annual Report 2019.

(ii) Ms Pan Pei Say ("**Ms Pan**") shall, upon re-election as a Director of the Company, remain as an Independent Director, the Chairman of the Remuneration Committee and a member of each of the Audit and Nominating Committees of the Company. The Board considers Ms Pan to be independent for the purpose of Rule 704(7) of the Catalist Rules. Further information on Ms Pan can be found in the sections entitled "Board of Directors" and "Additional Information on Directors seeking Re-election" in the Annual Report 2019.

(iii) Ordinary Resolution 6, if passed, will empower the Directors from the date of this AGM until the date 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 issue Shares, make or grant Instruments convertible into Shares and to issue Shares pursuant to such Instruments, up to a number not exceeding, in total, 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to 50% may be issued other than on a pro-rata basis to existing Shareholders.

For determining the aggregate number of Shares that may be issued, the percentage of issued Shares in the capital of the Company will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this ordinary resolution is passed after adjusting for new Shares arising from the conversion or exercise of the Instruments, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this ordinary resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

(iv) Ordinary Resolution 8, if passed, will empower the Directors, from the date of this AGM until the date of the next annual general meeting, or the date by which the next annual general meeting is required by law to be held or when varied or revoked by the Company in general meeting or when purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated, whichever is the earlier, to purchase Shares by way of market purchases or off-market purchases of up to 10% of the total issued Shares (excluding treasury shares and subsidiary holdings) at such price up to the Maximum Price. Information relating to this ordinary resolution is set out in Appendix 1 to the Annual Report 2019.

Notes:

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, a member is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.

2. Pursuant to Section 181(1C) of the Companies Act, a member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

   "Relevant Intermediary" means:

   (a) a banking corporation licenced under the Banking Act (Chapter 19) of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital market services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) of Singapore and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

3. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second proxy as an alternate to the first named.

4. The instrument appointing a proxy or proxies must be duly deposited at the registered office of the Company at 456 Alexandra Road #02-09 Fragrance Empire Building Singapore 119962, not less than 48 hours before the time appointed for the holding of the AGM.

5. The instrument appointing a proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer.

6. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney 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 Depositor shall not be regarded as a member of the Company entitled to attend and vote at the AGM unless his name appears on the Depository Register maintained by The Central Depository (Pte) Limited not less than 72 hours before the time appointed for the AGM.

8. An investor who buys shares using CPF monies ("**CPF Investor**") and/or SRS monies ("**SRS Investor**") (as may be applicable) may attend and cast his vote(s) at the AGM in person. C and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.

9. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the shareholder, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

10. All resolutions put to vote at the AGM shall be decided by way of poll.

Personal data privacy:

By attending the AGM and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. The member's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes. Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company (such as his/her name, his/her presence at the AGM and any questions he/she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose.

*This notice has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made or reports contained in this notice.*

The contact person for the Sponsor is Ms Lee Khai Yinn (Telephone no.: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Koh Kian Soo and Ms Pan Pei Say are the Directors seeking re-election ("Retiring Directors") at the forthcoming annual general meeting of the Company to be convened on 25 October 2019.

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to the Retiring Directors as set out in Appendix 7F of the Catalist Rules is set out below and to be read in conjunction with their respective biographies under the section entitled "Board of Directors" in this annual report:

Name of Director	**Mr Koh Kian Soo**	**Ms Pan Pei Say**
Date of Appointment	14 February 2018	14 February 2018
Date of last re-appointment	26 October 2018	26 October 2018
Age	62	57
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Koh Kian Soo as the Executive Chairman was recommended by the Nominating Committee and the Board of Directors has accepted the recommendation, after taking into consideration Mr Koh Kian Soo's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Ms Pan Pei Say as an Independent Director was recommended by the Nominating Committee and the Board of Directors has accepted the recommendation, after taking into consideration Ms Pan Pei Say's qualifications, expertise, past experiences and overall contribution since she was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive, Mr Koh Kian Soo is responsible for the workings of the Board of Directors, ensuring the integrity and effectiveness of the governance process.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Chairman and a member of the Nominating Committee	Independent Director, Chairman of the Remuneration Committee and a member of the Audit Committee and the Nominating Committee
Professional qualifications	• Master of Science (Industrial Engineering), National University of Singapore • Bachelor of Engineering (Mechanical), National University of Singapore	Diploma in Banking and Finance, the Institute of Banking and Finance Singapore
Working experience and occupation(s) during the past 10 years	November 2016 – June 2018: Executive Director, Kwong Kee Foods Pte. Ltd. October 2003 – December 2017: Operation Manager, Sunshine Land Pte. Ltd.	1989 – 2017: Senior Vice President, Credit Marketing, Sing Investments & Finance Ltd
Shareholding interest in the listed issuer and its subsidiaries	Deemed Interest – 60,000,000 shares in the Company Mr Koh Kian Soo is deemed to be interested in 60,000,000 shares held by his spouse, Ms Ko Lee Meng.	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Mr Koh Kian Soo's spouse, Ms Ko Lee Meng, is a substantial shareholder of the Company and Mr Koh Kian Soo's brother-in-law, Mr Koh Wee Meng, is a controlling shareholder of the Company.	No
Conflict of interest (including any competing business)	No	No
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships# * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)		
Past (for the last 5 years)	Principal Commitments: • Executive Director of Kwong Kee Foods Pte. Ltd. • Operation Manager of Sunshine Land Pte. Ltd. Directorships: • Kwong Kee Foods Pte. Ltd. • GDL UK-Torquay Limited	Principal Commitment: • Senior Vice President, Credit Marketing at Sing Investments & Finance Ltd
Present	Directorships: • GDL Land Pte. Ltd. • GDL Homes Pte. Ltd. • GDL Australia Pte. Ltd. • GDL UK Investment Pte. Ltd. • GDL Properties Pte. Ltd.	Nil

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr Koh Kian Soo	Ms Pan Pei Say
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:— (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii)any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or (iv)any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

GLOBAL DRAGON LIMITED

Company Registration No. 198102945K
(Incorporated in the Republic of Singapore)

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT:

1. Pursuant to Section 181(1C) of the Companies Act (Chapter 50) of Singapore (the "Companies Act"), Relevant Intermediaries may appoint more than two (2) proxies to attend, speak and vote at the AGM.
2. This Proxy Form is not valid for use by CPF and/or SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF and SRS investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy. In which case, the CPF and SRS investors shall be precluded from attending the AGM.

I/We* _____ (Name)

of _____ (Address)

being a member/members* of **GLOBAL DRAGON LIMITED** (the "**Company**"), hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings	
			No. of Shares	%
and/or (delete as appropriate)				

or failing the person, or either or both of the persons, referred to above, the Chairman of the Annual General Meeting ("**AGM**") as my/our* proxy/proxies* to attend and vote on my/our* behalf, at the AGM of the Company, to be held at 456 Alexandra Road #02-03 Fragrance Empire Building Singapore 119962 on Friday, 25 October 2019 at 9.30 a.m. and at any adjournment thereof. I/We* direct my/our* proxy/proxies* to vote for or against the resolutions to be proposed at the AGM and at any adjournment thereof as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies* will vote or abstain from voting at his/their* discretion, as he/they* will on any other matter arising at the AGM and/or at any adjournment thereof.

All resolutions put to the vote of the AGM and/or at any adjournment thereof shall be decided by the way of poll.

No.	Ordinary Resolutions	Number of Votes For **	Number of Votes Against **
AS ORDINARY BUSINESS			
1.	To receive and adopt the Audited Financial Statements for the financial year ended 30 June 2019, together with the Directors' Statement and the Auditors' Report thereon.		
2.	To re-elect Mr Koh Kian Soo, a Director retiring by rotation pursuant to Article 104 of the Company's Constitution.		
3.	To re-elect Ms Pan Pei Say, a Director retiring by rotation pursuant to Article 104 of the Company's Constitution.		
4.	To approve the payment of Directors' fees of S$95,000 for the financial year ending 30 June 2020 (FY2019: S$95,000), payable yearly.		
5.	To re-appoint Messrs Ernst & Young LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.		
AS SPECIAL BUSINESS			
6.	To grant the Directors the authority to allot and issue shares in the capital of the Company.		
7.	To grant the Directors the authority to issue shares under the GDL Share Award Scheme.		
8.	To approve the proposed renewal of the Share Purchase Mandate.		

* *Please delete accordingly.*

** *If you wish to exercise all you votes "For" or "Against", please indicate with an " √ " within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this _____ day of _____ 2019.

.....
Signature(s) of member(s)/Common Seal of corporate member

Total Number of Shares Held	

IMPORTANT: PLEASE READ THE NOTES OVERLEAF

NOTES:

1. Please insert the total number of ordinary shares in the capital of the Company ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number of Shares. If no number is inserted, this instrument appointing a proxy or proxies will be deemed to relate to all the Shares held by you.

2. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, a member is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where a member appoints more than one (1) proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

3. Pursuant to Section 181(1C) of the Companies Act, a member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each such proxy must be appointed to exercise the rights attached to a different shares held by such member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

   "Relevant Intermediary" means:

   (a) a banking corporation licenced under the Banking Act (Chapter 19) of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Chapter 289) of Singapore and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Chapter 36) of Singapore, in respect of shares purchased under the subsidiary legislation made under that Companies Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.

4. A proxy need not be a member of the Company.

5. The instrument appointing a proxy or proxies must be signed by the appointer or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointer, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument, failing which the instrument may be treated as invalid.

6. 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 AGM, in accordance with Section 179 of the Companies Act.

7. The instrument appointing a proxy or proxies, duly executed, must be deposited at the registered office of the Company at 456 Alexandra Road #02-09 Fragrance Empire Building Singapore 119962, not less than 48 hours before the time appointed for the AGM.

8. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointer are not ascertainable from the instructions of the appointer specified in the instrument appointing a proxy or proxies.

9. The submission of an instrument or form appointing a proxy by a shareholder does not preclude him from attending and voting in person at the AGM if he so wishes.

10. In the case of members whose Shares are entered against their names in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if such members are not shown to have Shares entered against their names in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

11. CPF Investor and/or SRS Investor (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM.

Personal Data Privacy

By attending the AGM and/or any adjournment thereof or submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the AGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty. The member's personal data and its proxy's and/or representative's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes. Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company (such as his/her name, his/her presence at the AGM and any questions he/she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose.

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AN **INFINI**TE COLLECTION. LIFE IN THE NEW HORIZON.





8 mins walk to upcoming Marine Terrace MRT and 1 stop to upcoming Marine Parade MRT Station



Within 11 mins walk to 112 Katong and Katong delicacies

3 mins drive to Parkway Parade



RENOWNED SCHOOLS

Within 500m

2 mins drive to Tao Nan School

5 mins walk to CHIJ Katong (Primary)

Within 1km

2 mins drive to Ngee Ann Primary School & Saint Patrick's School









14 mins walk to East Coast Park



36 EXCLUSIVE FREEHOLD RESIDENCES

2 TO 4 BEDROOMS AND DUAL-KEY UNITS AVAILABLE

騰龍
國際集團
GLOBAL DRAGON LIMITED

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