騰龍國際集團
GLOBAL DRAGON LIMITED

(Incorporated in the Republic of Singapore)
Company Registration No.198102945K and SGX: 586

UNAUDITED HALF-YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 31 DECEMBER 2019 ("HY2020")

PART I – INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

1(a) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 31 DECEMBER 2019 ("HY2020")

	The Group		
	Unaudited HY2020 S$'000	**Unaudited HY2019 S$'000**	**% Change Increase/ (Decrease)**
Revenue	**1,050**	**849**	24%
Cost of sales	(229)	-	N.M.
Gross profit	**821**	**849**	(3%)
Other income	58	62	(6%)
Fair value loss on investment properties	-	(220)	N.M.
Sales and marketing expenses	(344)	-	N.M.
General and administrative expenses	(1,408)	(1,277)	10%
Other expenses	(484)	(756)	(36%)
Finance costs	(584)	(224)	>100%
Loss before tax	**(1,941)**	**(1,566)**	24%
Income tax expense	-	-	N.M.
Loss for the period attributable to owners of the Company	**(1,941)**	**(1,566)**	24%
Other comprehensive income:			
Items that will not be reclassified to profit or loss			
Revaluation of land	**49,331**	**-**	N.M.
Items that may be reclassified subsequently to profit or loss			
Currency translation differences - foreign operations, at nil tax	**1**	**2**	(50%)
Total comprehensive income for the period attributable to owners of the Company	**47,391**	**(1,564)**	N.M.

** N.M. – not meaningful*

CONSOLIDATED STAT EMENT OF COMPREHENSIVE INCOME (CONT'D)
FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 31 DECEMBER 2019 ("HY2020")

Loss before income tax of the Group is arrived at after charging/(crediting) the following:

	Group		
	Unaudited HY2020 S$'000	**Unaudited HY2019 S$'000**	**% Change Increase/ (Decrease)**
Allowance for estimated credit loss	15	-	N.M.
Depreciation of plant and equipment	14	13	8%
Loss on disposal of investment properties	200	82	>100%
Interest expense	584	224	>100%
Interest income	(30)	(60)	(50%)

** N.M. – not meaningful*

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

STATEMENTS OF FINANCIAL POSITION
AS AT 31 December 2019

	Group		Company	
	Unaudited 31/12/2019 S$'000	Audited 30/06/2019 S$'000	Unaudited 31/12/2019 S$'000	Audited 30/06/2019 S$'000
ASSETS				
Non-current assets				
Property, plant and equipment	97,662	47,385	59	73
Investment properties	16,640	18,120	16,640	18,120
Investment in subsidiaries	-	-	5,000	5,000
	114,302	**65,505**	**21,699**	**23,193**
Current assets				
Trade and other receivables	98	80	74	62
Due from subsidiaries (non-trade)	-	-	35,977	30,312
Prepayments	27	49	27	22
Tax recoverable	-	3,205	-	-
Lease receivable	948	-	948	-
Development properties	82,428	64,341	-	-
Property held for sale	3,213	-	-	-
Contract assets	247	-	-	-
Cash and short-term deposits	1,665	2,628	134	1,146
	88,626	**70,303**	**37,160**	**31,542**
Total assets	**202,928**	**135,808**	**58,859**	**54,735**
LIABILITIES				
Current liabilities				
Trade and other payables	1,549	1,221	551	485
Contract liabilities	692	-	-	-
Lease liability	948	-	948	-
Due to subsidiaries (non-trade)	-	-	985	965
Provisions	15	15	15	15
Borrowings	102,970	83,692	4,378	828
	106,174	**84,928**	**6,877**	**2,293**
Net current (liabilities)/assets	**(17,548)**	**(14,625)**	**30,283**	**29,249**
Non-current liability				
Borrowings	10,315	11,832	10,315	11,832
	10,315	**11,832**	**10,315**	**11,832**
Total liabilities	**116,489**	**96,760**	**17,192**	**14,125**
Net assets	**86,439**	**39,048**	**41,667**	**40,610**
EQUITY				
Equity attributable to owners of the Company				
Share capital	46,116	46,116	46,116	46,116
Reserves	40,323	(7,068)	(4,449)	(5,506)
Total equity	**86,439**	**39,048**	**41,667**	**40,610**
Total equity and liabilities	**202,928**	**135,808**	**58,859**	**54,735**

1(b)(ii) Aggregate amount of group's borrowings and debt securities.

Amount repayable in one year or less, or on demand

31 December 2019		30 June 2019	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
99,080	3,890	83,692	-

Amount repayable after one year

31 December 2019		30 June 2019	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
10,315	-	11,832	-

Details of any collateral:

Secured borrowings

As at 31 December 2019 and 30 June 2019, the secured borrowings of the Group are secured by (i) mortgages over leasehold land and building of the Group and certain development and investment properties held by the Group and the Company and (ii) corporate guarantees by the Company and assignment of developer's rights and benefits in the sale and purchase agreements.

Unsecured borrowings

As at 31 December 2019, the unsecured borrowings of the Company are interest-free borrowings from controlling and substantial shareholders.

As at 30 June 2019, the Company does not have any unsecured borrowings.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE SIX-MONTH FINANCIAL PERIOD ENDED 31 DECEMBER 2019 ("HY2020")

	The Group	
	Unaudited HY2020 S$'000	Unaudited HY2019 S$'000
Operating activities		
Loss before tax	(1,941)	(1,566)
Adjustments for:		
Allowance for estimated credit losses	15	-
Depreciation of plant and equipment	14	13
Loss on disposal of investment properties	200	82
Fair value loss on investment properties	-	220
Interest expense	584	224
Interest income	(30)	(60)
Operating loss before working capital changes	**(1,158)**	**(1,087)**
Changes in working capital:		
Decrease/(increase) in trade and other receivables and contract assets	2,951	(162)
Increase in trade and other payables and contract liabilities	873	346
Increase in development properties and property held for sale	(21,299)	(56,510)
Increase in lease receivable	(948)	-
Increase in lease liability	948	-
Cash used in operations	**(18,633)**	**(57,413)**
Income tax paid	-	-
Net cash flows used in operating activities	**(18,633)**	**(57,413)**
Investing activities		
Interest received	6	60
Acquisition of property, plant and equipment	(959)	(35)
Proceeds from disposal of investment properties	1,280	948
Net cash flows from investing activities	**327**	**973**
Financing activities		
Interest paid	(417)	(209)
Decrease in fixed deposits pledged	-	1,000
Proceeds from bank loans	15,387	44,904
Proceeds from shareholders' loans	4,390	-
Repayments of bank loans	(1,517)	(1,137)
Repayments of shareholders' loans	(500)	(4,500)
Net cash flows from financing activities	**17,343**	**40,058**
Net decrease in cash and cash equivalents	**(963)**	**(16,382)**
Cash and cash equivalents at beginning of financial period	**1,628**	**21,328**
Cash and cash equivalents at end of financial period	**665**	**4,946**
Note to the Consolidated Statement of Cash Flows		
Cash and cash equivalents	**665**	**4,946**
Fixed deposits pledged	**1,000**	**1,000**
Cash and short-term deposits	**1,665**	**5,946**

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

	Equity attributable to owners of the Company					
Unaudited Group	**Share capital** $'000	**Asset revaluation reserve** $'000	**Exchange fluctuation reserve** $'000	**Share option reserve** $'000	**Accumulated losses** $'000	**Total equity** $'000
At 1 July 2019	**46,116**	**-**	**240**	**498**	**(7,806)**	**39,048**
Loss for the period	-	-	-	-	(1,941)	**(1,941)**
Other comprehensive income						
- Foreign currency translation differences	-	-	1	-	-	**1**
- Net surplus on revaluation of land	-	49,331	-	-	-	**49,331**
Total comprehensive income for the period	**-**	**49,331**	**1**		**(1,941)**	**47,391**
At 31 December 2019	**46,116**	**49,331**	**241**	**498**	**(9,747)**	**86,439**

	Equity attributable to owners of the Company					
Unaudited Group	**Share capital** $'000	**Asset revaluation reserve** $'000	**Exchange fluctuation reserve** $'000	**Share option reserve** $'000	**Accumulated losses** $'000	**Total equity** $'000
At 1 July 2018	**35,702**	**-**	**173**	**498**	**(4,603)**	**31,770**
Loss for the period	-	-	-	-	(1,566)	**(1,566)**
Other comprehensive income						
- Foreign currency translation differences	-	-	2	-	-	**2**
Total comprehensive income for the period	**-**	**-**	**2**	**-**	**(1,566)**	**(1,564)**
At 31 December 2018	**35,702**	**-**	**175**	**498**	**(6,169)**	**30,206**

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

Unaudited Company	Share capital $'000	Share option reserve $'000	Accumulated losses $'000	Total equity $'000
At 1 July 2019	**46,116**	**498**	**(6,004)**	**40,610**
Profit for the period	-	-	1,057	**1,057**
Total comprehensive income for the period	**-**	**-**	**1,057**	**1,057**
At 31 December 2019	**46,116**	**498**	**(4,947)**	**41,667**

Unaudited Company	Share capital $'000	Share option reserve $'000	Accumulated losses $'000	Total equity $'000
At 1 July 2018	**35,702**	**498**	**(4,308)**	**31,892**
Loss for the period	-	-	(887)	**(887)**
Total comprehensive income for the period	**-**	**-**	**(887)**	**(887)**
At 31 December 2018	**35,702**	**498**	**(5,195)**	**31,005**

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

The Company's issued and fully paid share capital and number of ordinary shares were $46,116,140 and 681,975,469 shares respectively as at 31 December 2019 and 30 June 2019.

	Number of ordinary shares	Share capital $
Issued and fully paid:		
As at 31 December 2019 and 30 June 2019	681,975,469	46,116,140

As at 31 December 2019, the number of outstanding and unexercised options granted under the GDL Share Options Scheme was nil (31 December 2018: nil). No share awards have been granted pursuant to the GDL Share Award Scheme in HY2020 and HY2019.

As at 31 December 2019, the Company did not hold any treasury shares and subsidiary holdings (31 December 2018: nil treasury shares and subsidiary holdings).

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

As at 31 December 2019, the total number of issued shares (excluding treasury shares) was 681,975,469 shares (30 June 2019: 681,975,469 shares).

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

Not applicable. The Company did not have any treasury shares during and as at the end of HY2020.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable. The Company did not have any subsidiary holdings during and as at the end of HY2020.

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

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

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

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

Not applicable. The Group's latest audited financial statements for FY2019 were not subject to an adverse opinion, qualified opinion or disclaimer of opinion.

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

Except as disclosed in paragraph 5 below, the Group and the Company have consistently applied the same accounting policies and methods of computation as that applied to the most recently audited annual financial statements for the financial year ended 30 June 2019.

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

Except for the adoption of the new and revised SFRS(I) and interpretation of SFRS(I) applicable for the financial year beginning on 1 July 2019, the same accounting policies and methods of computation have been applied, except for the change in accounting policy from the cost model to the revaluation model for the subsequent measurement of land to reflect actual value of the land. As a result of the change in accounting policy, the Group recorded other comprehensive income of S$49.33 million during the financial period ended 31 December 2019 and corresponding increases in the asset revaluation reserve and property, plant and equipment as at 31 December 2019.

Except for SFRS(I) 16, the adoption of the new and revised SFRS(I) has no material impact on the financial performance or position of the Group and the Company. The Group has adopted SFRS(I) 16 with effect from 1 July 2019. SFRS(I) 16 introduced changes to lessee accounting where all leases (except for exemption under short term leases and leases of low value asset) are recognised in the statement of financial position as lease liabilities with the corresponding recognition of the right-of-use assets. For leases with subleasing arrangements, the Group has derecognised the right-of-use asset and recognised a lease receivable instead.

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

	The Group	
	Unaudited HY2020	**Unaudited HY2019**
Loss per ordinary share		
Loss per ordinary share of the Group for the financial period based on net loss attributable to owners of the Company on weighted average number of ordinary shares in issue (basic) (cents) and fully diluted basis (cents)	(0.28)	(0.30)
Weighted average number of shares in issue during the period	681,975,469	526,307,806

The Company does not have any dilutive equity investments in HY2020 and HY2019.

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

	Group	Company
The total number of issued shares at the end of the:		
(a) current financial period reported as at 31 December 2019	681,975,469	681,975,469
(b) immediately preceding financial year as at 30 June 2019	681,975,469	681,975,469
Net asset value per issued ordinary share (cents):		
(a) as at 31 December 2019 (unaudited)	12.67	6.11
(b) as at 30 June 2019 (audited)	5.73	5.95

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

8.1 Income statement review

Review for the performance of the Group for the six-month financial period ended 31 December 2019 ("**HY2020**") as compared to the six-month financial period ended 31 December 2018 ("**HY2019**").

In HY2020, the Group recorded a net loss of S$1.94 million, as compared to net loss of S$1.57 million in HY2019, resulting in a basic loss per share of 0.28 cents (HY2019: 0.30 cents).

In HY2020, the Group recorded S$49.33 million (HY2019: nil) and S$1,000 (HY2019: S$2,000) in the revaluation of land and currency translation differences - foreign operations respectively, resulting in a total comprehensive income for the period of S$47.39 million, as compared to a negative total comprehensive income of S$1.56 million in HY2019.

8.1.1 Revenue, other income and fair value adjustment on investment properties

Revenue
The increase in the Group's revenue of S$201,000 (or 24%) to S$1.05 million in HY2020 (HY2019: S$849,000) was attributable mainly to the recognition of revenue from the property development project at East Coast Road.

Cost of Sales
The Group recognised cost of sales of S$229,000 in HY2020 (HY2019: nil) for the property development project at East Coast Road.

Other income
The Group's other income decreased by S$4,000 (or 6%) to S$39,000 in HY2020 (HY2019: S$62,000) mainly due to the decrease in interest income from fixed deposits in HY2020.

Fair value loss on investment properties
The Group did not record a fair value loss on investment properties in HY2020 (HY2019: S$220,000).

8.1.2 Operating expenses

The Group's operating expenses, which comprise sales and marketing expenses and general and administrative expenses, have increased significantly by S$475,000 (or 37%) to S$1.75 million in HY2020 (HY2019: S$1.28 million), due mainly to the increase in expenses relating to the property development project at East Coast Road.

Sales and marketing expenses increased significantly to S$344,000 in HY2020 (HY2019: nil). This comprised mainly advertising expenses, commissions paid and show flat expenses of S$150,000, $111,000 and S$83,000 respectively for the property development project at East Coast Road.

General and administrative expenses increased by S$131,000 (or 10%) to S$1.41 million in HY2020 (HY2019: S$1.28 million) due mainly to:

(a) the increase in staff costs of S$17,000 (or 5%);
(b) the increase in professional fee, compliance expenses and listing expenses of S$40,000 (or 48%); and
(c) the increase in other administrative expenses of S$83,000 due to the GST not claimable by certain non-GST registered subsidiaries.

The increase was partially offset by the decrease in maintenance expenses of the investment properties of S$26,000 (or 22%).

Other expenses
Other expenses decreased by S$272,000 (or 36%) to S$484,000 in HY2020 (HY2019: S$756,000) due to the decrease in loss on foreign exchange contract of S$390,000. The decrease was offset by the increase in loss on disposal of investment properties of S$118,000.

8.1.3 Finance costs

Finance costs increased by S$360,000 to S$584,000 in HY2020 (HY2019: S$224,000) mainly due to the increase in interest expense of S$375,000 and bank facility fee of S$1,000. The increase was partially offset by the decrease in finance costs paid to shareholders of S$15,000.

8.2 Balance sheet review

The comparative performance for both the assets and liabilities are based on the Group's consolidated financial statements as at 31 December 2019 and 30 June 2019.

As at 31 December 2019, the Group recorded total net assets of S$86.44 million (30 June 2019: S$39.05 million).

8.2.1 Total equity

Equity attributable to the owners of the Company amounted to S$86.44 million as at 31 December 2019 (30 June 2019: S$39.05 million). The increase was due mainly to the increase in asset revaluation reserve arising from the revaluation of land of $49.33 million and this was partially offset by the net loss for the period of S$1.94 million.

8.2.2 Non-current assets

Non-current assets increased by S$48.79 million (or 74%) to S$114.30 million as at 31 December 2019 (30 June 2019: S$65.51 million) due to the following non-current asset items:

(a) the increase in property, plant and equipment by S$50.28 million to S$97.66 million as at 31 December 2019 (30 June 2019: S$47.39 million), which comprised the increase due to revaluation of land of S$49.33 million, increase in hotel under construction of S$959,000 and depreciation charges of S$14,000 recognised in HY2020; and

(b) the increase was offset by the decrease in investment properties of S$1.48 million to S$16.64 million as at 31 December 2019 (30 June 2019: S$18.12 million) due to the disposal of two (2) office units during HY2020.

8.2.3 Current assets

The increase in current assets by S$18.33 million (or 26%) to S$88.63 million as at 31 December 2019 (30 June 2019: S$70.30 million) was due mainly to the increase in the following items:

(a) the increase in trade and other receivables of S$18,000;
(b) the increase in development properties of S$18.09 million from the development projects at East Coast Road, Lorong Mydin and Flower Road;
(c) the recognition of property held for sale of S$3.21 million arising from the sales launch for the property at Jalan Demak;
(d) the increase in contract assets of S$247,000 from the development project at East Coast Road; and
(e) the increase in lease receivable of S$948,000.

The increase was partially offset by the decrease in the following items:

(a) the decrease in prepayments of S$22,000;
(b) the decrease in GST tax recoverable of S$3.21 million; and
(c) the decrease in cash and short-term deposits of S$963,000 to S$1.67 million as at 31 December 2019 (30 June 2019: S$2.63 million) to fund the Group's existing and future property development projects as well as the Group's working capital requirements.

8.2.4 Current liabilities

Current liabilities amounted to S$106.17 million as at 31 December 2019 (30 June 2019: S$84.93 million). The increase in current liabilities by S$21.24 million (or 25%) was due mainly to the increase in trade and other payables of S$328,000, current borrowings by S$19.28 million and contract liabilities of S$692,000 relating to the development project at East Coast Road.

The increase in trade and other payables of S$328,000 was due mainly to:

(a) the increase in trade payables of S$521,000 relating to the construction of development properties;
(b) the increase in other payables of S$16,000;
(c) the increase in retention sum of S$60,000 relating to the construction of development properties; and
(d) the increase in net GST payable of S$106,000.

The increase in trade and other payables was partially offset by the decrease in accrued operating expenses of S$369,000 and deposits received of S$7,000 for deposits relating to the investment properties.

Net current liabilities

As at 31 December 2019, the Group recorded net current liabilities of S$17.55 million as at 31 December 2019 (30 June 2019: S$14.62 million) due to the increase in current assets of S$18.33 million and current liabilities of S$21.24 million. For the analysis of current assets and current liabilities, please refer to Paragraphs 8.2.3 and 8.2.4 above for details.

Notwithstanding the net current liabilities position, the Board is of the view that, barring unforeseen circumstances, based on financial and cash flow projections, the Board and management are confident that the Group will have sufficient cash to pay its debts as and when they fall due. As at 31 December 2019, the Group has secured a loan facility of S$15.0 million from a financial institution for general working capital purposes.

8.2.5 Non-current liabilities

Non-current liabilities decreased by S$1.52 million to S$10.32 million as at 31 December 2019 (30 June 2019: S$11.83 million).

Total current and non-current borrowings

Total current and non-current borrowings have increased by S$17.77 million to S$113.29 million as at 31 December 2019 (30 June 2019: S$95.52 million), mainly due to a net drawdown of

borrowings to fund the Group's existing and future property development projects as well as the Group's working capital requirements.

8.3 Cash flow review

Cash and short-term deposits decreased by S$963,000 to S$1.67 million as at 31 December 2019 (30 June 2019: S$2.63 million), which comprised cash and cash equivalents of S$665,000 and fixed deposits pledged of S$1.0 million. The decrease in cash and short-term deposits was mainly contributed by the purchase of development properties.

The Group recorded net cash used in operating activities of S$18.63 million in HY2020 due mainly to an operating loss before working capital changes of S$1.16 million and S$17.47 million cash used for working capital.

The net cash from investing activities amounted to S$327,000 in HY2020 due mainly to the proceeds from disposal of investment properties of S$1.28 million and interest received of S$6,000. The increase was partially offset by the acquisition of property, plant and equipment of S$959,000.

The Group had also received cash of S$17.34 million from its financing activities in HY2020. This comprised mainly proceeds from bank loans of S$15.39 million and proceeds from shareholders' loans of S$4.39 million to finance the purchase of development properties. The proceeds from borrowings were partly offset by the interest expenses paid of S$417,000 and repayments of borrowings of S$2.02 million, which comprised of bank loans and shareholders' loans of S$1.52 million and S$500,000 respectively.

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

Not applicable. No forecast or prospect statement has been previously disclosed to shareholders.

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

As of the date of this announcement, the Group's reportable business segments are in the property investment and property development segments.

For the property investment segment, the Group's property investment portfolio as at 31 December 2019 consisted of 19 units (30 June 2019: 21 units) of 999-leasehold prime office units located in Singapore's Central Business District and achieved tenant occupancy rate of over 90% in HY2020.

For the property development segment, the Group completed the purchase of a property located at Flower Road ("**Project Flower**") for residential landed development purposes during HY2020. The Group's property development projects are summarised as below:

(a) Completed development project
The Group has launched the sales of its first completed residential landed property development project located at Jalan Demak ("**Project Demak**").

(b) Development projects under construction
The Group has two (2) development projects which are currently under construction, i.e. residential apartment development project located at East Coast Road ("**Project East Coast**") and residential landed property development project located at Lorong Mydin ("**Project Mydin**").

(c) Development projects in the finals stage of development planning
The Group targets to commence the construction works of its hotel property development project at Telok Blangah Road ("**Project Telok Blangah**") and residential landed property development project at Flower Road ("**Project Flower**") during the second half of the financial year ending 30 June 2020.

According to data released by the Urban Redevelopment Authority ("**URA**") on 23 January 2020, for the whole of 2019, prices of private residential properties increased by 2.7%, compared with the 7.9% increase in 2018, in which, prices of landed properties rose by 5.7% while those of non-landed properties rose by 1.9%[(1)].

Although the start of 2020 appeared promising for Singapore, with a de-escalating trade war between China and the United States, the virus threatens to erase any hope of recovery from an already battered 2019. At least one bank has downgraded Singapore's economic growth for the full year as the city-state battles the novel coronavirus, while others have flagged the virus as a severe downside risk on the Singapore economy[(2)].

Barring any unforeseen circumstances, in order to achieve a sustainable business growth, the Group will continue to take a disciplined approach towards exploring new property investment opportunities and building its residential and commercial pipelines in Singapore.

Reference:

(1) Extracted from the URA Website, which was published on 23 January 2020 (https://www.ura.gov.sg/Corporate/Media-Room/Media-Releases/pr20-06).

(2) Extracted from the Today Online's website, which was published on 6 February 2020 (https://www.todayonline.com/singapore/wuhan-coronavirus-infects-economy-one-bank-slashes-singapores-2020-growth-forecast).

11. If a decision regarding dividend has been made:

(a) Whether an interim (final) ordinary dividend has been declared (recommended); and

No dividend was declared for HY2020.

(b) (i) Amount per share (cents)

Not applicable.

(b) (ii) Previous corresponding period (cents)

Not applicable. No dividend was declared for HY2019.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable.

(d) The date the dividend is payable.

Not applicable.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision.

No dividend has been declared/recommended for HY2020 as the Group was in a loss-making position during the financial period under review.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii) of the Catalist Rules. If no IPT mandate has been obtained, a statement to that effect.

The Group has not obtained a general mandate from shareholders in respect of any interested person transaction.

There were no interested person transactions above S$100,000 during the financial period under review.

14. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7H) under Rule 720(1) of the Catalist Rules.

The Company confirms that it has procured undertakings from all of its directors and executive officers in the required format.

15. Confirmation pursuant to Rule 705(5) of the Catalist Rules.

We, Koh Kian Soo and Tan Chee Wee, directors of the Company, hereby confirm on behalf of the Board that, to the best of our knowledge, nothing has come to the attention of the board of directors which may render the unaudited financial statements for the six-month financial period ended 31 December 2019 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Mr Koh Kian Soo
Executive Chairman

Mr Tan Chee Wee
Executive Director and Chief Operating Officer

13 February 2020

*This announcement 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 announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

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.