# 騰龍國際集團
# GLOBAL DRAGON LIMITED

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

## UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019

## 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 FINANCIAL YEAR ENDED 30 JUNE 2019 ("FY2019")

| | Group | | |
|---|---|---|---|
| | Unaudited FY2019 S$'000 | Audited FY2018 S$'000 | % Change Increase/ (Decrease) |
| ***Continuing operations*** | | | |
| **Revenue** | **1,640** | **991** | 65% |
| Other income | 110 | 105 | 5% |
| Fair value (loss)/gain on investment properties | (220) | 2,140 | N.M. |
| Sales and marketing expenses | (394) | (8) | >100% |
| General and administrative expenses | (2,765) | (3,255) | (15%) |
| Other expenses | (1,170) | - | N.M. |
| Finance costs | (404) | (396) | 2% |
| **Loss before tax from continuing operations** | **(3,203)** | **(423)** | >100% |
| Income tax expense | - | - | - |
| **Loss from continuing operations, net of tax** | **(3,203)** | **(423)** | >100% |
| ***Discontinued operations***(1) | | | |
| Profit from discontinued operations, net of tax | - | 1,142 | N.M. |
| **(Loss)/profit for the year** | **(3,203)** | **719** | N.M. |
| ***Other comprehensive income:*** | | | |
| *Items that may be reclassified subsequently to profit or loss* | | | |
| Currency translation differences - foreign operations, at nil tax | **67** | **(29)** | N.M. |
| **Total comprehensive income for the year** | **(3,136)** | **690** | N.M. |
| ***Attributable to:*** | | | |
| **Owners of the Company** | | | |
| - Loss from continuing operations, net of tax | (3,203) | (423) | >100% |
| - Profit from discontinued operations, net of tax | - | 1,142 | N.M. |
| **(Loss)/profit for the year** | **(3,203)** | **719** | N.M. |
| ***Total comprehensive income attributable to:*** | | | |
| **Owners of the Company** | | | |
| - Total comprehensive income from continuing operations, net of tax | (3,136) | (452) | >100% |
| - Total comprehensive income from discontinued operations, net of tax | - | 1,142 | N.M. |
| **Total comprehensive income for the year** | **(3,136)** | **690** | N.M. |

** N.M. – not meaningful*

Note:
(1) *On 14 February 2018, the Company announced that it had completed the disposal of the entire issued and paid-up capital of its wholly owned subsidiary, TMC Academy Pte. Ltd..*

## CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)
## FOR THE FINANCIAL YEAR ENDED 30 JUNE 2019 ("FY2019")

**1(a)(ii) Loss before tax of the Group is arrived at after charging/(crediting) the following:**

| | The Group | | |
|---|---|---|---|
| | Unaudited FY2019 S$'000 | Audited FY2018 S$'000 | % Change Increase/ (Decrease) |
| Allowance for doubtful debts | 33 | 15 | >100% |
| Bad debts written off | 54 | - | N.M. |
| Depreciation of plant and equipment | 28 | 50 | (44%) |
| Gain on disposal of plant and equipment | - | (5) | N.M. |
| Loss on disposal of investment properties | 82 | - | N.M. |
| Gain on disposal of subsidiaries | - | (1,215) | N.M. |
| Foreign exchange loss/(gain) | 1,088 | (24) | N.M. |
| Interest expense | 400 | 391 | 2% |
| Interest income | (109) | (29) | >100% |
| Reversal of restoration costs | - | (155) | N.M. |

** 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.**

## STATEMENT OF FINANCIAL POSITION
## AS AT 30 JUNE 2019

| | Group | | Company | |
|---|---|---|---|---|
| | Unaudited 30/06/2019 S$'000 | Audited 30/06/2018 S$'000 | Unaudited 30/06/2019 S$'000 | Audited 30/06/2018 S$'000 |
| **ASSETS** | | | | |
| **Non-current assets** | | | | |
| Plant and equipment | 73 | 65 | 73 | 65 |
| Investment properties | 18,120 | 22,100 | 18,120 | 22,100 |
| Investment in subsidiaries | - | - | 5,000 | 4,000 |
| | **18,193** | **22,165** | **23,193** | **26,165** |
| **Current assets** | | | | |
| Trade and other receivables | 80 | 266 | 62 | 240 |
| Due from subsidiaries (non-trade) | - | - | 30,312 | 12,557 |
| Prepayments | 49 | 2 | 22 | 1 |
| GST receivable | 3,205 | 14 | - | 14 |
| Development properties | 111,653 | 9,205 | - | - |
| Cash and short-term deposits | 2,628 | 23,328 | 1,146 | 16,049 |
| | **117,615** | **32,815** | **31,542** | **28,861** |
| **Total assets** | **135,808** | **54,980** | **54,735** | **55,026** |
| **LIABILITIES** | | | | |
| **Current liabilities** | | | | |
| Trade and other payables | 1,221 | 632 | 485 | 476 |
| Due to subsidiaries (non-trade) | - | - | 965 | 1,400 |
| Provisions | 15 | 15 | 15 | 15 |
| Borrowings | 83,692 | 6,204 | 828 | 4,884 |
| | **84,928** | **6,851** | **2,293** | **6,775** |
| **Net current assets** | **32,687** | **25,964** | **29,249** | **22,086** |
| **Non-current liabilities** | | | | |
| Borrowings | 11,832 | 16,359 | 11,832 | 16,359 |
| | **11,832** | **16,359** | **11,832** | **16,359** |
| **Total liabilities** | **96,760** | **23,210** | **14,125** | **23,134** |
| **Net assets** | **39,048** | **31,770** | **40,610** | **31,892** |
| **EQUITY** | | | | |
| Share capital | 46,116 | 35,702 | 46,116 | 35,702 |
| Reserves | (7,068) | (3,932) | (5,506) | (3,810) |
| **Equity attributable to owners of the Company** | **39,048** | **31,770** | **40,610** | **31,892** |
| **Total equity** | **39,048** | **31,770** | **40,610** | **31,892** |
| **Total equity and liabilities** | **135,808** | **54,980** | **54,735** | **55,026** |

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

### Amount repayable in one year or less, or on demand

| 30 June 2019 | | 30 June 2018 | |
|---|---|---|---|
| Secured S$'000 | Unsecured S$'000 | Secured S$'000 | Unsecured S$'000 |
| 83,692 | - | 1,719 | 4,485 |

### Amount repayable after one year

| 30 June 2019 | | 30 June 2018 | |
|---|---|---|---|
| Secured S$'000 | Unsecured S$'000 | Secured S$'000 | Unsecured S$'000 |
| 11,832 | - | 16,359 | - |

**Details of any collateral:**

*Secured borrowings*
As at 30 June 2019 and 30 June 2018, the secured borrowings of the Group are secured by (i) mortgages over 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 30 June 2019, the Company does not have any unsecured borrowings.

As at 30 June 2018, the unsecured borrowings of the Company are interest-free loans from non-controlling shareholders.

**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 FINANCIAL YEAR ENDED 30 JUNE 2019

| | The Group | |
|---|---|---|
| | Unaudited FY2019 S$'000 | Audited FY2018 S$'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 doubtful debts | 33 | 15 |
| Bad debts written off | 54 | - |
| Depreciation of plant and equipment | 28 | 50 |
| Fair value loss/(gain) on investment properties | 220 | (2,140) |
| Gain on disposal of plant and equipment | - | (5) |
| Loss on disposal of investment properties | 82 | - |
| Gain on disposal of subsidiaries | - | (1,215) |
| Interest expense | 400 | 391 |
| Interest income | (109) | (29) |
| Reversal of restoration costs | - | (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 | (102,448) | (9,205) |
| **Cash used in operations** | **(107,425)** | **(11,986)** |
| Income tax paid | - | - |
| **Net cash flows used in operating activities** | **(107,425)** | **(11,986)** |
| **Investing Activities** | | |
| Interest received | 108 | 29 |
| Acquisition of plant and equipment | (36) | (96) |
| Proceeds from disposal of plant and equipment | - | 203 |
| Proceeds from disposal of investment properties | 3,678 | - |
| Net cash outflow on disposal of subsidiary | - | (657) |
| **Net cash flows from/(used in) investing activities** | **3,750** | **(521)** |
| **Financing Activities** | | |
| Interest paid | (386) | (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 | 10,507 | 24,225 |
| Repayments of bank loans | (4,097) | (5,968) |
| Repayments of shareholders' loans | (4,500) | (4,500) |
| Repayments 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 the year** | **21,328** | **1,670** |
| **Cash and cash equivalents at end of the year** | **1,628** | **21,328** |
| **Note to the Consolidated Statement of Cash Flows** | | |
| **Cash and short-term deposits** | **2,628** | **23,328** |
| **Less: Fixed deposits pledged** | **(1,000)** | **(2,000)** |
| **Cash and cash equivalents** | **1,628** | **21,328** |

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

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

**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<br>The Company | Share capital<br>S$'000 | Share option reserve<br>S$'000 | Accumulated losses<br>S$'000 | Total equity<br>S$'000 |
|---|---|---|---|---|
| **At 1 July 2018** | **35,702** | **498** | **(4,308)** | **31,892** |
| Loss for the year | - | - | (1,696) | **(1,696)** |
| **Total comprehensive income for the year** | **-** | **-** | **(1,696)** | **(1,696)** |
| 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** | **498** | **(6,004)** | **40,610** |

| Audited<br>The Company | Share capital<br>S$'000 | Share option reserve<br>S$'000 | Accumulated losses<br>S$'000 | Total equity<br>S$'000 |
|---|---|---|---|---|
| **At 1 July 2017** | **11,477** | **498** | **(4,925)** | **7,050** |
| Profit for the year | - | - | 1,306 | **1,306** |
| **Total comprehensive income for the year** | **-** | **-** | **1,306** | **1,306** |
| 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** | **498** | **(4,308)** | **31,892** |

**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State 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.**

Changes in share capital of the Company between 31 December 2018 and 30 June 2019 are set out below:

| | Number of ordinary shares | Share capital S$ |
|---|---|---|
| Issued and fully paid: | | |
| As at 31 December 2018 | 526,307,806 | 35,701,629 |
| Increase during the period | 155,667,663 | 10,507,567 |
| Share issuance expense | - | (93,056) |
| **As at 30 June 2019** | **681,975,469** | **46,116,140** |

On 5 April 2019, the Company issued and allotted 155,667,663 new shares pursuant to the rights issue exercise undertaken by the Company in early 2019. Save for the above, there were no other changes in the issued and paid-up share capital of the Company during the same period.

As at 30 June 2019, the number of outstanding and unexercised options granted under the TMC Share Options Scheme was nil (30 June 2018: nil). No share awards have been granted pursuant to the TMC Share Award Scheme in FY2019 and FY2018.

As at 30 June 2019, the Company did not hold any treasury shares and subsidiary holdings (30 June 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 30 June 2019, the total number of issued shares (excluding treasury shares) was 681,975,469 shares (30 June 2018: 526,307,806 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 FY2019.

**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 FY2019.

**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 qualifications or emphasis of a matter).**

Not applicable.

**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 in the most recently audited annual financial statements for the financial year ended 30 June 2018.

**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.**

For annual financial periods beginning on or after 1 January 2018, Singapore-incorporated companies listed on the Singapore Exchange will apply Singapore Financial Reporting Framework (International) ("**SFRS(I)**"), a new financial reporting framework identical to International Financial Reporting Standards. Except for the adoption of the new and revised SFRS(I) and interpretation of SFRS(I) applicable for the current financial year, the same accounting policies and methods of computation have been applied. 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.

**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 FY2019** | **Audited FY2018** |
| (Loss)/earnings per ordinary share | | |
| (Loss)/earnings per ordinary share of the Group for the financial period based on net (loss)/profit attributable to owners of the Company on weighted average number of ordinary shares in issue (basic) (cents) and fully diluted basis (cents) | | |
| - From continuing operations | (0.57) | (0.19) |
| - From discontinued operations | - | 0.50 |
| Weighted average number of shares in issue during the year | 565,224,722 | 227,216,032 |

The Company does not have any dilutive equity instruments in FY2019 and FY2018.

**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 year reported as at 30 June 2019 | 681,975,469 | 681,975,469 |
| (b) immediately preceding financial year as at 30 June 2018 | 526,307,806 | 526,307,806 |
| Net asset value per issued ordinary share (cents): | | |
| (a) as at 30 June 2019 (Unaudited) | 5.73 | 5.95 |
| (b) as at 30 June 2018 (Audited) | 6.04 | 6.06 |

**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.**

On 14 February 2018, the Company announced that it had completed the disposal of the entire issued and paid-up capital of its wholly owned subsidiary, TMC Academy Pte. Ltd. ("**TMC Academy**"). Accordingly, the tertiary education business was discontinued and disclosed as discontinued operations. The Group has changed its core business to real estate development, investment and related activities in March 2018.

### 8.1 Income statement review

Review for the performance of the Group for the financial year ended 30 June 2019 ("**FY2019**") as compared to the financial year ended 30 June 2018 ("**FY2018**").

In FY2019, the Group recorded a total comprehensive income for the year of (S$3.14 million) as compared to a total comprehensive income of S$690,000, resulting in a basic loss per share from continuing operations of 0.57 cents (FY2018: Basic loss per share from continuing operations of 0.19 cents and basic earnings per share from discontinued operations of 0.50 cents).

In FY2019, the Group has recorded a credit of S$67,000 (FY2018: Debit balance of S$29,000) in the currency translation differences - foreign operations.

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

Revenue

The increase in the Group's revenue of S$649,000 (or 65%) to S$1.64 million in FY2019 (FY2018: S$991,000) was attributable mainly to the increase in rental income from office units and campus.

Other income

The Group's other income increased by S$5,000 (or 5%) to S$110,000 in FY2019 (FY2018: S$105,000) due mainly to the increase in interest income from fixed deposits during FY2019.

Fair value loss on investment properties

The Group recorded a fair value loss on investment properties of S$220,000 in FY2019 (FY2018: fair value gain on investment properties of S$2.14 million).

#### 8.1.2 Operating expenses and other expenses

Operating expenses

The Group's operating expenses comprised sales and marketing expenses and general and administrative expenses, which decreased by S$154,000 (or 5%) to S$3.11 million in FY2019 (FY2018: S$3.26 million), due mainly to lower professional fees incurred.

Sales and marketing expenses increased significantly to S$394,000 in FY2019 (FY2018: S$8,000) due to show flat expenses for Project East Coast.

General and administrative expenses decreased by S$490,000 (or 15%) in FY2019 due mainly to:

(a) the decrease in staff costs of S$466,000 (or 33%) due to the reduction in staff headcount since February 2018;

(b) the decrease in professional fee, compliance expenses and listing expenses significantly of S$536,000 (or 74%) due to one-off expenses incurred relating to the Company's corporate actions comprising of disposing of its education business and striking off of dormant subsidiaries during FY2018;

(c) the decrease in depreciation of plant and equipment and maintenance expense relating to the investment properties of S$32,000 (or 11%); and

(d) the decrease was partially offset by the increase in other administrative expenses of S$322,000 (or 150%) and operating lease expenses by S$222,000 (or 21%) for corporate office and campus rental expenses.

Other expenses

Other expenses increased by S$1.17 million in FY2019, which comprised loss on foreign exchange contract of S$1.09 million and loss on disposal of investment properties of S$82,000.

### 8.1.3 Finance costs

Finance costs increased by S$8,000 (or 2%) to S$404,000 in FY2019 (FY2018: S$396,000) mainly attributable to the increase in interest expense of S$212,000. The increase in finance costs was partially offset by the decrease in loan interests paid to shareholders of S$203,000.

## 8.2 Balance Sheet Review

The comparative performance for both assets and liabilities are based on the Group's financial statements as at 30 June 2019 ("**FY2019**") and 30 June 2018 ("**FY2018**").

In FY2019, the Group recorded total net assets for the year of S$39.0 million as compared to total net assets of S$31.8 million in FY2018.

Total net current assets of S$32.7 million were also recorded in FY2019 as compared to total net current assets of S$26.0 million in FY2018.

### 8.2.1 Total Equity

Equity attributable to the owners of the Company amounted to S$39.05 million as at 30 June 2019 (30 June 2018: S$31.77 million). The increase was due mainly to the new ordinary shares issued via rights issue exercise in April 2019.

### 8.2.2 Non-Current Assets

Non-current assets amounted to S$18.19 million as at 30 June 2019 (30 June 2018: S$22.17 million), in which the investment properties were valued at S$18.12 million for 21 office units as at 30 June 2019 (30 June 2018: S$22.10 million for 25 office units). The decrease in non-current assets was due mainly to the disposal of investment properties of S$3.98 million for 4 office units.

The decrease was partially offset by the increase in plant and equipment of S$8,000 to S$73,000 as at 30 June 2019 (30 June 2018: S$65,000) attributable to the addition of plant and equipment of S$36,000 during FY2019, which was partially offset by the depreciation charges of S$28,000 during FY2019.

### 8.2.3 Current Assets

The increase in current assets of S$84.80 million to S$117.62 million as at 30 June 2019 (30 June 2018: S$32.82 million) was due mainly to:

(a) the increase in development properties of S$102.45 million for the development projects at Demak property, East Coast properties, Mydin properties and Telok Blangah properties;
(b) the increase in GST receivable of S$3.19 million; and
(c) the increase in prepayments of S$47,000.

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

(a) the decrease in cash and short-term deposits of S$20.70 million to S$2.63 million as at 30 June 2019 (30 June 2018: S$23.33 million) to fund the Group's existing and future property development projects as well as the Group's working capital requirements; and
(b) the decrease in trade and other receivables of S$186,000.

### 8.2.4 Current Liabilities

Current liabilities amounted to S$84.93 million as at 30 June 2019 (30 June 2018: S$6.85 million). The increase in current liabilities of S$78.08 million as at 30 June 2019 was due mainly to the increase in current borrowings of S$77.49 million and trade and other payables of S$589,000.

The increase in trade and other payables of S$589,000 was due mainly to:

(a) the increase in accrued operating expenses of S$557,000 due mainly to the increase in accrued property tax of S$145,000, accrued loan interest of S$138,000, accrued foreign exchange contract payment of S$110,000, accrued bonus of S$70,000 and accrued miscellaneous operating expenses of S$94,000;
(b) the increase in retention sum of S$31,000 relating to the construction of development properties; and
(c) the increase was partially offset by the decrease in deposits received of S$16,000 relating to rental deposits of the investment properties.

The total current and non-current borrowings increased by S$72.96 million to S$95.52 million as at 30 June 2019 (30 June 2018: S$22.56 million), mainly due to a net drawdown of bank loans to fund the Group's existing and future property development projects as well as the Group's working capital requirements.

Net Current Assets

As at 30 June 2019, the Group recorded net current assets of S$32.69 million (30 June 2018: S$25.96 million) due mainly to net proceeds from issuance of new ordinary shares amounting to S$10.41 million via rights issue exercise in April 2019. The increase in net current assets was partially offset by the repayments of shareholders' loans amounting to S$4.50 million, repayments of bank loans of S$4.10 million and interest paid of S$386,000.

### 8.2.5 Non-Current Liabilities

Non-current liabilities decreased by S$4.53 million to S$11.83 million as at 30 June 2019 (30 June 2018: S$16.36 million). For the analysis of the total current and non-current borrowings, please refer to Paragraph 8.2.4 above for details.

### 8.3 Cash Flow Review

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

The Group had recorded net cash used in operating activities of S$107.43 million in FY2019 due mainly to an operating loss before working capital changes of S$2.50 million and S$104.93 million cash used for working capital.

The net cash from investing activities amounted to S$3.75 million in FY2019 due mainly to the proceeds from disposal of investment properties of S$3.68 million and interest received of S$108,000, partially offset by the acquisition of plant and equipment of S$36,000.

The Group had also received cash of S$83.98 million from its financing activities in FY2019. This comprised mainly proceeds from bank loans of S$81.54 million to finance the purchases of development properties, net proceeds from rights issue of new ordinary shares of S$10.41 million and the decrease in fixed deposits pledged amounting to S$1.0 million. The proceeds from borrowings was partially offset by the interest paid of S$386,000 and repayments of borrowings, which comprised bank loans and shareholders' loans, of S$8.60 million in FY2019.

## 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.**

According to data released by the Urban Redevelopment Authority ("**URA**") on 26 July 2019, the private home prices in Singapore rose 1.5% in the second quarter of this year after a 0.7 per cent decline in the previous quarter, lifted mainly by non-landed properties in the core central region ("**CCR**") and the rest of the central region ("**RCR**")[(1)]. This is the first increase in Singapore's private residential price index since the property cooling measures were introduced in July 2018.

As disclosed in the Annual Report 2018, the Group has expanded its market presence into the property development segment in FY2018, reinforced its foundation in property investment as well as enhanced its financial position for sustainable growth.

As of date of this announcement, the Group's property investment portfolio consists of 21 units of the 999-leasehold prime office located in Singapore's Central Business District and the Group's property development portfolio in Singapore.

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 commercial property development project located at Telok Blangah Road ("**Project Telok Blangah**") during FY2019. Subsequent to FY2019, barring any unforeseen circumstances, the Group targets to complete the purchase of a property located at Flower Road ("**Project Flower**") for residential landed development purpose during the financial period ending 31 December 2019 ("**HY2020**").

For the property investment segment, the Group tenanted approximately 90% of our 999-year leasehold office units in the Central Business District area 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.

*Reference:*
*(1) Extracted from The Straits Times - Business which was published on 26 July 2019 (https://www.straitstimes.com/business/property/singapore-private-home-prices-rise-15-in-q2-beating-earlier-estimates-rents-up-13).*

**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 FY2019.

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

Not applicable.

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

Not applicable. No dividend was declared for FY2018.

**(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 FY2019 as the Group was in a loss-making position for FY2019.

**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 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. Use of net proceeds of rights issue**

As at the date of this announcement, the utilisation of net proceeds from the rights issues is set out as follows:

(a) Offer Information Statement dated 4 April 2018 ("**Offer Information Statement 2018**")

| Use of net proceeds | Allocation of net proceeds (as disclosed in the Offer Information Statement 2018) (S$'million) | Amount re-allocated (as announced on 1 June 2018) (S$'million) | Revised allocation of net proceeds (S$'million) | Amount utilised as at 27 August 2019 (S$'million) | Amount unutilised as at 27 August 2019 (S$'million) |
|---|---|---|---|---|---|
| For changing the core business of the Company and expansion/growth of the New Business | 13.63 | 8.00 | 21.63 | (21.63)[(1)] | - |
| General working capital purposes | 10.50 | (8.00) | 2.50 | (2.50)[(2)] | - |
| **Total** | **24.13** | **-** | **24.13** | **(24.13)** | **-** |

**Notes:**

(1) The amount was utilised to fund the acquisitions 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, as well as to fund the acquisition of Mydin properties, of which the purchase was completed in July 2018.

(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 announcement, the Company has fully utilised the net proceeds from the rights issue pursuant to the Offer Information Statement 2018.

(b) Offer Information Statement dated 25 February 2019 ("**Offer Information Statement 2019**")

| Use of net proceeds | Allocation of net proceeds (as disclosed in the Company's announcement dated 5 April 2019) (S$'million) | Amount utilised as at 27 August 2019 (S$'million) | Amount unutilised as at 27 August 2019 (S$'million) |
|---|---|---|---|
| Expansion/growth of the Property Business | 9.41 | (8.50)[1] | 0.91 |
| General working capital purposes | 1.00 | (0.87)[2] | 0.13 |
| **Total** | **10.41** | **(9.37)** | **1.04** |

**Notes:**

(1) The amount was utilised to fund the acquisitions 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, 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 announcement, the Company has a remaining available balance of S$1.04 million from the net proceeds from the rights issue pursuant to the Offer Information Statement 2019.

## PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

### 16. Segmented revenue and results operating segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

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

The Group operated in a single principal geographical segment in Singapore for FY2019 and FY2018. 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.

| The Group | Property investment S$'000 | Property development S$'000 | Tertiary education (Discontinued operations) S$'000 | Adjustments and eliminations S$'000 | Total (Continuing operations) S$'000 |
|---|---|---|---|---|---|
| **Unaudited FY2019** | | | | | |
| External revenue | 1,638 | 11 | - | (9) | 1,640 |
| Fair value loss on investment properties | (220) | - | - | - | (220) |
| Interest income | 108 | 1 | - | - | 109 |
| Interest expense | (400) | - | - | - | (400) |
| Depreciation of plant and equipment | (28) | - | - | - | (28) |
| Reportable segment (loss)/profit for the year | (2,784) | (434) | - | 15 | (3,203) |
| Capital expenditure | 36 | - | - | - | 36 |
| Reportable segment assets | 56,909 | 115,128 | - | (36,228) | 135,809 |
| Reportable segment liabilities | (17,356) | (112,562) | - | 33,158 | (96,760) |
| **Audited FY2018** | | | | | |
| External revenue | 991 | - | 2,754 | (2,754) | 991 |
| Fair value gain on investment properties | 2,140 | - | - | - | 2,140 |
| Interest income | 28 | 1 | - | - | 29 |
| Interest expense | (391) | - | (95) | 95 | (391) |
| Depreciation of plant and equipment | (50) | - | (9) | 9 | (50) |
| Reportable segment (loss)/profit for the year | (423) | - | 1,142 | (1,142) | (423) |
| Capital expenditure | 96 | - | - | - | 96 |
| Reportable segment assets | 58,441 | 14,966 | - | (18,427) | 54,980 |
| Reportable segment liabilities | (31,304) | (12,965) | - | 21,059 | (23,210) |

## 17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the operating segments.

For FY2019, revenue, capital expenditure, assets and liabilities of the business segments were derived in Singapore. Please refer to Paragraph 8 above for detailed explanation of the performance of the Group.

## 18. A breakdown of sales.

| | Continuing Operations | | | Discontinued Operations | | |
|---|---|---|---|---|---|---|
| | Unaudited FY2019 S$'000 | Audited FY2018 S$'000 | Changes (%) | Unaudited FY2019 S$'000 | Audited FY2018 S$'000 | Changes (%) |
| **First half year** | | | | | | |
| Sales reported | 849 | 317 | >100% | - | 2,199 | N.M. |
| Operating (loss)/profit after tax before deducting non-controlling interests reported | (1,566) | (1,617) | (3%) | - | 81 | N.M. |
| **Second half year** | | | | | | |
| Sales reported | 791 | 674 | 17% | - | 555 | N.M. |
| Operating profit/(loss) after tax before deducting non-controlling interests reported | (1,637) | 1,194 | N.M. | - | 1,061 | N.M. |

** N.M. – not meaningful*

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

Not applicable. No dividend was declared and paid in FY2019 and FY2018.

## 20. Disclosure of person occupying managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(10) of the Catalist Rules.

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 chief executive officer 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 |

**BY ORDER OF THE BOARD**

**Mr Koh Kian Soo**
**Executive Chairman**

**Mr Tan Chee Wee**
**Executive Director and Chief Operating Officer**

**27 August 2019**

*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.*