騰龍
國際集團
GLOBAL DRAGON LIMITED



Artist's impression

2018 ANNUAL REPORT

A NEW CHAPTER IN REAL ESTATE

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This annual report has been prepared by the Company and its contents have been reviewed by the Company's Sponsor, SAC Capital Private Limited ("Sponsor"), for compliance with the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist ("Catalist Rules"). The Sponsor has not verified the contents of this annual report.

This annual report has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this annual report, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this annual report.

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

騰龍
國際集團
GLOBAL DRAGON LIMITED

CORPORATE PROFILE



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GLOBAL DRAGON LIMITED (formerly known as TMC Education Corporation Ltd.) (the "**Company**") is a public limited company incorporated in Singapore on 25 June 1981 and listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") since 27 September 1999. On 23 March 2018, the Company has adopted the Chinese name "騰龍國際集團" for identification purpose.

The principal activities of the Company and its subsidiaries (the "**Group**") are that of property development and property investment. The Group's property investment portfolio consists of 25 units of the 999-leasehold prime office located in Singapore's CBD. For the property development segment, the Group has acquired a few development properties in Singapore between March 2018 and September 2018, with a total purchase consideration of more than S$100 million.

The Company will continue to seek an optimal mix and capital allocation between two segments, namely, property development and property investment, and balance our assets portfolio for sustainable growth.

CHAIRMAN'S STATEMENT

"We will continue to seek an optimal mix and capital allocation between our two segments, namely, property development and property investment and balance our assets portfolio for sustainable growth."

Mr Koh Kian Soo, Executive Chairman

Dear Shareholders,

On behalf of the Board of Directors, we are 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 2018 ("**FY2018**").

OVERVIEW

FY2018 marks a new chapter for the Group as we have expanded our market presence into property development segment, reinforced our foundation in property investment as well as enhanced our financial position for sustainable growth.

Operational Achievements

During FY2018, the Group has completed its business restructuring exercise by disposing off its education business segment and reconstituting the Board of Directors, both in February 2018.

In addition, we had also changed the name of our Company to 'Global Dragon Limited' and principal activities to property development and property investment, after obtaining shareholders' approval at the Extraordinary General Meeting held on 23 March 2018.

Financial Achievements

The Group recorded a net profit of S$719,000 for FY2018, as compared to a net loss of S$878,000 for the financial year ended 30 June 2017 ("**FY2017**").

As at 30 June 2018, the Group's cash and short-term deposits increased by S$21.66 million to S$23.33 million (30 June 2017: S$1.67 million) and net assets increased by S$24.23 million to S$31.77 million (30 June 2017: S$7.54 million), due to the S$24.23 million proceeds raised from our Rights Issue in April 2018.

For the property development segment, the Group has secured three site acquisitions during FY2018, which comprises a leasehold property at Jalan Demak in March 2018, the collective purchase of freehold properties at East Coast Road in April 2018 and the freehold properties at Lorong Mydin in May 2018 for a total purchase consideration of S$57.84 million.

In view of the above, we have a significant number of upcoming residential projects in the pipeline. We understand speed is of the essence and barring any unforeseen circumstances, we are working towards launching all three sites during the financial year ending 30 June 2019 ("**FY2019**").

The Group will monitor property market closely and continue to seek suitable opportunities to increase its land bank in Singapore, ensuring sustainable long-term growth for the Group.

For property investment segment, the Group tenanted approximately 90% of our 999-year leasehold office units at CBD area during FY 2018.

We will continue to seek an optimal mix and capital allocation between our two segments, namely, property development and property investment and balance our assets portfolio for sustainable growth.

In summary, we believe the Group will be able to realise its full potential and demonstrate good returns in future with these initiatives and on-going efforts.

APPRECIATION

On behalf of the Board of Directors and Management, we would like to take this opportunity to thank our customers, tenants, business partners and professional advisors for your support through 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
September 2018

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 receive 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 the property development projects from inception to completion as well as 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 a Master of Science (Industrial Engineering) and Bachelor of Engineering (Mechanical) both 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, and 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 each 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 each 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 currently an adjunct faculty and career coach with Nanyang Business School, NTU. 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 each 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, in both local 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



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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 Commitee

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

Nominating Commitee

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)*

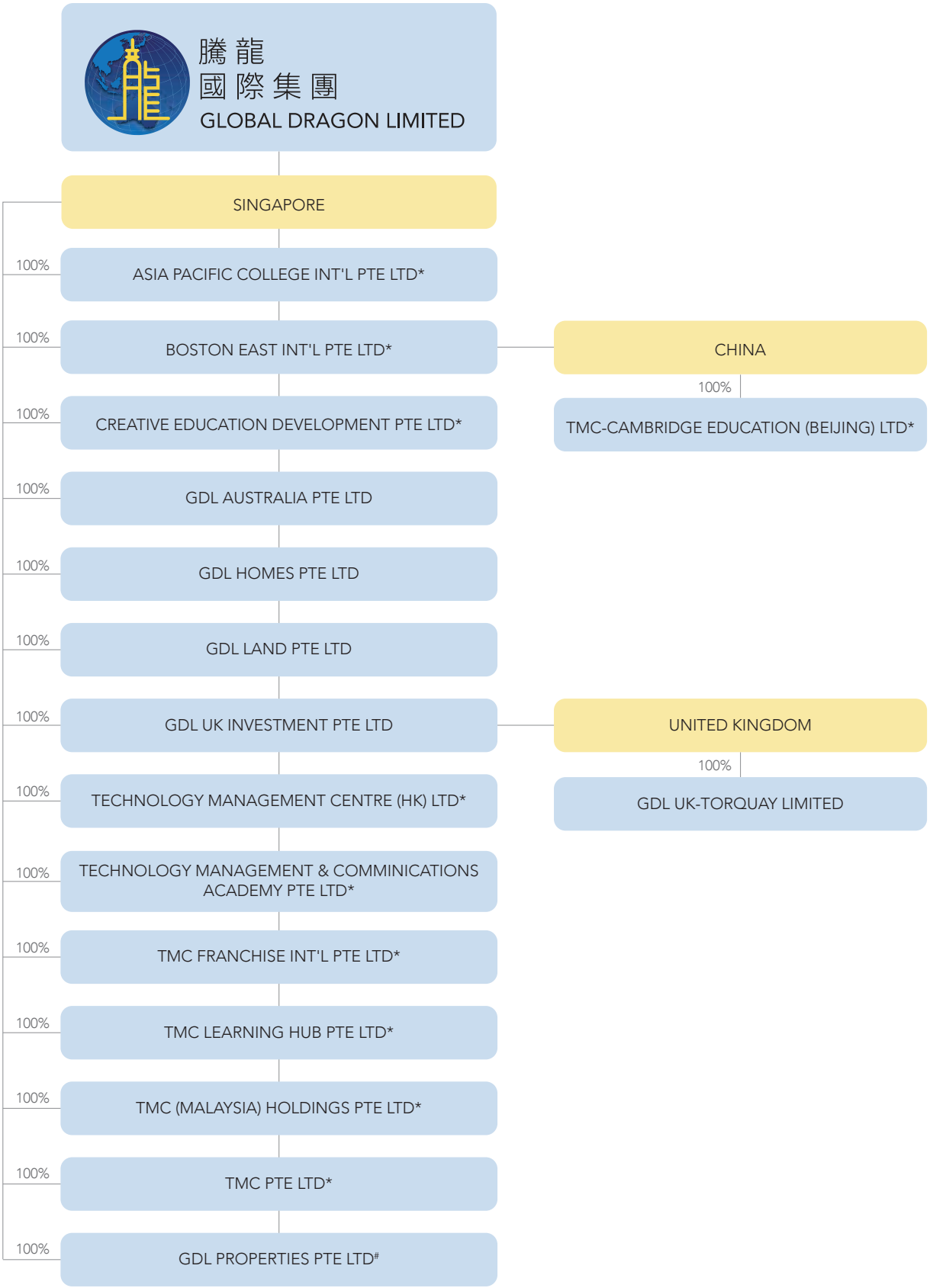
Company Sponsor

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



* In the process of striking off.
# Incorporated on 4 September 2018.

YEAR IN BRIEF FY2018

JULY 2017

- Obtained relevant authorities' approval for the sub-division of the investment properties at Peninsula Plaza to improve their marketability.

AUGUST 2017

- TMC Academy Pte Ltd has been appointed as a Singapore Workforce Skills Qualification (WSQ) Approved Training Organisation (ATO)–Public and In- House, by the Skills Future Singapore (SSG).

SEPTEMBER 2017

- Awarded Corporate Excellent Award in the Singapore HEALTH Award 2017 by the Health Promotion Board of Singapore.

OCTOBER 2017

- Held the FY2017 Annual General Meeting with all resolutions duly passed.

NOVEMBER 2017

- Held the TMC Academy Graduation 2017 and TMC Academy Biennial Agent Conference 2017 by TMC Academy Pte Ltd.

DECEMBER 2017

- JK Global Assets Pte Ltd ("JK Global") became new controlling shareholder of the Company.
- Mandatory Unconditional Cash Offer by JK Global.

YEAR IN BRIEF FY2018

JANUARY 2018

- Obtained shareholders' approval for the proposed disposal of TMC Academy during the Extraordinary General Meeting.
- Closure of Mandatory Unconditional Cash Offer by JK Global.

FEBRUARY 2018

- Completion of the proposed disposal of TMC Academy.
- Appointment of Mr Koh Kian Soo as Executive Chairman with effect from 14 February 2018.
- Announcement of reconstitution of Board of Directors and Board Committees.
- Change of Catalist Continuing Sponsor to SAC Capital Private Limited.
- Change of Registered Office.
- Incorporation of two wholly owned subsidiaries, namely GDL Homes Pte. Ltd. and GDL Land Pte. Ltd., in Singapore.

MARCH 2018

- Obtained shareholders' approval for the change of company name to Global Dragon Limited, change of core business to property development and investment, change of independent auditors to Ernst & Young LLP Singapore and undertake a renounceable of non-underwritten Rights Issue.
- Acquisition of development property at Jalan Demak.
- Incorporation of a wholly owned subsidiary, GDL Australia Pte. Ltd., in Singapore.

APRIL 2018

- Change of Company Secretaries to Ms Janet Tan and Mr Kwan Yew Ting.
- Listing and quotation of the 358,910,129 Rights Shares.

MAY 2018

- Acquisition of development properties at East Coast Road and Lorong Mydin.
- Incorporation of two wholly owned subsidiaries, namely GDL UK Investment Pte. Ltd. and GDL UK-Torquay Limited, in Singapore and United Kingdom respectively.
- Appointment of Mr Tan Chee Wee as Executive Director and Chief Operating Officer with effect from 1 May 2018.

JUNE 2018

- Commencement of development works for development property at Jalan Demak.

BUSINESS REVIEW



Artist's impression

The financial year ended 30 June 2018 ("**FY2018**") was marked with a series of significant corporate events, which has enabled the Group to strengthen its financial fundamentals for future growth.

In December 2017, JK Global Assets Pte. Ltd. ("**JK Global**") became the new controlling shareholder of the Company, through the acquisition of an aggregate of 85,372,814 shares, representing approximately 51% of the issued and paid-up capital of the Company from Dr Chin Kon Yuen and Ms Yeow Cheng Khim. In the same month, JK Global made a mandatory unconditional cash offer ("**Offer**") in accordance with the Take-over Code and increased its shareholdings to 88,802,220 shares, representing approximately 53.05% of the total number of shares, upon the completion of the Offer in January 2018.

As part of the Group's business restructuring exercise, the Group has ceased its education business through the disposal of its principal subsidiary, TMC Academy Pte. Ltd., and undergone a board reconstitution in February 2018. At the Extraordinary General Meeting held on 23 March 2018, the Company has obtained shareholders' approval to change its name to "Global Dragon Limited" and its core business to property development and property investment. To strengthen its financial position through fundraising activity, the Company has also completed its Rights Issue, raising proceeds of S$24.23 million in April 2018. The Group will continue to look into various initiatives to improve its competitiveness and financial position.

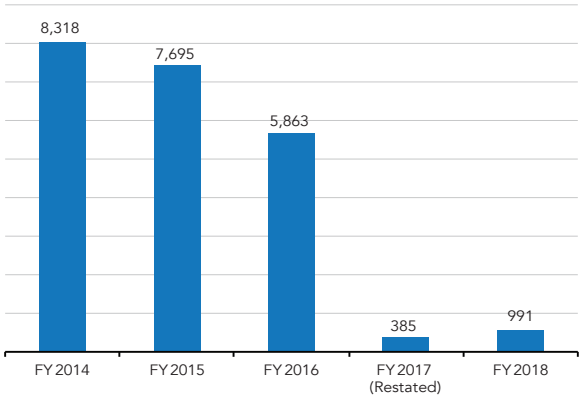
Operationally, between March 2018 and June 2018, the Group commenced its property development segment by acquiring several property development sites as land bank (namely East Coast Road properties, Jalan Demak property and Lorong Mydin properties) for a total consideration of S$57.84 million. Barring any unforeseen circumstances, the Group intends to kick-off these development projects during the financial year ending 30 June 2019 ("**FY2019**").

In conclusion, the Group will remain proactive in exploring new business opportunities for both property development and property investment segments. We will continue to take a disciplined approach towards building our property portfolio in Singapore. Where necessary, we will explore various fundraising activities to augment the financial position of the Group.

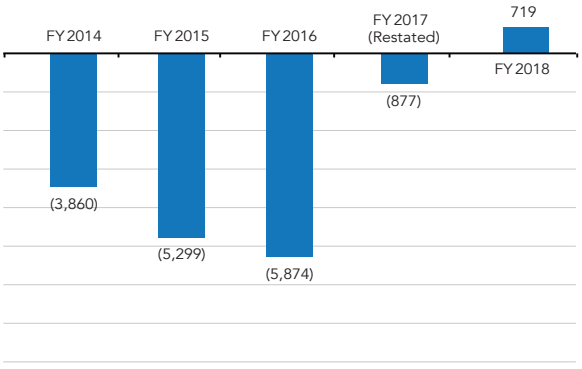
FINANCIAL HIGHLIGHTS

PERFORMANCE AT A GLANCE

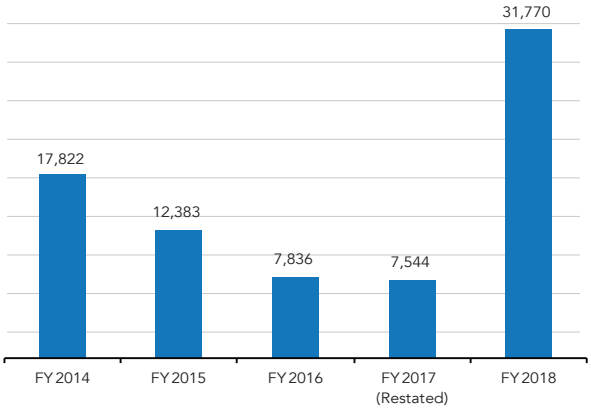
Revenue (S$'000)



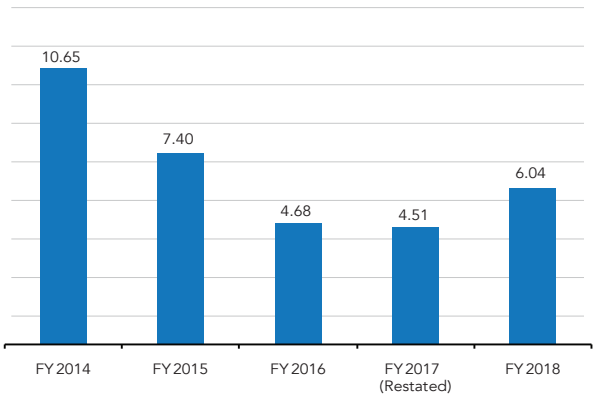
(Loss)/Profit Attributable to Shareholders (S$'000)



Shareholders' Equity (S$'000)



Net Assets Per Share (Cents)



	FY 2014	FY 2015	FY 2016	FY 2017 (Restated)	FY 2018
FOR THE YEAR (S$'000)					
Revenue [1]	8,318	7,695	5,863	385 [3]	991
Loss Before Tax [1]	(3,902)	(5,352)	(5,880)	(1,388)	(423)
(Loss)/Profit After Tax Before Non-controlling Interests	(3,902)	(5,352)	(5,880)	(878)	719
(Loss)/Profit Attributable To Shareholders	(3,860)	(5,299)	(5,874)	(877)	719
AT YEAR END (S$'000)					
Shareholders' Equity	17,822	12,383	7,836	7,544	31,770
Plant And Equipment	2,058	461	175	217	65
Investment Properties	23,080	24,170	17,250	19,960	22,100
Current Assets	3,458	1,966	1,744	2,048	32,815
Current Liabilities	7,992	10,815	4,932	7,603	6,851
PER SHARE DATA (CENTS)					
Net Loss [1] [2]	(2.31)	(3.16)	(3.51)	(0.83)	(0.19)
Net Assets	10.65	7.40	4.68	4.51	6.04

Notes

(1) Amounts from continuing operations.

(2) The figures shown do not take into consideration the dilutive effect arising from TMC Share Option Scheme.

(3) Reclassification was due to the change in principal activities of the Group.

CORPORATE GOVERNANCE REPORT

The Board of Directors (the "**Board**") of Global Dragon Limited (formerly known as TMC Education Corporation Ltd.) (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 2018 ("**FY2018**"), 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.

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 2018, 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 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.

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. 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.

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.

The Board has put in place a set of internal controls that lists out operational and financial policies and procedures. The internal controls are reviewed by the Board regularly. The Board is also responsible for the overall corporate governance compliance of the Group.

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

The Board meets at least once every quarter and it also meets regularly to review, consider and approve strategic,

CORPORATE GOVERNANCE REPORT

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 (the "**Constitution**") allows for meetings to be held through telephone and/or video-conference. 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, 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.

All Directors are updated regularly on changes in Company's policies and business updates. 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. 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. For FY2018, the Executive Chairman, the Executive Director and the Independent Directors had attended training courses conducted by the Singapore Institute of Directors.

The number of meetings of the Board and Board Committees held during FY2018 and the attendance of each Director at the said meetings are tabulated below:

Attendance at Meetings

	Board	AC	NC	RC
No. of meetings held	9	4	2	2
No. of meetings attended by each Board member				
Mr Koh Kian Soo [(1)]	1	1*	–	–
Mr Tan Chee Wee (Chen Zhiwei) [(2)]	1	1*	–	–
Mr Woo Peng Kong [(3)]	1	1	–	–
Mr Kwan Chee Wai [(4)]	1	1	–	–
Ms Pan Pei Say [(5)]	1	1	–	–
Dr Chin Kon Yuen [(6)]	8	3*	2*	2*
Ms Yeow Cheng Khim [(7)]	8	3*	2*	2*
Mr Wee Liang Hiam [(8)]	8	3	2	2
Mr Chen Timothy Teck Leng [(9)]	7	3	2	2
Mr Tham Wan Loong, Jerome [(10)]	8	3	2	2

* *By invitation.*

CORPORATE GOVERNANCE REPORT

Notes:

(1) Mr Koh Kian Soo was appointed as Executive Chairman on 14 February 2018.
(2) Mr Tan Chee Wee (Chen Zhiwei) was appointed as Executive Director and Chief Operating Officer on 1 May 2018.
(3) Mr Woo Peng Kong was appointed as Lead Independent Director on 14 February 2018.
(4) Mr Kwan Chee Wai was appointed as Independent Director on 14 February 2018.
(5) Ms Pan Pei Say was appointed as Independent Director on 14 February 2018.
(6) Dr Chin Kon Yuen resigned as Executive Chairman on 14 February 2018.
(7) Ms Yeow Cheng Khim resigned as Executive Director and Chief Executive Officer on 14 February 2018.
(8) Mr Wee Liang Hiam resigned as Lead Independent Director on 14 February 2018.
(9) Mr Chen Timothy Teck Leng resigned as Independent Director on 14 February 2018.
(10) Mr Tham Wan Loong, Jerome resigned as Independent Director on 15 February 2018.

In addition to the above and in line with the Code, the Board intends to also:

- identify key stakeholder groups to gain their perceptions of the Company's reputation and standing;
- set the Company's values and standards (including ethical standards) to ensure that obligations to the shareholders and other stakeholders are understood and met; and
- consider sustainability issues, e.g., environmental and social factors, as part of its strategic formulation.

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.

Board Composition and Independent Directors

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

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	Not applicable	Nil	Nil
Mr Tan Chee Wee (Chen Zhiwei)	1 May 2018	Not applicable	Nil	Nil
Mr Woo Peng Kong	14 February 2018	Not applicable	AF Global Limited	Global Premium Hotels Limited
Mr Kwan Chee Wai	14 February 2018	Not applicable	Nil	Global Premium Hotels Limited
Ms Pan Pei Say	14 February 2018	Not applicable	Nil	Nil

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As three out of five 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 independent is satisfied. The NC adopts the Code's definition of what constitutes an Independent Director and reviews the independence of the Directors at least twice a year. The Board, taking into account the NC's view, has confirmed that Mr Kwan Chee Wai, Mr Woo Peng Kong and Ms Pan Pei Say are independent in character and judgment in accordance to the Code. 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.

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.

Board Size

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. 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.

The Independent Directors had met twice in the absence of Management in FY2018.

Please refer to the "Board of Directors" section in the Annual Report for more information on the Directors.

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.

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 the COO of the Company.

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 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.

In addition, 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.

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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.

The NC comprises four (4) directors, in which three out of four 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 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.

The NC is responsible for:

- deciding how the Board's performance 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
- deciding whether a Director, who has multiple board representation, is able to and has adequately carried out his duties as Director.

Apart from guidance from existing under the Code and regulations under the Constitution, the Management 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 Management 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 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 years. In addition, the Constitution also provides that a newly appointed Director must submit himself for re-election at the next annual general meeting following his appointment. Pursuant to Article 108 of the Constitution of the Company, all Directors are due for retirement at the forthcoming annual general meeting ("**AGM**") and all Directors have each consented to remain in office.

The independence of each Director is reviewed by the NC with reference to the guidelines set out in the Code. 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.

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By virtue of Section 7 of the Companies Act (Chapter 50) of Singapore (the "**Act**"), Mr Koh Kian Soo is deemed to be interested in 5.7% 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 holds 10% or more of the shares in the Company.

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

Mr Tan Chee Wee (Chen Zhiwei) shall, upon re-election as a Director of the Company, remain as an Executive Director and COO of the Company.

Mr Woo Peng Kong shall, upon re-election as a Director of the Company, remain as the Lead Independent Director, the Chairman of the AC and a member of each of the NC and RC of the Company.

Mr Kwan Chee Wai shall, upon re-election as a Director of the Company, remain as an Independent Director, the Chairman of the NC and a member of each of the AC and RC of the Company.

Ms Pan Pei Say shall, upon re-election as a 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 Directors 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.

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 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 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 duties as a Director of the Company.

The Company does not have any alternate directors.

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.

The NC is also responsible for deciding how the Board's performance may be evaluated and proposing 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 performance criteria approved by the Board. The objective of the annual evaluation is to identify areas for improvement and thereafter implement appropriate action.

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.

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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 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 and contribution by the Chairman. Results of the performance evaluation were reported to the Board. 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 for FY2018 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. No external facilitator was used in the evaluation process.

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 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.

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(s)	Yearly
6. Shareholding statistics	Yearly
7. External auditor's report	Yearly

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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.

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.

REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

There should be 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.

The Company has established a RC for determining the remuneration of Directors and key executives of the Company. The RC is comprised three 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 TMC Share Award Scheme (as applicable).

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.

The RC has the right to seek professional advice relating to the remuneration of all Directors. The expenses of such advice shall be borne by the Company. No remuneration consultants were engaged by the Company in FY2018.

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.

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.

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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).

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.

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. 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.

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 interest of the Company to disclose the exact details of the remuneration of the Directors and the COO. 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 in FY2018 are set out below:

	Directors' Fees %	Base or Fixed Salary* %	Variable or Performance Related Income/ Bonus* %	Allowances* & Benefits %	Compensation %	Annual Remuneration* %
S$250,000 to S$499,999						
Dr Chin Kon Yuen [3]	4	47	–	15	34	100
Ms Yeow Cheng Khim [3]	5	49	–	12	34	100
Below S$250,000						
Mr Koh Kian Soo [1]	–	100	–	–	–	100
Mr Tan Chee Wee (Chen Zhiwei) [2]	–	100	–	–	–	100
Mr Woo Peng Kong [1]	100	–	–	–	–	100
Mr Kwan Chee Wai [1]	100	–	–	–	–	100
Ms Pan Pei Say [1]	100	–	–	–	–	100
Mr Wee Liang Hiam [3]	100	–	–	–	–	100
Mr Chen Timothy Teck Leng [3]	100	–	–	–	–	100
Mr Tham Wan Loong, Jerome [4]	100	–	–	–	–	100

* Inclusive of Central Provident Fund Contributions.

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Notes:
(1) Appointed on 14 February 2018.
(2) Appointed on 1 May 2018.
(3) Resigned on 14 February 2018.
(4) Resigned on 15 February 2018.

The Group has only one (1) key executive who is not a Director or COO. The aggregate remuneration paid to the key executive 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 shortage of talented and experienced personnel in the property industry.

There are no persons occupying managerial positions in the Company who are related to a Director or substantial shareholder of the Company or any of its principal subsidiaries. During the financial year under review, there were no employees of the Group who are an immediate family member of any Director or the COO whose remuneration exceeds S$50,000 per annum in FY2018.

There are no termination, retirement and post-employment benefits granted to the Directors, the COO or the top five key executives.

The Directors and key executives are paid base on a fixed schedule of fees and salary respectively.

The RC has reviewed and approved the remuneration packages of the Directors and key executives having due regards to their contributions as well as the financial capabilities of the Company.

The RC has recommended that the Independent Directors to be paid Directors' fee of S$95,000 for the financial year ending 30 June 2019, to be paid yearly, which will be tabled at the forthcoming AGM for approval by the Company's shareholders.

TMC Share Award Scheme

The TMC Share Award Scheme of the Company was approved and adopted by its shareholders at the Extraordinary General Meeting held in 2011. Under the TMC 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 TMC 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 twenty five per cent (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 ten per cent (10%) of the shares available under the scheme.

Any participation in the TMC 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 TMC Share Award Scheme since its commencement.

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ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

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

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 Management will provide the Board with detailed management accounts of the Group's performance, financial position and prospects on a quarterly 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.

The Management also presents to the Board the half-yearly and full-year accounts and the AC reports to the Board on the financial results for review and approval. The Board approves the financial results after review and authorises the release of the financial results to 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.

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.

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 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.

In FY2018, 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 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 external 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 external 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 FY2018.

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

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(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 2018 and up to the date of this report.

Principle 12: Audit Committee

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

The AC consists of the following three 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)

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.

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

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 effectiveness of the Group's internal controls on an annual basis, including financial, operational, information technology controls, compliance and risk management;
- 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 FY2018, it had discussed with 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.

CORPORATE GOVERNANCE REPORT

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 valuers. The AC considered the qualifications, competencies and scope of work of the valuer. In addition, the AC obtained assurance from Management that the valuation had been undertaken using appropriate methodology and assumptions used for the basis of projecting income, and estimating the capitalisation rate. 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 and relevance of the assumptions used by the valuers. Following the above, the AC is satisfied that the carrying value of the investment properties is not materially misstated.

The Board is 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.

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 and other regulations which could have an impact on the Group's business and financial statements.

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 offer to attend its meetings.

The AC reviews the independence of the external auditors annually. The aggregate amount of audit fees paid to the Company's external auditors, Ernst & Young LLP in FY2018 was S$55,000. There were no non-audit fees paid to the external auditors in FY2018.

The Group confirms that it has complied with Rule 712 and 715 of the Catalist Rules in relation to its auditing firms. Having reviewed 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.

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 AC also has met the external auditors and the internal auditors without the presence of the Management in FY2018.

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 FY2018.

Principle 13: Internal Audit

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

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 an internal audit function for the Group. 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 to the approved audit plan for FY2018 and the findings and corrective actions taken by Management had been submitted to the AC. The internal auditors have unrestricted direct access and reports directly to the AC on audit matters.

CORPORATE GOVERNANCE REPORT

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. 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.

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.

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.

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.

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.

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.

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 Act, and Financial Reporting Standards are disclosed;
- SGXNet; and
- press releases on major developments of the Group.

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.

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 FY2018.

CORPORATE GOVERNANCE REPORT

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.

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 proxies on its behalf. Pursuant to Section 181(1C) of the 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.

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 also present to address shareholders' queries on the conduct of the audit and the preparation and content of the auditor's report.

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.

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. The Company will also make available minutes of general meetings to shareholders upon their request.

The Company will also 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.

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 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.

Risk Management

As the Company does not have a risk management committee, the AC and the Management assume the responsibility of the risk management function. The Management reviews 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 Management reviews and highlights all significant matters to the Board and the AC.

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 FY2018.

Non-Sponsor Fees

There were no non-sponsor fees paid to SAC Capital Private Limited in FY2018.

CORPORATE GOVERNANCE REPORT

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 Issue is set out as follows:

Use of Net Proceeds	Allocation of Net Proceeds (As Disclosed in the Offer Information Statement) (S$'million)	Amount Re-allocated (As announced on 1 June 2018 (S$'million)	Revised Allocation of Net Proceeds (S$'million)	Amount Utilised as at 28 September 2018 (S$'million)	Amount Unutilised as at 28 September 2018 (S$'million)
For changing the core business of the Company and expansion/growth of the New Business	13.63	8.00	21.63	(15.85)[1]	5.78
General working capital purposes	10.50	(8.00)	2.50	(1.70)[2]	0.80
Total	**24.13**	**-**	**24.13**	**(17.55)**	**6.58**

Notes:

(1) The amount was utilised to fund the acquisitions of Jalan Demak property, Katong Omega Apartments and Telok Blangah properties, which were disclosed in the announcements dated 26 March 2018, 6 April 2018, 15 May 2018, 1 June 2018, 29 August 2018 and 7 September 2018.

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

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 statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2018.

Opinion of the directors

In the opinion of the directors,

(i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity 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 2018 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company 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.

Directors of the Company

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

Koh Kian Soo	(Executive Chairman) (Appointed on 14 February 2018)
Tan Chee Wee (Chen Zhiwei)	(Executive Director and Chief Operating Officer) (Appointed on 1 May 2018)
Woo Peng Kong	(Lead Independent Director) (Appointed on 14 February 2018)
Kwan Chee Wai	(Independent Director) (Appointed on 14 February 2018)
Pan Pei Say	(Independent Director) (Appointed on 14 February 2018)

In accordance with Article 108 of the Company's Constitution, all directors 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

None of the directors, who held office at the end of the financial year, had, according to the register of directors' shareholdings required to be kept under Section 164 of the Singapore Companies Act, Chapter 50 (the "Act"), an interest in shares and share options of the Company and related corporations (other than wholly-owned subsidiaries).

There was no change in the interests of the Directors' interests in shares and debentures of the Company and related corporations between the end of the financial year and 21 July 2018.

Subsequent to 21 July 2018, Koh Kian Soo is deemed to be interested in the 30,000,000 ordinary voting shares in the Company held by his spouse, Ko Lee Meng, on 24 July 2018, by virtue of Section 7 of the Act.

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 date of appointment if later, or at the end of the financial year.

No director holding office, at the end of the financial, had any interest in options to subscribe for ordinary shares of the Company granted pursuant to the Share Option Scheme.

DIRECTORS' STATEMENT

Share Options Scheme

The TMC Share Option Scheme ("SOS") was approved and adopted by the Company's shareholders at an Extraordinary General Meeting held on 25 May 2001 and subsequent amendments were approved on 25 November 2005. The SOS was administered by the Company's Remuneration Committee, comprising three directors, Pan Pei Say (Chairman), Kwan Chee Wai (Member) and Woo Peng Kong (Member).

Other information regarding the SOS is set out below:

(i) The exercise price of the options can be set at a discount to the market price not exceeding 20% of the market price of the shares of the Company in respect of options granted at the time of grant.

(ii) For options granted at market price, they can be exercised 1 year after the grant date and for those granted below market price, they can be exercised 2 years after the grant date.

(iii) Options expire 5 years after option date for those granted to directors and academic advisors, and 10 years after option date for options granted to other employees.

(iv) All options were settled by physical delivery of shares.

At the end of the financial year, details of the options granted under the SOS on the unissued ordinary shares of the Company, are as follows:

Date of grant of option	Exercise price per share	Options outstanding as at 1.7.2017	Options exercised	Options forfeited	Options expired	Option outstanding as at 30.6.2018	Expiry date	Options exercisable as at 30.6.2017	Options exercisable as at 30.6.2018
10.12.2007	$0.1370	78,000	–	–	(78,000)	–	09.12.2017	78,000	–
16.06.2008	$0.1050	80,000	–	(80,000)	–	–	15.06.2018	80,000	–
16.12.2008	$0.0610	43,000	–	(43,000)	–	–	15.12.2018	43,000	–
19.06.2009	$0.0600	86,000	–	(86,000)	–	–	18.06.2019	86,000	–
03.12.2009	$0.0640	78,000	–	(78,000)	–	–	02.12.2019	78,000	–
		365,000	–	(287,000)	(78,000)	–		365,000	–

Details of options granted to directors, academic advisors and employees of the Company under the SOS are as follows:

	Option granted during the financial year ended 30.6.2018	Aggregate options granted since commence-ment of SOS to 30.6.2018	Aggregate options lapsed since commence-ment of SOS to 30.6.2018	Aggregate options expired since commence-ment of SOS to 30.6.2018	Aggregate options exercised since commence-ment of SOS to 30.6.2018	Aggregate options outstanding as at 30.6.2018
Directors						
Former directors	–	3,157,050	(1,251,620)	(500,000)	(1,405,430)	–
Other						
Former academic advisors	–	2,635,860	(1,954,860)	–	(681,000)	–
Former employees	–	6,240,877	(4,292,525)	(266,705)	(1,681,647)	–
	–	12,033,787	(7,499,005)	(766,705)	(3,768,077)	–

DIRECTORS' STATEMENT

Share Options Scheme (Cont'd)

No options have been granted to the directors, controlling shareholders of the Company or their associates other than those disclosed above.

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

There were no unissued shares of the Company or its subsidiaries under options granted by the Company or its subsidiaries as at the end of the financial year.

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

Share Award Scheme

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

Awards of fully-paid ordinary shares in the Company under the SAS 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 SAS 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 effectiveness of the Group and the Company's material internal controls, including financial, operational and compliance controls and risk management 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;

DIRECTORS' STATEMENT

Audit Committee (cont'd)

(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.

During the financial year, no non-audit services were provided by the external auditor to the Group. 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
28 September 2018

INDEPENDENT AUDITOR'S REPORT

to the members of Global Dragon Limited

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 statements of financial position of the Group and Company as at 30 June 2018, 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 statement of financial position of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) 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 2018 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 $22.1 million, which represents the single largest category of assets on the balance sheet as at 30 June 2018. As disclosed in Note 5, the investment properties are carried at fair value, which is determined using the direct comparison method by independent external valuation experts engaged by management. The valuation process requires both management and the independent external valuation experts 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 independent external valuation experts, and discussed and obtained an understanding of the valuation techniques used by the external valuation experts. 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 in our database. 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 5 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.

INDEPENDENT AUDITOR'S REPORT

to the members of Global Dragon Limited

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 FRSs, 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.

INDEPENDENT AUDITOR'S REPORT

to the members of Global Dragon Limited

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.

Other matters

The financial statements of Global Dragon Limited for the year ended 30 June 2017 were audited by another auditor who issued an unqualified opinion on the financial statements with an emphasis of matter on material uncertainty related to going concern on 12 October 2017.

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

28 September 2018

STATEMENT OF FINANCIAL POSITION

As at 30 June 2018

	Note	Group		Company	
		2018	2017	2018	2017
		$'000	$'000	$'000	$'000
Assets					
Non-current assets					
Plant and equipment	4	65	217	65	210
Investment properties	5	22,100	19,960	22,100	19,960
Investment in subsidiaries	6	–	–	4,000	5,000
		22,165	20,177	26,165	25,170
Current assets					
Trade and other receivables	8	280	169	254	149
Due from subsidiaries (non-trade)	9	–	–	12,557	132
Prepayments		2	209	1	202
Development properties	10	9,205	–	–	–
Cash and short-term deposits	11	23,328	1,670	16,049	36
		32,815	2,048	28,861	519
Total assets		54,980	22,225	55,026	25,689
Liabilities					
Current liabilities					
Trade and other payables	12	632	2,968	476	1,293
Due to subsidiaries (non-trade)	9	–	–	1,400	10,392
Provisions	13	15	170	15	170
Borrowings	14	6,204	4,465	4,884	1,069
		6,851	7,603	6,775	12,924
Net current assets/(liabilities)		25,964	(5,555)	22,086	(12,405)
Non-current liability					
Borrowings	14	16,359	7,078	16,359	5,715
Total liabilities		23,210	14,681	23,134	18,639
Net assets		31,770	7,544	31,892	7,050
Equity					
Share capital	15	35,702	11,477	35,702	11,477
Reserves	16	(3,932)	(3,933)	(3,810)	(4,427)
Equity attributable to owners of the Company		31,770	7,544	31,892	7,050
Non-controlling interests		–	–	–	–
Total equity		31,770	7,544	31,892	7,050
Total equity and liabilities		54,980	22,225	55,026	25,689

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

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2018

Group	Note	2018 $'000	2017 $'000 (Restated)
Continuing operations			
Revenue	17	991	385
Other income	18	105	98
Fair value gain on investment properties	5	2,140	2,710
Sales and marketing expenses		(8)	(32)
General and administrative expenses		(3,255)	(3,769)
Other expenses	19	–	(7)
Finance costs	20	(396)	(774)
Loss before tax from continuing operations	22	(423)	(1,389)
Income tax expense	21	–	–
Loss from continuing operations, net of tax		(423)	(1,389)
Discontinued operations			
Profit from discontinued operations, net of tax	7	1,142	511
Profit/(loss) for the year		719	(878)
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Currency translation differences – foreign operations, at nil tax		(29)	6
Total comprehensive income for the year		690	(872)
Attributable to:			
Owners of the company			
Loss from continuing operations, net of tax		(423)	(1,388)
Profit from discontinued operations, net of tax		1,142	511
		719	(877)
Non-controlling interests			
Loss from continuing operations, net of tax		–	(1)
From discontinued operations, net of tax		–	–
		–	(1)
Profit/(loss) for the year		719	(878)

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2018

Group	Note	2018 $'000	2017 $'000 (Restated)
Attributable to:			
Owners of the Company			
Total comprehensive income from continuing operations, net of tax		(452)	(1,382)
Total comprehensive income from discontinued operations, net of tax		1,142	511
		690	(871)
Non-controlling interests			
Total comprehensive income from continuing operations, net of tax		–	(1)
Total comprehensive income from discontinued operations, net of tax		–	–
		–	(1)
Total comprehensive income for the year		690	(872)
(Loss)/earnings per share (cents):			
Attributable to equity holders of the Company			
Basic and diluted			
- From continuing operations	23	(0.19)	(0.83)
- From discontinued operations	23	0.50	0.31

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 2018

	Share capital	Exchange fluctuation reserve	Share option reserve	Accumulated losses	Total	Non-controlling interests	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Group							
At 1 July 2017	11,477	202	498	(4,633)	7,544	–	7,544
Profit for the year	–	–	–	719	719	–	719
Other comprehensive income							
- 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
At 1 July 2016	11,477	196	498	(4,333)	7,838	(352)	7,486
Loss for the year	–	–	–	(878)	(878)	–	(878)
Other comprehensive income							
- Foreign currency translation differences	–	6	–	–	6	–	6
Total comprehensive income for the year	–	6	–	(878)	(872)	–	(872)
Gain on extinguishment of interest-free shareholders' loan	–	–	–	430	430	–	430
Imputed interest on shareholders' loans	–	–	–	148	148	–	148
Total transactions with owners, recognised directly in equity	–	–	–	578	578	–	578
Deconsolidation of subsidiary	–	–	–	–	–	352	352
Total changes in ownership interests in subsidiaries	–	–	–	–	–	352	352
At 30 June 2017	11,477	202	498	(4,633)	7,544	–	7,544

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 2018

	Note	Group 2018 $'000	2017 $'000
Operating activities			
Loss before tax from continuing operations		(423)	(1,389)
Profit before tax from discontinued operations		1,142	511
Profit/(loss) before tax		719	(878)
Adjustments for:			
Depreciation of plant and equipment	4	50	54
Gain on disposal of plant and equipment	18	(5)	–
Fair value gain on investment properties	5	(2,140)	(2,710)
(Gain)/loss on disposal of subsidiary	7	(1,215)	20
(Reversal)/provision of restoration costs	13	(155)	20
Allowance for doubtful debts	8	15	–
Interest expense	22	391	817
Interest income	22	(29)	–
Operating loss before working capital changes		(2,369)	(2,677)
Changes in working capital:			
Decrease/(increase) in trade and other receivables		74	(126)
Decrease in trade and other payables		(486)	(227)
Increase in development properties		(9,205)	–
Cash used in operations		(11,986)	(3,030)
Income tax paid		–	–
Net cash flows used in operating activities		(11,986)	(3,030)
Investing activities			
Interest received		29	–
Proceeds from disposal of plant and equipment		203	–
Acquisition of plant and equipment	4	(96)	(96)
Net cash outflow on disposal of subsidiary	7	(657)	–
Net cash flows used in investing activities		(521)	(96)
Financing activities			
Interest paid		(212)	(206)
Increase in fixed deposits pledged		(2,000)	–
Proceeds from rights issue	15	24,225	–
Proceeds from shareholders' loans		3,500	1,000
Proceeds from third party loan		500	–
Proceeds from bank loans		18,120	5,000
Repayment of shareholders' loans		(4,500)	–
Repayment of third party loan		(1,500)	(1,000)
Repayment of bank loans		(5,968)	(1,490)
Net cash flows from financing activities		32,165	3,304
Net increase in cash and cash equivalents		19,658	178
Cash and cash equivalents at beginning of the year		1,670	1,492
Cash and cash equivalents at end of financial year	11	21,328	1,670

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

1. Corporate information

Global Dragon Limited (formerly known as TMC Education Corporation Ltd.) (the "Company") and its subsidiaries (the "Group") 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 as at 30 June 2018 are those relating to property development and investment. The principal activities of the subsidiaries are stated in Note 6 to the financial statements.

2. Summary of significant accounting policies

2.1 *Basis of preparation*

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

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 Dollar (''SGD" or "$'') and all values in the tables are rounded to the nearest thousand (''$'000''), except when otherwise indicated.

Convergence with International Financial Reporting Standards

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. The Group will adopt SFRS(I) on 1 July 2018.

The Group has performed an assessment of the impact of adopting SFRS(I). Other than the impact on adoption of SFRS(I) 15, the Group expects that adoption of SFRS(I) will have no material impact on the financial statements in the year of initial application. The Group expects the impact of adopting SFRS(I) 15 to be similar to the impact on adoption of FRS 115 as disclosed in Note 2.3 to the financial statements.

2.2 *Changes in accounting policies*

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Group has adopted all the new and revised standards which are effective for annual financial periods beginning on or after 1 July 2017. The adoption of these standards did not have any effect on the financial performance or position of the Group and the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

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
FRS 109 *Financial Instruments*	1 January 2018
FRS 115 *Revenue from Contracts with Customers*	1 January 2018
Amendments to FRS 115 *Clarifications to FRS 115 Revenue from Contracts with Customers*	1 January 2018
Amendments to FRS 40 *Transfers of Investment Property*	1 January 2018
INT FRS 122 *Foreign Currency Transactions and Advance Consideration*	1 January 2018
FRS 116 *Leases*	1 January 2019
INT FRS 123 *Uncertainty over Income Tax Treatments*	1 January 2019
Improvements to FRSs (March 2018)	
- Amendments to FRS 103 *Business Combinations*	
- Amendments to FRS 12 *Income Taxes*	
- Amendments to FRS 23 *Borrowing Costs*	1 January 2019

As disclosed in Note 2.1, the Group will adopt SFRS(I) on 1 July 2018. Upon adoption of SFRS(I) on 1 July 2018, the SFRS(I) equivalent of the above standards that are effective on 1 July 2018 will be adopted at the same time.

Except for FRS 115 and FRS 116, the directors expect that the adoption of the SFRS(I) equivalent of the above standards 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 FRS 115 and FRS 116 are described below.

FRS 115 *Revenue from Contracts with Customers*

FRS 115 establishes a five-step model that will apply to revenue arising from contracts with customers. Under FRS 115, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in FRS 115 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer i.e. when performance obligations are satisfied.

A full retrospective application is required for annual periods beginning on or after 1 July 2018 with early adoption permitted. The Group is currently assessing the impact of FRS 115 and plans to adopt the new standard on the required effective date.

FRS 116 *Leases*

FRS 116 requires lessees to recognise for most leases, a liability to pay rentals with a corresponding asset, and recognise interest expense and depreciation separately. The new standard is effective for annual periods beginning on or after 1 July 2019.

The Group is currently assessing the impact of the new standard and plans to adopt the standard on the required effective date.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

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

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

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 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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

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

2.7 ***Plant and equipment***

All items of plant and equipment are initially recorded at cost. Subsequent to recognition, 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 8 years

The carrying values of 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 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.

An asset's recoverable amount is the higher of an asset's or cash-generating unit's fair value less costs to sell 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

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

2.10 ***Financial instruments***

a) **Financial assets**

Initial recognition and measurement

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

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

Subsequent measurement

The subsequent measurement of financial assets depends on their classification as follows:

i) Loans and receivables

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

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.

Regular way purchase or sale of a financial asset

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

b) **Financial liabilities**

Initial recognition and measurement

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

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

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

i) Other financial liabilities

After initial recognition, non-derivative financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

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

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

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

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

Financial assets carried at amortised cost

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

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

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

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

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

2.12 ***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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

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

2.13 ***Cash and cash equivalents***

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

2.14 ***Revenue recognition***

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

(a) *Sale of completed development properties*

The Group recognises profits on sale of properties under development in Singapore using the percentage of completion method when the transfer of significant risks and rewards of ownership occurs as development progresses. The percentage of completion is measured by reference to the percentage of physical completion at the end of each reporting period determined by independent qualified surveyors. When losses are expected, full provision is made in the financial statements after taking into account estimated costs to completion.

(b) *Rental income from operating leases*

Rental income arising from operating leases 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.

(c) *Interest income*

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

(d) *Dividend income*

Dividend income from investments is recognised when the shareholders' rights to receive payment have been established.

2.15 ***Taxes***

(a) *Current income tax*

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

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

(b) *Deferred tax*

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

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

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither accounting profit nor taxable profit or loss; and

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

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

2.15 ***Taxes (cont'd)***

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

- 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) *Goods and services 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.

2.16 ***Employees benefits***

(i) 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.

(ii) Employee leave entitlements

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

2.17 ***Operating lease***

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased item are classified as operating leases. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

2.18 ***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.

2.19 ***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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

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

2.19 ***Contingencies (cont'd)***

(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.

2.20 ***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 recognised as income in profit or loss over the period of the guarantee. If it is probable that the liability will be higher than the amount initially recognised less amortisation, the liability is recorded at the higher amount with the difference charged to profit or loss.

3. Significant accounting judgments and estimates

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

3.1 ***Judgments in applying accounting policies***

In the process of applying the Group's accounting policies, management has made the following judgement which has the most significant effect on the amounts recognised in the consolidated financial statements:

(i) Fair value of interest-free shareholders' loans

The fair value of the interest-free shareholders' loans at initial recognition was determined based on comparable market interest rates for unsecured loans. Judgement is required in assessing the relevance of data to imputation of the comparable market interest rates.

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

The Group, on its own or in reliance on third parties, also applied estimates, assumptions and judgments in the following areas. These estimates, assumptions and judgments are however not expected to have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities as disclosed in the notes to the financial statements within the next financial year.

(i) Valuation of investment properties

The Group's investment properties are stated at estimated fair values based on the valuation performed by a firm of independent professional valuers using the direct comparison method with appropriate adjustment factors. The estimated fair value may differ from the price at which the Group's assets could be sold at a particular time, since actual selling prices are negotiated between willing buyers and sellers.

The carrying amounts of investment properties at the reporting date are disclosed in Note 5 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

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

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

(ii) Impairment of non-financial assets

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 plant and equipment and investment in subsidiaries at the reporting date are disclosed in Notes 4 and 6 to the financial statements respectively.

(iii) Impairment of loans and receivables

The Group assesses at the end of each reporting period whether there is any objective evidence that a financial asset is impaired. Factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments are objective evidence of impairment. In determining whether there is objective evidence of impairment, the Group considers whether there is observable data indicating that there have been significant changes in the debtor's payment ability or whether there have been significant changes with adverse effect in the technological, market, economic or legal environment in which the debtor operates in.

Where there is objective evidence of impairment, the amount and timing of future cash flows are estimated based on historical loss experience for assets with similar credit risk characteristics.

If the present value of estimated future cash flows decreases by 5% from management's estimates, the Group's and the Company's loss for the financial year would increase by approximately $14,000 and $641,000 (2017: $8,000 and $14,000) respectively. The carrying amounts of trade and other receivables at the reporting date are disclosed in Note 8 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

4. Plant and equipment

Group	Computers and software $'000	Furniture and fittings $'000	Office equipment $'000	Renovation $'000	Total $'000
Cost:					
At 1 July 2016	1,415	197	253	1,542	3,407
Additions	53	–	2	41	96
Disposal	(29)	–	–	–	(29)
At 30 June 2017 and 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	28	3	–	44	75
Accumulated depreciation:					
At 1 July 2016	1,338	123	132	499	2,093
Depreciation	8	1	2	43	54
Disposal	(28)	–	–	–	(28)
At 30 June 2017 and 1 July 2017	1,318	124	134	542	2,118
Charge for the year	16	2	–	32	50
Disposals	(1,329)	(126)	(134)	(569)	(2,158)
At 30 June 2018	5	–	–	5	10
Accumulated impairment:					
At 1 July 2016, 30 June 2017 and 1 July 2017	66	67	107	899	1,139
Disposal	(66)	(67)	(107)	(899)	(1,139)
At 30 June 2018	–	–	–	–	–
Net carrying amount:					
At 30 June 2018	23	3	–	39	65
At 30 June 2017	55	6	14	142	217

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

4. Plant and equipment (cont'd)

Company	Computers and software $'000	Furniture and fittings $'000	Office equipment $'000	Renovation $'000	Total $'000
Cost:					
At 1 July 2016	1,384	185	247	1,541	3,357
Additions	53	–	2	41	96
Disposal	(29)	–	–	–	(29)
At 30 June 2017 and 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	27	3	–	44	74
Accumulated depreciation:					
At 1 July 2016	1,314	112	127	498	2,051
Depreciation	6	1	2	43	52
Disposal	(28)	–	–	–	(28)
At 30 June 2017 and 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	4	–	–	5	9
Accumulated impairment:					
At 1 July 2016, 30 June 2017 and 1 July 2017	66	67	107	899	1,139
Disposals	(66)	(67)	(107)	(899)	(1,139)
At 30 June 2018	–	–	–	–	–
Net carrying amount:					
At 30 June 2018	23	3	–	39	65
At 30 June 2017	50	5	13	142	210

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

5. Investment properties

	Group	
	2018	**2017**
	$'000	$'000
Balance Sheet:		
At 1 July	19,960	17,250
Fair value gain on investment properties	2,140	2,710
At 30 June	22,100	19,960
Statement of comprehensive income:		
Rental income from investment properties:		
- Minimum lease payments	497	336
Direct operating expenses (including repairs and maintenance) arising from:		
- Rental generating properties	180	175
- Non-rental generating properties	26	22
	206	197

Valuation of investment properties

Investment properties are stated at fair value, which has been determined based on valuations performed as at 30 June 2018 and 30 June 2017. The valuations were performed by independent valuers 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 Group's investments properties are valued based on a highest and best use.

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

Properties pledged as security

As at 30 June 2018, investment properties with a carrying value of $22,100,000 (2017: $19,960,000) are pledged as security for bank borrowings as disclosed in Note 14 to the financial statements.

The investment properties held by the Group are as follows:

Description and location	**Existing use**	**Floor area (in square metres)**	**Tenure**	**Unexpired lease term**
Held by the Company				
#06-01 to #06-25,111 North Bridge Road, Peninsula Plaza, Singapore 179098	Commercial	884	999 year lease	810 years

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

6. Investment in subsidiaries

	Company	
	2018	**2017**
	$'000	$'000
Unquoted equity investments, at cost:		
At 1 July	5,000	2,931
Issuance of shares for incorporation of subsidiaries	4,000	–
Increase in investment via scrip dividend	–	3,000
Disposal of subsidiary	(5,000)	–
Striking off of subsidiary	–	(931)
At 30 June	4,000	5,000
Allowance for impairment losses:		
At 1 July	–	(931)
Write-off during the year	–	931
Impairment loss	–[1]	–
At 30 June	–[1]	–
	4,000	5,000

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

During the current financial year, the Group incorporated five 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.

Details of all the Group's subsidiaries are as follows:

Name	**Principal activities**	**Country of incorporation**	**Effective (%) of equity held by the Group**	
			2018	**2017**
Held by the Company				
Asia Pacific College Int'l Pte Ltd [4]	Dormant	Singapore	100	100
Boston East Int'l Pte Ltd [4]	Investment holding	Singapore	100	100
Creative Education Development Pte Ltd [4]	Dormant	Singapore	100	100
GDL Australia Pte. Ltd. [5]	Dormant	Singapore	100	–
GDL Homes Pte. Ltd. [1, 5]	Real estate development and investment	Singapore	100	–
GDL Land Pte. Ltd. [1, 5]	Real estate development and investment	Singapore	100	–
GDL UK Investment Pte. Ltd. [5]	Dormant	Singapore	100	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

6. Investment in subsidiaries (cont'd)

Name	Principal activities	Country of incorporation	Effective (%) of equity held by the Group	
			2018	2017
Held by the Company				
Technology Management Centre (HK) Limited [4]	Inactive	Hong Kong	100	100
Technology Management & Communications Academy Pte Ltd [4]	Inactive	Singapore	100	100
TMC Academy Pte Ltd [2, 6]	Provision of education courses and conducting examinations	Singapore	–	100
TMC Franchise Int'l Pte Ltd [4]	Inactive	Singapore	100	100
TMC Learning Hub Pte Ltd [4]	Provision of education services	Singapore	100	100
TMC (Malaysia) Holdings Pte Ltd [4]	Inactive	Singapore	100	100
TMC Pte Ltd [4]	Dormant	Singapore	100	100
Held by GDL UK Investment Pte. Ltd.				
GDL UK-Torquay Limited [5]	Dormant	United Kingdom	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

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"), for the financial period from 1 January 2017 to 31 December 2017, for consolidation purposes.
4 Dormant or inactive during the financial year and in the process of striking off.
5 Incorporated during the financial year ended 30 June 2018.
6 Disposed during the financial year ended 30 June 2018.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

7. 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 5 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 are as follows:

	As at 14 February 2018 $'000
Assets	
Trade and other receivables	7
Due from related companies	10,853
Cash and cash equivalents	657
	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)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

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

Income statement disclosures

The results of TMC Academy for the financial period ended 14 February 2018 and for the financial year ended 30 June 2017 are as follows:

	2018	2017
	$'000	$'000
Revenue	2,754	4,298
School management service fee	(2,590)	(3,731)
General and administrative expenses	(10)	(13)
Profit from operations	154	554
Finance costs	(95)	(43)
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	511
Income tax expense	–	–
Profit for the year from discontinued operations	1,142	511

Cash flow statement disclosures

The net cash flows attributable to TMC Academy for the financial period ended 14 February 2018 and for the financial year ended 30 June 2017 are as follows:

	2018	2017
	$'000	$'000
Operating activities	(634)	141
Financing activities	(318)	264
Net cash (outflows)/inflows	(952)	405

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

8. Trade and other receivables

	Note	Group		Company	
		2018	2017	2018	2017
		$'000	$'000	$'000	$'000
Trade and other receivables (current)					
Trade receivables		97	93	90	93
Other receivables		124	28	105	27
Deposits		59	48	59	29
Total Trade and other receivables		280	169	254	149
Add:					
Amount due from subsidiaries (non-trade)	9	–	–	12,557	132
Cash and bank balances	11	23,328	1,670	16,049	36
Total loans and receivables		23,608	1,839	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.

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	
	2018	2017	2018	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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

8. Trade and other receivables (cont'd)

Receivables that are impaired (cont'd)
At the end of the reporting period, the Company has provided an allowance of $7,093,000 (2017: $6,976,000) for impairment of amount due from subsidiaries with nominal amounts aggregating to $7,093,000 (2017: $7,108,000).

During the financial year ended 30 June 2018, $117,000 (2017: write back of $238,000) was charged to profit or loss for allowance for doubtful debts on amounts due from the Company's subsidiaries.

Receivables that are past due but not impaired
The Group and Company has trade receivables amounting to $80,000 (2017: $95,000) and $76,000 (2017: $95,000) 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	
	2018	**2017**	**2018**	**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

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.

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

The amounts due from/(to) 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

10. Development properties

	Group		Company	
	2018	**2017**	**2018**	**2017**
	$'000	$'000	$'000	$'000
Land	9,027	–	–	–
Finance costs	4	–	–	–
Property tax	1	–	–	–
Professional fees	5	–	–	–
Other development expenditure	168	–	–	–
	9,205	–	–	–

During the financial year ended 30 June 2018, GDL Homes Pte. Ltd., a subsidiary of the Company, completed the acquisition of a development property at 26 Jalan Demak.

Acquisition for two development properties at East Coast Road and Lorong Mydin via the Group's subsidiary, GDL Land Pte. Ltd., will only be completed subsequent to the financial year ended 30 June 2018. Included in land costs are attributable costs pertaining to stamp duties, tender deposits as well as option fees to purchase on these two development properties.

During the financial year ended 30 June 2018, borrowing costs amounting to $3,500 (2017: Nil) arising from borrowings obtained specifically for the development properties were capitalised.

Development properties are pledged as security for bank borrowings as disclosed in Note 14 to the financial statements.

Details of development property held by the Group is as follows:

Location	**Description and use**	**Land area (in square metres)**	**Tenure**
GDL Homes Pte. Ltd.			
26 Jalan Demak	Proposed development of a 3-storey residential building	586	99 years from 1 January 1965

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

11. Cash and short-term deposits

	Group		Company	
	2018	**2017**	**2018**	**2017**
	$'000	$'000	$'000	$'000
Cash at banks and on hand	6,305	1,670	1,026	36
Fixed deposits	17,023	–	15,023	–
	23,328	1,670	16,049	36
Less: Deposits pledged to banks	(2,000)	–	–	–
Cash and cash equivalents	21,328	1,670	16,049	36

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

Fixed deposits are made for varying periods of between one month and three 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 2018 for the Group and the Company ranged from 0.86% to 1.35% (2017: Nil) and 1.25% to 1.35% (2017: Nil) respectively.

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

	Group		Company	
	2018	**2017**	**2018**	**2017**
	$'000	$'000	$'000	$'000
Australian Dollar	–	31	–	–
Renminbi	6	18	–	3
	6	49	–	3

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

12. Trade and other payables

	Note	Group 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Trade and other payables (current)					
Trade payables		175	307	173	307
Accrued operating expenses		203	847	170	823
Rental deposits		107	110	107	110
Other payables		147	176	26	53
Course and examination fees received in advance (non-refundable)		–	1,528	–	–
Total trade and other payables		632	2,968	476	1,293
Add:					
Due to subsidiaries (non-trade)	9	–	–	1,400	10,392
Borrowings	14	22,563	11,543	21,243	6,784
Less:					
Course and examination fees received in advance (non-refundable)		–	(1,528)	–	–
Total financial liabilities carried at amortised cost		23,195	12,983	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 2018 $'000	Group 2017 $'000	Company 2018 $'000	Company 2017 $'000
Australian Dollar	4	4	4	4
Hong Kong Dollar	2	2	–	–
British Pound	30	288	30	288
Renminbi	53	32	–	–
United States Dollar	3	3	3	3
	92	329	37	295

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

13. Provisions

	Group		Company	
	2018	**2017**	**2018**	**2017**
	$'000	$'000	$'000	$'000
Provision for restoration costs:				
At 1 July	170	150	170	150
Provision (reversed)/made, net (Note 22)	(155)	20	(155)	20
At 30 June	15	170	15	170

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 conclusion of the lease.

14. Borrowings

		Group		Company	
	Note	**2018**	**2017**	**2018**	**2017**
		$'000	$'000	$'000	$'000
Non-current					
Bank loans (secured)	14.1	16,359	1,461	16,359	98
Shareholders' loans (unsecured)	14.2	–	4,617	–	4,617
Third party loan (unsecured)	14.3	–	1,000	–	1,000
		16,359	7,078	16,359	5,715
Current					
Bank loans (secured)	14.1	1,719	4,465	399	1,069
Shareholders' loans (unsecured)	14.2	4,485	–	4,485	–
		6,204	4,465	4,884	1,069
Total borrowings		22,563	11,543	21,243	6,784

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

14. Borrowings (cont'd)

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

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

14.1 Bank loans (secured)

	Group		Company	
	2018	2017	2018	2017
	$'000	$'000	$'000	$'000
Term loans:				
Amount due for settlement within 12 months (current)	1,719	4,465	399	1,069
Amount due for settlement after 12 months (non-current)	16,359	1,461	16,359	98
	18,078	5,926	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 2.40% to 2.50% (2017: 2.43% to 2.77%) per annum for the Group and from 2.40% to 2.43% (2017: 2.43%) per annum for the Company and are secured by way of:

(i) legal mortgages over the Group's development property (Note 10) with carrying amount of $1,734,000 (2017: Nil);

(ii) legal mortgages over the Company's investment properties (Note 5) with carrying amount of $22,100,000 (2017: $19,960,000); and

(iii) corporate guarantees by the Company and assignment of developer's rights and benefits in the sale and purchase agreements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

14. Borrowings (cont'd)

14.1 Bank loans (secured) (cont'd)

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

Loans due are estimated to be repayable as follows:

	Maturity (Financial Year)	Group		Company	
		2018	2017	2018	2017
		$'000	$'000	$'000	$'000
Current:					
Money market loan	2017	–	3,000	–	–
Development loan	2018	1,320	–	–	–
Bank loans	2018	399	1,465	399	1,069
		1,719	4,465	399	1,069
Non-current:					
Bank loans	2019-2038	16,359	1,461	16,359	98
		18,078	5,926	16,758	1,167

14.2 Shareholders' loans (unsecured)

	Group and Company	
	2018	2017
	$'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 Company obtained additional loans of $1,000,000 (2017: $1,000,000) from the non-controlling shareholders, and made repayments of an aggregate of $2,000,000 (2017: Nil).

As at 30 June 2018, the remaining loans from the two non-controlling shareholders are interest-free and unsecured. Subsequent to the financial year ended 30 June 2018, the Company has fully repaid the shareholders' loans.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

14. Borrowings (cont'd)

14.2 Shareholders' loans (unsecured)

During the financial year ended 30 June 2018, the Company had also obtained loans of $2,500,000 from the controlling shareholder. The loans are interest-free, unsecured and were fully repaid during the year.

14.3 Third party loans (unsecured)

	Group and Company	
	2018	**2017**
	$'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. At the end of the reporting period, the third party loans have been fully repaid.

15. Share capital

	2018	**2017**	**2018**	**2017**
	Number of ordinary shares		$'000	$'000
Issued and fully paid:				
At beginning of year	167,397,677	167,397,677	11,477	11,477
Issuance of ordinary shares [(1)]	358,910,129	–	24,225	–
At end of year	526,307,806	167,397,677	35,702	11,477

Note:

(1) On 26 April 2018, the Company had completed a rights issue of 358,910,129 new ordinary shares in the capital of the Company (the "Rights Shares"), 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 20 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.

All shares rank equally with regard to the Company's residual assets.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

16. Reserves

	Group		Company	
	2018	**2017**	**2018**	**2017**
	$'000	$'000	$'000	$'000
Exchange fluctuation reserve	173	202	–	–
Share option reserve	498	498	498	498
Retained earnings	(4,603)	(4,633)	(4,308)	(4,925)
	(3,932)	(3,933)	(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.

17. Revenue

Revenue comprises rental income earned as disclosed in Note 5 to the financial statements. Revenue excludes inter-company transactions and applicable goods and services tax.

	Group	
	2018	**2017**
	$'000	$'000
Rental income from investment properties	497	336
Other rental income	494	49
	991	385

18. Other income

	Group	
	2018	**2017**
	$'000	$'000
Foreign exchange gain	24	–
Gain on disposal of plant and equipment	5	–
Government grants	25	–
Interest income from cash and cash equivalents	29	–
Miscellaneous income	22	98
	105	98

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

19. Other expenses

	Group	
	2018	**2017**
	$'000	$'000
Foreign exchange loss	–	7

20. Finance costs

	Group	
	2018	**2017**
	$'000	$'000
Interest expense on:		
- bank loans (secured)	103	61
- shareholders' loans (unsecured)	217	611
- third party loan (unsecured)	71	102
	391	774
Commitment fee for bank loans	5	–
	396	774

21. Taxation

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 30 June 2018 and 2017 is as follows:

	Group	
	2018	**2017**
	$'000	$'000
Loss before tax from continuing operations	(423)	(1,389)
Profit before tax from discontinued operations (Note 7)	1,142	511
Accounting profit before tax	719	(878)
Tax at statutory rate of 17% (2017: 17%)	122	(149)
Tax effects of:		
Expenses not deductible in determining taxable income	125	229
Income exempt from taxation	(560)	(461)
Tax incentive, exemption and rebate	–	(50)
Deferred tax assets on current year losses not recognised	318	481
Difference in foreign tax rates	(5)	(1)
Group relief utilised	–	(49)
	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

21. Taxation (cont'd)

At the end of the reporting period, the Group has unutilised tax losses and unutilised capital allowances of approximately $23,642,000 (2017: $21,769,739) and $84,228 (2017: $84,228) 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. 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 would be forfeited unless the Group submits an application to the Tax Comptroller for waiver of the shareholding continuity test and for which approval is granted. Where the waiver of the shareholding continuity test is granted by the Tax Comptroller, these tax losses and capital allowances can only be utilised against profits arising from the same trade.

22. Loss for the year from continuing operations

	Group	
	2018	**2017**
	$'000	$'000
Loss for the year has been arrived at after charging/(crediting):		
Allowance for doubtful debts	15	–
Audit fees:		
- auditors of the Company	55	136
- other auditors	18	25
Depreciation of plant and equipment	50	54
Employee benefits expense (Note 24)	1,394	1,760
Gain on disposal of plant and equipment	(5)	–
Loss on disposal of subsidiary	–	20
Interest income	(29)	–
Interest expense	391	817
(Write back)/provision for restoration costs, net	(155)	20

23. Loss per share

	Group	
	2018	**2017**
	$'000	$'000
Attributable to ordinary shares:		
Loss from continuing operations, net of tax	(423)	(1,389)
Profit from discontinued operations, net of tax	1,142	511
Profit/(loss) for the year	719	(878)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

23. Loss per share (cont'd)

	Group	
	2018	**2017**
Weighted average number of ordinary shares in issue during the year	227,216,032	167,397,677

	2018	**2017**
	cents	cents
Basic and diluted (loss)/earnings per share		
- From continuing operations	(0.19)	(0.83)
- From discontinued operations	0.50	0.31

24. Employee benefits

	Group	
	2018	**2017**
	$'000	$'000
Employee benefits expense (including directors):		
Salaries and other related costs	1,335	1,582
Contributions to defined contribution plans	59	178
	1,394	1,760

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.

Other information regarding the SOS is set out as follows:

(i) The exercise price of the options can be set at a discount to the market price not exceeding 20% of the market price of the shares in respect of options granted at the time of grant;

(ii) For options granted at market price, they can be exercised 1 year after the grant date and for those granted below market price, they can be exercised 2 years after the grant date;

(iii) Options expire 5 years after option date for those granted to directors and academic advisors, and 10 years after option date for options granted to other employees; and

(iv) All options will be settled by physical delivery of shares.

As at 30 June 2018, there were no unissued ordinary shares (2017: 365,000 unissued ordinary shares) of the options granted under the SOS of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

24. Employee benefits (cont'd)

TMC Share Option Scheme (cont'd)

The details of unissued ordinary shares pursuant to the options granted under the SOS of the Company are as follows:

Date of grant of options	Exercise price per share	Options outstanding as at 1.7.2017	Options forfeited	Options expired	Options outstanding as at 30.6.2018	Expiry date	Options exercisable as at 30.6.2017	Options exercisable as at 30.6.2018
10.12.2007	$0.1370	78,000	–	(78,000)	–	09.12.2017	78,000	–
16.06.2008	$0.1050	80,000	(80,000)	–	–	15.06.2018	80,000	–
16.12.2008	$0.0610	43,000	(43,000)	–	–	15.12.2018	43,000	–
19.06.2009	$0.0600	86,000	(86,000)	–	–	18.06.2019	86,000	–
03.12.2009	$0.0640	78,000	(78,000)	–	–	02.12.2019	78,000	–
		365,000	(287,000)	(78,000)	–		365,000	–

The details of options granted to former directors, academic advisors and employees of the Company under the SOS are as follows:

	Options granted during the financial year ended 30.6.2018	Aggregate options granted since commencement of SOS to 30.6.2018	Aggregate options lapsed since commencement of SOS to 30.06.2018	Aggregate options expired since commencement of SOS to 30.6.2018	Aggregate options exercised since commencement of SOS to 30.6.2018	Aggregate options outstanding as at 30.6.2018
Directors						
Former directors	–	3,157,050	(1,251,620)	(500,000)	(1,405,430)	–
Others						
Former academic advisors	–	2,635,860	(1,954,860)	–	(681,000)	–
Former employees	–	6,240,877	(4,292,525)	(266,705)	(1,681,647)	–
	–	12,033,787	(7,499,005)	(766,705)	(3,768,077)	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

24. Employee benefits (cont'd)

TMC Share Option Scheme (cont'd)

The number of options and weighted average exercise prices and fair values of share options are as follows:

	Weighted average exercise price 2018	Number of options	Weighted average exercise price 2017	Number of options
	$	2018	$	2017
Outstanding at beginning of year	0.09	365,000	0.09	476,966
Exercised during the year	–	–	–	–
Forfeited during the year	0.05	(287,000)	–	–
Expired during the year	0.05	(78,000)	0.11	(111,966)
Outstanding at end of year	–	–	0.09	365,000
Exercisable at end of year	–	–	0.09	365,000

The weighted average remaining contractual life of share options outstanding at 30 June 2017 was 1.18 years. There were no outstanding share options outstanding as at 30 June 2018.

No options were exercised during the financial years ended 30 June 2018 and 2017.

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 Black-Scholes 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.

TMC Share Award Scheme

Following the expiry of the SOS on 24 May 2011, the Company implemented the TMC Share Award Scheme ("SAS") to replace the SOS. The SAS was approved and adopted by the Company's members at an Extraordinary General Meeting held on 31 March 2011. The SAS 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.

Awards of fully-paid ordinary shares in the Company under the SAS 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 SAS since its commencement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

25. Related party transactions

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

Related companies in these financial statements refer to the members of the Company's group of companies.

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	
	2018	**2017**
	$'000	$'000
Rental expense paid to a related party in which the controlling shareholder has interest	32	–

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

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

	Group	
	2018	**2017**
	$'000	$'000
Short-term employee benefits	1,115	1,015
Central Provident Fund contributions	52	80
	1,167	1,095
Comprise amounts paid to:		
Directors of the Group[1]	867	739
Other key management personnel[1]	300	356
	1,167	1,095

Note:

[1] For the financial year ended 30 June 2018, included in amounts paid to directors and key management personnel of the Group are payments made to former directors and key management personnel of the Group, who have left office subsequent to the disposal of the Company's subsidiary, TMC Academy Pte. Ltd..

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

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	
	2018	**2017**
	$'000	$'000
Capital commitments in respect of property development expenditure	52,165	–

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

At the end of the reporting period, the Group had the following rental receivable under non-cancellable 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 2018 and February 2020 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	
	2018	**2017**
	$'000	$'000
Not later than one year	1,601	483
Later than one year but not later than five years	1,747	696
	3,348	1,179

(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 and office premises, and office equipment 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 2018 amounted to $1,058,000 (Restated 2017: $1,016,000). The existing leases expire between October 2019 and October 2020 whereby some leases contain renewal options.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

26. Commitments (cont'd)

(c) ***Operating lease commitments - As lessee (cont'd)***

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

	Group	
	2018	**2017**
	$'000	$'000
Not later than one year	1,248	1,385
Later than one year but not later than five years	1,557	2,503
	2,805	3,888

27. Contingencies

Guarantees

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

- it has provided a corporate guarantee to a bank for an amount of $1,320,000 (2017: $4,759,000) in respect of bank borrowings drawn down by a subsidiary of the Company; and
- 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 $4,796,000 (2017: Nil) were given to subsidiaries. These performance bonds were issued by external underwriters. Under the Residential Property Act, developers with foreign shareholders must apply for a QC when they buy private residential land for development.

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 2018 and 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.

There is no single external customer or group of customers who accounted for 10% or more of the Group's revenue. Therefore, no information about major customers is disclosed.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

28. Segment information (cont'd)

Group	Property investment	Property development	Tertiary education (Discontinued operations)	Adjustments and eliminations	Notes	Total (Continuing operations)
	$'000	$'000	$'000	$'000		$'000
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 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)
2017						
External revenue	385	–	4,298	(4,298)	A	385
Fair value gain on investment properties	2,710	–	–	–		2,710
Interest income	–	–	–	–		–
Interest expense	(774)	–	(43)	43	A	(774)
Depreciation of plant and equipment	(54)	–	(15)	15	A	(54)
Reportable segment (loss)/ profit for the year	(1,389)	–	511	(511)	B	(1,389)
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 TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

28. Segment information (cont'd)

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 has been excluded to arrive at amounts shown in profit of 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	
	2018	**2017**
	$'000	$'000
Segment results of discontinued operations	1,142	511

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

	Group	
	2018	**2017**
	$'000	$'000
Plant and equipment	(10)	–
Trade and other receivables	59	–
Investment in subsidiaries	(4,000)	(5,000)
Inter-segment assets	(14,476)	(10,524)
	(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	
	2018	**2017**
	$'000	$'000
Trade and other payables	(56)	–
Inter-segment liabilities	21,115	17,500
	21,059	17,500

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

29. Financial risk management objectives and policies

The Group and the Company have documented financial risk management policies. These policies set out the Group's and the Company's overall business strategies and risk management philosophy. 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. The Group's and the Company's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Group's and the Company's financial performance.

The Group's and the Company's risk management policies are established to identify and analyse the risks faced by the Group and the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's and the Company's activities. The Group and the Company, through their training and management standards and procedures, aim to develop a disciplined and constructive control environment in which all employees understand their roles and obligations.

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.

There has been no change to the Group's and Company's exposure to these financial risks or the manner in which it manages and measures the risks.

The Group and the Company do not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

(a) ***Liquidity risk***

Liquidity risk is the risk that the Group and the Company will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset.

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% (2017: 95%) of loans and borrowings should mature in the next one year, and to maintain sufficient liquid financial assets and stand-by credit facilities.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

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

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

Analysis of financial instruments by remaining contractual maturities

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

	1 year or less	1 to 5 years	Over 5 years	Total
	$'000	$'000	$'000	$'000
2018				
Group				
Financial assets:				
Trade and other receivables (Note 8)	280	–	–	280
Cash and bank balances (Note 11)	23,328	–	–	23,328
Total undiscounted financial assets	23,608	–	–	23,608
Financial liabilities:				
Trade and other payables (Note 12)	632	–	–	632
Borrowings (Note 14)	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
2017				
Group				
Financial assets:				
Trade and other receivables (Note 8)	169	–	–	169
Cash and bank balances (Note 11)	1,670	–	–	1,670
Total undiscounted financial assets	1,839	–	–	1,839
Financial liabilities:				
Trade and other payables (Note 12)	1,440	–	–	1,440
Borrowings (Note 14)	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)	(8,033)	(12,164)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

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

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

	1 year or less	1 to 5 years	Over 5 years	Total
	$'000	$'000	$'000	$'000
2018				
Company				
Financial assets:				
Trade and other receivables (Note 8)	254	–	–	254
Due from subsidiaries (Note 9)	12,557	–	–	12,557
Cash and bank balances (Note 11)	16,049	–	–	16,049
Total undiscounted financial assets	28,860	–	–	28,860
Financial liabilities:				
Trade and other payables (Note 12)	476	–	–	476
Due to subsidiaries (Note 9)	1,400	–	–	1,400
Borrowings (Note 14)	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)

	1 year or less	1 to 5 years	Over 5 years	Total
	$'000	$'000	$'000	$'000
2017				
Company				
Financial assets:				
Trade and other receivables (Note 8)	149	–	–	149
Due from subsidiaries (Note 9)	132	–	–	132
Cash and bank balances (Note 11)	36	–	–	36
Total undiscounted financial assets	317	–	–	317
Financial liabilities:				
Trade and other payables (Note 12)	1,293	–	–	1,293
Due to subsidiaries (Note 9)	10,392	–	–	10,392
Borrowings (Note 14)	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)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

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

(b) ***Credit risk***

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group's and the Company's exposure to credit risk arises primarily from trade and other receivables.

Amounts due from customers are closely monitored and reviewed on a regular basis to identify any non-payment or delay in payment, and to understand the reasons, such that appropriate actions can be taken promptly. Through ongoing credit monitoring and existing collection procedures in place, credit risk is mitigated substantially.

As at 30 June 2018, the Group's and the Company's trade receivables comprised three debtors (2017: three debtors) that represented 57% (2017: 59%) of trade receivables.

The Group and the Company establishes an allowance for impairment that represents its estimate of incurred losses in respect of trade and other receivables. The main components of this allowance are a specific loss component that relates to individually significant exposures. The allowance account in respect of trade and other receivables is used to record impairment losses unless the Group and the Company are satisfied that no recovery of the amount owing is possible. At that point, the financial asset is considered irrecoverable and the amount charged to the allowance account is written off against the carrying amount of the impaired financial asset.

The Group and the Company evaluates whether there is any objective evidence that trade and other receivables are impaired, and determines the amount of impairment loss as a result of the inability of the debtors to make required payments. The Group and the Company bases the estimates on the ageing of the trade receivable balances, creditworthiness of the debtors and historical write-off experience. If the financial conditions of the debtors were to deteriorate, actual write-offs would be higher than estimated. In determining the recoverability of trade and other receivables, the Group and the Company considers any change in the credit quality of the trade and other receivables from the date credit was initially granted up to the end of the reporting period.

Exposure to credit risk

As the Group and the Company does not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statements of financial position.

The Group's and the Company's major classes of financial assets are bank deposits and trade receivables. Cash is held with established financial institutions. Further details of credit risks on trade and other receivables are disclosed in Note 8 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

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

(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 variable rate bank loans.

Sensitivity analysis for interest rate risk

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

	Group Profit before taxation		Company Profit before taxation	
	2018	**2017**	**2018**	**2017**
	$'000	$'000	$'000	$'000
Variable rates bank loans	49	29	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 transactional currency exposures arising mainly from transactions denominated in Pound Sterling ("GBP") and Renminbi ("RMB").

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 GBP and RMB exchange rate (against SGD), with all other variables held constant.

		2018 Profit net of tax	**2017 Profit net of tax**
		$'000	$'000
		(lower)/higher	(lower)/higher
RMB	- strengthened 5% (2017: 5%)	(3)	(2)
	- weakened 5% (2017: 5%)	3	2
GBP	- strengthened 5% (2017: 5%)	(2)	(14)
	- weakened 5% (2017: 5%)	2	14

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

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 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 5)	–	–	22,100	22,100

	Group and Company 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 5)	–	–	19,960	19,960

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

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

(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 June 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

Description	Fair value at 30 June 2017	Valuation techniques	Unobservable inputs	Range of unobservable inputs $
	$'000			
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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

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

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

(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 FRS 113 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 8), cash and cash equivalents (Note 11), trade and other payables (excluding course and examination fees received in advance (non-refundable)) (Note 12) and current borrowings (Note 14).

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

31. Capital management

The Group's and the Company's objectives when managing capital are:

(a) To safeguard the Group's and the Company's abilities to continue as going concerns;

(b) To support the Group's and the Company's stability and growth;

(c) To provide capital for the purpose of strengthening the Group's and the Company's risk management capability; and

(d) To provide an adequate return to shareholders.

The Group and the Company actively and regularly review and manage their capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and the Company and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group and the Company currently do not adopt any formal dividend policy.

There were no changes in the Group's and the Company's approach to capital management during the financial years ended 30 June 2018 and 2017.

The Group and the Company monitor 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.

	Note	Group		Company	
		2018	2017	2018	2017
		$'000	$'000	$'000	$'000
Trade and other payables	12	632	2,968	476	1,293
Due to subsidiaries	9	–	–	1,400	10,392
Borrowings	14	22,563	11,543	21,243	6,784
Total debt		23,195	14,511	23,119	18,469
Less: Cash and short-term deposits	11	(23,328)	(1,670)	(16,049)	(36)
Net debt (A)		(133)	12,841	7,070	18,433
Equity attributable to owners of the Company (B)		31,770	7,544	31,892	7,050
Total capital and net debt (C)=(A)+(B)		31,637	20,385	38,962	25,483
Gearing ratio (D)=(A)/(C)		0%	63%	18%	72%

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2018

32. Events occurring after the reporting period

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

On 18 June 2018 and 4 July 2018, the Group secured term loans from OCBC Bank Limited ("OCBC Loan") and Sing Investments and Finance Limited ("Sing Investments Loan"), for the acquisition, construction and development of its development projects at East Coast Road and Lorong Mydin respectively. On 5 July 2018 and 23 July 2018, the Group made a drawdown of $37,000,000 and $4,640,000 of the OCBC Loan and Sing Investments Loan respectively, which comprises the land loans extended to the Group. Proceeds from the drawdown were used to fund the remaining acquisition costs of both the development properties, which was completed subsequent to the reporting period.

On 7 September 2018, the Group, via its newly incorporated subsidiary, GDL Properties Pte. Ltd., received an acceptance of tender to acquire properties at Telok Blangah Road and part of the state land at Telok Blangah Road for a total purchase consideration of $45,800,000.

33. Comparative figures

The financial statements of the Group and the Company for the financial year ended 30 June 2017 were audited by another firm of Chartered Accountants.

Certain reclassifications have been made to enhance the comparability with the current year's financial statements. However, the consolidated statement of comprehensive income and related notes to the financial statements as at the beginning of the earliest comparative period have not been presented as the reclassified items are not significant to the financial statements.

As a result, certain line items have been reclassified in the consolidated statement of comprehensive income as follows:

	2017 $'000 (Restated)	Reclassified $'000
Consolidated statement of comprehensive income		
Revenue[1]	–	385
Other income[1]	483	98
Course materials and subscriptions	(7)	–
Staff costs	(1,760)	–
Plant and equipment, investment properties and related expenses	(379)	–
Operating lease expenses	(1,017)	–
Other expenses	(613)	(7)
General and administrative expenses	–	(3,769)
	(3,293)	(3,293)

Note:
[1] Reclassification was due to the change in principal activities of the Group.

34. Authorisation of financial statements for issue

The financial statements for the financial year ended 30 June 2018 were authorised for issue in accordance with a resolution of the directors on 28 September 2018.

STATISTICS OF SHAREHOLDINGS

AS AT 27 SEPTEMBER 2018

SHAREHOLDERS' INFORMATION

Issued and Fully Paid-up Capital	:	S$35,701,629
Number of Shares	:	526,307,806
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	0.16	96	0.00
100 - 1,000	531	42.89	508,200	0.10
1,001 - 10,000	431	34.82	1,912,368	0.36
10,001 - 1,000,000	263	21.24	20,839,901	3.96
1,000,001 AND ABOVE	11	0.89	503,047,241	95.58
Total	**1,238**	**100.00**	**526,307,806**	**100.00**

SHAREHOLDINGS HELD BY THE PUBLIC

Based on information available to the Company as at 27 September 2018, approximately 22.86% 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.	NAME	NO. OF SHARES	%
1	JK GLOBAL ASSETS PTE LTD	376,002,000	71.44
2	MAYBANK KIM ENG SECURITIES PTE. LTD.	31,222,000	5.93
3	DBS NOMINEES (PRIVATE) LIMITED	26,639,800	5.06
4	YEOW CHENG KHIM	19,507,140	3.71
5	ROYAL INST OF CONSTRUCTION ECONOMISTS PTE LTD	19,064,400	3.62
6	RAFFLES NOMINEES (PTE) LIMITED	11,151,600	2.12
7	CHIN MAY YEE EMILY	10,000,000	1.90
8	YEOW CHENG CHOO	4,072,600	0.77
9	PHILLIP SECURITIES PTE LTD	2,793,901	0.53
10	OCBC SECURITIES PRIVATE LIMITED	1,437,800	0.27
11	KWAN CHEE SENG	1,156,000	0.22
12	MERINDA LEE BEE LIAN	980,000	0.19
13	OCBC NOMINEES SPORE PTE LTD	978,900	0.19
14	WONG HIN SUN EUGENE	745,000	0.14
15	ONG LIAN MIN DAVID	712,000	0.14
16	LEE CHIEW ENG	700,000	0.13
17	WOO LEE YONG	671,220	0.13
18	TEO YIT SOON SAMUEL (ZHANG YISHUN SAMUEL)	522,000	0.10
19	SEACARE FOUNDATION PTE LTD	500,000	0.10
20	YEO CHIEW ENG (YANG QIUYING)	434,000	0.08
	Total	**509,290,361**	**96.77**

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
	No. of Shares	**%**	**No. of Shares**	**%**
Koh Kian Soo [(1), (3)]	–	–	30,000,000	5.70
JK Global Assets Pte. Ltd. [(2)]	376,002,000	71.44	–	–
Koh Wee Meng [(2), (3)]	–	–	376,002,000	71.44
Ko Lee Meng [(1), (3)]	30,000,000	5.70	–	–

Notes:

(1) 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).

(2) 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..

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

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **GLOBAL DRAGON LIMITED (FORMERLY KNOWN AS TMC EDUCATION CORPORATION LTD.)** (the "**Company**") will be held at 456 Alexandra Road #02-09 Fragrance Empire Building Singapore 119962 on Friday, 26 October 2018 at 9.00 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 2018, together with the Directors' Statement and the Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors of the Company retiring pursuant to Article 108 of the Company's Constitution:

(a) Mr Koh Kian Soo *[See Explanatory Note (i)]* **(Resolution 2)**
(b) Mr Tan Chee Wee (Chen Zhiwei) *[See Explanatory Note (ii)]* **(Resolution 3)**
(c) Mr Woo Peng Kong *[See Explanatory Note (iii)]* **(Resolution 4)**
(d) Mr Kwan Chee Wai *[See Explanatory Note (iv)]* **(Resolution 5)**
(e) Ms Pan Pei Say *[See Explanatory Note (v)]* **(Resolution 6)**

3. To approve the payment of Directors' fees of S$95,000 for the financial year ending 30 June 2019 (FY2018: S$183,000), payable yearly. **(Resolution 7)**

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 8)**

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 resolution as an ordinary resolution, 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 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; or

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 one hundred per cent (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 fifty per cent (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, if any) 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;

NOTICE OF ANNUAL GENERAL MEETING

(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) 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 (vi)] **(Resolution 9)**

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

That the Directors be authorised to offer and grant awards (the "**Awards**") in accordance with the provisions of the TMC 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 fifteen per cent (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 10)

8. Proposed renewal of the Share Purchase Mandate

That for the purposes of Section 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 ten per cent (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 five per cent (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 (vii)] **(Resolution 11)**

By Order of the Board

Janet Tan
Company Secretary

Singapore,
10 October 2018

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 5.7% 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 section entitled "Board of Directors" in the Annual Report 2018.

(ii) Mr Tan Chee Wee (Chen Zhiwei) ("**Mr Tan**") shall, upon re-election as a Director of the Company, remain as an Executive Director and the Chief Operating Officer of the Company. Mr Tan does not own any interests in the shares of the Company and does not have any relationships including immediate family relationship with any other directors, the Company or its 10% shareholders. Further information on Mr Tan can be found under the section entitled "Board of Directors" in the Annual Report 2018.

(iii) Mr Woo Peng Kong ("**Mr Woo**") shall, upon re-election as a Director of the Company, remain as the Lead Independent Director, the Chairman of the Audit Committee and a member of each of the Nominating and Remuneration Committees of the Company. The Board considers Mr Woo to be independent for the purpose of Rule 704(7) of the Catalist Rules of the SGX-ST. Further information on Mr Woo can be found under the section entitled "Board of Directors" in the Annual Report 2018.

(iv) Mr Kwan Chee Wai ("**Mr Kwan**") shall, upon re-election as a Director of the Company, remain as an Independent Director, the Chairman of the Nominating Committee and a member of each of the Audit and Remuneration Committees of the Company. The Board considers Mr Kwan to be independent for the purpose of Rule 704(7) of the Catalist Rules. Further information on Mr Kwan can be found under the section entitled "Board of Directors" in the Annual Report 2018.

(v) 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 under the section entitled "Board of Directors" in the Annual Report 2018.

(vi) The Ordinary Resolution no. 9, 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, one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to fifty per cent (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.

(vii) The Ordinary Resolution no. 11, 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 ten percent (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.

NOTICE OF ANNUAL GENERAL MEETING

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 (Cap 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 (Cap. 289) of Singapore and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 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 forty-eight (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. CDP 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 seventy-two (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.

NOTICE OF ANNUAL GENERAL MEETING

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.

*This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**") for compliance with the Catalist Rule of the SGX-ST. The Sponsor has not independently verified the contents of this notice.*

This notice has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this notice, including the accuracy, completeness or correctness of any of the information, statements or opinions made or reports contained in this notice.

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

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GLOBAL DRAGON LIMITED
(FORMERLY KNOWN AS TMC EDUCATION CORPORATION LTD.)
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, Cap. 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 #02-09 Fragrance Empire Building Singapore 119962 on Friday, 26 October 2018 at 9.00 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 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.

All resolutions put to the vote at the AGM 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 2018, together with the Directors' Statement and the Auditors' Report thereon.		
2.	To re-elect Mr Koh Kian Soo, a Director retiring pursuant to Article 108 of the Company's Constitution.		
3.	To re-elect Mr Tan Chee Wee (Chen Zhiwei), a Director retiring pursuant to Article 108 of the Company's Constitution.		
4.	To re-elect Mr Woo Peng Kong, a Director retiring pursuant to Article 108 of the Company's Constitution.		
5.	To re-elect Mr Kwan Chee Wai, a Director retiring pursuant to Article 108 of the Company's Constitution.		
6.	To re-elect Ms Pan Pei Say, a Director retiring pursuant to Article 108 of the Company's Constitution.		
7.	To approve the payment of Directors' fees of S$95,000 for the financial year ending 30 June 2019 (FY2018: S$183,000), payable yearly.		
8.	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			
9.	To grant the Directors the authority to allot and issue shares in the capital of the Company.		
10.	To grant the Directors the authority to issue shares under the TMC Share Award Scheme.		
11.	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 _____ 2018.

.....
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 (Cap. 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, Cap. 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 (Cap. 289) of Singapore and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 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 under the hand of the appointer or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. 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 be lodged with the instrument.

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 forty-eight (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 seventy-two (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. CDP 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 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.



騰龍
國際集團
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