



騰龍國際集團

GLOBAL DRAGON LIMITED

(FORMERLY KNOWN AS TMC EDUCATION CORPORATION LTD.)

(Incorporated in the Republic of Singapore)

Co. Reg. No.200507226K

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 (“FY2018”)

	The Group		
	Unaudited FY2018 S\$'000	Audited FY2017 S\$'000	% Change Increase/ (Decrease)
<u>Continuing operations</u>			
Revenue	615	483	27%
Other income	83	-	N.M.
Fair value gain on investment properties	2,140	2,710	(21%)
Sales and marketing expenses	(8)	(32)	(75%)
General and administrative expenses	(2,857)	(3,769)	(24%)
Other expenses	-	(7)	(100%)
Finance costs	(396)	(774)	(49%)
Loss before tax from continuing operations	(423)	(1,389)	(70%)
Income tax expense	-	-	N.M.
Loss from continuing operations, net of tax	(423)	(1,389)	(70%)
<u>Discontinued operations</u>⁽¹⁾			
Profit from discontinued operations, net of tax	1,142	511	N.M.
Profit/(loss) for the year	719	(878)	N.M.
<u>Other comprehensive income:</u>			
Currency translation differences - foreign operations, at nil tax	(29)	6	N.M.
Total comprehensive income for the year	690	(872)	N.M.
<u>Profit/(loss) for the year attributable to :</u>			
Owners of the Company			
- From continuing operations, net of tax	719	(877)	N.M.
- From discontinued operations, net of tax	-	-	-
Profit/(loss) for the year attributable to owners of the Company	719	(877)	N.M.
Non-controlling interests			
- From continuing operations, net of tax	-	(1)	(100%)
- From discontinued operations, net of tax	-	-	-
Loss for the year attributable to non-controlling interests	-	(1)	-
Profit/(loss) for the year	719	(878)	N.M.
<u>Total comprehensive income for the year attributable to :</u>			
Owners of the Company			
- From continuing operations, net of tax	690	(871)	N.M.
- From discontinued operations, net of tax	-	-	-
Total comprehensive income for the year attributable to owners of the Company	690	(871)	N.M.
Non-controlling interests			
- From continuing operations, net of tax	-	(1)	(100%)
- From discontinued operations, net of tax	-	-	-
Total comprehensive income for the year attributable to owners of the Company	-	(1)	(100%)
Total comprehensive income for the year	690	(872)	N.M.

* N.M. – not meaningful

Note:

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

**CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018 ("FY2018")**

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

	The Group		
	Unaudited	Audited	% Change
	FY2018	FY2017	Increase/ (Decrease)
	S\$'000	S\$'000	
Depreciation of plant and equipment	50	54	(7%)
Gain on disposal of plant and equipment	(5)	-	100%
Fair value gain on investment properties	(2,140)	(2,710)	(21%)
(Gain)/loss on disposal of subsidiaries	(1,215)	20	N.M.
(Reversal)/provision for restoration costs	(155)	20	N.M.
Allowance for doubtful debts	15	-	100%
Interest expense	391	817	(52%)
Interest income	(29)	-	100%

* *N.M.* – not meaningful

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

**STATEMENTS OF FINANCIAL POSITION
AS AT 30 JUNE 2018**

	The Group		The Company	
	Unaudited 30/06/2018 S\$'000	Audited 30/06/2017 S\$'000	Unaudited 30/06/2018 S\$'000	Audited 30/06/2017 S\$'000
ASSETS				
Non-current assets				
Plant and equipment	65	217	65	210
Investment properties	22,100	19,960	22,100	19,960
Subsidiaries	-	-	4,000	5,000
	22,165	20,177	26,165	25,170
Current assets				
Trade and other receivables	282	378	12,812	483
Development properties	9,205	-	-	-
Fixed deposits pledged	2,000	-	2,000	-
Cash and cash equivalents	21,328	1,670	14,049	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	632	2,968	1,876	11,685
Provisions	15	170	15	170
Borrowings	6,204	4,465	4,884	1,069
	6,851	7,603	6,775	12,924
Net current assets	25,964	(5,555)	22,086	(12,405)
Non-current liabilities				
Borrowings	16,359	7,078	16,359	5,715
	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	35,702	11,477	35,702	11,477
Reserves	(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

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

Amount repayable in one year or less, or on demand

30 June 2018		30 June 2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
1,719	4,485	4,465	-

Amount repayable after one year

30 June 2018		30 June 2017	
Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
16,359	-	1,461	5,617

Details of any collateral:

Secured borrowings

As at 30 June 2018, the secured borrowings of the Group are secured by mortgages over certain development and investment properties held by the Group and the Company.

As at 30 June 2017, the secured borrowings of the Group are secured by mortgages over certain investment properties held by the Company.

Unsecured borrowings

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

As at 30 June 2017, the unsecured borrowings of the Company are interest-free borrowings from shareholders and interest bearing borrowings from a third party.

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

**CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2018**

	The Group	
	Unaudited FY2018 S\$'000	Audited FY2017 S\$'000
Cash flows from Operating Activities		
Loss before tax from continuing operations	(423)	(1,389)
Profit before tax from discontinued operations	1,142	511
Profit/(loss) before tax, total	719	(878)
<i>Adjustments for:</i>		
Depreciation of plant and equipment	50	54
Gain on disposal of plant and equipment	(5)	-
Fair value gain on investment properties	(2,140)	(2,710)
(Gain)/loss on disposal of subsidiary	(1,215)	20
(Reversal)/provision of restoration costs	(155)	20
Allowance for doubtful debts	15	-
Interest expense	391	817
Interest income	(29)	-
Operating loss before working capital changes	(2,369)	(2,677)
Changes in operating receivables	74	(126)
Changes in operating payables	(485)	(227)
Changes in development properties	(9,205)	-
Cash used in operations	(11,985)	(3,030)
Income tax paid	-	-
Net cash used in operating activities	(11,985)	(3,030)
Cash flows from Investing Activities		
Interest received	29	-
Proceeds from disposal of plant and equipment	203	-
Acquisition of plant and equipment	(96)	(96)
Net cash outflow on disposal of subsidiary	(657)	-
Net cash used in investing activities	(521)	(96)
Cash flows from Financing Activities		
Interest paid	(212)	(206)
Increase in fixed deposits pledged	(2,000)	-
Proceeds from rights issue of ordinary shares	24,225	-
Proceeds from shareholders' loans	3,500	1,000
Proceeds from third party loan	500	-
Proceeds from bank loans	18,120	5,000
Repayments of shareholders' loans	(4,500)	-
Repayments of third party loan	(1,500)	(1,000)
Repayments of bank loans	(5,969)	(1,490)
Net cash from financing activities	32,164	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
Effects of exchange rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at end of the year	21,328	1,670

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

Unaudited The Group	Equity attributable to owners of the Company						
	Share Capital \$'000	Exchange Fluctuation Reserve \$'000	Share Option Reserve \$'000	Retained Earnings/ (Accumulated Losses) \$'000	Total \$'000	Non Controlling Interests \$'000	Total Equity \$'000
At 1 July 2017	11,477	202	498	(4,633)	7,544	-	7,544
Profit for the year	-	-	-	719	719	-	719
Other comprehensive income	-	-	-	-	-	-	-
- 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
Imputed interest 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

Audited The Group	Equity attributable to owners of the Company						
	Share capital \$'000	Exchange Fluctuation Reserve \$'000	Share Option Reserve \$'000	Retained Earnings/ (Accumulated Losses) \$'000	Total \$'000	Non Controlling Interests \$'000	Total Equity \$'000
At 1 July 2016	11,477	196	498	(4,333)	7,838	(352)	7,486
Loss for the year	-	-	-	(878)	(878)	(1)	(879)
Other comprehensive expense	-	-	-	-	-	-	-
- Foreign currency translation differences	-	6	-	-	6	-	6
Total comprehensive income for the year	-	6	-	(878)	(872)	(1)	(873)
Gain on extinguishment of interest-free shareholders' loans	-	-	-	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	-	-	-	-	-	353	353
Total changes in ownership interests in subsidiaries	-	-	-	-	-	353	353
At 30 June 2017	11,477	202	498	(4,633)	7,544	-	7,544

Note 1:

No new ordinary share was issued under the TMC Share Award Scheme during FY2018 (FY2017: Nil).

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

Unaudited The Company	Share Capital \$'000	Share Option Reserve \$'000	Retained Earnings/ (Accumulated Losses) \$'000	Total Equity \$'000
At 1 July 2017	11,477	498	(4,925)	7,050
Profit for the year	-	-	1,306	1,306
Total comprehensive income for the year	-	-	1,306	1,306
Issuance of ordinary shares	24,225	-	-	24,225
Imputed interest on shareholders' loans	-	-	(689)	(689)
Total transactions with owners, recognised directly in equity	24,225	-	(689)	23,536
At 30 June 2018	35,702	498	(4,308)	31,892

Audited The Company	Share Capital \$'000	Share Option Reserve \$'000	Retained Earnings/ (Accumulated Losses) \$'000	Total Equity \$'000
At 1 July 2016	11,477	498	(4,333)	7,642
Loss for the year	-	-	(1,170)	(1,170)
Total comprehensive income for the year	-	-	(1,170)	(1,170)
Gain on extinguishment of interest-free shareholders' loans	-	-	430	430
Imputed interest on shareholders' loans	-	-	148	148
Total transactions with owners, recognised directly in equity	-	-	578	578
At 30 June 2017	11,477	498	(4,925)	7,050

Note 1:

No new ordinary share was issued under the TMC Share Award Scheme during FY2018 (FY2017: Nil).

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

The Company's issued and fully paid share capital and number of ordinary shares were \$35,701,629 and 526,307,806 shares respectively as at 30 June 2018 (31 December 2017: \$11,477,196 and 167,397,677 shares).

	Number of ordinary shares	Share capital \$
<i>Issued and fully paid:</i>		
As at 31 December 2017	167,397,677	11,477,196
Increase during the period	358,910,129	24,224,433
As at 30 June 2018	526,307,806	35,701,629

As at 30 June 2018, the number of outstanding and unexercised options granted under the TMC Share Options Scheme was nil (as at 30 June 2017: 365,000 shares). The decrease in the number of outstanding and unexercised options as at 30 June 2018 was due to the expiry and cancellation of outstanding options in FY2018.

The Company did not hold any treasury shares and subsidiary holdings as at 30 June 2018 and 30 June 2017.

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

The total number of issued shares (excluding treasury shares) as at 30 June 2018 was 526,307,806 shares (30 June 2017: 167,397,677 shares).

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

Not applicable. The Company did not have any treasury shares for the period ended and as at 30 June 2018.

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

Not applicable. The Company did not have any subsidiary holdings for the financial period ended and as at 30 June 2018.

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

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

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

Not applicable.

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

Except as disclosed in paragraph 5 below, the Group and the Company have consistently applied the same accounting policies and methods of computation as in the most recently audited annual financial statements for the financial year ended 30 June 2017.

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

Except for the adoption of the new and revised FRSs and interpretation of FRSs applicable for the financial year beginning on or after 1 July 2017, the same accounting policies and methods of computation have been applied. The adoption of the new and revised FRSs did not have any effect on the financial performance or position of the Group and the Company.

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

	The Group	
	Unaudited FY2018	Audited FY2017
<u>Earnings/(loss) per ordinary share</u>		
Earnings/(loss) per ordinary share of the Group for the financial period based on net profit/(loss) attributable to equity holders of the Company on weighted average number of ordinary shares in issue (basic) (cents) and fully diluted basis (cents)		
- From continuing operations	(0.19)	(0.83)
- From discontinued operations	0.50	0.31
	227,216,032	167,397,677
<u>Weighted average number of shares in issue during the year</u>		

Diluted earnings/(loss) per share

Diluted earnings/(loss) per share is the same as the basic earnings/(loss) per share because the potential ordinary shares to be converted are anti-dilutive.

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued share excluding treasury shares of the issuer at the end of the:-**

(a) current financial period reported on; and

(b) immediately preceding financial year.

	Group	Company
The total number of issued shares at the end of the:		
(a) current financial year reported as at 30 June 2018	526,307,806	526,307,806
(b) immediately preceding financial year as at 30 June 2017	167,397,677	167,397,677
Net asset value per issued ordinary share (cents):		
(a) as at 30 June 2018	6.04	6.06
(b) as at 30 June 2017	4.51	4.21

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

The Group has changed its core business to real estate development, investment and related activities in March 2018.

8.1 Income statement review

Review for the performance of the Group for the financial year ended 30 June 2018 ("FY2018") as compared to the financial year ended 30 June 2017 ("FY2017").

In FY2018, the Group recorded a total comprehensive income for the year amounting to S\$690,000 as compared to a negative total comprehensive income of S\$872,000, resulting in a basic loss per share from continuing operations of 0.19 cents and basic earnings from discontinued operations of 0.50 cents respectively (FY2017: Basic loss per share from continuing operations of 0.83 cents and basic earnings per share from discontinued operations of 0.31 cents).

In FY2018, the Group has recorded a debit of S\$29,000 (FY2017: Credit balance of S\$6,000) in the currency translation differences - foreign operations.

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

Revenue

The increase in the Group's revenue of S\$132,000 (or 27%) to S\$615,000 in FY2018 (FY2017: S\$483,000) was attributable mainly to the increase in rental income from office units and hostel.

Other income

The Group's other income increased by S\$83,000 in FY2018 (FY2017: Nil) due to interest income from fixed deposits, government grants and foreign exchange gain.

Fair value gain on investment properties

The Group recorded a fair value gain on investment properties of S\$2.14 million in FY2018 (FY2017: S\$2.71 million). The Group's investment properties were valued at S\$22.10 million as at 30 June 2018 (30 June 2017: S\$19.96 million). The valuation on investment properties as at 30 June 2018 was determined by an independent firm of professional valuer based on the direct comparison valuation method. There has been no change to the valuation technique from the previous financial year.

8.1.2 Operating expenses

The Group's operating expenses comprised sales and marketing expenses and general and administrative expenses, which decreased significantly by S\$24,000 (or 75%) to S\$8,000 in FY2018 (FY2017: S\$32,000) and S\$912,000 (or 24%) to S\$2.86 million in FY2018 (FY2017: S\$3.77 million) respectively, due mainly to cost savings arising from reduction of the corporate office operations.

The decrease in general and administrative expenses by S\$912,000 (or 24%) in FY2018 was due mainly to:

- (a) the decrease in staff costs by S\$366,000 (or 21%) was due to the reduction in staff headcount in February 2018;
- (b) the decrease in plant and equipment, investment properties and related expenses by S\$48,000 (or 14%) was in line with the disposal of plant and equipment relating to education business in February 2018;
- (c) the decrease in operating lease expenses by S\$357,000 (or 35%) was due to cost savings arising from lower corporate office rental expense; and
- (d) the decrease in other administrative expenses by S\$475,000 (or 183%); the effect of cost savings arising from consolidation of corporate functions carried out in FY2017.

The decrease was partially offset by the increase in professional fee, compliance expenses and listing expenses by S\$334,000 (or 86%) in FY2018 due to the expenses incurred relating to the Company's corporate actions comprised disposal of education business, general offers, rights issue, change of company name, change of principal activities, striking off of dormant subsidiaries, incorporation of new subsidiaries and acquisition of development properties during FY2018.

8.1.3 Finance costs

Finance costs decreased by S\$378,000 (or 49%) to S\$396,000 in FY2018 (FY2017: S\$774,000) mainly attributable to a decrease in interest expense of S\$288,000 (FY2017: S\$611,000) and the fair value adjustment on interest free loan from shareholders amounting to S\$103,000 (FY2017: S\$206,000).

8.2 Balance Sheet Review

The comparative performance for both the assets and liabilities are based on the Group's financial statements as at 30 June 2018 and 30 June 2017.

8.2.1 Total Equity

Equity attributable to the owners of the Company amounted to S\$31.77 million as at 30 June 2018 (30 June 2017: S\$7.54 million). The increase was due mainly to the new ordinary shares issued via rights issue exercise in April 2018.

8.2.2 Non-Current Assets

Non-current assets amounted to S\$22.17 million as at 30 June 2018 (30 June 2017: S\$20.18 million). The increase in non-current assets of S\$1.99 million was due mainly to: the increase in investment properties to S\$22.10 million (30 June 2017: S\$19.96 million) arising from the fair value gain on investment properties of S\$2.14 million.

The increase was partially offset by the decrease in plant and equipment by S\$152,000 to S\$65,000 as at 30 June 2018 (30 June 2017: S\$217,000) attributable to the depreciation charges of S\$50,000 during FY2018 and the disposal of plant and equipment relating to education business with net carrying amount of S\$198,000 in February 2018. The decrease was partially offset by the addition of plant and equipment of S\$96,000 during FY2018.

8.2.3 Current Assets

The increase in current assets by S\$30.77 million to S\$32.82 million as at 30 June 2018 (30 June 2017: S\$2.05 million) was due mainly to:-

- (a) the increase in development properties by S\$9.20 million for the development projects at Jalan Demak and Katong Omega; and
- (b) the increase in cash and bank balances by S\$21.66 million to S\$23.33 million as at 30 June 2018 (30 June 2017: S\$1.67 million) contributed by the proceeds from the rights issue of new ordinary shares in April 2018.

The increase was partially offset by the decrease in trade and other receivables by S\$96,000 to S\$282,000 as at 30 June 2018 (30 June 2017: S\$378,000).

8.2.4 Current Liabilities

Current liabilities amounted to S\$6.85 million as at 30 June 2018 (30 June 2017: S\$7.60 million). The decrease in current liabilities by S\$0.75 million in FY2018 was due mainly to the decrease in trade and other payables by S\$2.34 million and reversal of provision for restoration costs of S\$155,000 in FY2018. The decrease in current liabilities was partially offset by an increase in current borrowings by S\$1.74 million.

The total current and non-current borrowings have increased by S\$11.02 million to S\$22.56 million as at 30 June 2018 (30 June 2017: S\$11.54 million) to fund the Group's existing and future property development projects as well as the Group's working capital requirements.

Net Current Assets

As at 30 June 2018, the Group recorded net current assets of S\$25.96 million as compared to negative working capital/net current liabilities of S\$5.56 million as at 30 June 2017, mainly due to the issuance of new ordinary shares amounting to S\$24.23 million via rights issue exercise in April 2018.

8.2.5 Non-Current Liabilities

Non-current liabilities increased by S\$9.28 million to S\$16.36 million as at 30 June 2018 (30 June 2017: S\$7.08 million). For the analysis of the total current and non-current borrowings, please refer to Paragraph 8.2.4 above for details.

8.3 Cash Flow Review

Cash and bank balances increased by S\$21.66 million to S\$23.33 million as at 30 June 2018 (30 June 2017: S\$1.67 million), which comprised cash and cash equivalents of S\$21.33 million and fixed deposits pledged of S\$2.00 million. The increase in cash and bank balances was mainly contributed by the proceeds from issuance of new ordinary shares via rights issue exercise in April 2018.

The Group had recorded net cash used in operating activities of S\$11.99 million in FY2018 (FY2017: S\$3.03 million) due mainly to an operating loss before working capital changes of S\$2.37 million (FY2017: S\$2.68 million) and S\$9.62 million (FY2017: S\$353,000) in cash used for working capital.

The net cash used in investing activities amounted to S\$521,000 in FY2018 (FY2017: S\$96,000) due mainly to the acquisition of plant and equipment of S\$96,000 and net cash flow on the disposal of subsidiary of US\$657,000 partially offset by the proceeds from disposal of plant and equipment and interest received of S\$203,000 and S\$29,000 respectively.

The Group had also received cash of S\$32.16 million from its financing activities in FY2018 (FY2017: S\$3.30 million). This comprised mainly proceeds from rights issue of new ordinary shares, proceeds from shareholders' loans, proceeds from third party loan and proceeds from bank loans of S\$24.23 million, S\$3.50 million, S\$0.50 million and S\$18.12 million respectively. The proceeds from rights issue and borrowings were partly offset by the interest expenses paid of S\$212,000 and repayments of borrowings of S\$11.97 million in FY2018.

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

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

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

The residential market in Singapore saw a price recovery during the first half of 2018, in particular, the prices of private residential properties increased by 3.4%⁽¹⁾ in the second quarter of 2018 and 3.9%⁽¹⁾ in the previous quarter.

On 6 July 2018, the Government of Singapore announced new property cooling measures to increase the Additional Buyer's Stamp Duty ("ABSD") rates and tighten loan-to-value ("LTV") limits on residential property purchases, in an effort to cool the property market and keep price increases in line with the economic fundamentals. The Group expects sentiments of residential property market will be affected and sales of residential properties might be moderated in the short term, in particular, the second half of this year.

The Group has completed the purchases of two property development sites located at 26 Jalan Demak Singapore 488972 ("Project Demak") and 357 to 367B East Coast Road Singapore 428974 to 428980 ("Project East Coast") in the fourth quarter of FY2018 and in the first quarter of the financial year ending 30 June 2019 ("FY2019") respectively. As of the date of this announcement, Project Demak is in the construction stage and Project East Coast is in the midst of finalising its development plan. Barring any unforeseen circumstances, the Group targets to launch both Project Demak and Project East Coast in the second half of FY2019.

The Group will remain proactive in exploring new property investment opportunities and continue to take a disciplined approach towards building its residential pipelines in Singapore.

Reference:

⁽¹⁾ Extracted from *The Straits Times Business* which was published on 27 July 2018.

11. If a decision regarding dividend has been made:

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

No dividend was declared for FY2018.

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

Not applicable.

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

Not applicable. No dividend was declared for FY2017.

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared/recommended for FY2018.

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

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

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

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

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

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

As at the date of this announcement, the utilisation of Net Proceeds 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 August 2018 (S\$'million)	Amount Unutilised as at 28 August 2018 (S\$'million)
For changing the core business of the Company and expansion/growth of the New Business	13.63	8.00	21.63	(9.59) ⁽¹⁾	12.04
General working capital purposes	10.50	(8.00)	2.50	(1.50) ⁽²⁾	1.00
Total	24.13	-	24.13	(11.09)	13.04

Notes:

- (1) The amount was utilised to fund the acquisitions of Jalan Demak property and Katong Omega Apartments, which were disclosed in the announcements dated 26 March 2018, 6 April 2018, 15 May 2018 and 1 June 2018.
- (2) The amount utilised for general working capital requirements comprised mainly payments for operating expenses, professional fees and loan interests.

Subsequent to the aforementioned, as at the date of this announcement, the Company has a remaining available balance of S\$13.04 million from the Net Proceeds.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT
(This part is not applicable to Q1, Q2, Q3 or Half Year Results)

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

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

- (a) "Property investment" segment relates to holding of investment properties to earn rentals and for capital appreciation.
- (b) "Property development" segment relates to development of residential properties.
- (c) "Tertiary education" segment relates to provision of education courses to tertiary students. This business segment was disposed in February 2018 and disclosed as discontinued operations.

The Group operated in a single principal geographical segment in Singapore for FY2018 and FY2017. 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.

	Continuing Operations			Discontinued Operations
	Property investment S\$'000	Property development S\$'000	Total S\$'000	Tertiary education S\$'000
The Group				
Unaudited				
FY2018				
External revenue	615	-	615	2,754
Fair value gain on investment properties	2,140	-	2,140	-
Interest income	28	1	29	-
Interest expense	(391)	-	(391)	(95)
Depreciation of plant and equipment	(50)	-	(50)	(9)
Reportable segment (loss)/profit for the year	(423)	-	(423)	1,142
Capital expenditure	96	-	96	-
Reportable segment assets	40,014	14,966	54,980	-
Reportable segment liabilities	(10,245)	(12,965)	(23,210)	-
Audited				
FY2017				
External revenue	483	-	483	4,298
Fair value gain on investment properties	2,710	-	2,710	-
Interest income	-	-	-	-
Interest expense	(774)	-	(774)	(43)
Depreciation of plant and equipment	(54)	-	(54)	(15)
Reportable segment (loss)/profit for the year	(1,389)	-	(1,389)	511
Capital expenditure	96	-	96	-
Reportable segment assets	22,225	-	22,225	-
Reportable segment liabilities	(14,681)	-	(14,681)	-

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

For FY2018, revenue, capital expenditure, assets and liabilities of the business segments were derived in Singapore. Please refer to explanation in Paragraph 8 above for more detailed explanation of the performance review.

18. A breakdown of sales.

	Continuing Operations			Discontinued Operations		
	Unaudited FY2018 S\$'000	Audited FY2017 S\$'000	Changes (%)	Unaudited FY2018 S\$'000	Audited FY2017 S\$'000	Changes (%)
First half year						
Sales reported	317	145	119%	2,199	2,097	5%
Operating (loss)/profit after tax before deducting non-controlling interests reported	(1,617)	(2,189)	(26%)	81	354	(77%)
Second half year						
Sales reported	298	338	(12%)	555	2,201	(75%)
Operating profit after tax before deducting non- controlling interests reported	1,194	800	49%	1,061	157	N.M.

* N.M. – not meaningful

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

Not applicable. No dividend was declared and paid in FY2018 and FY2017.

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

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Koh Sor Cher	64	Sister of Mr Koh Kian Soo	Director of GDL Land Pte. Ltd., a principal subsidiary of the Company, since 19 June 2018. Ms Koh is in charge of the application and compliance of developer's licence requirements of GDL Land Pte. Ltd..	None

BY ORDER OF THE BOARD

Mr Koh Kian Soo
Executive Chairman

Mr Tan Chee Wee
Chief Operating Officer

29 August 2018

This announcement 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 Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalist. The Sponsor has not verified the contents of this announcement.

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

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