騰龍國際集團
GLOBAL DRAGON LIMITED

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

UNAUDITED FULL YEAR FINANCIAL STATEMENTS AND DIVIDEND ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

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

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 ("FY2020")

	Group		
	Unaudited FY2020 S$'000	Audited FY2019 S$'000	% Change Increase/ (Decrease)
Revenue	**998**	**1,640**	(39%)
Cost of sales	(567)	-	N.M.
Gross profit	**431**	**1,640**	(74%)
Other income	762	110	>100%
Fair value loss on investment properties	(640)	(220)	>100%
Sales and marketing expenses	(444)	(394)	13%
General and administrative expenses	(1,586)	(2,765)	(43%)
Other expenses	(844)	(1,170)	(28%)
Finance costs	(1,382)	(404)	>100%
Loss before tax	**(3,703)**	**(3,203)**	16%
Income tax expense	-	-	-
Loss for the year attributable to owners of the Company	**(3,703)**	**(3,203)**	16%
Other comprehensive income:			
Item that will not be reclassified to profit or loss			
Revaluation of land	50,663	-	N.M.
Item that may be reclassified subsequently to profit or loss			
Currency translation differences - foreign operations, at nil tax	**45**	**67**	(33%)
Total comprehensive income for the year attributable to the owners of the Company	**47,005**	**(3,136)**	N.M.

** N.M. – not meaningful*

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (CONT'D)
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020 ("FY2020")

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

	The Group		
	Unaudited FY2020 S$'000	Audited FY2019 S$'000	% Change Increase/ (Decrease)
Allowance for estimated credit loss	15	33	(55%)
Bad debts written off	-	54	N.M.
Depreciation of plant and equipment	27	28	(4%)
Depreciation of right-of-use asset	54	-	N.M.
Fair value loss on investment properties	640	220	>100%
Loss on disposal of investment properties	267	82	>100%
Loss on derivative instrument held at fair value through profit and loss	179	-	N.M.
Write down to net realisable value of property held for sale	147	-	N.M.
Foreign exchange (gain)/loss	(339)	1,088	N.M.
Interest expense	1,377	400	>100%
Interest income	(42)	(109)	(61%)
Operating lease expenses	83	1,281	(94%)
Employee benefit expense	856	928	(8%)

** N.M. – not meaningful*

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

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Group		Company	
	Unaudited 30/06/2020 S$'000	Audited 30/06/2019 S$'000	Unaudited 30/06/2020 S$'000	Audited 30/06/2019 S$'000
ASSETS				
Non-current assets				
Property, plant and equipment	107,746	47,385	46	73
Investment properties	14,065	18,120	14,065	18,120
Investment in subsidiaries	-	-	5,000	5,000
Right-of-use asset	103	-	-	-
	121,914	**65,505**	**19,111**	**23,193**
Current assets				
Trade and other receivables	66	80	47	62
Due from subsidiaries (non-trade)	-	-	33,970	30,312
Prepayments	19	49	18	22
Tax recoverable	-	3,205	-	-
Lease receivable	259	-	259	-
Development properties	86,865	64,341	-	-
Property held for sale	3,100	-	-	-
Contract asset	613	-	-	-
Cash and short-term deposits	3,332	2,628	634	1,146
	94,254	**70,303**	**34,928**	**31,542**
Total assets	**216,168**	**135,808**	**54,039**	**54,735**
LIABILITIES				
Current liabilities				
Trade and other payables	1,280	1,221	584	485
Derivative instrument	179	-	-	-
Due to subsidiaries (non-trade)	-	-	978	965
Contract liability	691	-	-	-
Lease liabilities	426	-	361	-
Provisions	15	15	15	15
Borrowings	50,366	83,692	1,089	828
	52,957	**84,928**	**3,027**	**2,293**
Net current assets/(liabilities)	**41,297**	**(14,625)**	**31,901**	**29,249**
Non-current liabilities				
Lease liabilities	39	-	-	-
Borrowings	77,119	11,832	9,612	11,832
	77,158	**11,832**	**9,612**	**11,832**
Total liabilities	**130,115**	**96,760**	**12,639**	**14,125**
Net assets	**86,053**	**39,048**	**41,400**	**40,610**
EQUITY				
Share capital	46,116	46,116	46,116	46,116
Reserves	39,937	(7,068)	(4,716)	(5,506)
Equity attributable to owners of the Company	**86,053**	**39,048**	**41,400**	**40,610**
Total equity	**86,053**	**39,048**	**41,400**	**40,610**
Total equity and liabilities	**216,168**	**135,808**	**54,039**	**54,735**

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

Amount repayable in one year or less, or on demand

30 June 2020		30 June 2019	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
50,366	-	83,692	-

Amount repayable after one year

30 June 2020		30 June 2019	
Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
77,119	-	11,832	-

Details of any collateral:

Secured borrowings

As at 30 June 2020 and 30 June 2019, the secured borrowings of the Group are secured by (i) mortgages over leasehold land and building of the Group and certain development and investment properties held by the Group and the Company, (ii) corporate guarantees by the Company and (iii) assignment of developer's rights and benefits in the sale and purchase agreements.

Unsecured borrowings

As at 30 June 2020 and 30 June 2019, the Company does not have any unsecured borrowings.

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

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE FINANCIAL YEAR ENDED 30 JUNE 2020

	The Group	
	Unaudited FY2020 S$'000	Audited FY2019 S$'000
Operating Activities		
Loss before tax	**(3,703)**	**(3,203)**
Adjustments for:		
Allowance for estimated credit losses	15	33
Bad debts written off	-	54
Depreciation of property, plant and equipment	27	28
Depreciation of right-of-use asset	54	-
Fair value loss on investment properties	640	220
Loss on disposal of investment properties	267	82
Loss on derivative instrument held at fair value through profit and loss	179	-
Write down to net realisable value of property held for sale	147	-
Interest expense	1,377	400
Interest income	(42)	(109)
Operating loss before working capital changes	**(1,039)**	**(2,495)**
Changes in working capital:		
Decrease/(increase) in trade and other receivables	3,234	(3,138)
Increase in contract asset	(613)	-
Increase in trade and other payables	103	656
Increase in contract liability	691	-
Increase in development properties and property held for sale	(25,322)	(53,777)
Decrease in lease receivable	1,294	-
Decrease in lease liabilities	(1,251)	-
Cash used in operations	**(22,903)**	**(58,754)**
Interest paid	(1,429)	(1,359)
Net cash flows used in operating activities	**(24,332)**	**(60,113)**
Investing Activities		
Interest received	14	108
Interest paid	(968)	(53)
Acquisition of property, plant and equipment	(8,769)	(47,295)
Proceeds from disposal of investment properties	3,148	3,678
Net cash flows used in investing activities	**(6,575)**	**(43,562)**
Financing Activities		
Interest paid	(350)	(385)
(Increase)/decrease in fixed deposits pledged	(622)	1,000
Proceeds from bank loans	72,260	81,544
Proceeds from shareholder's loans	6,981	-
Proceeds from rights issue	-	10,507
Repayment of bank loans	(40,299)	(4,098)
Repayment of shareholder's loans	(6,981)	(4,500)
Share issuance expense	-	(93)
Net cash flows from financing activities	**30,989**	**83,975**
Net increase/(decrease) in cash and cash equivalents	**82**	**(19,700)**
Cash and cash equivalents at beginning of financial year	**1,628**	**21,328**
Cash and cash equivalents at end of financial year	**1,710**	**1,628**
Note to the Consolidated Statement of Cash Flows		
Cash and short-term deposits	**3,332**	**2,628**
Less: Fixed deposits pledged	**(1,622)**	**(1,000)**
Cash and cash equivalents	**1,710**	**1,628**

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

	Equity attributable to owners of the Company					
Unaudited Group	**Share capital S$'000**	**Asset revaluation reserve S$'000**	**Exchange fluctuation reserve S$'000**	**Share option reserve S$'000**	**Accumulated losses S$'000**	**Total Equity S$'000**
At 1 July 2019	**46,116**	**-**	**240**	**498**	**(7,806)**	**39,048**
Loss for the year	-	-	-	-	(3,703)	**(3,703)**
Other comprehensive income						
- Foreign currency translation differences	-	-	45	-	-	**45**
- Net surplus on revaluation of land	-	50,663	-	-	-	**50,663**
Total comprehensive income for the year	**-**	**50,663**	**45**	**-**	**(3,703)**	**47,005**
At 30 June 2020	**46,116**	**50,663**	**285**	**498**	**(11,509)**	**86,053**

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

	Equity attributable to owners of the Company			
Unaudited Company	**Share capital S$'000**	**Share option reserve S$'000**	**Accumulated losses S$'000**	**Total equity S$'000**
At 1 July 2019	**46,116**	**498**	**(6,004)**	**40,610**
Profit for the year	-	-	790	**790**
Total comprehensive income for the year	**-**	**-**	**790**	**790**
At 30 June 2020	**46,116**	**498**	**(5,214)**	**41,400**

	Equity attributable to owners of the Company			
Audited Company	**Share capital S$'000**	**Share option reserve S$'000**	**Accumulated losses S$'000**	**Total equity S$'000**
At 1 July 2018	**35,702**	**498**	**(4,308)**	**31,892**
Loss for the year	-	-	(1,696)	**(1,696)**
Total comprehensive income for the year	**-**	**-**	**(1,696)**	**(1,696)**
Rights issue of new ordinary shares	10,507	-	-	**10,507**
Share issuance expense	(93)	-	-	**(93)**
Total transactions with owners, recognised directly in equity	**10,414**	**-**	**-**	**10,414**
At 30 June 2019	**46,116**	**498**	**(6,004)**	**40,610**

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 as at 31 December 2019 and 30 June 2020 are set out below:

	Number of ordinary shares	Share capital $
Issued and fully paid: As at 31 December 2019 and 30 June 2020	681,975,469	46,116,140

As at 30 June 2020, the number of outstanding and unexercised options granted under the GDL Share Options Scheme was nil (30 June 2019: nil). No share awards have been granted pursuant to the GDL Share Award Scheme in FY2020 and FY2019.

As at 30 June 2020, the Company did not hold any treasury shares and subsidiary holdings (30 June 2019: nil treasury shares and subsidiary holdings).

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

As at 30 June 2020, the total number of issued shares (excluding treasury shares) was 681,975,469 shares (30 June 2019: 681,975,469 shares).

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

Not applicable. The Company did not have any treasury shares during and as at the end of FY2020.

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

Not applicable. The Company did not have any subsidiary holdings during and as at the end of FY2020.

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

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

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

Not applicable.

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

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

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

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

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

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

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

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

Except for the adoption of the new and revised SFRS(I) and interpretation of SFRS(I) applicable for the financial year beginning on 1 July 2019, the same accounting policies and methods of computation have been applied, except for the change in accounting policy from the cost model to the revaluation model for the subsequent measurement of land to reflect the market value of the land. As a result of the change in accounting policy, the Group recorded S$50.66 million of other comprehensive income during the financial year ended 30 June 2020 and corresponding increases in the asset revaluation reserve and property, plant and equipment as at 30 June 2020.

Except for SFRS(I) 16, the adoption of the new and revised SFRS(I) has no material impact on the financial performance or position of the Group and the Company. The Group has adopted SFRS(I) 16 with effect from 1 July 2019. SFRS(I) 16 introduced changes to lessee accounting where all leases (except for the exempted short term leases and leases of low value assets) are recognised in the statement of financial position as lease liabilities with the corresponding recognition of right-of-use assets. For leases with subleasing arrangements, the Group has derecognised the right-of-use asset and recognised a lease receivable instead. As at 30 June 2020, the Group has recognised lease liabilities, lease receivable, and right-of-use asset of S$465,000, S$259,000 and S$103,000 respectively.

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.

	Group	
	Unaudited FY2020	**Audited FY2019**
Loss per ordinary share		
Loss per ordinary share of the Group for the financial year based on net loss attributable to owners of the Company on weighted average number of ordinary shares in issue (basic) (cents) and fully diluted basis (cents)	(0.54)	(0.57)
Weighted average number of shares in issue during the year	681,975,469	565,224,722

The Company does not have any dilutive equity instruments in FY2020 and FY2019.

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 2020	681,975,469	681,975,469
(b) immediately preceding financial year as at 30 June 2019	681,975,469	681,975,469
Net asset value per issued ordinary share (cents):		
(a) as at 30 June 2020 (Unaudited)	12.62	6.07
(b) as at 30 June 2019 (Audited)	5.73	5.95

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

8.1 Statement of Comprehensive Income Review

Review for the performance of the Group for the financial year ended 30 June 2020 ("**FY2020**") as compared to the financial year ended 30 June 2019 ("**FY2019**").

In FY2020, the Group recorded a net loss of S$3.70 million (FY2019: S$3.20 million), resulting in a basic loss per share 0.54 cents (FY2019: 0.57 cents).

In FY2020, the Group recorded a revaluation surplus of S$50.66 million (FY2019: nil) for its land and S$45,000 (FY2019: S$67,000) of currency translation gains from its foreign operations, resulting in a total comprehensive income for the year of S$47.01 million, as compared to a negative total comprehensive income of S$3.14 million in FY2019.

8.1.1 Revenue, Other Income and Fair Value Adjustment on Investment Properties

Revenue
The Group's revenue decreased by S$642,000 (or 39%) to S$998,000 in FY2020 (FY2019: S$1.64 million) due to the decrease in rental income from campus by S$1.19 million as a result of the adoption of SFRS(I) 16 with effect from 1 July 2019. The decrease is partially offset by the recognition in revenue from the property development project at East Coast Road of S$613,000 (FY2019: nil).

Cost of Sales
The Group recognised cost of sales of S$567,000 in FY2020 (FY2019: nil) for the property development project at East Coast Road.

Other income
The Group's other income increased significantly by S$652,000 (or 593%) to S$762,000 in FY2020 (FY2019: S$110,000) due mainly to the increase in government grants of S$380,000, which comprised mainly rental waivers for campus, and gain on foreign exchange of S$339,000. The increase was offset by the decrease in interest income from fixed deposits of S$67,000 during FY2020.

Fair value loss on investment properties
The Group recorded a fair value loss on investment properties of S$640,000 in FY2020 (FY2019: S$220,000).

8.1.2 Operating Expenses and Other Expenses

Operating expenses

The Group's operating expenses, which comprise sales and marketing expenses and general and administrative expenses, have decreased significantly by S$1.13 million (or 36%) to S$2.03 million in FY2020 (FY2019: S$3.16 million), due mainly to the decrease in rental expense from campus by S$1.19 million as a result of the adoption of SFRS(I) 16 with effect from 1 July 2019. The decrease was offset partially by the increase of S$147,000 recognised from the write down of property held for sale to its net realisable value.

Sales and marketing expenses increased by S$50,000 (or 13%) to S$444,000 in FY2020 (FY2019: S$394,000), comprising mainly advertising expenses and commissions paid of S$185,000 and S$111,000 respectively for the property development project at East Coast Road. The increase was offset by the decrease in show flat expenses of S$248,000 for the property development project at East Coast Road.

General and administrative expenses decreased by S$1.18 million (or 43%) in FY2020 due mainly to:

(a) the decrease in rental expense from campus by S$1.19 million as a result of the adoption of SFRS(I) 16 with effect from 1 July 2019;
(b) the decrease in rental expense from office by S$3,000 due to rental rebate received;
(c) the decrease in staff costs of S$72,000 (or 8%); and
(d) the decrease in depreciation of plant and equipment and maintenance expense of the investment properties of S$32,000 (or 12%).

The decrease was partially offset by the increase of the following general and administrative expense items:

(a) the increase in professional fee, compliance expenses and listing expenses of S$49,000 (or 27%); and
(b) the increase in allowances and write offs of S$75,000, which comprise mainly the write down to net realisable value of property held for sale.

Other expenses

Other expenses decreased by S$326,000 (or 28%) to S$844,000 in FY2020 (FY2019: S$1.17 million) due to the decrease in loss on foreign exchange contract of S$1.09 million. The decrease was offset by the increases in loss on derivative instrument held at fair value through profit and loss, lease modification expenses for campus and loss on disposal of investment properties of S$179,000, S$398,000 and S$185,000 respectively.

8.1.3 Finance Costs

Finance costs increased by S$978,000 (or 242%) to S$1.38 million in FY2020 (FY2019: S$404,000) was due to the increase in loan interest expenses, lease interest expenses and bank facility fees of S$957,000, S$34,000 and S$2,000 respectively. The increase in finance costs was partially offset by the decrease in loan interests paid to shareholders of S$15,000.

8.2 Balance Sheet Review

The comparative performance for both assets and liabilities are based on the Group's consolidated financial statements as at 30 June 2020 and 30 June 2019.

As at 30 June 2020, the Group recorded total net assets of S$86.05 million (30 June 2019: S$39.05 million).

8.2.1 Total Equity

Equity attributable to the owners of the Company amounted to S$86.05 million as at 30 June 2020 (30 June 2019: S$39.05 million). The increase was due mainly to the increase in asset revaluation reserve arising from the revaluation of land of S$50.66 million and currency translation differences

for foreign operations of S$45,000. The increase was offset by the net loss for the year of S$3.70 million.

8.2.2 Non-Current Assets

Non-current assets increased by S$56.40 million (or 86%) to S$121.91 million as at 30 June 2020 (30 June 2019: S$65.51 million) due to the following items:

(a) the increase in property, plant and equipment by S$60.36 million to S$107.75 million as at 30 June 2020 (30 June 2019: S$47.39 million), which comprised the increase in revaluation of land of S$50.66 million, hotel under construction of S$9.73 million and depreciation charges of S$27,000 recognised in FY2020;
(b) the increase in right-of-use asset of S$103,000, as a result of the adoption of SFRS(I) 16 with effect from 1 July 2019; and
(c) the increase was offset by the decrease in investment properties of S$4.05 million to S$14.07 million as at 30 June 2020 (30 June 2019: S$18.12 million), mainly due to the disposal of four (4) office units during FY2020.

8.2.3 Current Assets

The increase in current assets of S$23.95 million (or 34%) to S$94.25 million as at 30 June 2020 (30 June 2019: S$70.30 million) was due mainly to the increase in the following items:

(a) the increase in development properties and property held for sale of S$25.63 million to S$89.97 million as at 30 June 2020 (30 June 2019: S$64.34 million), mainly from the increase in costs capitalised into development projects at East Coast Road, Flower Road and Lorong Mydin;
(b) the increase in contract asset of S$613,000 from the development project at East Coast Road;
(c) the increase in lease receivable of S$259,000, as a result of the adoption of SFRS(I) 16 with effect from 1 July 2019; and
(d) the increase in cash and short-term deposits of S$704,000 to S$3.33 million as at 30 June 2020 (30 June 2019: S$2.63 million), mainly due to the increase in fixed deposits pledged.

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

(a) the decrease in trade and other receivables of S$14,000;
(b) the decrease in prepayments of S$30,000; and
(c) the decrease in GST tax recoverable of S$3.21 million.

8.2.4 Current Liabilities

Current liabilities amounted to S$52.96 million as at 30 June 2020 (30 June 2019: S$84.93 million). The decrease of S$31.97 million (or 38%) was due to the decrease in current borrowings of S$33.33 million.

The decrease was partially offset by the following items:

(a) the increase in trade and other payables of S$59,000;
(b) the increase in derivative instrument of S$179,000;
(c) the increase in lease liabilities of S$426,000, as a result of the adoption of SFRS(I) 16 with effect from 1 July 2019; and
(d) the increase in contract liabilities of S$691,000 relating to the development project at East Coast Road.

The increase in trade and other payables of S$59,000 was due mainly to:

(a) the increase in trade payables of S$147,000 relating to the construction of development properties;
(b) the increase in retention sum of S$190,000 relating to the construction of development properties;
(c) the increase in net GST payable of S$54,000; and
(d) the increase in deposits received of S$11,000 mainly relating to the option fee collected for property held for sale.

The increase in trade and other payables was partially offset by the decrease in accrued operating expenses of S$258,000 and other payables of S$85,000.

Net Current Assets
As at 30 June 2020, the Group recorded net current assets of S$41.30 million (30 June 2019: net current liabilities of S$14.63 million) due to the increase in current assets of S$23.95 million and decrease in current liabilities of S$31.97 million. For the analysis of current assets and current liabilities, please refer to Paragraphs 8.2.3 and 8.2.4 above for details.

8.2.5 Non-Current Liabilities

Non-current liabilities increased by S$65.33 million to S$77.16 million as at 30 June 2020 (30 June 2019: S$11.83 million) due to the drawdown of borrowings to fund the Group's existing and future property development projects as well as the Group's working capital requirements.

Total current and non-current borrowings
The Group recorded an increase of S$31.97 million in total borrowings to S$127.49 million as at 30 June 2020 (30 June 2019: S$95.52 million) for its developments and working capital requirements.

8.3 Cash Flow Review

Cash and short-term deposits increased by S$704,000 to S$3.33 million as at 30 June 2020 (30 June 2019: S$2.63 million), which comprised cash and cash equivalents of S$1.71 million and fixed deposits pledged of S$1.62 million. The increase in cash and short-term deposits was mainly contributed by the increase in fixed deposits pledged.

The Group recorded net cash used in operating activities of S$24.33 million in FY2020 due mainly to an operating loss before working capital changes of S$1.04 million, cash used for working capital of S$21.86 million and interest expenses paid of S$1.43 million.

The net cash used in investing activities amounted to S$6.58 million in FY2020 due mainly to the acquisition of property, plant and equipment of S$8.77 million and interest expenses paid of S$968,000. The cash outflows were partially offset by the proceeds from disposal of investment properties of S$3.15 million and interest income received of S$14,000.

The Group had also received cash of S$30.99 million from its financing activities in FY2020. This comprised mainly proceeds from bank loans and shareholder's loans of S$72.26 million and S$6.98 million respectively to finance the purchases and construction of development properties. The proceeds from borrowings were partially offset by the increase in fixed deposits pledged of S$622,000, interest expenses paid of S$350,000 and repayments of borrowings of S$47.28 million, which comprised bank loans and shareholders' loans of S$40.30 million and S$6.98 million respectively.

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

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

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

Refer to the Company's announcement dated 6 April 2020, the Company wishes to update shareholders that the operations of the Group and the construction activities of the Group's development projects have fully resumed in June 2020 and July 2020 respectively.

Upon lifting of the COVID-19 Circuit Breaker on 2 June 2020, the Group has implemented alternate work schedules for its operational staff and will continue to support them in their work-from-home arrangements in accordance with the Safe Management Measures.

As of the date of this announcement, the Group's reportable business segments comprises the property development segment, property investment segment and hospitality segment.

For the property development segment, the Group completed the purchase of a property located at Flower Road ("**Project Flower**") for residential landed development purposes during FY2020. The Group's property development projects are summarised as below:

(a) Completed development project
The Group has obtained the Certificate of Statutory Completion ("**CSC**") in December 2019 for its first completed residential landed property development project located at Jalan Demak ("**Project Demak**") and has signed the Option to Purchase ("**OTP**") agreement of the property during FY2020. The legal completion of the sale was in August 2020.

(b) Development projects under construction
The Group has three (3) development projects which are currently under construction as set out below:
(i) residential apartment development project located at East Coast Road ("**Project East Coast**");
(ii) residential landed property development project located at Lorong Mydin ("**Project Mydin**"); and
(iii) residential landed property development project at Flower Road ("**Project Flower**").

For the property investment segment, the Group's property investment portfolio as at 30 June 2020 consisted of 17 units (30 June 2019: 21 units) of 999-leasehold prime office units located in Singapore's Central Business District and achieved tenant occupancy rate of over 80% in FY2020.

For the hospitality segment, the Group's hospitality investment portfolio as at 30 June 2020 consisted of a 194-room hotel development project located at Telok Blangah Road ("**Project Telok Blangah**") which is currently under construction.

Although the start of 2020 appeared promising for Singapore, the COVID-19 pandemic has erased any hope of recovery from an already battered 2019.

On a quarter-on-quarter seasonally adjusted annualised basis, Singapore's GDP shrank 41.2% in the April to June period, deepening the 3.3% contraction from the preceding three months, as estimated by the Ministry of Trade and Industry (MTI) on 14 July 2020. This means that Singapore has entered into a technical recession, defined by economists as two consecutive quarter-on-quarter contractions.[(1)]

Defying COVID-19 circuit breaker measures and a recession, private home prices in Singapore edged up 0.3% in the second quarter of 2020 from the previous three months, according to final data from the Urban Redevelopment Authority (URA) on 24 July 2020.[(2)]

Prices of landed properties remained unchanged in the second quarter of 2020, compared with the 0.9% decrease in the previous quarter. Prices of non-landed properties increased by 0.4% in the second quarter of 2020, compared with the 1.0% decrease in the previous quarter.[(3)]

New home sales continued to rise for a third straight month amid a worsening economic outlook, with developers selling 1,080 non-landed private homes in July 2020, up 8.2% from 998 private homes in June 2020. [(4)]

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

Reference:

(1) Extracted from CNA's website, which was published on 14 July 2020 (https://www.channelnewsasia.com/news/business/gdp-singapore-technical-recession-contraction-q2-mti-12927168).

(2) Extracted from The Straits Times' website, which was published on 24 July 2020 (https://www.straitstimes.com/business/property/singapore-private-home-prices-eke-out-surprise-03-rise-in-q2-ura-data).

(3) Extracted from the URA's website, which was published on 24 July 2020 (https://www.ura.gov.sg/Corporate/Media-Room/Media-Releases/pr20-23).

(4) Extracted from The Straits Times' website, which was published on 17 August 2020 (https://www.straitstimes.com/business/property/singapore-new-home-sales-up-in-july-amid-worsening-economic-outlook).

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 FY2020.

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

Not applicable.

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

Not applicable. No dividend was declared for FY2019.

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

Not applicable.

(d) The date the dividend is payable.

Not applicable.

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

Not applicable.

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

No dividend has been declared/recommended for FY2020 as the Group was in a loss-making position for FY2020.

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

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

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

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

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

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. 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 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 development segment relates to the development of residential properties;
(b) Property investment segment relates to the holding of investment properties to earn rentals and for capital appreciation; and
(c) Hospitality segment relates to the leasing of hotels to operators with limited variability in rental income.

The Group operates in a single principal geographical segment in Singapore for the financial years ended 30 June 2020 and 30 June 2019. Therefore, no information on geographical segments is disclosed.

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

The Group	Property development S$'000	Property investment S$'000	Hospitality S$'000	Adjustments and eliminations S$'000	Consolidated total S$'000
Unaudited					
FY2020					
External revenue	613	3,455	-	(3,070)	998
Fair value loss on investment properties	-	(640)	-	-	(640)
Write down to net realisable value of property held for sale	(147)	-	-	-	(147)
Interest income	1	41	-	-	42
Interest expense	(992)	(373)	(12)	-	(1,377)
Depreciation of plant and equipment	-	(27)	-	-	(27)
Reportable segment (loss)/profit for the year	(1,568)	945	(31)	(3,049)	(3,703)
Capital expenditure	-	-	9,725	-	9,725
Reportable segment assets	92,659	57,179	109,369	(43,039)	216,168
Reportable segment liabilities	(92,655)	(14,708)	(57,742)	34,990	(130,115)
Audited					
FY2019					
External revenue	11	1,638	-	(9)	1,640
Fair value loss on investment properties	-	(220)	-	-	(220)
Interest income	1	108	-	-	109
Interest expense	-	(400)	-	-	(400)
Depreciation of plant and equipment	-	(28)	-	-	(28)
Reportable segment (loss)/profit for the year	(429)	(2,789)	-	15	(3,203)
Capital expenditure	-	36	-	-	36
Reportable segment assets	64,540	107,497	-	(36,229)	135,808
Reportable segment liabilities	(62,968)	(66,950)	-	33,158	(96,760)

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

For FY2020, revenue, capital expenditure, assets and liabilities of the business segments were derived in Singapore. Please refer to Paragraph 8 above for detailed explanation of the performance of the Group.

17. A breakdown of sales.

	Unaudited FY2020 S$'000	Audited FY2019 S$'000	Changes (%)
First half year			
Sales reported	453	849	-47%
Operating loss after tax before deducting non-controlling interests reported	(1,941)	(1,566)	24%
Second half year			
Sales reported	545	791	-31%
Operating loss after tax before deducting non-controlling interests reported	(1,762)	(1,637)	8%

18. 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 FY2020 and FY2019.

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

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

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Koh Sor Cher	66	Sister of Mr Koh Kian Soo	Director of GDL Land Pte. Ltd., a principal subsidiary of the Company, since 19 June 2018. Ms Koh is in charge of the application of the developer's licence and its compliance requirements.	None

BY ORDER OF THE BOARD

Mr Koh Kian Soo
Executive Chairman

Mr Tan Chee Wee
Executive Director and Chief Operating Officer

28 August 2020

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

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