



騰龍
國際集團

GLOBAL DRAGON LIMITED

BUILDING SUSTAINABLE GROWTH IN REAL ESTATE

2020 ANNUAL REPORT



Artist's impression

A photograph of a modern, multi-story building with a swimming pool in the foreground. The building has a dark, textured facade and balconies with glass railings. The pool is in the foreground, reflecting the building and the sky. The overall scene is bright and modern.

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

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

CORPORATE PROFILE



Artist's impression

YEAR 2020

39th anniversary year for incorporation of the Company since June 1981

21st anniversary year as a public company listed on the SGX-ST since September 1999

Young and dynamic property developer and property investor since March 2018

Founded on 25 June 1981, **GLOBAL DRAGON LIMITED** (the “**Company**”, and together with its subsidiaries, the “**Group**”), is a public limited company incorporated in Singapore and was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) since 27 September 1999. On 14 December 2017, JK Global Assets Pte. Ltd. became the major shareholder of the Group. On 23 March 2018, the Company adopted the Chinese name “騰龍國際集團” for identification purposes and changed its principal activities to property development and investment.

In less than three (3) years after the takeover by our major shareholder, JK Global Assets Pte. Ltd., in

December 2017, the Group’s net assets increased significantly by more than 14 times to S\$86.01 million as at 30 June 2020, from S\$6.00 million as at 31 December 2017. This represents a significant milestone in our history and heritage since our Company’s founding in 1981 and granting of SGX listing status in 1999.

As at 30 June 2020, the Group’s property development portfolio consisting of one (1) project for hotel development, one (1) project for residential apartment development and three (3) projects for residential landed property development (the “**Property Development Projects**”), had a total land acquisition cost of more than S\$136.70 million. The total Gross Development Value (“**GDV**”) of these Property Development Projects were valued at more than S\$285.10 million by accredited professional valuers.

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

CHAIRMAN'S STATEMENT

"After the takeover by JK Global Assets Pte. Ltd. for the third financial year since December 2017, the Group's net assets increased significantly by more than 14 times to S\$86.01 million as at 30 June 2020, from S\$6.00 million as at 31 December 2017. This represents a significant milestone in our history and heritage since our Company's founding in 1981 and granting of SGX listing status in 1999."

Mr Koh Kian Soo, Executive Chairman

Dear Shareholders,

On behalf of the Board of Directors, I am 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 2020 ("**FY2020**").

OVERVIEW

After the takeover by JK Global Assets Pte. Ltd. for the third financial year since December 2017, the Group's net assets increased significantly by more than 14 times to S\$86.01 million as at 30 June 2020, from S\$6.00 million as at 31 December 2017. This represents a significant milestone in our history and heritage since our Company's founding in 1981 and granting of SGX listing status in 1999.

For the financial year ending 30 June 2021 ("**FY2021**"), the business climate is increasingly challenging as markets continue to deal with greater uncertainties arising from the COVID-19 pandemic. Despite this, we are confident that the Group is well positioned in building a sustainable platform for our business growth stories.

OPERATIONS

The Group's strategy is to expand its presence in the property development segment, reinforce its foundation in the property investment segment as well as enhance its

financial position for sustainable growth. Currently, the Group's reportable business segments comprise the property development segment, property investment segment and hospitality segment.

As at 30 June 2020, the Group had secured properties for its development projects for a total land acquisition cost of more than S\$136.70 million. The total Gross Development Value ("**GDV**") of these property development projects were valued at more than S\$285.10 million by accredited professional valuers.

For the property development segment, the Group's residential apartment development at East Coast Road ("**Project East Coast Road**"), residential landed property developments at Lorong Mydin ("**Project Lorong Mydin**") and Flower Road ("**Project Flower Road**") were under construction or have just commenced construction in FY2020.

Amidst the COVID-19 pandemic during FY2020, the Group completed and sold its first residential landed property development at Jalan Demak ("**Project Jalan Demak**"). In August 2019 and September 2020 respectively, the Group launched Project East Coast Road and Project Flower Road for sales.

Barring any unforeseen circumstances, the Group expects to launch Project Lorong Mydin during FY2021 and this property development project is expected to contribute positively to the Group's earnings from FY2021.

CHAIRMAN'S STATEMENT

Subsequent to FY2020, the Group received an option-to-purchase for a freehold property located at Tan Sim Boh Road for a purchase consideration of S\$9.80 million ("**Project Tan Sim Boh Road**"). Barring any unforeseen circumstances, the Group expects to complete the purchase and commence the construction for the Project Tan Sim Boh Road in FY2021.

For the property investment segment as at 30 June 2020, the Group tenanted approximately 80% of its 17 units leasehold office units of 999-year ("**CBD Office Units**") in the Central Business District area. As part of the Group's strategy to unlock the value of the CBD Office Units, the Group disposed four (4) units of the CBD Office Units 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 Road**") which is currently under construction.

FINANCIALS

For FY2020, the Group's revenue decreased by S\$642,000 to S\$998,000 (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 *Leases* with effect from 1 July 2019. The decrease is partially offset by the recognition of revenue from Project East Coast Road of S\$613,000 (FY2019: nil). In FY2020, the Group recorded a net loss of S\$3.75 million (FY2019: S\$3.20 million), as the Group's property development projects were under construction or have just commenced construction in FY2020.

As at 30 June 2020, the Group's net assets increased significantly to S\$86.01 million (30 June 2019: S\$39.05 million), due mainly to the revaluation of land of S\$50.66 million. The

Group recorded net current assets of S\$41.25 million as at 30 June 2020, as compared to net current liabilities of S\$14.63 million as at 30 June 2019, due to the increase in current assets of S\$23.95 million and decrease in current liabilities of S\$31.93 million.

Cash and short-term deposits comprised cash and cash equivalents of S\$1.70 million, fixed deposits pledged of S\$1.62 million and amount in project account of S\$12,000. 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). The increase in cash and short-term deposits was mainly attributable to the proceeds received from bank loans.

SUSTAINABILITY

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

APPRECIATION

On behalf of the Board of Directors and Management, I would like to take this opportunity to thank our customers, tenants, business partners and professional advisors for your support throughout 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
October 2020

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 receives complete, adequate and timely information.

Mr Koh has over 17 years of experience in the property development industry and has vast experience in managing and executing property development projects from inception to completion as well as in 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 both a Master of Science (Industrial Engineering) and Bachelor of Engineering (Mechanical) 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, as well as executive decision-making.

Mr Gary Tan has over 22 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.

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 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's 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 the Institution of Engineers Singapore and the 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 the Audit and Remuneration Committees of the Company.

Dr James Kwan has over 25 years of corporate and training experiences in the finance, FMCG (Fast-Moving Consumer Goods), higher education, consultancy, hotel and property management industries. He is an Assistant Professor in Accounting and Finance at Embry-Riddle Aeronautical University. In addition, he is currently an adjunct faculty and career coach with Nanyang Business School, Nanyang Technological University. 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, a CPA (Chartered Professional Accountant) of ASEAN CPA, and a member of the Singapore Institute 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 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, both locally 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 in Singapore and Senior Auditor of both Deloitte and PricewaterhouseCoopers 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

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 Committee

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

Nominating Committee

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)

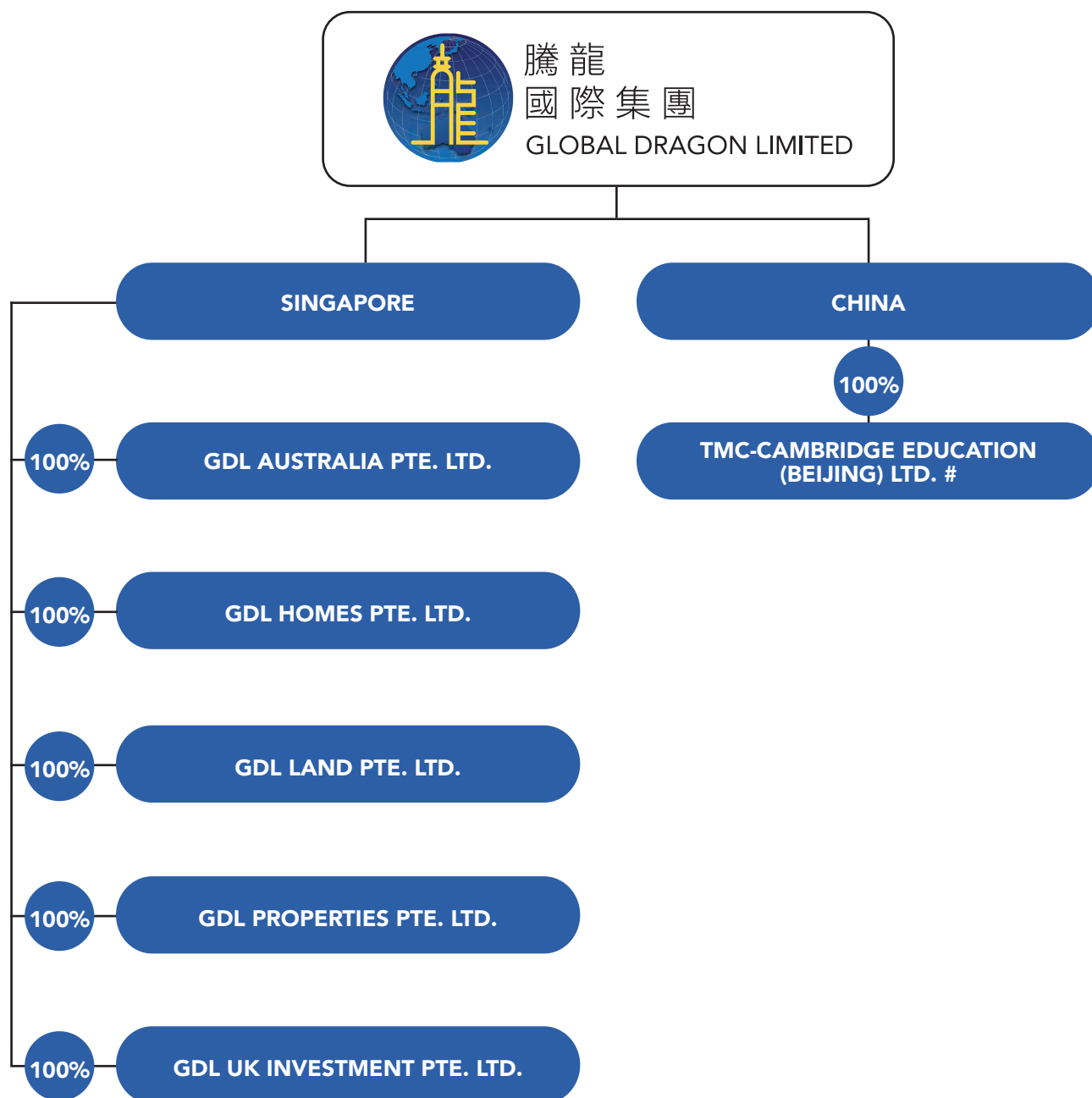
Company Sponsor

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



Note:

Struck off subsequent to the financial year ended 30 June 2020.

YEAR IN BRIEF FY2020

JULY 2019

- Project Telok Blangah Road obtained Grant of Outline Application for hotel development

AUGUST 2019

- Project Lorong Mydin obtained Grant of Extension of Provisional Permission for residential development
- Project Telok Blangah Road obtained Grant of Provisional Permission for 180-room hotel development

SEPTEMBER 2019

- Received option-to-purchase for sale of #03-09 of Project East Coast Road
- Struck off of a wholly-owned subsidiary, GDL UK-Torquay Limited from the Register of Companies of UK

OCTOBER 2019

- Held the FY2019 Annual General Meeting with all resolutions duly passed
- Project Telok Blangah Road obtained Grant of Provisional Permission (Revised) for 194-room hotel development
- Received option-to-purchase for disposal of investment properties located at #06-03/04 Peninsula Plaza
- Received option-to-purchase for sale of #02-04 of Project East Coast Road

NOVEMBER 2019

- Project Flower Road obtained Grant of Provisional Permission for residential development

DECEMBER 2019

- Completion of acquisition of property located at Flower Road
- Completion of disposal of investment properties located at #06-03/04 Peninsula Plaza
- Project Jalan Demak obtained Certificate of Statutory Completion for residential development
- Project Lorong Mydin obtained Grant of Written Permission for residential development

YEAR IN BRIEF FY2020

JANUARY 2020

- Project East Coast Road obtained Grant of Written Permission (Revised) for residential development
- Project Flower Road obtained Developer's Licence and permit to commence structural works in construction for residential development

FEBRUARY 2020

- Released Results Announcement for the six-month financial period ended 31 December 2019

MARCH 2020

- Received option-to-purchase for disposal of investment properties located at #06-12/13 Peninsula Plaza

APRIL 2020

- Completion of sales of #02-04 and #03-09 of Project East Coast Road
- Project Flower Road obtained Development Charge Order for residential development
- Project Telok Blangah Road obtained Development Charge Order and Grant of Written Permission for 194-room hotel development

MAY 2020

- Completion of disposal of investment properties located at #06-12/13 Peninsula Plaza
- Project Flower Road obtained Grant of Written Permission for residential development

JUNE 2020

- Received option-to-purchase for sale of residential property of Project Jalan Demak
- Project Telok Blangah obtained permit to commence structural works in construction for hotel development

BUSINESS REVIEW

Defying the COVID-19 pandemic and a recession during the financial year ended 30 June 2020 (“**FY2020**”), the Group’s focus is in completing its current residential and hotel pipelines in Singapore and strengthening its financial fundamentals, ensuring sustainable long-term growth for the Group.

As at 30 June 2020, the Group’s net assets increased by S\$46.96 million to S\$86.01 million (30 June 2019: S\$39.05 million), due mainly to the revaluation of land of S\$50.66 million. The Group recorded a net current assets of S\$41.25 million as at 30 June 2020, as compared to net current liabilities of S\$14.63 million as at 30 June 2019, due to the increase in current assets of S\$23.95 million and decrease in current liabilities of S\$31.93 million.

Cash and short-term deposits comprised cash and cash equivalents of S\$1.70 million, fixed deposits pledged of S\$1.62 million and amount in project account of S\$12,000. 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) mainly due to the proceeds received from bank loans.

The Group’s revenue decreased by S\$642,000 to S\$998,000 in FY2020 (FY2019: S\$1.64 million) mainly due to the decrease in rental income from campus by S\$1.19 million, as a result of the adoption of SFRS(I) 16 Leases 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). The Group recorded a net loss of S\$3.75 million (FY2019: S\$3.20 million), as the Group’s property development projects were under construction or have just commenced construction in FY2020.

The Group’s reportable business segments comprise the property development segment, property investment segment and hospitality segment during FY2020.

For the property development segment, the Group completed the purchase of a property located at Flower Road 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 in December 2019 for its first completed residential landed property development project located at Jalan Demak (“**Project Jalan Demak**”) and has signed the Option-to-Purchase 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 Road**”);
- (ii) residential landed property development project located at Lorong Mydin (“**Project Lorong Mydin**”); and
- (iii) residential landed property development project at Flower Road (“**Project Flower Road**”).

Subsequent to FY2020, the Group received an Option-to-Purchase a freehold property located at Tan Sim Boh Road for a purchase consideration of S\$9.80 million (“**Project Tan Sim Boh Road**”). Barring any unforeseen circumstances, the Group expects to complete the purchase and commence the construction of Project Tan Sim Boh Road during the financial year ending 30 June 2021.

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-year leasehold prime office units located in Singapore’s Central Business District and achieved tenant occupancy rate of over 80% in FY2020.

BUSINESS REVIEW

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 Road**") which is currently under construction.

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



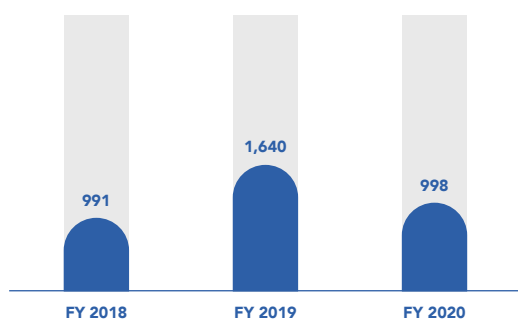
FINANCIAL HIGHLIGHTS

	FY2018	FY2019	FY2020
Consolidated Statements of Comprehensive Income (\$\$'000)			
Revenue ⁽¹⁾	991	1,640	998
Loss Before Tax ⁽¹⁾	(423)	(3,203)	(3,746)
EBITDA ⁽¹⁾	18	(2,775)	(2,288)
Statement of Financial Position (\$\$'000)			
Property, Plant and Equipment	65	47,385	107,746
Investment Properties	22,100	18,120	14,065
Development Properties	9,205	64,341	86,865
Total Assets	54,980	135,808	216,168
Total Liabilities	(23,210)	(96,760)	(130,158)
Net Assets	31,770	39,048	86,010
Financial Ratios			
Loss Per Ordinary Share (Cents) ⁽¹⁾	(0.19)	(0.57)	(0.55)
Net Assets Per Share (Cents)	6.04	5.73	12.61

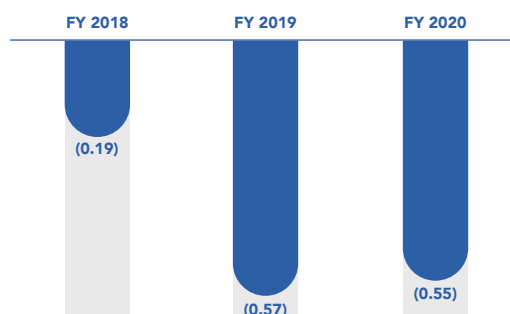
Note:

(1) Amounts from continuing operations after the disposal of the education segment during FY2018.

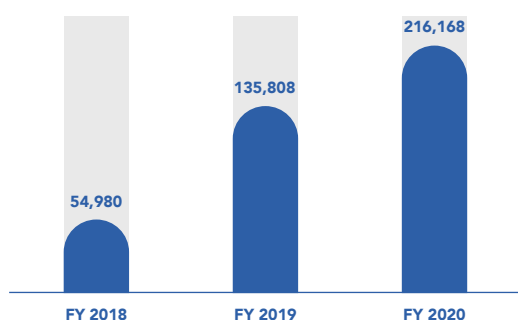
REVENUE (\$\$'000)



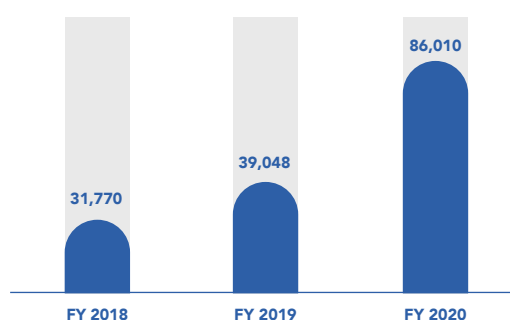
LOSS PER ORDINARY SHARE (CENTS)



TOTAL ASSETS (\$\$'000)



NET ASSETS (\$\$'000)



CORPORATE GOVERNANCE REPORT

The Board of Directors (the “**Board**”) of Global Dragon Limited (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 2020 (“**FY2020**”), with specific reference to the principles and provisions as set out in the Code of Corporate Governance 2018 (the “**Code 2018**”) and accompanying Practice Guidance issued by the Monetary Authority of Singapore. Pursuant to Rule 710 of the Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”), the Company confirms that it has complied with the principles of the Code 2018 and in respect of any deviation from any provisions of the Code 2018, it has explicitly stated the provision from which it has varied, explained the reason for variation, and explained how the practices it had adopted are consistent with the intent of the relevant principle.

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 Catalist Rules.

BOARD MATTERS

As at 30 June 2020, 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)
Dr Kwan Chee Wai	(Independent Director)
Ms Pan Pei Say	(Independent Director)

Principle 1: The Board’s Conduct of Affairs

The Company is headed by an effective Board which is collectively responsible and works with Management for the long term success of the Company.

Provision 1.1 – Principal Duties of 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. In addition, the Board considers sustainability issues as part of its strategic formulation.

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.

In addition, the Board also identifies key stakeholder groups to gain their perceptions of the Company’s reputation and standing and sets the Company’s values and standards (including ethical standards) to ensure that obligations to the shareholders and other stakeholders are understood and met.

The Company has in place a code of conduct and ethics in relation to avoiding conflicts of interest, maintaining the confidentiality of information, compliance with laws, rules and regulations and reporting of violation of laws and company policy. Pursuant to the conflicts of interest policy, each Director is required to promptly disclose any conflict or potential conflict of interest, whether direct or indirect, in relation to a transaction or proposed transaction with the Group as soon as practicable. On an annual basis, each Director is also required to submit details of his/her associates for the purpose of monitoring interested persons transactions. Where a Director has a conflict or potential conflict of interest in relation to any matter, he/she should immediately declare his/her interest when the conflict-related matter is discussed and recuse himself/herself from the discussion, unless the Board is of the opinion that his/her presence and participation is necessary

CORPORATE GOVERNANCE REPORT

to enhance the efficacy of such discussion. Nonetheless, he/she shall abstain from voting in relation to the conflict related matters.

Provision 1.2 – Board Induction, Training and Development

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. There was no new Director appointed during FY2020.

All Directors are updated regularly on changes in Company's policies, industry and business updates, and strategic plans and objectives. The Directors are also regularly briefed by the external auditors on new regulations and key changes to the financial reporting standards. 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.

During FY2020, the Independent Directors had attended training courses conducted by the Singapore Institute of Directors. In addition, the Directors were provided with briefings and/or updates on: (i) the developments in financial reporting and governance standards by the external auditors, Messrs Ernst & Young LLP; (ii) changes in the internal policies, commercial risks and business conditions of the Group by the Management during the Board and/or Board Committee meetings; and (iii) updates to the Catalist Rules and the Code 2018 by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"), and the Company Secretaries.

Provision 1.3 – Board Approval

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 system, financial reporting and compliance;
- approving the nominations of persons to the Board and appointment of key management personnel;
- 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 2018, the Practice Guidance and the rules and requirements of regulatory bodies that the Company is subject to.

Provision 1.4 – Delegation by the Board

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 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 2018.

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

Provision 1.5 – Board and Board Committee Meetings and Attendance Records

The Board meets at least once every quarter and it also meets regularly to review, consider and approve strategic, 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 allows for meetings to be held through telephone and/or video-conference. The number of meetings of the Board and Board Committees held during FY2020 and the attendance of each Director at the said meetings are tabulated below:

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Attendance at Meetings

	Board	AC	NC	RC
No. of meetings held	4	4	2	2
No. of meetings attended by each Board member				
Mr Koh Kian Soo	4	4*	2	2*
Mr Tan Chee Wee (Chen Zhiwei)	4	1*	1*	1*
Mr Woo Peng Kong	4	4	2	2
Dr Kwan Chee Wai	4	4	2	2
Ms Pan Pei Say	4	4	2	2

* By invitation.

The Company Secretaries attend the Board and Board Committee meetings and ensure that Board procedures are followed. The Company Secretaries also ensure that the Companies Act (Chapter 50) of Singapore (the “**Companies Act**”) and all other regulations of the SGX-ST are complied with.

When a Director has multiple board representations, the NC will consider whether or not the Director is able to and has adequately carried out his/her duties as a Director of the Company, taking into consideration the Director’s number of listed company board representations and other principal commitments. In support of their candidature for directorship or re-election, Directors are to provide the NC with details of their other commitments and an indication of the time involved. The Board and the NC have established a guideline on the maximum number of listed company directorships that each Director is allowed to hold and this guideline can be found under Provision 4.5 of this report.

Provisions 1.6 – Complete, Adequate and Timely Information

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. External auditors’ report	Yearly
6. Internal auditors’ report	Yearly
7. Shareholding statistics	Yearly

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Provision 1.7 – Independent Access to Management, Company Secretaries and External Professionals

The Directors have separate and independent access to the Management at all times. Queries by individual Directors on the Company's developments, management proposals or papers are directed and answered by the Management.

The Company Secretaries attend and prepare minutes of meetings of the Board and the Board Committees, which are circulated for review. The Company Secretaries are responsible to the Board for advising on the implementation of the Group's compliance requirements pursuant to the Companies Act, Securities and Futures Act (Chapter 289) of Singapore and all other regulations of the SGX-ST. All Directors have separate and independent access to the Company Secretaries. The appointment and removal of the Company Secretaries is subject to approval of the Board as a whole.

The Board also has independent access to the external professionals, including the Sponsor, and external and internal auditors. 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. During FY2020, save as disclosed above, no other independent professional advisor was appointed by the Board.

Principle 2: Board Composition and Guidance

The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

Provision 2.1 – Board Independence

Provision 2.2 and 2.3 – Composition of Independent and Non-Executive 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
Dr Kwan Chee Wai	Independent Director	14 February 2018	Member	Chairman	Member
Ms Pan Pei Say	Independent Director	14 February 2018	Member	Member	Chairman

Under Provision 2.2 of the Code 2018, the Independent Directors should make up a majority of the Board where the Chairman of the Board is not independent. Under the Provision 2.3 of the Code 2018, the Non-Executive Directors should also make up a majority of the Board. In accordance with Provisions 2.2 and 2.3 of the Code 2018, the Board currently has Independent and Non-Executive Directors making up a majority 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 the Board's decisions.

The NC reviews the independence of the Directors at least twice a year. The NC adopts the Code 2018's definition of what constitutes an Independent Director in its review. In relation to the assessment of the independence of the Directors, specific tests of Directors' independence have been hardcoded into the Catalist Rules to clarify that these circumstances which deemed Directors not to be independent should be applied without any exceptions. Under Rules 406(3)(d)(i) and 406(3)(d)(ii) of the Catalist Rules, it stipulates that a Director will not be considered as independent if he is employed by the issuer or any of its related corporations for the current or any of the past three (3) financial years; or if he has an immediate family member who is employed or has been employed by the issuer or any of its related corporation for the past three (3) financial years, and whose remuneration is determined by the remuneration committee of the issuer. In this regard, the Independent Directors have confirmed that they and their respective associates do not have any employment relationships with the Company or any of its related corporations for the current or any of the past three (3) financial years.

The NC has reviewed and determined that Mr Woo Peng Kong, Dr Kwan Chee Wai and Ms Pan Pei Say are independent in character and judgement and that there are no relationships or circumstances which are likely to affect, or could appear to affect, the Independent Directors' judgement.

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Each Independent Director is required to complete a form to confirm his/her independence upon appointment and subsequently on an annual basis. The Independent Directors have confirmed that, in accordance to the Code 2018, they do not have any relationship with the Company, its related corporations, its substantial 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.

Independent Directors with More Than 9-year Tenure

The independence of any Director who has served on the Board beyond nine (9) years from the date of his first appointment will be subject to more rigorous review, taking into account the need for progressive refreshing of the Board. During FY2020, 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.

Provision 2.4 – Board Composition and Competency of the Board

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 Directors have the right competencies and diversity of experience to enable them, to contribute effectively. 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. Core competencies include accounting, business acumen, real estate related industry knowledge, familiarity with regulatory and compliance requirements and knowledge of risk management. The Board members also collectively possess the necessary core competencies for an effective functioning of the Board.

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 will take into consideration the skill sets and experience including gender diversity for any future Board appointments.

Provision 2.5 – Meetings of the Non-Executive and Independent Directors

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 the Management are constructively challenged, fully discussed and examined.

As the Independent Directors make up a majority of the Board, the objectivity of such deliberations is assured. The Independent Directors constructively challenged and assisted to develop both the Group's short-term and long-term business strategies. The Management's progress in implementing such agreed business strategies is monitored by the Independent Directors.

The Independent Directors, led by the Lead Independent Director, also communicate regularly without the presence of the Management to discuss matters such as the Group's financial performance, corporate governance initiatives, and the performance of the Management.

During FY2020, the Independent Directors had met twice in the absence of Management.

Principle 3: Chairman and Chief Executive Officer

There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1 – Separation of Role of Chairman and Chief Executive Officer

Mr Koh Kian Soo is currently the Executive Chairman of the Company. The Company does not have a Chief Executive Officer ("CEO"). Mr Tan Chee Wee (Chen Zhiwei) is currently the Executive Director and COO of the Company.

Provision 3.2 – Role and Responsibilities of the Chairman

As the Executive Chairman, Mr Koh Kian Soo is responsible for:

- (a) leading the Board to ensure its effectiveness;

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- (b) the business strategy and direction of the Group, implementation of the Group's corporate plans and policies, and executive decision-making;
- (c) ensuring that the Board meetings are held when necessary;
- (d) scheduling and preparing agendas and ensuring adequate time for discussion;
- (e) promoting openness and discussion during Board meetings;
- (f) exercising control over the information flow between the Board and the Management by ensuring that the Board receives complete, adequate and timely information;
- (g) ensuring effective communication with the shareholders and other stakeholders;
- (h) encouraging constructive relations within the Board and the Management;
- (i) facilitating effective contributions of the Non-Executive Directors; and
- (j) promoting high standards of corporate governance.

Mr Koh Kian Soo is assisted by the Company Secretaries 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 Executive 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.

Provision 3.3 – Lead Independent Director

As recommended by the Code 2018, the Board has appointed 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.

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

The Board has a formal and transparent process for the appointment and re-appointment of Directors, taking into account the need for progressive renewal of the Board.

Provision 4.1 and 4.2 – NC Composition, Role and Responsibilities

The NC comprises four (4) Directors, of which three (3) out of four (4) Directors are Independent Directors. The NC shall meet at least once a year. The members of the NC are as follows:

Dr 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 NC is responsible for:

- deciding how the performance of the Board, its Board Committees and Directors 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;
- reviewing the succession plans for the Chairman of the Board, Directors and key management personnel of the Company;
- 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 2018 and the Catalist Rules;

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- reviewing induction programs for new Directors, as well as the training and professional development programs for the continuing training of the Directors; and
- deciding whether a Director, who has multiple board representation, is able to and has adequately carried out his/her duties as Director.

Provision 4.3 – Selection, Appointment and Re-appointment of Directors

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.

Apart from guidance under the Code 2018 and regulations under the Constitution, the NC 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 NC 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 and 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 of the Company 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 (3) years. In addition, the Constitution of the Company also provides that a newly appointed Director must submit himself/herself for re-election at the next annual general meeting following his/her appointment.

Pursuant to Article 104 of the Constitution of the Company, Mr Tan Chee Wee (Chen Zhiwei) and Dr Kwan Chee Wai are due for retirement by rotation at the forthcoming annual general meeting of the Company ("**AGM**") and these Directors have each consented to remain in office.

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

Dr Kwan Chee Wai shall, upon re-election as 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.

The NC has recommended to the Board in which the Board has accepted the re-election of Mr Tan Chee Wee (Chen Zhiwei) and Dr Kwan Chee Wai 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.

Provision 4.4 – Continuous Review of Directors' Independence

As mentioned under Provision 2.1 of this report, the independence of each Director is reviewed by the NC with reference to the provisions set out in the Code 2018, the Catalist Rules and any other salient factors, which would render a director to be deemed not independent. 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, Dr Kwan Chee Wai and Ms Pan Pei Say to be independent for the purposes of Rule 704(7) of the Catalist Rules.

By virtue of Section 7 of the Companies Act, Mr Koh Kian Soo is deemed to be interested in 8.8% of the shares in the Company held by his spouse, Ms Ko Lee Meng and is the brother-in-law of the deemed controlling shareholder of the Company, Mr Koh Wee Meng.

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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 substantial shareholders.

Provision 4.5 – Multiple Listed Company Directorships and Other Principal Commitments

During FY2020, the Company does not have any alternate directors. The Code 2018 and the Practice Guidance 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 Directors shall not hold more than four (4) directorships in listed companies if they hold a full-time position or eight (8) directorships in listed companies if they do not hold a full-time position. The number of external directorships in other listed companies outside of the Group concurrently held by the CEO, CFO or Executive Directors shall be limited to two (2). None of the Directors currently hold more directorships than this limit.

Despite this limit, the NC will continue to 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/her duties as a Director of the Company.

The directorships or chairmanships held by the Directors presently and/or in the last three (3) 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	25 October 2019	Nil	Nil
Mr Tan Chee Wee (Chen Zhiwei)	1 May 2018	26 October 2018	Nil	Nil
Mr Woo Peng Kong	14 February 2018	26 October 2018	AF Global Limited	Global Premium Hotels Limited
Dr Kwan Chee Wai	14 February 2018	26 October 2018	Nil	Global Premium Hotels Limited
Ms Pan Pei Say	14 February 2018	25 October 2019	Nil	Nil

The Company has complied with Rule 720(5) of the Catalist Rules as the information relating to the retiring Directors who are submitting themselves for re-election, including their appointment dates, directorships held in other listed companies presently and in the past five (5) years, as well as their principal commitments, are set out on pages 95 to 97 of this Annual Report. Negative disclosures as set out on pages 95 to 97 were provided by the retiring Directors who are submitting themselves for re-election on each item in Appendix 7F (a) to (k) of the Catalist Rules.

Key information regarding the Directors is set out in the “Board of Directors” and “Additional Information on Directors Seeking Re-election” sections in the Annual Report.

Principle 5: Board Performance

The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its Board Committees and individual Directors.

Provision 5.1 and 5.2 – Board Evaluation Policy and Board Performance Criteria

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 the performance criteria approved by the Board. The objective of the annual evaluation is to identify areas for improvement and thereafter implement appropriate action.

During FY2020, the Board did not engage an independent external consultant to facilitate the annual review of the performance of the Board and the Board Committees.

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. The NC evaluates each Director’s performance based on the following review parameters, including:

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- 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.

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.

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 the 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. Results of the performance evaluation were reported to the Board.

During FY2020, 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 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.

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/her re-nomination and assessment as a Director of the Company.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies

The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual Directors and key management personnel. No Director is involved in deciding his or her own remuneration.

Provision 6.1 and 6.2 – RC Composition, Role and Responsibilities

The Company has established a RC for determining the remuneration of Directors and key management personnel of the Company. The RC shall meet at least once a year. The RC is comprised of three (3) Independent Directors, as set out below:

Ms Pan Pei Say (Chairman)
Mr Woo Peng Kong (Member)
Dr 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 management personnel. 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 management personnel;
- 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 management personnel 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;

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- to consider the disclosure requirements for Directors' and key management personnel's remuneration as required by the SGX-ST and as recommended by the Code 2018, as the case may be; and
- to administer the GDL Share Award Scheme (as applicable).

Provision 6.3 – Fair Remuneration

The RC ensures that a formal and transparent procedure is in place for fixing the remuneration packages of individual Directors and key management personnel. 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 Company's obligations arising in the event of termination of service contracts of its Executive Directors and key management personnel are contained in their respective employment letters. The RC is satisfied that such contracts of service provide for fair and reasonable termination clauses, applicable to the respective employment class and not overly generous.

Provision 6.4 – Remuneration Consultant

The RC has the right to seek professional advice relating to the remuneration of all Directors and key management personnel. The RC would ensure that any relationship between the appointed remuneration consultant and any of the Directors and key management personnel will not affect the independence and objectivity of the remuneration consultant. The expenses of such advice shall be borne by the Company.

During FY2020, no remuneration consultant was engaged by the Board.

Principle 7: Level and Mix of Remuneration

The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the Company, taking into account the strategic objectives of the Company.

Provision 7.1 – Remuneration of Executive Directors and Key Management Personnel

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 management personnel.

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 management personnel with those of the shareholders.

The remuneration packages of the Executive Directors and key management personnel are based on service contracts. In setting remuneration packages, the RC ensures that the Executive Directors and key management personnel 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 management personnel 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).

During FY2020, except for the GDL Share Award Scheme, the Company does not have any material long-term incentive benefits involving the grant of options or any other form of deferred remuneration, which needs to be accrued.

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 Directors owe a fiduciary duty to the Company, and hence, the Company should be able to avail itself of remedies against the Executive Directors in the event of such breach of fiduciary duties. Similarly, for the key management personnel, the Company believes that there are alternative legal avenues to specific contractual provisions that will

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enable the Company to recover financial losses arising from exceptional circumstances above from the key management personnel.

The RC will review such contractual provisions with the Executive Directors and key management personnel as and when necessary.

Provision 7.2 – Remuneration of Non-Executive Directors

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.

Provision 7.3 – Attract, Retain and Motivate Staff

In addition to maintaining a framework of remuneration for the Board and key management personnel to ensure fair and competitive remuneration packages as described above, the GDL Share Award Scheme is a share-based incentive scheme established with the objective of rewarding, motivating, and retaining staffs to optimise their performance standards. Through the GDL Share Award Scheme, the Company will be able to recognise and reward past contributions and services, and motivate the plan participants to continue to strive for the Company's long-term success.

Principle 8: Disclosure on Remuneration

The Company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

The RC has reviewed and approved the remuneration packages of the Directors and key management personnel having due regard to their contributions as well as the financial capabilities of the Company. The Directors and key management personnel are paid based on a fixed schedule of fees and remuneration (including base salary, fixed allowances and benefits, and bonus) respectively.

During FY2020, there were no termination, retirement and post-employment benefits granted to the Directors, the COO or the key management personnel.

Details on the remuneration of Directors and key management personnel for FY2020 are reported below.

Provision 8.1(a) – Directors' Remuneration

The Company has disclosed the remuneration of the Directors in bands of S\$250,000 which would provide a good overview and is informative of the remuneration of each Director. The Company is of the view that due to confidentiality and sensitivity attached to remuneration matters it would not be in the best interests of the Company to disclose the exact details of the remuneration of the Directors.

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 for FY2020 are set out below:

	Directors' Fees %	Base Salary* %	Variable or Performance Related Income/Bonus* %	Allowances* & Benefits %
S\$250,000 to S\$499,999				
Mr Koh Kian Soo	-	92	-	8
Below S\$250,000				
Mr Tan Chee Wee (Chen Zhiwei)	-	79	12	9
Mr Woo Peng Kong	100	-	-	-
Dr Kwan Chee Wai	100	-	-	-
Ms Pan Pei Say	100	-	-	-

* Inclusive of Central Provident Fund Contributions.

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The RC has recommended that the Independent Directors to be paid Directors' fee of S\$95,000 for the financial year ending 30 June 2021, to be paid yearly, which will be tabled at the forthcoming AGM for approval by the Company's shareholders.

Provision 8.1(b) – Remuneration of Top 5 Key Management Personnel

In FY2020, the Company has only one (1) key management personnel (who is not a Director), being the CFO. The band and aggregate remuneration paid to him is not disclosed in this report.

The Board believes that disclosure of the remuneration of the key management personnel as recommended by the Code 2018 would be disadvantageous to the business interest of the Company, in view of the sensitive nature of such information and high competition for talent.

Provision 8.2 – Remuneration of Substantial Shareholders or Immediate Family Members of a Director, CEO or Substantial Shareholders

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 CEO or substantial shareholder of the Company.

Name	Age	Family relationship with any Director and/or substantial shareholder	Current position and duties, and the year the position was first held	Details of changes in duties and position held, if any, during the year
Koh Sor Cher	65	Sister of Mr Koh Kian Soo	Director of GDL Land Pte. Ltd., a principal subsidiary of the Company, since 19 June 2018. Ms Koh is in charge of the application of the developer's licence and its compliance requirements.	None

During FY2020, there was no employee of the Group who is a substantial shareholder of the Company, or an immediate family member of any Director, CEO or a substantial shareholder of the Company, and whose remuneration exceeds S\$100,000 per annum.

Provision 8.3 – Employee Share Schemes and Executive Performance Conditions

Other than the GDL Share Award Scheme, the Company does not have any employee share scheme nor any long-term incentive scheme.

GDL Share Award Scheme

The GDL Share Award Scheme of the Company was approved and adopted by its shareholders at the Extraordinary General Meeting held on 31 March 2011. The name of the share award scheme has been changed from "TMC Share Award Scheme" to "GDL Share Award Scheme". This is consequent upon the change of Company's name from TMC Education Corporation Ltd to Global Dragon Limited on 23 March 2018. The rules of share award scheme remain unchanged. The GDL Share Award Scheme will expire on 31 March 2021. The Board will consider and recommend the implementation of share schemes or other long-term incentive schemes as and when it considers appropriate in the future.

Under the GDL 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 GDL 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

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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 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 10% of the shares available under the scheme.

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

The information on the link between remuneration of Executive Directors and key management personnel, and performance is set out under Provision 7.1 of this Report.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Control Systems

The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the Company and its shareholders.

Provision 9.1 – Risk Management and Internal Control Systems

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 the 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.

Risk Committee

The AC oversees the Company's risk management and framework. Having considered the Company's business and operations as well as its existing internal control and risk management systems, the Board is of the view that a separate risk management committee is not required for the time being.

As the Company does not have a risk management committee, the AC and the Management assume the responsibility of the risk management function. The AC and Management review 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 AC and Management review and highlight all significant matters in relation to risk management and framework to the Board.

Provision 9.2 – Board's Comments on Adequacy and Effectiveness of Risk Management and Internal Control Systems

In FY2020, 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 the internal 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 the internal 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 internal auditors are adequate.

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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 FY2020.

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 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
- (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 2020 and up to the date of this report.

Principle 10: Audit Committee

The Board has an Audit Committee which discharges its duties objectively.

Provision 10.1 and 10.2 – AC Composition, Qualification of AC Members and Role and Responsibilities of the AC

The AC consists of the following three (3) Directors, including the Chairman, all of whom are Independent Directors. The members of the AC are as follows:

Mr Woo Peng Kong (Chairman)
Dr Kwan Chee Wai (Member)
Ms Pan Pei Say (Member)

The Independent Directors do not have any existing business or professional relationship of a material nature with the Group, other Directors or substantial shareholders. They are also not related to the other Directors or the substantial shareholders.

The Board and the NC are 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.

Role and Responsibilities of the AC

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

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 management personnel to attend its meetings, and has been given reasonable resources to enable it to discharge its functions.

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;
- recommend to the Board on the appointment, re-appointment and removal of the external auditors, and its remuneration and terms of engagement;
- review the scope and results of the external audit;

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- 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 the Management;
- review the assurance from the Executive Chairman, COO and CFO on the financial records and financial statements;
- 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 adequacy and effectiveness of the Group's internal controls on an annual basis, including financial, operational, information technology and compliance controls, and risk management system;
- review the adequacy, effectiveness, independence, scope and results of the external audit and 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;
- oversee the establishment and operation of the whistle-blowing process in the Company; and
- review interested person transactions in accordance with the requirements of the Catalist Rules.

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 officer to attend its meetings.

The number of meetings convened by the AC is set out in Provision 1.5 of this report. The Directors and the Company Secretaries are invited to these meetings. Minutes of the AC meetings are submitted to the Board for information and review with such recommendations as the AC considers appropriate.

Whistle-blowing Policy

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 the Board to whistleblow@globaldragon.com.sg. There have been no incidents pertaining to whistle-blowing for FY2020.

Measures taken by AC to Keep Abreast on Changes to Accounting Standards

The AC is kept abreast by the Management and external auditors of changes to accounting standards and by the Company Secretaries and the Sponsor on the Catalist Rules of the SGX-ST and other regulations, which could have an impact on the Group's business and financial statements.

In the AC's review of the financial statements of the Group for FY2020, it had discussed with the 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.

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 and leasehold land held as property, plant and equipment ("PPE")	<p>The Group's valuation of investments properties was conducted by the external valuer.</p> <p>The AC considered the qualifications, competencies and scope of work of the valuer. In addition, the AC obtained assurance from Management that the investment properties are carried at fair value, which is determined using the direct comparison method by the external valuation expert engaged by Management.</p> <p>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.</p> <p>The AC discussed with the external auditors on their review of the reasonableness of the valuation determined by the external valuer.</p> <p>Following the above, the AC is satisfied that the carrying value of the investment properties is not materially misstated.</p>

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Carrying values of development properties	<p>The Group's development properties are measured at the lower of cost and net realisable value ("NRV").</p> <p>The AC discussed with the external and internal auditors on their views of the Group's internal controls with respect to the project budgeting and monitoring process and inquired with management on the development status of on-going and significant projects.</p> <p>The AC also considered, discussed and concurred with the external auditors on their views of the following matters:-</p> <ul style="list-style-type: none"> (a) evaluated the reasonableness of the NRV estimated by management, taking into account market prices for similar properties in the respective markets, where applicable; (b) evaluated the objectivity, competence and capabilities of the external valuation expert, where management used external valuation expert to support its determination of NRV; (c) evaluated the appropriateness of the valuation methods used and evaluated the reasonableness of the comparable transactions data used by the external valuation expert by comparing and corroborating the data against that available in public databases; (d) evaluated the reasonableness of the estimated costs of completing the development properties by reviewing documentation of the progress of material projects such as costs incurred to-date, estimated costs to complete and timing of completion; (e) performed additional sensitivity analyses, taking into consideration the market and economic conditions prevailing at the reporting date, in light of the COVID-19 pandemic; and (f) assessed the adequacy of disclosures related to development properties in Note 2.12 <i>Development properties</i>, Note 3.2(c) <i>Estimation of net realisable value for development properties</i> and Note 17 <i>Development properties to the financial statements</i>.
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Non-Audit Services

The AC reviews the independence of the external auditors annually. The aggregate amount of audit fees and non-audit fees payable/paid to the Company's external auditors, Messrs Ernst & Young LLP, and its network firms for FY2020 were S\$66,000 and S\$12,000, respectively.

The Group confirms that it has complied with Rule 712 and 715 of the Catalist Rules in relation to its auditing firms. Having reviewed Messrs Ernst & Young LLP's independence, the AC has recommended to the Board the re-appointment of Messrs Ernst & Young LLP as the external auditors of the Group at the forthcoming AGM.

Provision 10.3 – Cooling Off Period for Partners or Directors of the Company's Auditing Firm

None of the AC members (including the Chairman) were previous partners or directors of the Company's existing external audit firm: (a) within a period of two (2) years commencing the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the external audit firm.

Provisions 10.4 – Internal Auditor

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. ("**Baker Tilly Singapore**"), an independent and reputable professional firm, to undertake the internal audit function for the Group. Baker Tilly Singapore has a rich heritage since 1954 and operates with a team of 17 partners/principals including 300 professionals and ranks among the top 10 largest accounting and business advisory firms locally. Being part of the 10th largest accounting global network, Baker Tilly Singapore is well-positioned to provide a comprehensive range of services in the areas of assurance, tax, governance and risk, deal advisory, restructuring and recovery, outsourcing, corporate secretarial services and digital solutions, including blockchain, AI and cybersecurity. Baker Tilly Singapore's engagement team for this engagement comprises an internal audit partner, an internal audit manager and supported by two (2) internal audit associates. The engagement partner has more than 19 years of relevant experience whilst the engagement manager has more than 8 years of relevant experience.

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The internal auditors have unrestricted direct access and reports directly to the AC on audit matters.

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.

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 with the approved audit plan for FY2020 and the findings and corrective actions taken by the Management had been submitted to the AC.

Adequacy and Effectiveness of Internal Audit Function

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.

Provision 10.5 – Meeting with External Auditors and Internal Auditors without the presence of the Management

The AC has met the external auditors and internal auditors without the presence of the Management in FY2020.

SHAREHOLDERS RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings

The Company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the Company. The Company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1 – Opportunity to Shareholders to Participate and Vote at General Meetings

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 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.

The Company does not practice selective disclosure. The Board is mindful of the obligation to provide timely and fair disclosure of material information.

Results and other material information are released through SGXNet on a timely basis for dissemination to shareholders and the public in accordance with the requirements of the SGX-ST.

Accountability

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 Board reviews and approves the financial results, financial reports and other price sensitive information after review and authorises the release of such announcements to shareholders, the SGX-ST and the public via SGXNet.

By presenting the annual financial statements, half-yearly 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.

In accordance with Rule 705(5) of the Catalist Rules, the Board issued Negative Assurance statements in its half-yearly financial results announcement, confirming to the best of its knowledge that nothing had come to the attention of the

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Board, which might render the financial statements false or misleading in any material aspect.

In addition, the Company had, pursuant to Rule 720(1) of the Catalist Rules, received undertakings from all its Directors and Executive Officers in the form set out in Appendix 7H of the Catalist Rules.

The Management provides the Board with detailed management accounts of the Group's performance, financial position and prospects on a half-yearly 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.

Voting by Poll at General Meetings

The Group strongly encourages shareholders to participate at the general meetings of the Company. Shareholders are able to proactively engage the Board and the Management on the Group's business activities, financial performance and other business related matters.

Voting and polling procedures are disclosed at the general meetings. An independent scrutineer firm is present to validate the votes at the AGM. The Company will put all resolutions to vote by poll and make an announcement of the detailed results showing the number of votes cast for and against for each resolution and the respective percentages, were also announced after the AGM via SGXNet.

Provision 11.2 – Separate Resolutions at General Meetings

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.

Provision 11.3 – Attendees at General Meetings

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.

The Company's external auditors will also be present at the AGM and are available to assist the Directors in addressing any relevant queries by the shareholders relating to the conduct of the audit and the preparation and content of the auditors' report.

All Directors and the Company's external auditors, Messrs Ernst & Young LLP, attended the Company's last AGM held on 25 October 2019.

Provision 11.4 – Shareholders' Participation

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 (2) proxies on its behalf. 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.

All shareholders of the Company receive the notice of the general meetings. The notice is also advertised in the newspapers. At the general meetings, shareholders are given the opportunity to voice their views and ask Directors or Management questions regarding the Company. The Company's Constitution provides that shareholders of the Company are allowed to vote in person or by way of duly appointed proxies.

Appointment of Proxies

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.

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In order to have a valid registration of proxy, an instrument appointing a proxy must be deposited at such place or places specified in the notice convening the general meetings at least 48 hours before the time appointed for the general meetings.

Forthcoming AGM to be convened and held by Electronic Means

In view of the current COVID-19 situation, the forthcoming AGM to be held in respect of FY2020, will be convened and held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via live audio-visual webcast or live audio only stream), submission of questions to the Chairman of the Meeting in advance of the AGM, addressing of substantial and relevant questions at, or prior to, the AGM and voting by appointing the Chairman of the Meeting as proxy at the AGM, will be put in place for the AGM.

Provision 11.5 – Meeting Minutes

The Company Secretaries prepare minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and the Management, and such minutes are available to shareholders upon their request. The Company does not publish minutes of general meetings of shareholders on its corporate website as there are potential adverse implications for the Company if the minutes of general meetings are published to the public at large (outside the confines of a shareholders' meeting), including risk of litigation if defamatory statements are made during the meeting. All material information relating to the Group is disclosed in an accurate and timely manner through publication on SGXNet and is made available to everyone, including the shareholders.

Provision 11.6 – 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 FY2020.

Principle 12 and 13: Engagement with Shareholders and Stakeholders

The Company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the Company.

The Board adopts an inclusive approach by considering and balancing the needs and interests of the material stakeholders, as part of its overall responsibility to ensure that the best interests of the Company are served.

Provision 12.1 – Soliciting and Understanding Views of Shareholders

To promote a better understanding of shareholders' views, the Board actively encourages shareholders to participate during the Company's general meetings. These meetings provide excellent opportunities for the Company to obtain shareholders' views on value creation. Information on general meetings is disseminated through notices in the annual reports or circulars sent to all shareholders.

Provision 12.2 and 12.3 – Communication and Interaction with Shareholders

Provision 13.1, 13.2 and 13.3 – Engagement with Stakeholders

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

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.

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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 AGM. The Directors, including the Chairman of each Board Committee and the Management will be present at the AGM to address shareholders' queries. The external auditors will also be present to address shareholders' queries on the conduct of the audit and the preparation and content of the auditor's report.

The Company does not have a dedicated investor relations team. The Group has specifically entrusted an investor relations team comprising the Executive Chairman, COO and CFO with the responsibility of facilitating communications with shareholders and analysts and attending to their queries or concerns. Further, the Company provides its phone number and e-mail address in the Annual Report through which shareholders may contact the Company with questions and by which the Company may respond to such questions. Accordingly, the Board is of the view that the current communication channels are sufficient and cost-effective. 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.

The Group takes a strategic and pragmatic approach in managing stakeholders' expectations to support its long-term strategy. The Group has regularly engaged its stakeholders through various mediums and channels to ensure that the business interests are aligned with those of the stakeholders, to understand and address the concerns so as to improve services and products' standards, as well as to sustain business operations for long-term growth. The stakeholders have been identified as those who are impacted by the Group's business and operations and those who are similarly able to impact the Group's business and operations. Four (4) stakeholders groups have been identified through an assessment of their significance to the business operations. The Group has undertaken a process to determine the environmental, social and governance (ESG) issues which are important to these stakeholders. These issues form the materiality matrix upon which targets, performance and progress are reviewed and endorsed by the Board annually. Having identified the stakeholders and the material issues, the Company has mapped out the key areas of focus in relation to the management of the respective stakeholder relationships. Please refer to the Group's Sustainability Report for further details.

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- or trade-sensitive information, and during the period beginning one (1) 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 Secretaries 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. The Group confirms that it has adhered to its internal code on dealings with securities for FY2020.

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 FY2020.

Non-Sponsor Fees

During FY2020, there were no non-sponsor fees paid/payable to SAC Capital Private Limited.

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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.

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 balance sheet of the Company for the financial year ended 30 June 2020.

Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the balance sheet 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 2020 and the financial performance, changes in equity and cash flows of the Group 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)
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)

In accordance with Article 104 of the Company's Constitution, Tan Chee Wee (Chen Zhiwei) and Kwan Chee Wai 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

The following 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 of the Company and related corporations (other than wholly-owned subsidiaries) as stated below:

Name of director	Direct interest		Deemed interest	
	At the beginning of financial year	At the end of financial year	At the beginning of financial year	At the end of financial year
<i>Ordinary shares of the Company</i>				
Koh Kian Soo	–	–	30,000,000	60,000,000
Tan Chee Wee (Chen Zhiwei)	–	200,000	–	–

There was no change in the directors' interests in shares and debentures of the Company and related corporations between the end of the financial year and 21 July 2020.

DIRECTORS' STATEMENT

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 at the end of the financial year.

Share Award Scheme

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

The name of the Scheme has been changed from "TMC Share Award Scheme" to "GDL Share Award Scheme". This is consequent upon the change of the Company's name from TMC Education Corporation Limited on 23 March 2018. The rules of the Scheme remain unchanged. The Scheme will expire on 31 March 2021. The Board will consider and recommend the implementation of share schemes or other long-term incentive schemes as and when it considers appropriate in the future.

Awards of fully-paid ordinary shares in the Company under the Scheme 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 Scheme 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 2018, 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 adequacy and effectiveness of the Group and the Company's material internal controls, including financial, operational, and compliance and information technology controls, and risk management systems 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

- (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.

The AC, having reviewed all non-audit services provided by the external auditor to the Group, is satisfied that the nature and extent of such services would not affect the independence of the external auditor. 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

29 September 2020

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2020

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 balance sheets of the Group and Company as at 30 June 2020, the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated cash flow statement 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 balance sheet of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Singapore Financial Reporting Standards (International) (SFRS(I)) 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 2020 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 and leasehold land held as property, plant and equipment ("PPE")

As at 30 June 2020, the Group's investment properties and leasehold land held as PPE are valued at \$14.07 million and \$105.00 million respectively, which represent 6.50% and 48.57% of the total assets on the balance sheet as at 30 June 2020. Management has elected to measure its rights in the leasehold land held as property, plant and equipment using the revaluation model in the current financial year.

As disclosed in Notes 12 *Property, plant and equipment* and 13 *Investment properties*, the investment properties and leasehold land held as PPE carried at fair value determined using either the direct comparison method and/or residual value method by the external valuation expert engaged by management. The valuation process requires both management and the external valuation expert to exercise judgement and the value derived is dependent on key inputs and adjustments for comparability. In addition, there was an increase in the level of estimation uncertainty in determining the valuation of investment properties and land held as PPE arising from the changes in market and economic conditions brought on by the COVID-19 pandemic. For these reasons, we have determined this to be a key audit matter.

Our audit procedures included, amongst others, evaluating the objectivity, independence and competency of the external valuation expert. We also involved our internal valuation expert in assessing the appropriateness of the valuation methods used and assessing the reasonableness of the key assumptions, comparable transactions data used by the external valuation expert, as well as the adjustments made to ensure comparability in the valuation, where applicable. Further, we compared and corroborated the transactions data used by the external valuation expert against transacted prices of comparable properties from our own sources. In light of the COVID-19 pandemic, we have expanded the sensitivity analysis to take into consideration the market and economic conditions prevailing at the reporting date.

Further, we assessed the adequacy of the disclosures related to PPE and investment properties in Note 3.2(a) *Valuation of investment properties*, Note 3.2(b) *Valuation of leasehold land held as property, plant and equipment*, Note 12 *Property, plant and equipment*, Note 13 *Investment properties* and Note 32 *Fair value of assets and liabilities* to the financial statements.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2020

Carrying values of development properties

As at 30 June 2020, the carrying values of the Group's development properties amounted to \$86.87 million, which represents 40.18% of the total assets on the balance sheet as at 30 June 2020. The Group's development properties are measured at the lower of cost and net realisable value (NRV).

The carrying values of the development properties was significant to the audit due to the magnitude of the amount. The determination of the NRV of the development properties involved application of significant level of judgment by the management and the external valuation expert. In addition, there was a heightened level of estimation uncertainty associated with the market and economic conditions prevailing at the reporting date in light of the COVID-19 pandemic. Hence, we consider this to be a key audit matter.

Our audit procedures included, amongst others, obtaining an understanding of the Group's internal controls with respect to the project budgeting and monitoring process and inquired with management on the development status of on-going and significant projects. We assessed the reasonableness of the NRV estimated by management, taking into account market prices for similar properties in the respective markets and sale prices after year end, where applicable. Where management used external valuation experts to support its determination of NRV, we evaluated the objectivity, competence and capabilities of the external valuation experts. We assessed the appropriateness of the valuation methods used and evaluated the reasonableness of the comparable transactions data used by the external valuation expert by comparing and corroborating the data against that available in public databases. Further, we evaluated the reasonableness of the estimated costs of completing the development properties by reviewing documentation of the progress of material projects such as costs incurred to-date, estimated costs to complete and timing of completion. In light of the COVID-19 pandemic, we expanded the sensitivity analysis to take into consideration market and economic conditions prevailing at the reporting date.

Additionally, we assessed the adequacy of disclosures related to development properties in Note 2.12 *Development properties*, Note 3.2(c) *Estimation of net realisable value for development properties* and Note 17 *Development properties* to the financial statements.

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.

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 SFRS(I), 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.

INDEPENDENT AUDITOR'S REPORT

For the financial year ended 30 June 2020

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.

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.

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

29 September 2020

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

For the financial year ended 30 June 2020

Group	Note	2020 \$'000	2019 \$'000
Revenue	4	998	1,640
Cost of sales		(567)	-
Gross profit		431	1,640
Other income	5	762	110
Fair value loss on investment properties	13	(640)	(220)
Sales and marketing expenses		(444)	(394)
General and administrative expenses		(1,586)	(2,765)
Other expenses	6	(887)	(1,170)
Finance costs	7	(1,382)	(404)
Loss before tax	8	(3,746)	(3,203)
Income tax expense	9	-	-
Loss for the year		(3,746)	(3,203)
Other comprehensive income:			
<i>Item that will not be reclassified to profit or loss</i>			
Revaluation of land		50,663	-
<i>Item that may be reclassified subsequently to profit or loss</i>			
Currency translation differences – foreign operations, at nil tax		45	67
Total comprehensive income for the financial year attributable to the owners of the Company		46,962	(3,136)
Loss per share attributable to owners of the Company (cents per share)			
Basic and diluted	10	(0.55)	(0.57)

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

BALANCE SHEETS

As at 30 June 2020

		Group		Company	
	Note	2020	2019	2020	2019
		\$'000	\$'000	\$'000	\$'000
Assets					
Non-current assets					
Property, plant and equipment	12	107,746	47,385	46	73
Investment properties	13	14,065	18,120	14,065	18,120
Investment in subsidiaries	14	–	–	5,000	5,000
Right-of-use asset	26	103	–	–	–
		121,914	65,505	19,111	23,193
Current assets					
Trade and other receivables	15	66	3,285	47	62
Due from subsidiaries (non-trade)	11	–	–	33,970	30,312
Prepayments		19	49	18	22
Contract asset	15	613	–	–	–
Development properties	17	86,865	64,341	–	–
Lease receivable	26	259	–	259	–
Property held for sale	16	3,100	–	–	–
Cash and short-term deposits	18	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	19	1,280	1,221	584	485
Due to subsidiaries (non-trade)	11	–	–	978	965
Contract liability	19	691	–	–	–
Derivative instrument	22	222	–	–	–
Lease liabilities	26	426	–	361	–
Provisions	20	15	15	15	15
Borrowings	21	50,366	83,692	1,089	828
		53,000	84,928	3,027	2,293
Net current assets/(liabilities)		41,254	(14,625)	31,901	29,249
Non-current liabilities					
Lease liabilities	26	39	–	–	–
Borrowings	21	77,119	11,832	9,612	11,832
		77,158	11,832	9,612	11,832
Total liabilities		130,158	96,760	12,639	14,125
Net assets		86,010	39,048	41,400	40,610
Equity					
Share capital	23	46,116	46,116	46,116	46,116
Reserves	24	39,894	(7,068)	(4,716)	(5,506)
Equity attributable to owners of the Company		86,010	39,048	41,400	40,610
Total equity		86,010	39,048	41,400	40,610
Total equity and liabilities		216,168	135,808	54,039	54,735

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 2020

	Attributable to owners of the Company				
	Share capital	Asset revaluation reserve	Exchange fluctuation reserve	Share option reserve	Accumulated losses
	\$'000	\$'000	\$'000	\$'000	\$'000
Group					
At 1 July 2019	46,116	–	240	498	(7,806)
Loss for the year	–	–	–	–	(3,746)
Other comprehensive income					
- Foreign currency translation differences	–	–	45	–	–
- Net surplus on revaluation of land	–	50,663	–	–	–
Total comprehensive income for the year	–	50,663	45	–	(3,746)
At 30 June 2020	46,116	50,663	285	498	(11,552)

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

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 2020

		Group	
	Note	2020 \$'000	2019 \$'000
Operating activities			
Loss before tax		(3,746)	(3,203)
<u>Adjustments for:</u>			
Allowance for estimated credit losses	15	15	33
Bad debts written off		–	54
Depreciation of property, plant and equipment	12	27	28
Depreciation of right-of-use asset		54	–
Fair value loss on investment properties	13	640	220
Loss on disposal of investment properties	8	267	82
Loss on derivative instrument held at fair value through profit and loss	22	222	–
Write down to net realisable value of property held for sale	16	147	–
Grant expense	26	398	–
Government grants received on lease liabilities	26	(310)	–
Interest expense	8	1,377	400
Interest income	8	(42)	(109)
Operating loss before working capital changes		(951)	(2,495)
<u>Changes in working capital:</u>			
Decrease/(increase) in trade and other receivables		3,234	(3,138)
Increase in contract asset		(613)	–
Increase in development properties and property held for sale		(25,322)	(53,777)
Decrease in lease receivable		896	–
Increase in trade and other payables		103	656
Increase in contract liability		691	–
Decrease in lease liabilities		(941)	–
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)

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 2020

		Group	
	Note	2020 \$'000	2019 \$'000
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 shareholders' loans		6,981	–
Proceeds from rights issue	23	–	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		<u>30,989</u>	<u>83,975</u>
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	18	<u>1,710</u>	<u>1,628</u>

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 2020

1. Corporate information

Global Dragon Limited (the "Company") 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 are property development and investment. The principal activities of the subsidiaries are disclosed in Note 14 to the financial statements.

2. Summary of significant accounting policies

2.1 Basis of preparation

The consolidated financial statements of the Group and the balance sheet and statement of changes in equity of the Company have been prepared in accordance with Singapore Financial Reporting Standards (International) (SFRS(I)).

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

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those previously applied under SFRS(I) except that 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 2019. Except for the impact arising from the adoption of SFRS(I) 16 Leases, the adoption of these standards did not have any material effect on the financial performance or position of the Group.

The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Adoption of SFRS(I) 16 Leases

SFRS(I) 16 supersedes SFRS(I) 1-17 Leases, SFRS(I) INT 4 Determining whether an Arrangement contains a Lease, SFRS(I) INT 1-15 Operating Leases - Incentives and SFRS(I) INT 1-27 Evaluating the Substance of Transactions Involving the Legal Form of a Lease. The standard sets up the principles for the recognition, measurement, presentation and disclosures of leases and requires lessees to recognise most leases on the balance sheet.

Lessor accounting under SFRS(I) 16 is substantially unchanged from SFRS(I) 1-17. Lessors will continue to classify leases as either operating or finance leases using similar principles as in SFRS(I) 1-17.

The Group adopted SFRS(I) 16 using the modified retrospective method of adoption with the date of initial application of 1 July 2019. Under this method, the standard is applied retrospectively with the cumulative effect of initially applying the standard recognised at the date of initial application. The Group elected to use the transition practical expedient to not reassess whether a contract is, or contains, a lease at 1 July 2019. Instead, the Group applied the standard only to contracts that were previously identified at the date of initial application and the comparative information is not restated.

The effects of adopting SFRS(I) 16 as at 1 July 2019 were as follows:

	Increase \$'000
Assets	
Right-of-use asset	157
Lease receivable	1,525
Liability	
Lease liabilities	1,682

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

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

2.2 Changes in accounting policies (cont'd)

Adoption of SFRS(I) 16 Leases (cont'd)

Before the adoption of SFRS(I) 16, the Group classified each of its leases (as lessee) at the inception date as operating lease.

Upon adoption of SFRS(I) 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets. The standard provides specific transition requirements and practical expedients, which have been applied by the Group.

Leases previously classified as operating leases

The Group recognised right-of-use asset, lease receivable and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use asset and lease receivable were measured at amounts equal to the lease liabilities. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application. The weighted average discount rate applied at transition date was 3.00%.

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019, as follows:

	\$'000
Operating lease commitment as at 30 June 2019	1,812
Less:	
Commitments relating to short-term and low-value leases	(54)
Discounting impact	(76)
Lease liabilities as at 1 July 2019	<u>1,682</u>

The Group also applied the available practical expedients wherein it:

- Applied the short-term leases exemptions to leases with lease terms that end within 12 months of the date of initial application.
- Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application
- Used hindsight in determining the lease term where the contract contained options to extend or terminate the lease.

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:

<i>Description</i>	<i>Effective for annual periods beginning on or after</i>
Amendments to References to the Conceptual Framework in SFRS(I) Standards	1 January 2020
Amendments to SFRS(I) 3 <i>Definition of a Business</i>	1 January 2020
Amendments to SFRS(I) 1-1 and 1-8 <i>Definition of Material</i>	1 January 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 <i>Interest Rate Benchmark Reform</i>	1 January 2020
Amendments to SFRS(I) 10 and SFRS(I) 1-28 <i>Sale or Contribution of Assets between an Investor and its Associate or Joint Venture</i>	Date to be determined

The Group expects that the adoption of the standards above will have no material impact on the financial statements in the year of initial application.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

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

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.

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:

- derecognises the assets (including goodwill) and liabilities of the subsidiary at their carrying amounts at the date when control is lost;
- derecognises the carrying amount of any non-controlling interest;
- derecognises 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
- reclassifies 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 accumulated 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

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

2.6 Foreign currency (cont'd)

(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.

2.7 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Such cost includes the cost of replacing part of the property, plant and equipment and borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying property, plant and equipment. The accounting policy for borrowing costs is set out in Note 2.14. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

Subsequent to recognition, property, plant and equipment other than the rights in leasehold land are measured at cost less accumulated depreciation and any accumulated impairment losses.

The Group accounts for its rights to use the long-term leasehold land under SFRS(I) 1-16 *Property, plant and equipment* instead of SFRS(I) 16 *Leases* as management has assessed that the upfront lease payment made represents substantially all of the fair value of the land, similar to the purchase of the land. Consequently, the rights in leasehold land is measured at fair value less accumulated depreciation and impairment losses recognised after the date of the revaluation. Valuations are performed annually to ensure that the carrying amount does not differ materially from the fair value at the end of the reporting period.

Any revaluation surplus is recognised in other comprehensive income and credited to the asset revaluation reserve in equity, except to the extent that it reverses a revaluation decrease of the same asset previously recognised in profit or loss, in which case the increase is recognised in profit or loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset carried in the asset revaluation reserve.

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 10 years
Buildings	60 years
Rights in leasehold land	99 years

The carrying values of property, 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 property, 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 derecognition of the asset is included in profit or loss in the year the asset is derecognised.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

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

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 of disposal 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, except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

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.

2.10 *Financial instruments*

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

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

(a) Financial assets (cont'd)

Subsequent measurement

Debt instruments

Subsequent measurement of debt instruments depends on the Group's business model for managing the asset and the contractual cash flow characteristics of the asset. The Group only has debt instruments measured at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

Derivatives

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. Changes in fair value of derivatives are recognised in profit or loss.

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition 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.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company 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

After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised 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 derecognition 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 recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at fair value through profit or loss and financial guarantee contracts. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

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

2.11 *Impairment of financial assets (cont'd)*

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, lease receivable and contract asset, the Group applies a simplified approach in calculating ECLs. Therefore, the group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

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.

2.13 *Cash and cash equivalents*

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

2.14 *Borrowing costs*

Borrowing costs are capitalised as part of the cost of a qualifying asset if they are directly attributable to the acquisition, construction or production of that asset. Capitalisation of borrowing costs commences when the activities to prepare the asset for its intended use or sale are in progress and the expenditures and borrowing costs are incurred. Borrowing costs are capitalised until the assets are substantially completed for their intended use or sale. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

2.15 *Provisions*

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

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

2.16 Revenue

Revenue is measured based on the consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Group satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

(a) Rental income

Rental income arising from operating leases on investment properties 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.

(b) Sale of development properties

The Group develops and sells residential properties before completion of construction of the properties. Revenue is recognised when control over the property has been transferred to the customer, either over time or at a point in time, depending on the contractual terms and the practices in the legal jurisdictions.

For development properties whereby the Group is restricted contractually from directing the properties for another use as they are being developed and has an enforceable right to payment for performance completed to date, revenue is recognised over time, based on the construction and other costs incurred to date as a proportion of the estimated total construction and other costs to be incurred.

For development properties whereby the Group does not have an enforceable right to payment for performance completed to date, revenue is recognised when the customer obtains control of the asset.

Progress billings to the customers are based on a payment schedule in the contract and are typically triggered upon achievement of specified construction milestones. A contract asset is recognised when the Group has performed under the contract but has not yet billed the customer. Conversely, a contract liability is recognised when the Group has not yet performed under the contract but has received advance payments from the customer. Contract assets are transferred to receivables when the rights to consideration become unconditional. Contract liabilities are recognised as revenue as the Group performs under the contract.

Incremental costs of obtaining a contract are capitalised if these costs are recoverable. Costs to fulfil a contract are capitalised if the costs relate directly to the contract, generate or enhance resources used in satisfying the contract and are expected to be recovered. Other contract costs are expensed as incurred.

Capitalised contract costs are subsequently amortised on a systematic basis as the Group recognises the related revenue. An impairment loss is recognised in profit or loss to the extent that the carrying amount of the capitalised contract costs exceeds the remaining amount of consideration that the Group expects to receive in exchange for the goods or services to which the contract costs relates less the costs that relate directly to providing the goods and that have not been recognised as expenses.

(c) Interest income

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

2.17 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

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

2.17 Taxes (cont'd)

(a) Current income tax (cont'd)

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
- 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. Unrecognised deferred tax assets are reassessed at end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

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) Sales 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.

2.18 Employees benefits

(a) 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.

2.19 Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

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

2.19 Leases (cont'd)

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term lease and leases of low-value assets. The Group recognises lease liabilities to make lease payments and right-of-use asset to represent the right to use the underlying asset.

(a) Right-of-use asset

The Group recognises a right-of-use asset at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use asset is measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use asset includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use asset is depreciated on a straight-line basis over the shorter of the lease term and the estimated useful life of the asset, as follows:

State land lease – 3 years

If ownership of the leased asset transfers to the Group at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use asset is also subject to impairment. The accounting policy for impairment of non-financial assets is set out in Note 2.9.

(b) Lease liability

At the commencement date of the lease, the Group recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Group exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Group uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

(c) Short-term leases and leases of low-value assets

The Group applies the short-term lease recognition exemption to its short-term leases (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases that are considered to be low value. Lease payments on short-term leases and leases of low-value assets are recognised as expense on a straight-line basis over the lease term.

Group as a lessor

The accounting policy applicable to the Company as a lessor in the comparative period is the same under SFRS(I) 16, except when the Company is an intermediate lessor.

In classifying a sublease, the Company as an intermediate lessor classifies the sublease as a finance or an operating lease with reference to the right-of-use asset arising from the head lease, rather than the underlying asset.

When the sublease is assessed as a finance lease, the Company derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognises the net investment in the sublease within "Lease receivable". Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the balance sheet, which represents the lease payments owed to the head lessor.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

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

2.19 Leases (cont'd)

Group as a lessor (cont'd)

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of the asset are classified as operating leases. Rental income arising is accounted for on a straight-line basis over the lease terms and is included in revenue in the statement of profit or loss due to its operating nature, as set out in Note 2.16(a). Contingent rents are recognised as revenue in the period in which they are earned.

2.20 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.

2.21 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
- (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.

2.22 Financial guarantee

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 measured at the higher of the amount of expected credit loss determined in accordance with the policy set out in Note 2.11 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised over the period of the guarantee.

2.23 Government grant

Government grants are recognised where there is reasonable assurance that the grant will be received and all attached conditions will be complied with. When the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. When the grant relates to an asset, it is recognised as income in equal amounts over the expected useful life of the related asset.

When the Group receives grants of non-monetary assets, the asset and the grant are recorded at nominal amounts and released to profit or loss over the expected useful life of the asset, based on the pattern of consumption of the benefits of the underlying asset by equal annual instalments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

3. Significant accounting judgements and estimates

The preparation of the Group's consolidated financial statements requires management to make judgements, 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 Judgements made in applying accounting policies

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

(a) *Income taxes*

Significant judgement is involved in determining the provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax recognised in the period in which such determination is made.

(b) *Impairment of non-financial assets*

The Company assesses at the end of each reporting period whether there is any indication that the property, plant and equipment and investment in subsidiaries may be impaired. Determining whether there are indicators of impairment require judgements. The carrying amounts of the property, plant and equipment and investment in subsidiaries as 30 June 2020 are disclosed in Notes 12 and 14 respectively.

3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of each reporting period are discussed below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

(a) *Valuation of investment properties*

The Group carries its investment properties at fair value, with changes in fair values being recognised in profit or loss. The Group has engaged an external valuation expert to assess fair value as at 30 June 2020.

The fair values of investment properties are determined by the external valuation expert using the direct comparison method. The key assumptions used to determine the fair value of these investment properties are provided in Note 32.

The carrying amount of the investment properties carried at fair value as at 30 June 2020 was \$14,065,000 (2019: \$18,120,000).

(b) *Valuation of leasehold land held as property, plant and equipment ("PPE")*

Rights in leasehold land held as PPE is carried at fair value, with changes in fair value being recognised in profit or loss. The Group has engaged an external valuation expert to assess the fair value as at 30 June 2020.

The fair value of rights in leasehold land held as PPE is determined by the external valuation expert using the direct comparison method and residual value method. The key assumptions used to determine the fair value are provided in Note 32.

The carrying amount of the rights in leasehold land held as PPE carried at fair value as at 30 June 2020 was \$105,000,000 (2019: nil).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

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

3.2 Key sources of estimation uncertainty (cont'd)

(c) *Estimation of net realisable value ("NRV") for development properties*

Management has performed an NRV assessment of the development properties as at 30 June 2020. The determination of NRV requires significant management judgement, involves estimation uncertainty and requires consideration of the estimated costs to complete and expected timing of completion.

Management estimates the costs and timing of completing the development properties in the project budgeting process, based on significant construction contracts and monthly discussions with external contractors and architects. The project budgeting process is performed with sufficient frequency to ensure that the estimated costs to complete reflect what the Group is expected to incur for the construction of these development properties in the current and forecasted economic environment. Management also considers any actual or expected significant changes in the contracted costs or construction timeline.

The Group has engaged an external valuation expert to support its determination of NRV, which is assessed as the gross development value less any estimated costs to complete. The gross development value assessed by the external valuation expert less any estimated costs to complete is used as an approximation of the NRV, representing the expected market value of the development properties on construction completion. The external valuation expert determines the gross development value of the development properties using the direct comparison method and/or residual value method. Valuations are performed with sufficient frequency as determined to be required by management to reflect the NRV of the development properties at the current market and economic conditions.

The carrying amount of the development properties as at 30 June 2020 was \$86,865,000 (2019: \$64,341,000).

(d) *Leases – Estimating the incremental borrowing rate*

The Group cannot readily determine the interest rate implicit in its leases, therefore, it uses its incremental borrowing rate ("IBR") to measure lease liability. The IBR is the rate of interest that the Group would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. The IBR therefore reflects what the Group 'would have to pay', which requires estimation when no observable rates are available or when they need to be adjusted to reflect the terms and conditions of the lease. The Group estimates the IBR using observable inputs (such as market interest rates) when available and is required to make certain entity-specific estimates (such as the Company's stand-alone credit rating).

(e) *Impairment of non-financial assets*

Property, 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 property, plant and equipment and investment in subsidiaries at the reporting date are disclosed in Notes 12 and 14 to the financial statements respectively.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

4. Revenue

	Group	
	2020	2019
	\$'000	\$'000
Property development revenue recognised over time	613	–
Rental income from investment properties	385	435
Other rental income	–	1,205
	<u>998</u>	<u>1,640</u>

(a) Disaggregation of revenue

	Property development		Investment properties		Other rental income		Total revenue	
	2020	2019	2020	2019	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Primary geographical markets								
Singapore	613	–	385	435	–	1,205	998	1,640
Major product or service lines								
Commercial properties	–	–	385	435	–	1,194	385	1,629
Residential properties	613	–	–	–	–	11	613	11
Timing of transfer of goods or services								
Over time	613	–	385	435	–	1,205	998	1,640

5. Other income

	Group	
	2020	2019
	\$'000	\$'000
Gain on forward foreign exchange contracts	339	–
Government grants	381	1
Interest income from cash and cash equivalents	42	109
	<u>762</u>	<u>110</u>

6. Other expenses

	Group	
	2020	2019
	\$'000	\$'000
Loss on derivative instrument held at fair value through profit and loss (Note 22)	222	–
Loss on disposal of investment properties	267	82
Loss on forward foreign exchange contracts	–	1,088
Grant expense (Note 26)	398	–
	<u>887</u>	<u>1,170</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

7. Finance costs

	Group	
	2020	2019
	\$'000	\$'000
Interest expense on:		
- Bank loans (secured)	1,343	385
- Lease liabilities	34	–
- Shareholder's loans (unsecured)	–	15
	<u>1,377</u>	<u>400</u>
Commitment fee for borrowings	5	4
	<u>1,382</u>	<u>404</u>

8. Loss before tax

		Group	
	Note	2020	2019
		\$'000	\$'000
Loss for the year has been arrived at after charging/(crediting):			
Allowance for estimated credit losses		15	33
Audit fees:			
- Auditors of the Company		68	63
- Other auditors		15	15
Depreciation of property, plant and equipment	12	27	28
Depreciation of right-of-use asset	26	54	–
Employee benefits expense	25	856	928
Loss on disposal of investment properties		267	82
Interest expense		1,377	400
Interest income		(42)	(109)
Operating lease expenses		83	1,281
Write down to net realisable value of property held for sale	16	<u>147</u>	<u>–</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

9. Income tax expense

Relationship between tax expense and accounting loss

A reconciliation between tax expense and the product of accounting loss multiplied by the applicable corporate tax rate for the financial years ended 30 June 2020 and 2019 are as follows:

	Group	
	2020	2019
	\$'000	\$'000
Loss before tax	(3,746)	(3,203)
Tax at statutory rate of 17% (2019: 17%)	(637)	(545)
<u>Tax adjustments:</u>		
Expenses not deductible in determining taxable income	367	474
Income not subject to tax	(65)	(5)
Deferred tax assets not recognised	335	76
	<u>–</u>	<u>–</u>

At the end of the reporting period, the Group has unutilised tax losses and unutilised capital allowances of approximately \$25,565,000 (2019: \$23,596,000) and \$84,000 (2019: \$84,000) respectively that are available for offset against the taxable profits of the Group, subject to the agreement of the Singapore tax authorities. No deferred tax asset has been recognised due to the uncertainty of recoverability.

10. Loss per share

	Group	
	2020	2019
	\$'000	\$'000
Attributable to ordinary shares:		
Loss for the year (\$'000)	(3,746)	(3,203)
Weighted average number of ordinary shares in issue during the year	<u>681,975,469</u>	<u>565,224,722</u>
Basic and diluted loss per share (cents)	<u>(0.55)</u>	<u>(0.57)</u>

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

The amounts due from/(to) subsidiaries are unsecured, 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 2020

12. Property, plant and equipment

	Rights in leasehold land \$'000	Asset under construction \$'000	Computers and software \$'000	Furniture and fittings \$'000	Office equipment \$'000	Renovation \$'000	Total \$'000
Group							
Cost and valuation:							
At 1 July 2018	–	–	28	3	–	44	75
Additions	47,169	143	– ¹	–	36	–	47,348
At 30 June 2019 and 1 July 2019, representing cost	47,169	143	28	3	36	44	47,423
Additions	7,168	2,557	–	–	–	–	9,725
Revaluation surplus	50,663	–	–	–	–	–	50,663
At 30 June 2020	105,000	2,700	28	3	36	44	107,811
Representing -							
Cost	–	2,700	28	3	36	44	2,811
Valuation	105,000	–	–	–	–	–	105,000
	105,000	2,700	28	3	36	44	107,811
Accumulated depreciation:							
At 1 July 2018	–	–	5	– ¹	–	5	10
Depreciation charge for the year	–	–	9	– ¹	4	15	28
At 30 June 2019 and 1 July 2019	–	–	14	– ¹	4	20	38
Depreciation charge for the year	–	–	9	– ¹	4	14	27
At 30 June 2020	–	–	23	– ¹	8	34	65

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

12. Property, plant and equipment (cont'd)

	Rights in leasehold land \$'000	Asset under construction \$'000	Computers and software \$'000	Furniture and fittings \$'000	Office equipment \$'000	Renovation \$'000	Total \$'000
Group							
Accumulated impairment:							
At 1 July 2018	–	–	66	67	107	899	1,139
Disposals	–	–	(66)	(67)	(107)	(899)	(1,139)
At 30 June 2019, 1 July 2019 and 30 June 2020	–	–	–	–	–	–	–
Net carrying amount:							
At 30 June 2020	105,000	2,700	5	3	28	10	107,746
At 30 June 2019	47,169	143	14	3	32	24	47,385

¹ Amount less than \$1,000.

Asset under construction

The Group's property, plant and equipment included \$2,700,000 (2019: \$143,000) which relate to expenditures for a hotel building in the course of construction.

	Computers and software \$'000	Furniture and fittings \$'000	Office equipment \$'000	Renovation \$'000	Total \$'000
Company					
Cost:					
At 1 July 2018	27	3	–	44	74
Additions	– ¹	–	36	–	36
At 30 June 2019, 1 July 2019 and 30 June 2020	27	3	36	44	110
Accumulated depreciation:					
At 1 July 2018	4	– ¹	–	5	9
Depreciation	9	– ¹	4	15	28
At 30 June 2019 and 1 July 2019	13	– ¹	4	20	37
Depreciation	9	– ¹	4	14	27
At 30 June 2020	22	– ¹	8	34	64
Accumulated impairment:					
At 1 July 2018	66	67	107	899	1,139
Disposals	(66)	(67)	(107)	(899)	(1,139)
At 30 June 2019, 1 July 2019 and 30 June 2020	–	–	–	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

12. Property, plant and equipment (cont'd)

Company	Computers and software \$'000	Furniture and fittings \$'000	Office equipment \$'000	Renovation \$'000	Total \$'000
Net carrying amount:					
At 30 June 2020	5	3	28	10	46
At 30 June 2019	14	3	32	24	73

¹ Amount less than \$1,000.

Rights in leasehold land

Rights in leasehold land is stated at fair value based on the valuation performed by an external valuation expert with recent experience in the location and category of the property being valued. Details of valuation techniques and inputs used are disclosed in Note 32. Details of rights in leasehold land held by the Group are as follows:

Location	Description and use	Land area (in square metres)	Tenure	Stage of completion
GDL Properties Pte. Ltd.				
412 to 434 Telok Blangah Road Singapore 098843 to 098854	Proposed development of hotel building	2,159	99 years from 20 June 2019	Construction works commenced in December 2019. Expected date of completion: October 2022

Capitalisation of borrowing costs

The Group's property, plant and equipment include borrowing costs arising from bank loans borrowed specifically for the purpose of the construction of the property, plant and equipment. During the financial year, the borrowing costs capitalised as cost of property, plant and equipment amounted to \$1,022,000 (2019: \$53,000). The rate used to determine the amount of borrowing costs eligible for capitalisation ranges from 1.36% to 3.02% (2019:3.02%), which is the effective interest rate of the specific borrowing.

Assets pledged as security

In addition to assets held under finance leases, the Group's rights in leasehold land and building with a carrying amount of \$107,700,000 (2019: \$47,312,000) are mortgaged to secure the Group's borrowings (Note 21).

13. Investment properties

	Group	
	2020	2019
	\$'000	\$'000
Balance sheet:		
At 1 July	18,120	22,100
Disposal of investment properties	(3,415)	(3,760)
Fair value loss on investment properties	(640)	(220)
At 30 June	14,065	18,120
Statement of comprehensive income:		
Rental income from investment properties:		
- Minimum lease payments	385	435

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

13. Investment properties (cont'd)

	Group	
	2020	2019
	\$'000	\$'000
Statement of comprehensive income:		
Direct operating expenses (including repairs and maintenance) arising from:		
- Rental generating properties	(184)	(203)
- Non-rental generating properties	(18)	(33)
	<u>(202)</u>	<u>(236)</u>

Valuation of investment properties

Investment properties are stated at fair value, which has been determined based on valuations performed as at 30 June 2020 and 30 June 2019. The valuations were performed by an external valuation expert 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 32 to the financial statements.

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

Properties pledged as security

As at 30 June 2020, investment properties with a carrying value of \$14,065,000 (2019: \$18,120,000) are mortgaged to secure bank loans (Note 21).

The investment properties held by the Group as at 30 June 2020 are as follows:

Description and location	Existing use	Floor area (in square metres)	Tenure	Unexpired lease term
Held by the Company				
111 North Bridge Road #06-01, #06-02, #06-05 to #06-11 & #06-18 to #06-25 Peninsula Plaza Singapore 179098	Commercial	587	999 year lease from 29 October 1829	808 years

14. Investment in subsidiaries

	Company	
	2020	2019
	\$'000	\$'000
Unquoted equity investments, at cost:		
At 1 July	5,000	4,000
Incorporation of subsidiaries	—	1,000
Striking off of subsidiary	¹	¹
At 30 June	<u>5,000</u>	<u>5,000</u>
Allowance for impairment losses:		
At 1 July	¹	¹
Write-off during the year	¹	¹
Impairment loss	—	¹
At 30 June	<u>—</u>	<u>¹</u>
	<u>5,000</u>	<u>5,000</u>

¹ Amount less than \$1,000.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

14. Investment in subsidiaries (cont'd)

(a) Composition of the Group

During the financial year ended 30 June 2019, the Group incorporated one (1) subsidiary, namely GDL Properties Pte. Ltd., with a paid-up share capital of \$1,000,000.

No new subsidiary was incorporated during the financial year ended 30 June 2020.

Name	Principal activities	Country of incorporation	Effective (%) of equity held by the Group	
			2020	2019
<i>Held by the Company</i>				
GDL Australia Pte. Ltd. ¹	Dormant	Singapore	100	100
GDL Homes Pte. Ltd. ¹	Real estate development and investment	Singapore	100	100
GDL Land Pte. Ltd. ¹	Real estate development and investment	Singapore	100	100
GDL Properties Pte. Ltd. ^{1, 2}	Real estate development and investment	Singapore	100	100
GDL UK Investment Pte. Ltd. ¹	Dormant	Singapore	100	100
TMC (Malaysia) Holdings Pte. Ltd. ³	Inactive	Singapore	–	100
TMC-Cambridge Education (Beijing) Ltd ⁴	Dormant	PRC	100	100
<i>Held by GDL UK Investment Pte. Ltd.</i>				
GDL UK-Torquay Limited ³	Dormant	United Kingdom	–	100

Notes:

¹ Audited by Ernst & Young LLP, Singapore.

² Incorporated during the financial year ended 30 June 2019.

³ Dormant and struck off during the financial year ended 30 June 2020.

⁴ Inactive during the financial year ended 30 June 2020 and struck off subsequent to the financial year ended 30 June 2020.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

15. Trade and other receivables and contract asset

		Group		Company	
	Note	2020	2019	2020	2019
		\$'000	\$'000	\$'000	\$'000
Trade and other receivables (current)					
Trade receivables		— ¹	15	— ¹	15
Other receivables		—	3,207	—	—
Deposits		66	63	47	47
Total trade and other receivables		66	3,285	47	62
Add:					
Amount due from subsidiaries (non-trade)	11	—	—	33,970	30,312
Cash and short-term deposits	18	3,332	2,628	634	1,146
Contract asset		613	—	—	—
Total financial assets carried at amortised cost		4,011	5,913	34,651	31,520

¹ Amount less than \$1,000.

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 represent their fair values on initial recognition.

Contract asset comprises the unbilled revenue on properties under development, which is classified as current because they are expected to be realised in the normal operating cycle.

As at 30 June 2019, other receivables included GST receivables amounting to \$3,205,000 from the purchase of rights in leasehold land at Telok Blangah. The Group has received the GST receivables in full from IRAS during the financial year ended 30 June 2020.

Expected credit losses

The movement in allowance for expected credit losses of trade receivables computed based on lifetime ECL are as follows:

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Trade receivables - nominal amounts:	64	49	64	49
Less: Allowance for expected credit losses	(64)	(49)	(64)	(49)
	–	–	–	–
Movement in allowance accounts:				
At 1 July	49	16	49	16
Charge for the year	15	33	15	33
At 30 June	64	49	64	49

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

16. Property held for sale

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Balance as at 1 July	–	–	–	–
Transfer from development properties (Note 17)	3,247	–	–	–
Write down to net realisable value	(147)	–	–	–
Balance as at 30 June	3,100	–	–	–

In June 2020, the option-to-purchase a development property was exercised by a buyer for a total consideration of \$3,100,000. The development property was reclassified as held for sale and written down to its net realisable value as at 30 June 2020. Details of property held for sale are as follows:

Location	Description and use	Land area (in square metres)	Tenure	Stage of completion
GDL Homes Pte. Ltd.				
26 Jalan Demak Singapore 488972	Proposed development of residential landed building	586	99 years from 1 January 1965	Certificate of Statutory Completion issued in December 2019. Legal completion of sale in August 2020.

The property was pledged as a security for bank borrowings as disclosed in Note 21.

17. Development properties

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Land	80,657	60,399	–	–
Finance costs	1,864	1,359	–	–
Property tax	609	233	–	–
Professional fees	512	376	–	–
Construction costs	2,970	1,363	–	–
Other development expenditure	253	611	–	–
	86,865	64,341	–	–

During the financial year ended 30 June 2020, borrowing costs of \$1,826,000 (2019: \$1,355,000), arising from borrowings obtained specifically for the development properties were capitalised under "Development costs". The rate used to determine the amount of borrowing costs eligible for capitalisation ranges from 1.58% to 3.27% (2019: 2.50% to 3.27%), which is the effective interest rate of the specific borrowing.

Development properties have been pledged as security for bank borrowings as disclosed in Note 21 to the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

17. Development properties (cont'd)

Details of development properties held by the Group are as follows:

Location	Description and use	Land area (in square metres)	Tenure	Stage of completion
GDL Land Pte. Ltd.				
363 East Coast Road Singapore 428978	Proposed development of residential apartment building	2,592	Freehold	Construction works commenced in May 2019. Launched sales in August 2019. Expected date of completion: June 2022
37 & 37A Lorong Mydin Singapore 416829/30	Proposed development of residential landed buildings	876	Freehold	Construction works commenced in September 2019. Expected date of completion: February 2021
36 Flower Road Singapore 549435	Proposed development of residential landed buildings	1,866	999 years from 2 December 1878	Construction works commenced in January 2020. Expected date of completion: January 2022

18. Cash and short-term deposits

	Group		Company	
	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Cash at banks and on hand	1,698	1,117	634	644
Fixed deposits	1,622	1,510	–	502
Project account	12	1	–	–
	3,332	2,628	634	1,146
Less: Deposits pledged to banks	(1,622)	(1,000)	–	–
Cash and cash equivalents	1,710	1,628	634	1,146

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

As at 30 June 2020, a floating charge has been placed on cash at bank with a carrying value of \$1,622,000 (2019: \$1,000,000) as security for foreign exchange derivative instruments (Note 22).

Fixed deposits are made for varying periods of between one (1) month and three (3) 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 2020 for the Group and the Company ranged from 0.02% to 1.63% per annum (2019: 0.62% to 1.68% per annum) and 0.35% to 0.68% per annum (2019: 0.68% to 1.68% per annum) respectively.

Monies received from sale of units of the properties under development are deposited into the project account, withdrawals from which are governed by the Housing Developers (Control and Licensing) Act. As at 30 June 2020, \$12,000 (2019: \$1,000) of the total in the project accounts of the Group could be withdrawn without restrictions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

18. Cash and short-term deposits (cont'd)

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

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Australian Dollar	13	78	–	–

19. Trade and other payables and contract liability

		Group		Company	
	Note	2020	2019	2020	2019
		\$'000	\$'000	\$'000	\$'000
Trade and other payables (current)					
Trade payables		346	199	105	132
Other payables		54	252	54	42
Accrued operating expenses		503	648	169	220
Goods and services tax payable		54	–	185	–
Rental deposits		102	91	71	91
Retention sum payable		221	31	–	–
Total trade and other payables		1,280	1,221	584	485
Add:					
Contract liability		691	–	–	–
Due to subsidiaries (non-trade)	11	–	–	978	965
Borrowings	21	127,485	95,524	10,701	12,660
Total financial liabilities carried at amortised cost		129,456	96,745	12,263	14,110

Trade and other payables are unsecured, non-interest bearing and repayment is based on the payment terms and conditions agreed.

Contract liability comprises the progress billings on properties under development.

Trade and other payables denominated in foreign currencies as at 30 June are as follows:

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Renminbi	–	50	–	–

20. Provisions

Provision for restoration costs represents the present value of anticipated costs for future restoration of leased office premises to their original condition at the end of the lease.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

21. Borrowings

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Bank term loans (secured):				
Amount due for settlement within 12 months (current)	50,366	83,692	1,089	82
Amount due for settlement after 12 months (non-current)	77,119	11,832	9,612	11,832
	<u>127,485</u>	<u>95,524</u>	<u>10,701</u>	<u>12,660</u>

(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 1.36% to 3.40% (2019: 2.50% to 3.27%) per annum for the Group and from 2.65% to 3.40% (2019: 2.50% to 2.65%) per annum for the Company and are secured by way of:

- (i) legal mortgages over the Group's property, plant and equipment (Note 12);
- (ii) legal mortgages over the Company's investment properties (Note 13);
- (iii) legal mortgages over the Group's property held for sale (Note 16);
- (iv) legal mortgages over the Group's development properties (Note 17); and
- (v) corporate guarantees by the Company and assignment of developer's rights and benefits in the sale and purchase agreements.

(b) *Maturity of borrowings*

Loans due are estimated to be repayable as follows:

		Maturity (Financial year) Note	Group		Company	
			2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
Current:						
Development loans	2020		48,277	82,864	–	–
Non-revolving loans	2020		2,089	828	1,089	828
			50,366	83,692	1,089	828
Non-current:						
Development loans	2021-2022		58,877	–	–	–
Non-revolving loans	2021-2038		18,242	11,832	9,612	11,832
			77,119	11,832	9,612	11,832
Total borrowings			127,485	95,524	10,701	12,660

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

21. Borrowings (cont'd)

(c) Reconciliation of liabilities

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

	2019	Net cash flows	Non-cash change Notional interest expense	2020
	\$'000	\$'000	\$'000	\$'000
Bank loans	95,524	31,961	–	127,485

	2018	Net cash flows	Non-cash change Notional interest expense	2019
	\$'000	\$'000	\$'000	\$'000
Bank loans	18,078	77,446	–	95,524
Shareholder's loans	4,485	(4,500)	15	–
Total	22,563	72,946	15	95,524

22. Derivative instrument

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Current liability:				
Forward foreign currency contract	222	–	–	–

As at 30 June 2020, the Group has an outstanding forward foreign exchange contract with a notional amount of Australian Dollars 20,000,000. Fair value loss on the forward foreign currency contract of \$222,000 (2019: nil) was recognised in profit or loss during the financial year (Note 6).

23. Share capital

	2020	2019	2020	2019
	Number of ordinary shares		\$'000	\$'000
<i>Issued and fully paid:</i>				
At beginning of year	681,975,469	526,307,806	46,116	35,702
Issuance of ordinary shares ¹	–	155,667,663	–	10,507
Share issuance expenses	–	–	–	(93)
At end of year	681,975,469	681,975,469	46,116	46,116

¹ On 5 April 2019, the Company completed a rights issue of 155,667,663 new ordinary shares in the capital of the Company (the "Rights Shares 2019"), at a rights issue price of S\$0.0675 for each Rights Share on the basis of one (1) Rights Share for every three (3) ordinary shares in the capital of the Company ("Shares") held by each shareholder as at the books closure date on 22 February 2019.

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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

24. Reserves

	Group		Company	
	2020	2019	2020	2019
	\$'000	\$'000	\$'000	\$'000
Asset revaluation reserve	50,663	–	–	–
Exchange fluctuation reserve	285	240	–	–
Share option reserve	498	498	498	498
Accumulated losses	(11,552)	(7,806)	(5,214)	(6,004)
	<u>39,894</u>	<u>(7,068)</u>	<u>(4,716)</u>	<u>(5,506)</u>

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.

25. Employee benefits

	Group	
	2020	2019
	\$'000	\$'000
Employee benefits expense (including directors):		
Salaries and other related costs	809	891
Contributions to defined contribution plans	47	37
	<u>891</u>	<u>928</u>

GDL Share Award Scheme

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

The name of the Scheme has been changed from "TMC Share Award Scheme" to "GDL Share Award Scheme". This is consequent upon the change of the Company's name from TMC Education Corporation Limited on 23 March 2018. The rules of the Scheme remain unchanged. The Scheme will expire on 31 March 2021. The Board will consider and recommend the implementation of share schemes or other long-term incentive schemes as and when it considers appropriate in the future.

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

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

26. Leases

As lessee

As at the end of the reporting period, the Group has lease commitments in respect of campus, office and state land premises. Leases of campus and state land premises have an original term of more than one year and its office lease has a lease term of 12 months or less. The Group applies the 'short-term lease' recognition exemption for its office lease.

Right-of-use asset

Set out below are the carrying amount of the right-of-use asset recognised and the movements during the financial year:

	State land \$'000
As at 1 July 2019 (on initial application of SFRS(I) 16)	157
Depreciation of right-of-use asset	(54)
As at 30 June 2020	<u>103</u>

Lease liabilities

Set out below are the carrying amounts of lease liabilities and the movements during the financial year:

	Group \$'000
At 1 July 2019	1,682
Accretion of interest	34
Payments	(941)
Government grants	(310)
As at 30 June 2020	<u>465</u>
	Group 2020 \$'000
Current	426
Non-current	39
Total lease liabilities	<u>465</u>

The existing leases expire between October 2020 and January 2022. The maturity analysis of the lease liabilities is disclosed in Note 31(b).

Amounts recognised in statement of comprehensive income

	Group 2020 \$'000
Depreciation of right-of-use asset (included in sales and marketing expenses)	54
Interest expense on lease liabilities (included in finance costs)	34
Expenses relating to a short-term lease and leases of low-value assets (included in general and administrative expenses)	83
	<u>171</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

26. Leases (cont'd)

As lessee (cont'd)

Total cash outflow

Total cash outflow of the Group for the lease liabilities during the financial year was \$941,000.

Operating lease commitments

At the end of the reporting period, the Company has outstanding commitments of \$54,000 under non-cancellable operating leases arising from its office lease, which fall due within a year.

As lessor

At the end of the reporting period, the Group acts as a lessor in the non-cancellable operating leases of its commercial premises (investment properties), and in the campus space which it sublets with an original term of more than one year.

Operating leases

The Group has entered into commercial property leases on its investment properties. The non-cancellable leases on its commercial premises expire between August 2020 and December 2020 and contain renewal options.

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

	Group	
	2020	2019
	\$'000	\$'000
Not later than one year	97	1,514
Later than one year but not later than five years	–	435
	<u>97</u>	<u>1,949</u>

Sublease – classified as finance lease

On 1 February 2018, the Group entered into a subletting arrangement to sublet its current lease of campus premises until October 2020. The sublease period forms a major part of the remaining lease terms under the head lease. Accordingly, the sublease is classified as a finance lease and the Group recognised a lease receivable on the net investment in the sublease.

Set out below are the carrying amounts of lease receivable and the movements during the financial year:

	Campus space
	\$'000
As at 1 July 2019 (on initial application of SFRS(I) 16)	1,525
Accretion of interests	28
Receipts	(896)
Grant expense	(398)
As at 30 June 2020	<u>259</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

27. Related party transactions

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

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	
	2020	2019
	\$'000	\$'000
IT support fee paid to a related party in which the controlling shareholder has an interest	1	1
Rental expense paid to a related party in which the controlling shareholder has an interest	83	87
Season parking paid to a related party in which the controlling shareholder has an interest	5	5

(b) Personal guarantee for performance bond

During the financial year ended 30 June 2020, the controlling shareholder has provided a personal guarantee jointly with the Company in respect of the obligations of a subsidiary in satisfying the terms and conditions as required under the Qualifying Certificate ("QC") rules for which a performance bond of \$1,838,000 (2019: nil) was given to a subsidiary (Note 29). The performance bond was issued by the external underwriter.

(c) Compensation of key management personnel

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

	Group	
	2020	2019
	\$'000	\$'000
Short-term employee benefits	809	792
Central Provident Fund contributions	47	43
	856	835
Comprise amounts paid to:		
Directors of the Group	614	603
Other key management personnel	242	232
	856	835

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 2020

28. Commitments

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	
	2020	2019
	\$'000	\$'000
Capital commitments in respect of:		
Property development expenditure	16,754	32,508
Property, plant and equipment	16,956	572
	<u>33,710</u>	<u>33,080</u>

29. Contingencies

Guarantees

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

- (a) it has provided corporate guarantees to financial institutions for a total amount of \$153,841,000 (2019: \$82,864,000) in respect of borrowings drawn down by subsidiaries of the Company;
- (b) it has guaranteed the obligations of a subsidiary in satisfying the terms and conditions as required under the Balcony Bonus Gross Floor Area Incentive Scheme ("Scheme") rules for which a performance bond amounting to \$363,000 (2019: \$363,000) was given to a subsidiary. The performance bond was issued by the external underwriters; and
- (c) 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 \$7,662,000 (2019: \$6,147,000) were given to subsidiaries. This included a performance bond amounting to \$1,838,000 (2019: nil) which was jointly guaranteed by both the Company and the controlling shareholder of the Company during the financial year ended 30 June 2020 (Note 27). These performance bonds were issued by the external underwriters.

30. 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 targeting different market segments 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

30. Segment information (cont'd)

The following summary describes the operations of each of the Group's reportable business segments:

- (a) Property development segment relates to development of residential properties;
- (b) Property investment segment relates to 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 mainly 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.

Information about major customer

There was no concentration of revenue derived from any one single customer for the financial year ended 30 June 2020.

For the financial year ended 30 June 2019, other rental income arising from the Group's sublease arrangement with a major lessee in the property investment segment amounted to \$1,194,000.

	Property development \$'000	Property investment \$'000	Hospitality \$'000	Adjustments and eliminations \$'000	Notes	Total \$'000
Group						
30 June 2020						
External revenue	613	3,455	–	(3,070)		998
Fair value loss on investment properties	–	(640)	–	–		(640)
Depreciation of property, plant and equipment	–	(27)	–	–		(27)
Depreciation of right- of-use asset	(54)	–	–	–		(54)
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)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

30. Segment information (cont'd)

	Property development \$'000	Property investment \$'000	Hospitality \$'000	Adjustments and eliminations \$'000	Notes	Total \$'000
30 June 2020						
Reportable segment (loss)/profit for the year	(1,568)	902	(31)	(3,049)		(3,746)
Capital expenditure	–	–	9,725	–		9,725
Reportable segment assets	92,659	57,179	109,369	(43,128)	A	216,079
Reportable segment liabilities	(92,655)	(14,751)	(57,742)	35,079	B	(130,069)
30 June 2019						
External revenue	11	1,638	–	(9)		1,640
Depreciation of property, plant and equipment	–	(28)	–	–		(28)
Fair value gain on investment properties	–	(220)	–	–		(220)
Interest income	1	108	–	–		109
Interest expense	–	(400)	–	–		(400)
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)	A	135,808
Reportable segment liabilities	(62,968)	(66,950)	–	33,158	B	(96,760)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

30. Segment information (cont'd)

Notes:

Nature of adjustments and eliminations to arrive at amounts reported in the consolidated financial statements.

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

	Group	
	2020	2019
	\$'000	\$'000
Development properties	(1,591)	–
Property held for sale	(71)	–
Property, plant and equipment	(1,497)	(10)
Trade and other receivables	(20)	59
Investment in subsidiaries	(5,000)	(5,000)
Inter-segment assets	(34,949)	(31,278)
	<u>(43,128)</u>	<u>(36,229)</u>

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

	Group	
	2020	2019
	\$'000	\$'000
Trade and other payables	130	(59)
Inter-segment liabilities	34,949	33,217
	<u>35,079</u>	<u>33,158</u>

31. Financial risk management objectives and policies

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. It is, and has been, throughout the current and previous financial year, the Group's policy that no trading in derivatives for speculative purposes shall be undertaken.

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.

(a) 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, contract asset and lease receivable.

For trade receivables and contract asset, the Group and Company apply a simplified approach in calculating ECLs. Therefore, the Group and Company do not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group and Company have established a provision matrix that is based on its historical credit loss experience.

For lease receivable and other financial assets, the Group and Company minimise credit risk by dealing exclusively with high credit rating counterparties.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

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

(b) Liquidity risk

Liquidity risk is the risk that the Group or the Company will encounter difficulty in meeting financial obligations due to shortage of funds. 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 a 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% (2019: 95%) of loans and borrowings should mature in the next one year, and to maintain sufficient liquid financial assets and stand-by credit facilities.

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 \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
2020				
Group				
Financial assets:				
Trade and other receivables (Note 15)	66	–	–	66
Lease receivable (Note 26)	259	–	–	259
Cash and short-term deposits (Note 18)	3,332	–	–	3,332
Total undiscounted financial assets	3,657	–	–	3,657
Financial liabilities:				
Trade and other payables (Note 19)	1,280	–	–	1,280
Lease liabilities (Note 26)	426	39	–	465
Borrowings (Note 21)	51,024	71,880	6,715	129,619
Derivative instrument (Note 22)	222	–	–	222
Total undiscounted financial liabilities	52,952	71,919	6,715	131,586
Total net undiscounted financial liabilities	(49,295)	(71,919)	(6,715)	(127,929)

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

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

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	1 year or less \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
2019				
Group				
Financial assets:				
Trade and other receivables (Note 15)	3,285	–	–	3,285
Cash and short-term deposits (Note 18)	2,628	–	–	2,628
Total undiscounted financial assets	5,913	–	–	5,913
Financial liabilities:				
Trade and other payables (Note 19)	1,221	–	–	1,221
Borrowings (Note 21)	86,086	3,314	12,385	101,785
Total undiscounted financial liabilities	87,307	3,314	12,385	103,006
Total net undiscounted financial liabilities	(81,394)	(3,314)	(12,385)	(97,093)

	1 year or less \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
2020				
Company				
Financial assets:				
Trade and other receivables (Note 15)	47	–	–	47
Due from subsidiaries (Note 11)	33,970	–	–	33,970
Lease receivable (Note 26)	259	–	–	259
Cash and short-term deposits (Note 18)	634	–	–	634
Total undiscounted financial assets	34,910	–	–	34,910
Financial liabilities:				
Trade and other payables (Note 19)	584	–	–	584
Due to subsidiaries (Note 11)	978	–	–	978
Lease liabilities (Note 26)	361	–	–	361
Borrowings (Note 21)	847	3,398	6,715	10,960
Total undiscounted financial liabilities	2,770	3,398	6,715	12,883
Total net undiscounted financial assets/ (liabilities)	32,140	(3,398)	(6,715)	22,027

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

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

(b) Liquidity risk (cont'd)

Analysis of financial instruments by remaining contractual maturities (cont'd)

	1 year or less \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
2019				
Company				
Financial assets:				
Trade and other receivables (Note 15)	62	–	–	62
Due from subsidiaries (Note 11)	30,312	–	–	30,312
Cash and short-term deposits (Note 18)	1,146	–	–	1,146
Total undiscounted financial assets	31,520	–	–	31,520
Financial liabilities:				
Trade and other payables (Note 19)	485	–	–	485
Due to subsidiaries (Note 11)	965	–	–	965
Borrowings (Note 21)	828	3,313	12,385	16,526
Total undiscounted financial liabilities	2,278	3,313	12,385	17,976
Total net undiscounted financial assets/ (liabilities)	29,242	(3,313)	(12,385)	13,544

(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 loans and borrowings.

Sensitivity analysis for interest rate risk

At the end of the reporting period, if SGD interest rates had been 50 (2019: 50) basis points ("bp") higher/lower with all other variables held constant, the Group and the Company would have recorded higher/lower loss before tax, development properties, and property, plant and equipment as follows:

		Group		Company	
	Increase/(decrease) in basis points	2020 \$'000	2019 \$'000	2020 \$'000	2019 \$'000
		Increase/ (decrease)	Increase/ (decrease)	Increase/ (decrease)	Increase/ (decrease)
Loss before tax	50	239	76	58	76
	(50)	(239)	(76)	(58)	(76)
Development properties	50	101	228	–	–
	(50)	(101)	(228)	–	–
Property, plant and equipment	50	194	183	–	–
	(50)	(194)	(183)	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

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

(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 SGD. 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 is exposed to currency risk arising from its foreign forward currency contract to purchase Australian Dollars ("AUD") and sell SGD at an agreed strike price.

Sensitivity analysis for foreign currency risk

The following table demonstrates the sensitivity of the Group's loss net of tax to a reasonably possible change in the AUD exchange rate (against SGD), with all other variables held constant.

	2020	2019
	Loss net of tax	Loss net of tax
	\$'000	\$'000
	Increase/(decrease)	Increase/(decrease)
AUD - strengthened 5% (2019: 5%)	(957)	(955)
- weakened 5% (2019: 5%)	957	955

32. 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

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

(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 2020			
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 13)	–	14,065	14,065
Rights in leasehold land held as property, plant and equipment (Note 12)	–	105,000	105,000
	–	119,065	119,065
Financial liability:			
Derivative instrument (Note 22)	–	(222)	(222)

Company 2020			
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 13)	–	14,065	14,065

Group and Company 2019			
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 13)	–	18,120	18,120

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

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

(c) Level 2 fair value measurements

Fair value measurement of the derivative instrument (Note 22) held by the Group is categorised within Level 2 of the fair value hierarchy and is valued using a valuation technique with market observable inputs. The contract is valued by a financial institution.

(d) 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 30.6.2020	Valuation techniques	Unobservable inputs	Range of unobservable inputs
	\$'000			\$
Recurring fair value measurements				
Investment properties:				
Commercial	14,065	Direct comparison method	Price per square feet	2,162 – 2,306
Rights in leasehold land held as property, plant and equipment:				
Commercial	105,000	Direct comparison method and residual value method	Price per hotel key	800,000

Description	Fair value at 30.6.2019	Valuation techniques	Unobservable inputs	Range of unobservable inputs
	\$'000			\$
Recurring fair value measurements				
Investment properties:				
Commercial	18,120	Direct comparison method	Price per square feet	2,248 – 2,389

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.

(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 SFRS(I) 13 fair value measurement guidance to perform the valuation.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

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

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

(ii) Valuation policies and procedures (cont'd)

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.

(e) 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 15), cash and cash equivalents (Note 18), trade and other payables (Note 19) and current borrowings (Note 21).

The carrying amounts of these financial assets and liabilities are a reasonable approximation of fair values, either due to their short-term nature or that they are floating rate instruments that are repriced 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.

33. Capital management

Capital includes debt and equity items as disclosed in the table below.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value. The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the years ended 30 June 2020 and 30 June 2019.

The Group monitors 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.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2020

33. Capital management (cont'd)

		Group		Company	
		2020	2019	2020	2019
		\$'000	\$'000	\$'000	\$'000
Trade and other payables	19	1,280	1,221	584	485
Due to subsidiaries	11	–	–	978	965
Borrowings	21	127,485	95,524	10,701	12,660
Lease liabilities	26	465	–	361	–
Total debt		129,230	96,745	12,624	14,110
Less: Cash and short-term deposits	18	(3,332)	(2,628)	(634)	(1,146)
Net debt (A)		125,898	94,117	11,990	12,964
Equity attributable to owners of the Company (B)		86,010	39,048	41,400	40,610
Total capital and net debt (C)=(A)+(B)		211,908	133,165	53,390	53,574
Gearing ratio (D)=(A)/(C)		59%	71%	22%	24%

34. Events occurring after the reporting period

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

Subsequent to the financial year ended 30 June 2020, the Group's subsidiaries, GDL Homes Pte. Ltd. ("**GDL Homes**") and GDL Land Pte. Ltd. ("**GDL Land**"), recorded the following key events:

- GDL Homes completed the sale of its first residential property development at Jalan Demak;
- GDL Homes received an option-to-purchase a property at Tan Sim Boh Road for a purchase consideration of \$9,800,000;
- GDL Land issued options-to-purchase for its development property units at East Coast Road and Flower Road amounting to \$5,030,000; and
- GDL Land received the Loan Supplemental Letter from its lender, Oversea-Chinese Banking Corporation Limited ("**OCBC Loan Supplemental Letter**") to revise the loan repayment terms for the classification of borrowings amounting to \$38,300,000 from current liabilities to non-current liabilities.

At the date of these financial statements, the outbreak of pandemic Coronavirus Disease (COVID-19) and the measures taken to contain the spread of COVID-19 had affected the global economic activities as well as the financial performance of the companies.

The Group envisages the outbreak of COVID-19 to have an impact on Singapore's property market. The values of the Group's assets measured based on quoted prices and unobservable inputs will be affected as a result of the volatility in prices and key assumptions used to determine the fair value.

In view of the uncertainty amid the COVID-19 outbreak, the extent of the impact on the Group's financial performance cannot be reasonably determined at this juncture.

35. Authorisation of financial statements for issue

The financial statements for the financial year ended 30 June 2020 were authorised for issue in accordance with a resolution of the directors on 29 September 2020.

STATISTICS OF SHAREHOLDINGS

As at 30 September 2020

INFORMATION OF SHAREHOLDERS

Issued and Fully Paid-up Capital	:	S\$46,116,140
Number of Shares	:	681,975,469
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	0.17	96	-
100 - 1,000	506	42.41	492,800	0.07
1,001 - 10,000	412	34.53	1,803,567	0.26
10,001 - 1,000,000	261	21.88	20,712,233	3.04
1,000,001 AND ABOVE	12	1.01	658,966,773	96.63
TOTAL	1,193	100.00	681,975,469	100.00

SHAREHOLDINGS HELD BY THE PUBLIC

Based on information available to the Company as at 30 September 2020, approximately 17.97% 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 Catalyst) of the SGX-ST is complied with.

TWENTY LARGEST SHAREHOLDERS

NO.	SHAREHOLDER'S NAME	NO. OF SHARES	%
1	JK GLOBAL ASSETS PTE LTD	499,190,666	73.20
2	MAYBANK KIM ENG SECURITIES PTE. LTD.	61,222,000	8.98
3	DBS NOMINEES (PRIVATE) LIMITED	26,705,466	3.92
4	YEOW CHENG KHIM	19,507,140	2.86
5	ROYAL INST OF CONSTRUCTION ECONOMISTS PTE LTD	19,064,400	2.80
6	RAFFLES NOMINEES (PTE.) LIMITED	11,681,200	1.71
7	CHIN MAY YEE EMILY	10,000,000	1.47
8	YEOW CHENG CHOO	4,072,600	0.60
9	PERIAKARUPPAN ARAVINDAN	3,817,000	0.56
10	OCBC SECURITIES PRIVATE LIMITED	1,436,800	0.21
11	KWAN CHEE SENG	1,156,000	0.17
12	PHILLIP SECURITIES PTE LTD	1,113,501	0.16
13	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	956,800	0.14
14	WONG HIN SUN EUGENE	745,000	0.11
15	ONG LIAN MIN DAVID	712,000	0.10
16	LEE CHIEW ENG	700,000	0.10
17	TAN SU LAN @ TAN SOO LUNG	671,500	0.10
18	WOO LEE YONG	671,220	0.10
19	NG POH CHENG	534,000	0.08
20	TEO YIT SOON SAMUEL (ZHANG YISHUN SAMUEL)	522,000	0.08
	TOTAL	664,479,293	97.45

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
	NO. OF SHARES	%	NO. OF SHARES	%
JK Global Assets Pte. Ltd. ⁽¹⁾	499,190,666	73.20	-	-
Koh Wee Meng ^{(1), (2)}	-	-	499,190,666	73.20
Koh Kian Soo ^{(2), (3), (4)}	-	-	60,000,000	8.80
Ko Lee Meng ^{(2), (3), (4)}	60,000,000	8.80	-	-

Notes:

- ⁽¹⁾ 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..
- ⁽²⁾ Koh Wee Meng is the brother of Ko Lee Meng and the brother-in-law of Koh Kian Soo.
- ⁽³⁾ 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).
- ⁽⁴⁾ 60,000,000 shares are held through Maybank Kim Eng Securities Pte. Ltd..

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **GLOBAL DRAGON LIMITED** (the “**Company**”) will be convened and held by electronic means on Friday, 23 October 2020 at 9.30 a.m. (the “**AGM**”), for the purposes of transacting the following business:

ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the financial year ended 30 June 2020, together with the Directors’ Statement and Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect the following Directors of the Company retiring by rotation pursuant to Article 104 of the Company’s Constitution:
(a) Mr Tan Chee Wee (Chen Zhiwei) [See Explanatory Note (i)] **(Resolution 2)**
(b) Dr Kwan Chee Wai [See Explanatory Note (ii)] **(Resolution 3)**
3. To approve Directors’ fees of S\$95,000 for the financial year ending 30 June 2021 (FY2020: S\$95,000), payable yearly. **(Resolution 4)**
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 5)**
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 resolutions as ordinary resolutions, 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; and
- (c) issue additional Instruments arising from adjustments made to the number of Instruments previously issued in the event of rights, bonus or capitalisation issues,

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 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 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 or any such other limit as may be prescribed by the Catalist Rules as at the date this ordinary resolution is passed);
- (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) 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;
 - (ii) new Shares arising from exercising share options or vesting of share awards, 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.

NOTICE OF ANNUAL GENERAL MEETING

Adjustments in accordance with the above paragraph 2(i) and 2(ii) are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this ordinary resolution approving the mandate;

- (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 (iii)]

(Resolution 6)

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

That pursuant to Section 161 of the Companies Act, authority be given to the Directors to offer and grant awards (the “**Awards**”) in accordance with the provisions of the GDL 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 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 7)

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 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 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 during the relevant five (5) day period and the day on which the purchases are made.

[See Explanatory Note (iv)]

(Resolution 8)

By Order of the Board

Janet Tan
Company Secretary

Singapore,
8 October 2020

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes

- (i) Mr Tan Chee Wei (Chen Zhiwei) ("**Mr Tan**") shall, upon re-election as a Director of the Company, remain as an Executive Director and Chief Operating Officer of the Company. Further information on Mr Tan can be found under the sections entitled "Board of Directors" and "Additional Information on Directors seeking Re-election" in the Annual Report 2020.
- (ii) Dr Kwan Chee Wai ("**Dr 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 of Directors considers Dr Kwan to be independent for the purpose of Rule 704(7) of the Catalist Rules. Further information on Dr Kwan can be found in the sections entitled "Board of Directors" and "Additional Information on Directors seeking Re-election" in the Annual Report 2020.
- (iii) Ordinary Resolution 6, 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, 100% of the total number of issued Shares (excluding treasury shares and subsidiary holdings), of which up to 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.

- (iv) Ordinary Resolution 8, 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 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 2020.

Notes:

- 1. This AGM is being convened and will be held by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
- 2. Due to current COVID-19 situation in Singapore and as part of the measures to minimise the risk of community spread of COVID-19, a member will not be able to attend the AGM in person. Instead, the Company will arrange for a live webcast, which allows members to view the proceedings of the AGM via "live" audio and video feed ("**Webcast**"). In addition, members will be able to observe the AGM proceedings by audio only means via telephone ("**Audio Link**"). Members who wish to observe the AGM proceedings by Webcast or Audio Link must pre-register at the <https://rebrand.ly/Global-Dragon-Limited-AGM> by 9.30 a.m. on 19 October 2020 ("**Registration Deadline**"). Following verification of their shareholding status, members will receive further instructions on how to access the Webcast and the Audio Link via email ("**Registration Confirmation Email**") by 9.30 a.m. on 21 October 2020.

Members who have pre-registered by the Registration Deadline but do not receive the Registration Confirmation Email by 9.30 a.m. on 21 October 2020 should contact the Company for assistance at gdl@globaldragon.com.sg stating: (a) the member's full name; and (b) the member's identification/registration number.

Members who hold their Shares through a Relevant Intermediary (as defined in Section 181 of the Companies Act) (including Central Provident Fund ("**CPF**") Investment Scheme members or Supplementary Retirement Scheme ("**SRS**") investors) should contact their respective Relevant Intermediaries (which would include CPF Agent Banks and SRS Operators) through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the AGM, in any case, no later than seven (7) working days prior to the date of the AGM, being by 9.30 a.m. on 14 October 2020.

- 3. Members viewing the Webcast or listening to the Audio Link will not be able to submit questions online or over the telephone during the Webcast or the Audio Link. Members must submit any questions they may have by 9.30 a.m. on 19 October 2020:
 - (a) in hard copy to the registered office of the Company at 456 Alexandra Road #02-09 Fragrance Empire Building Singapore 119962; or
 - (b) by email to gdl@globaldragon.com.sg.

Members submitting questions are requested to state: (a) their full name; and (b) the member's identification/registration number, failing which the Company shall be entitled to regard the submission as invalid.

The Company will endeavour to answer all substantial and relevant questions prior to, or at this AGM.

NOTICE OF ANNUAL GENERAL MEETING

4. Members viewing the Webcast or listening to the Audio Link will not be able to cast their votes online or over the telephone during the Webcast or the Audio Link. All members must vote by proxy only. Members must appoint the Chairman of the AGM to act as their proxy and must specifically direct the proxy on how they wish to vote for or vote against (or abstain from voting on) the resolutions in the instrument appointing the Chairman of the AGM as proxy, failing which the instrument may be treated as invalid.

The signed instrument appointing the Chairman of the AGM as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a certified copy thereof, must be:

- (a) submitted by email to gdl@globaldragon.com.sg; or
- (b) lodged at the registered office of the Company at 456 Alexandra Road #02-09 Fragrance Empire Building Singapore 119962,

in either case, by 9.30 a.m. on 21 October 2020, being 48 hours before the time appointed for holding this AGM, failing which the Company shall be entitled to regard the instrument of proxy as invalid.

In view of the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email.

The instrument appointing the Chairman of the AGM as proxy must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing the Chairman of the AGM as proxy is executed by a corporation, it must be executed either under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. Where the instrument appointing the Chairman of the AGM as proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney (or other authority) 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.

The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing the Chairman of the AGM as proxy (such as in the case where the appointor submits more than one (1) instrument of proxy).

In the case of a member whose Shares are entered against his/her name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Chapter 289) of Singapore), the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if such member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Members who hold their Shares through a Relevant Intermediary (as defined in Section 181 of the Companies Act) (including CPF Investment Scheme members or SRS investors) and who wish to exercise their votes by appointing the Chairman of the AGM as proxy should approach their respective Relevant Intermediaries (including their CPF Agent Banks or SRS Operators) to submit their voting instructions at least seven (7) working days prior to the date of the AGM, being by 9.30 a.m. on 14 October 2020.

5. All documents relating to the business of the AGM will be published on SGXNet. Printed copies of such documents will NOT be sent to members.
6. Due to the evolving COVID-19 situation in Singapore, the Company may change the AGM arrangements at short notice. The Company will announce any changes to the holding or conduct of the AGM via the SGXNet. Members are advised to check the SGXNet regularly for updates on the EGM. The Company wishes to thank all shareholders for their patience and co-operation in enabling the Company to hold the AGM with the optimum safe distancing measures amidst the current COVID-19 pandemic.

Personal data privacy:

By pre-registering for the Webcast and/or the Audio Link, submitting an instrument appointing the Chairman of the AGM as proxy to vote at the AGM and/or any adjournment thereof, and/or submitting questions relating to the resolutions tabled for approval at the AGM or the Company's businesses and operations, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of (i) administering the Webcast and the Audio Link (including, but not limited to, verifying the identity and shareholding status of the member, registering an account for the member to access the Webcast and/or the Audio Link, facilitating and administering the Webcast and Audio Link and disclosing the member's personal data to the Company's agents or third-party service provider for any such purposes), (ii) the processing of any questions submitted to the Company, (iii) the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of the Chairman of the AGM as proxy appointed for the AGM (including any adjournment thereof) and (iv) the preparation and compilation of the minutes and other documents relating to the AGM (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"). The member's personal data may be disclosed or transferred by the Company to its subsidiaries, its share registrar and/or other agents or bodies for any of the Purposes, and retained for such period as may be necessary for the Company's verification and record purposes. Photographic, sound and/or video recordings of the AGM may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the AGM. Accordingly, the personal data of a member of the Company (such as his/ her name, his/her presence at the AGM and any questions he/she may raise or motions he/she proposes/seconds) may be recorded by the Company for such purpose.

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

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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Mr Tan Chee Wee (Chen Zhiwei) and Dr Kwan Chee Wai are the Directors seeking re-election (“Retiring Directors”) at the forthcoming annual general meeting of the Company to be convened on 23 October 2020.

Pursuant to Rule 720(5) of the Catalyst Rules, the information relating to the Retiring Directors as set out in Appendix 7F of the Catalyst Rules is set out below and to be read in conjunction with their respective biographies under the section entitled “Board of Directors” in this annual report:

Name of Director	Mr Tan Chee Wee (Chen Zhiwei)	Dr Kwan Chee Wai
Date of Appointment	1 May 2018	14 February 2018
Date of last re-appointment	26 October 2018	26 October 2018
Age	47	49
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Tan Chee Wee (Chen Zhiwei) as an Executive Director was recommended by the Nominating Committee and the Board of Directors has accepted the recommendation, after taking into consideration Mr Tan Chee Wee (Chen Zhiwei)'s qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Dr Kwan Chee Wai as an Independent Director was recommended by the Nominating Committee and the Board of Directors has accepted the recommendation, after taking into consideration Dr Kwan Chee Wai's qualifications, expertise, past experiences and overall contribution since he was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Executive, Mr Tan Chee Wee (Chen Zhiwei) is responsible for managing and overseeing the operations of the Group and to assist the Executive Chairman in firming future development strategies.	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Executive Director and Chief Operating Officer	Independent Director, Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee
Professional qualifications	Bachelor of Science (Real Estate) from the National University of Singapore	<ul style="list-style-type: none"> • Doctor of Philosophy (Finance) from the University of Western Australia • Master of Business Research from the University of Western Australia • Master of Research: Higher Education from the Lancaster University • 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 • Bachelor of Accountancy from the Nanyang Technological University • a Fellow Chartered Accountant of the Institute of Singapore Chartered Accountants • a Fellow Certified Practising Accountant of CPA Australia • an ASEAN Chartered Professional Accountant
Working experience and occupation(s) during the past 10 years	<p>2018 to present: Chief Operating Officer, Global Dragon Limited</p> <p>1998 – 2018: Senior Director, Residential in Edmund Tie and Company</p>	<p>2019 to present: Assistant Professor (Accounting and Finance) at Embry-Riddle Aeronautical University</p> <p>2018 to present: Consultant, Lee Hecht Harrison</p> <p>2016 to present: Lecturer at Nanyang Technological University</p> <p>2016 to 2019: Lecturer at University of Newcastle</p> <p>2014 to 2017: Lecturer at Singapore Institute of Technology</p> <p>2014 to 2016: Lecturer at National University of Singapore</p> <p>2004 to 2016: Lecturer at Kaplan Higher Education</p> <p>2003 to 2015: Lecturer at Singapore Institute of Management</p> <p>1996 to 2013: Lecturer at SAA Global Education</p>
Shareholding interest in the listed issuer and its subsidiaries	Direct Interest – 200,000 ordinary shares in the Company	Nil

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr Tan Chee Wee (Chen Zhiwei)	Dr Kwan Chee Wai
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes
Other Principal Commitments* Including Directorships# * "Principal Commitments" has the same meaning as defined in the Code. # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)		
Past (for the last 5 years)	Directorship: Nil Principal Commitment: • Senior Director, Residential in Edmund Tie and Company	Directorship: • Independent Director, Global Premium Hotels Limited Principal Commitments: • Lecturer, Singapore Institute of Technology • Lecturer, National University of Singapore • Lecturer, Kaplan Higher Education • Lecturer, University of Newcastle
Present	Directorship: • Executive Director, Global Dragon Limited Principal Commitment: • Chief Operating Officer, Global Dragon Limited	Directorship: • Independent Director, Global Dragon Limited Principal Commitments: • Assistant Professor (Accounting and Finance) at Embry-Riddle Aeronautical University • Lecturer, Nanyang Technological University • Consultant, Lee Hecht Harrison
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is "yes", full details must be given.		
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Mr Tan Chee Wee (Chen Zhiwei)	Dr Kwan Chee Wai
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No
<p>(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:—</p> <p>(i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or</p> <p>(ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or</p> <p>(iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or</p> <p>(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere,</p> <p>in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?</p>	No	No
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No

PROXY FORM
ANNUAL GENERAL MEETING

IMPORTANT:

1. The Annual General Meeting ("AGM") is being convened, and will be held, by electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020.
2. Alternative arrangements relating to attendance at the AGM via electronic means (including arrangements by which the meeting can be electronically accessed via "live" audio and video feed or audio-only means via telephone), submission of questions in advance of the AGM, addressing of substantial and relevant questions prior to or at the AGM and voting by appointing the Chairman of the AGM as proxy at the AGM, are set out in the notice of AGM.
3. Due to the current COVID-19 situation in Singapore and as part of the measures to minimise the risk of community spread of COVID-19, a member will not be able to attend the AGM in person. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM.
4. CPF or SRS investors who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 9.30 a.m. on 14 October 2020, being seven (7) working days before the date of the AGM.

I/We* _____ (Name)

of _____ (Address)

being a member/members* of **GLOBAL DRAGON LIMITED** (the "**Company**"), hereby appoint the Chairman of AGM as my/our* proxy to attend and vote on my/our* behalf, at the AGM of the Company, to be held by way of electronic means on Friday, 23 October 2020 at 9.30 a.m. and at any adjournment thereof.

All resolutions put to the vote of the AGM shall be decided by the way of poll. Please indicate the number of votes as appropriate.

No.	Ordinary Resolutions	Number of Votes For **	Number of Votes Against **	Number of Votes Abstain**
AS ORDINARY BUSINESS				
1.	To receive and adopt the Audited Financial Statements for the financial year ended 30 June 2020, together with the Directors' Statement and the Auditors' Report thereon.			
2.	To re-elect Mr Tan Chee Wee (Chen Zhiwei), a Director retiring by rotation pursuant to Article 104 of the Company's Constitution.			
3.	To re-elect Dr Kwan Chee Wai, a Director retiring by rotation pursuant to Article 104 of the Company's Constitution.			
4.	To approve the payment of Directors' fees of S\$95,000 for the financial year ending 30 June 2021 (FY2020: S\$95,000), payable yearly.			
5.	To reappoint Messrs Ernst & Young LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.			
AS SPECIAL BUSINESS				
6.	To grant the Directors the authority to allot and issue shares in the capital of the Company.			
7.	To grant the Directors the authority to issue shares under the GDL Share Award Scheme.			
8.	To approve the proposed renewal of the Share Purchase Mandate.			

* Please delete accordingly.

** If you wish to exercise all your votes "For" or "Against" or to "Abstain" from voting, please indicate with an "✓" within the box provided. Alternatively, please indicate the number of votes as appropriate. **In the absence of specific directions in respect of a resolution, the appointment of Chairman as your proxy for that resolution will be treated as invalid.**

Dated this _____ day of _____ 2020.

.....
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 will be deemed to relate to all the Shares held by you.
2. Due to the current COVID-19 situation in Singapore and as part of the measures to minimise the risk of community spread of COVID-19, a member will not be able to attend the AGM in person. A member will also not be able to vote online on the resolutions to be tabled for approval at the AGM. A member (whether individual or corporate) must appoint the Chairman of the AGM as his/her/its proxy to speak and vote on his/her/its behalf at the AGM if such member wishes to exercise his/her/its voting rights at the AGM. The Chairman of the AGM, as proxy, need not be a member of the Company. Where a member (whether individual or corporate) appoints the Chairman of the AGM as his/her/its proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of a resolution in the proxy form, failing which the proxy form may be treated as invalid.

CPF Investor and/or SRS Investor (as may be applicable) who wish to appoint the Chairman of the AGM as proxy should approach their respective CPF Agent Banks or SRS Operators to submit their votes by 9.30 a.m. on 14 October 2020, being seven (7) working days before the date of the AGM.

3. The instrument appointing the Chairman of the AGM proxy must be signed by the appointer 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 seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing the Chairman of the AGM is executed by an attorney on behalf of the appointer, the letter or power of attorney (or other authority) 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.
4. The signed instrument appointing the Chairman of the AGM as proxy must be submitted to the Company in the following manner:
 - (a) if submitted electronically, be submitted via email to gdl@globaldragon.com.sg; or
 - (b) if submitted by post, be deposited at the registered office of the Company at 456 Alexandra Road #02-09 Fragrance Empire Building Singapore 119962,

in either case, by 9.30 a.m. on 21 October 2020, being 48 hours before the time appointed for holding the AGM, failing which the Company shall be entitled to regard the instrument of proxy as invalid.

In view of the current COVID-19 situation in Singapore, members are strongly encouraged to submit completed proxy forms electronically via email.

5. The Company shall be entitled to reject the instrument appointing the Chairman of the AGM as proxy 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 the Chairman of the AGM as proxy (such as in the case where the appointer submits more than one (1) instrument of proxy). In addition, in the case of a member whose Shares are entered against his/her name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Cap. 289) of Singapore), the Company may reject any instrument appointing the Chairman of the AGM as proxy lodged if such member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at 72 hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting this instrument appointing a proxy(ies) and/or representative(s), the member is deemed to have accepted and agreed to the personal data privacy terms set out in the notice of AGM of the Company dated 8 October 2020.

INFINI

AT EAST COAST

AN INFINITE COLLECTION. LIFE IN THE NEW HORIZON.



3 mins walk to upcoming Marina
Terrace MRT and 1 stop to upcoming
Marina Parade MRT Station



Within 10 mins walk
to 1 Marina
and 1 Marina
3 mins drive
to Marina Parade



Marina Parade
Within 10 mins
to the Marina
1 mins walk to Marina
Parade MRT Station

Within 10 mins
to the Marina
Parade MRT Station



10 mins walk
to Marina Parade



36 EXCLUSIVE FREEHOLD RESIDENCES

2 TO 4 BEDROOMS AND DUAL-KEY UNITS AVAILABLE



騰龍
國際集團

GLOBAL DRAGON LIMITED

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