



騰龍
國際集團

GLOBAL DRAGON LIMITED



** Artist's impression*

HOTEL DEVELOPMENT
AT TELOK BLANGAH ROAD

building
sustainable growth
in real estate

ANNUAL REPORT **20/22**

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* Artist's impression

APARTMENT DEVELOPMENT AT
INFINI AT EAST COAST

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	PROXY FORM

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



APARTMENT DEVELOPMENT AT
INFINI AT EAST COAST

* Artist's impression

YEAR 2022

41st anniversary year for incorporation of
the Company since June 1981

23rd 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 5 years after the takeover by our major shareholder, JK Global Assets Pte. Ltd., in December 2017, the Group has achieved the following significant milestones in our history and heritage since the Company's founding in 1981 and granting of SGX listing status in 1999:

- (a) the Group's revenue increased significantly by 274 times (or S\$105.50 million) to S\$105.88 million in FY2022, from S\$385,000 in FY2017; and
- (b) the Group's net assets increased significantly by 14 times (or S\$83.81 million) to S\$89.81 million as at 30 June 2022, from S\$6.00 million as at 31 December 2017.

As at 30 June 2022, the Group's total Gross Development Value ("**GDV**") of the property development projects and hospitality development project under construction were valued at more than S\$280.57 million by the actual property sale value and accredited professional valuers respectively.

Barring any unforeseen circumstances, the Group's current focus is to complete the construction of all its residential and hotel projects in its pipelines and strengthening its financial fundamentals to ensure sustainable long-term growth for the Group.

CHAIRMAN'S STATEMENT

“As of the date of this statement, despite the difficulties and challenges during post-COVID recovery in 2022, the Group has sold all of its property development units and secured a total property sale value of S\$192.90 million, in which S\$75.73 million property sales have been completed and delivered.

In addition, the Company is pleased to propose a final tax-exempt (one-tier) dividend of 1 Singapore cent per share in respect of FY2022, which is equivalent to approximately 80% of net profit for FY2022 and is the highest dividend pay-out by the Company since FY2007.”

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 2022 (“**FY2022**”).

OVERVIEW

In less than 5 years after the takeover by our major shareholder, JK Global Assets Pte. Ltd., in December 2017, following a change in its principal activities from the education business to property development and investment business, the Group has achieved the following significant milestones in our history and heritage since the Company's founding in 1981 and granting of SGX listing status in 1999 (“**SGX Listing**”):

- (a) the Group's revenue increased significantly by 274 times (or S\$105.50 million) to S\$105.88 million in FY2022, from S\$385,000 in financial year ended 30 June 2017 (“**FY2017**”); and
- (b) the Group's net assets increased significantly by 14 times (or S\$83.81 million) to S\$89.81 million as at 30 June 2022, from S\$6.00 million as at 31 December 2017.

Despite the challenging operating environment, we are pleased to propose a final tax-exempt (one-tier) dividend of 1 Singapore cent per ordinary share in respect of FY2022 (“**Proposed Final Dividend**”), which is equivalent to approximately 80% of net profit for FY2022 and is the highest dividend pay-out by the Company since FY2007. The Proposed Final Dividend is subject to shareholders' approval at the forthcoming Annual General Meeting of the Company.

OPERATIONS

For FY2022, the business climate is increasingly challenging as markets continue to deal with greater uncertainties arising from to the surge in inflation globally arising from a robust demand recovery post-COVID which has run into the supply-side frictions and war-related disruptions.

The Group's strategy is to reinforce its foundations in the property development and investment segments as well as to enhance its financial position for sustainable growth. This strategy of allocating working capital proactively is instrumental in our successful navigation of operational difficulties arising from the pandemic.

Currently, the Group's reportable business segments comprise the property development segment, property investment segment and hospitality segment.

For the property development segment, the Group's total Gross Development Value (“**GDV**”) of the property development projects under construction as at 30 June 2022 were valued at approximately S\$117.17 million based on the actual property sale value.

The Group's residential apartment development at East Coast Road (“**Project Infini at East Coast**”), residential landed property developments at Kovan Close (“**Project Kovan Close**”), Jalan Daud (“**Project Jalan Daud**”) and Woo Mon Chew Road (“**Project Woo Mon Chew Road**”) were under construction or have just commenced construction in FY2022.

During FY2022, the Group obtained the Certificate of Statutory Completion (“**CSC**”) for its residential landed property development at Lorong Mydin (“**Project Lorong Mydin**”). In addition, the Group completed the construction for its residential landed property development

CHAIRMAN'S STATEMENT

at Flower Road ("Project Flower Road") and Tan Sim Boh Road ("Project Tan Sim Boh Road") and obtained the CSCs for these 2 property development projects subsequent to FY2022.

Between July 2021 and May 2022, the Group launched Project Lorong Mydin, Project Kovan Close, Project Jalan Daud and Project Woo Mon Chew Road for sales and these property development projects were fully sold as of the date of this statement. All property development units of the Project Flower Road, Project Lorong Mydin and Project Tan Sim Boh Road were delivered during FY2022.

Barring any unforeseen circumstances, the Group expects to complete the construction of Project Infini at East Coast, Project Kovan Close, Project Jalan Daud and Project Woo Mon Chew Road during the financial year ending 30 June 2023 ("FY2023"). As of the date of this statement, despite the difficulties and challenges during post-COVID recovery in 2022, the Group has sold all of its property development units and secured a total property sale value of S\$192.90 million, in which S\$75.73 million property sales have been completed and delivered. Barring any unforeseen circumstances, these property development projects are expected to contribute positively to the Group's earnings for FY2023.

For the property investment segment as at 30 June 2022, the Group tenanted approximately 87% of its 13 leasehold office units of 999-year in the Central Business District area ("CBD Office Units"). As part of the Group's strategy to unlock the value of the CBD Office Units, the Group issued an options-to-purchase ("OTP") to sell 1 unit of the CBD Office Unit in FY2022 and the Group has completed the disposal of the mentioned unit subsequent to FY2022.

For the hospitality segment, the Group's hospitality investment portfolio as at 30 June 2022 consisted of a 194-room hotel development project located at Telok Blangah Road ("Project Telok Blangah Road") which is currently under construction and the construction work is targeted to be completed during the second half of FY2023. In addition, the Group expects to obtain the Temporary Occupation Permit ("TOP") during the first half of the financial year ending 30 June 2024.

In summary, we are confident that the Group is well positioned in building a sustainable platform for our business growth stories.

FINANCIALS

For FY2022, the Group's revenue increased significantly by S\$70.24 million (or 197%) to S\$105.88 million in FY2022 (FY2021: S\$35.64 million) due mainly to the increase in recognition of revenue of S\$70.24 million to S\$105.56 million (FY2021: S\$35.32 million) from Project Infini At East Coast, Project Flower Road, Project Lorong Mydin and Project Tan Sim Boh Road and revenue from marketing services provided to a residential project in Australia of S\$34,000. The increase is partially offset by the decrease in rental income of S\$31,000 from its investment properties to S\$289,000 (FY2021: S\$320,000) which is in line with the decrease in property investment portfolio of 999-year leasehold prime office units to 13 units in FY2022 (FY2021: 15 units).

As at 30 June 2022, the Group recorded equity attributable to owners of the Company of S\$89.81 million (30 June 2021: S\$80.13 million). The increase was contributed by the net profit for the year of S\$8.50 million and gain on revaluation of rights in leasehold land classified as property, plant and equipment of S\$3.88 million, partially offset by

the dividends paid of S\$2.05 million and deferred tax on revaluation of rights in leasehold land classified as property, plant and equipment of S\$660,000.

Cash and short-term deposits comprised cash held in project accounts of S\$32.58 million, cash at banks of S\$3.02 million and fixed deposits pledged of S\$1.00 million. Cash and short-term deposits increased by S\$28.56 million to S\$36.60 million as at 30 June 2022 (30 June 2021: S\$8.04 million). The increase in cash and short-term deposits was mainly contributed by the increase in cash held in project accounts.

SUSTAINABILITY

Barring any unforeseen circumstances, the Group's current focus is to complete the construction of all its residential and hotel projects in its pipelines and strengthen its financial fundamentals to ensure sustainable long-term growth for the Group.

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

23 September 2022

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 19 years of experience in the real estate industry and has vast experience in managing and executing property development projects from inception to completion as well as in identifying market trends of property developments, in particular, 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 24 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.

KEY EXECUTIVE

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 27 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.

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 over 21 years of 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, experienced IPO Audit Manager of Ernst & Young in Singapore and Senior Auditor of both Deloitte and PricewaterhouseCoopers in Malaysia. During his employments with the Big 4 International Accounting Firms, Mr Kwan was involved in more than 10 IPO/Reverse Takeover ("**RTO**") Audit and Reporting Accountant engagements, including accomplishment of the biggest IPO of the Year on the SGX-ST Main Board in 2009.

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

1 Harbourfront Avenue
Keppel Bay Tower #14-07
Singapore 098632

INDEPENDENT AUDITOR

Ernst & Young LLP

One Raffles Quay
North Tower, Level 18
Singapore 048583
Engagement Partner: **Sharon Peh**
(since the financial year ended
30 June 2022)

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

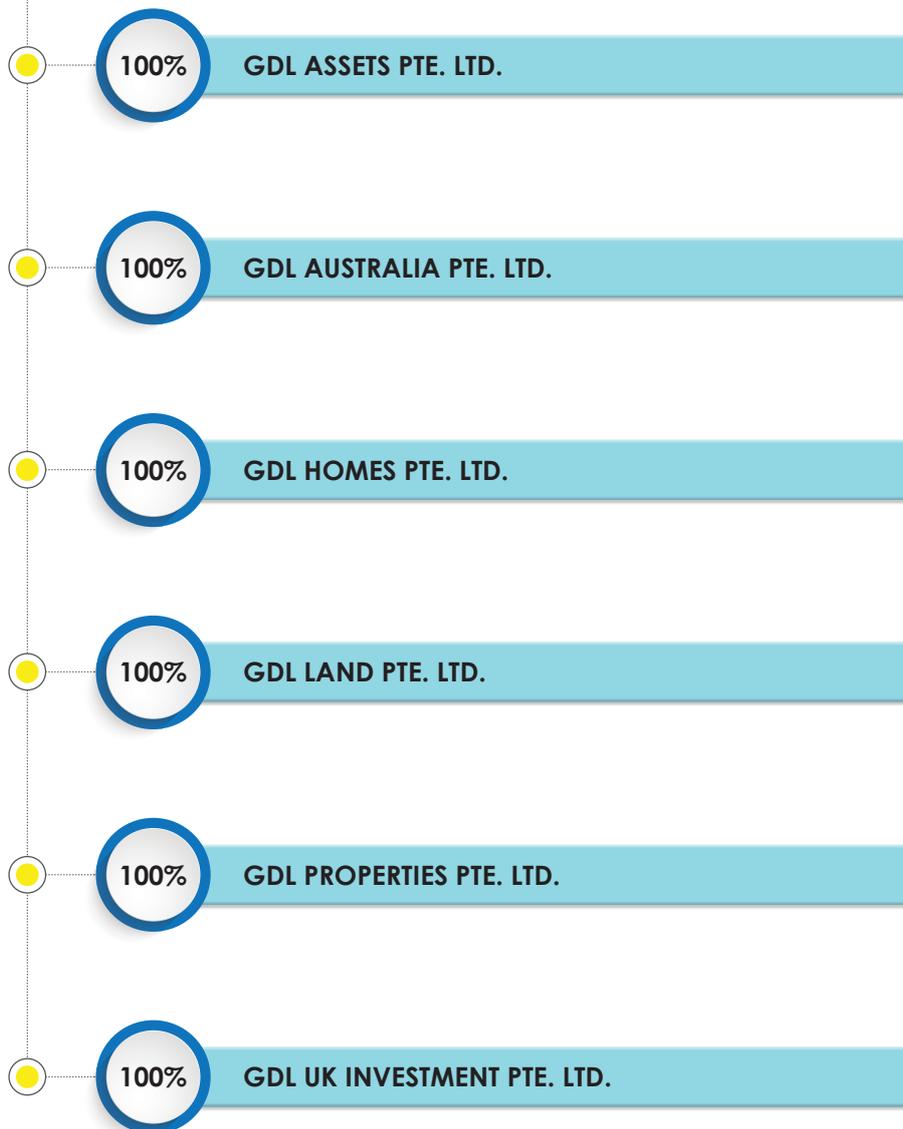
CORPORATE STRUCTURE

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022 ("FY2022")



騰龍
國際集團

GLOBAL DRAGON LIMITED



YEAR IN BRIEF FY2022

JULY 2021

- Held the sale launch for Project Lorong Mydin
- Obtained Certificate of Statutory Completion (“CSC”) for Project Lorong Mydin
- Issued options-to-purchase (“OTPs”) for all units under Project Lorong Mydin, Project Flower Road and Project Tan Sim Boh Road

AUGUST 2021

- Held the sale launches for Project Kovan Close and Project Tan Sim Boh Road
- Released Results Announcement for the financial year ended 30 June 2021 (“FY2021”)

SEPTEMBER 2021

- Completed sales of all units for Project Lorong Mydin
- Issued OTPs for all units under Project Tan Sim Boh Road

OCTOBER 2021

- Held the FY2021 Annual General Meeting and Extraordinary Meeting with all resolutions duly passed
- Issued OTPs for all units under Project Kovan Close

DECEMBER 2021

- Payment of final tax-exempt cash dividend in respect of FY2021

YEAR IN BRIEF FY2022

FEBRUARY 2022

- Held the sale launch for Project Jalan Daud
- Obtained Temporary Occupation Permit ("TOP") for Project Tan Sim Boh Road
- Released Results Announcement for the six-month financial period ended 31 December 2021

APRIL 2022

- Obtained TOP for Project Flower Road
- Issued OTPs for all units under Project Jalan Daud

MAY 2022

- Held the sale launch for Project Woo Mon Chew Road
- Received OTP for sale of 1 unit of investment property located at Peninsula Plaza

JUNE 2022

- Completed sales of all units for Project Flower Road and Project Tan Sim Boh Road

BUSINESS REVIEW

FY2022 continued to be a challenging year due to the surge in inflation globally arising from a robust demand recovery post-COVID which has run into the supply-side frictions and war-related disruptions.

However, the Group is pleased to announce that despite the difficulties and challenges, the Group has sold all of its property development units as of the date of this annual report and secured a total sale value of S\$192.90 million, in which S\$75.73 million sales have been completed and delivered.

The Group's revenue increased significantly by S\$70.24 million (or 197%) to S\$105.88 million in FY2022 (FY2021: S\$35.64 million) due mainly to the increase in recognition of revenue of S\$70.24 million to S\$105.56 million (FY2021: S\$35.32 million) from the property development projects located at East Coast Road ("**Project Infini At East Coast**"), Flower Road ("**Project Flower Road**"), Lorong Mydin ("**Project Lorong Mydin**") and Tan Sim Boh Road ("**Project Tan Sim Boh Road**") and revenue from marketing services provided to a residential project in Australia of S\$34,000. The increase is partially offset by the decrease in rental income of S\$31,000 from its investment properties to S\$289,000 (FY2021: S\$320,000) which is in line with the decrease in property investment portfolio of 999-year leasehold prime office units to 13 units in FY2022 (FY2021: 15 units).

As at 30 June 2022, the Group recorded equity attributable to owners of the Company of S\$89.81 million (30 June 2021: S\$80.13 million). The increase was contributed by the net profit for the year of S\$8.50 million and gain on revaluation of rights

in leasehold land classified as property, plant and equipment of S\$3.88 million, partially offset by the dividends paid of S\$2.05 million and deferred tax on revaluation of rights in leasehold land classified as property, plant and equipment of S\$660,000.

Cash and short-term deposits increased by S\$28.56 million to S\$36.60 million as at 30 June 2022 (30 June 2021: S\$8.04 million), which comprised cash held in project accounts of S\$32.58 million, cash at banks of S\$3.02 million and fixed deposits pledged of S\$1.00 million. The increase in cash and short-term deposits was mainly contributed by the increase in cash held in project accounts.

The Group's reportable business segments comprise the property development segment, property investment segment and hospitality segment during FY2022.

For the property development segment, the Group's total Gross Development Value ("**GDV**") of the property development projects under construction as at 30 June 2022 were valued at approximately S\$117.17 million based on the actual property sale value. The Group's property development projects are summarised as below:

(a) Completed property development projects

(i) *Project Lorong Mydin (Residential landed property development project)*

The Group obtained the Certificate of Statutory Completion ("**CSC**") in July 2021 and completed the sales of all units in September 2021;

(ii) *Project Flower Road (Residential landed property development project)*

The Group completed the sales of all units in June 2022 and obtained the CSC in July 2022; and

(iii) *Project Tan Sim Boh Road (Residential landed property development project)*

The Group completed the sales of all units in June 2022 and obtained the CSC in August 2022.

(b) Property development projects under construction

The Group has four (4) property development projects which are currently under construction as set out below:

(i) *Project Infini At East Coast (Residential non-landed property development project)*

The Group has issued options-to-purchase ("**OTPs**") for all units as of the date of this annual report. Barring any unforeseen circumstances, the Group targets to obtain the Temporary Occupation Permit ("**TOP**") and complete the sales of all units during the first half of FY2023;

(ii) *Project Jalan Daud (Residential landed property development project)*

The Group issued OTPs for all units during FY2022. Barring any unforeseen circumstances, the Group

BUSINESS REVIEW



targets to obtain the TOP and complete the sales of all units during the second half of FY2023;

(iii) *Project Kovan Close (Residential landed property development project)*

The Group issued OTPs for all units during FY2022. Barring any unforeseen circumstances, the Group targets to obtain the TOP and complete the sales of all units during the second half of FY2023; and

(iv) *Project Woo Mon Chew Road (Residential landed property development project)*

The Group has issued OTPs for all units as of the date of this annual report. Barring any unforeseen circumstances, the Group targets to obtain the TOP and complete the sales of all units during the second half of FY2023.

Barring any unforeseen circumstances, the property development segment is expected to contribute positively to the Group's earnings for FY2023.

For the property investment segment, the Group's property investment portfolio as at 30 June 2022 consisted of 13 units (30 June 2021: 15 units) of 999-year leasehold prime office units located in Singapore's Central Business District ("**CBD Office Units**") and achieved tenant occupancy rate of over 87% in FY2022.

As part of the Group's strategy to unlock the value of the CBD Office Units, the Group issued an OTP to sell 1 unit of the CBD Office Unit in FY2022 and the Group has completed the disposal of the mentioned unit subsequent to FY2022.

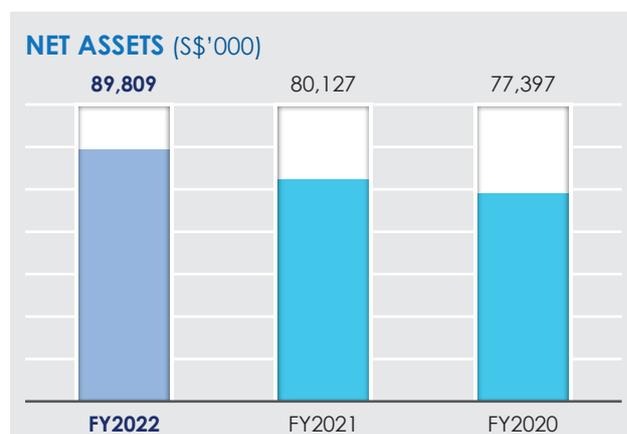
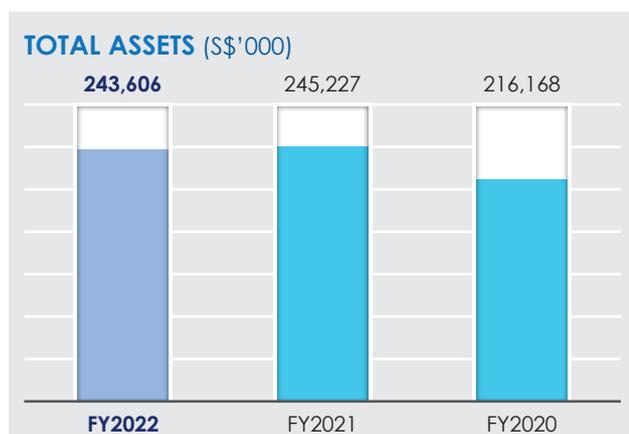
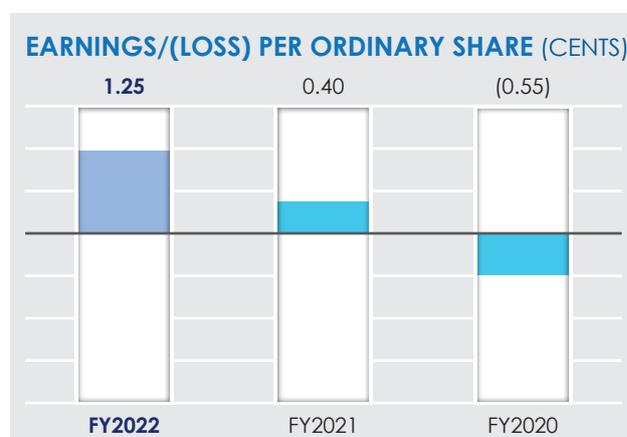
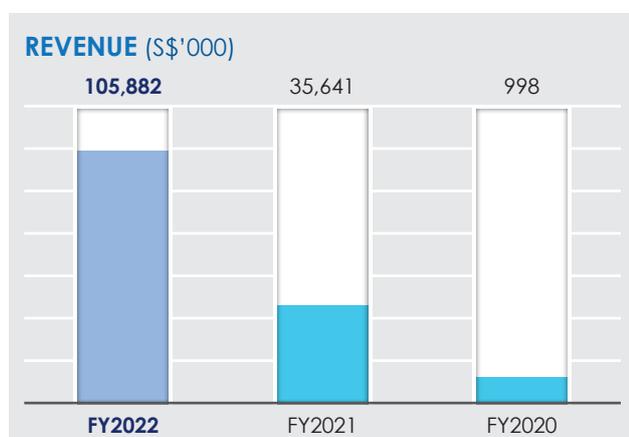
For the hospitality segment, the Group's hospitality investment portfolio as at 30 June 2022 consisted of a 194-room hotel development project located

at Telok Blangah Road ("**Project Telok Blangah Road**") which is currently under construction and the construction work is targeted to be completed during the second half of FY2023. In addition, the Group expects to obtain the TOP during the first half of FY2024.

Barring any unforeseen circumstances, the Group's current focus is to complete the construction of all its residential and hotel development projects in the pipelines and strengthen its financial fundamentals thereby ensuring sustainable long-term growth for the Group. In addition, the Group remains proactive in exploring new business opportunities for both its property development and property investment segments.

FINANCIAL HIGHLIGHTS

	FY2022	FY2021 (Restated)	FY2020 (Restated)
Consolidated Statements of Comprehensive Income (\$\$'000)			
Revenue	105,882	35,641	998
Gross Profit	16,635	6,772	431
Profit/(Loss) Before Tax	10,071	3,271	(3,746)
EBITDA	11,790	4,613	(2,288)
Statements of Financial Position (\$\$'000)			
Property, Plant and Equipment	123,742	111,358	107,746
Investment Properties	10,870	11,170	14,065
Development Properties	33,072	91,873	86,865
Total Assets	243,606	245,227	216,168
Total Liabilities	(153,797)	(165,100)	(138,771)
Net Assets	89,809	80,127	77,397
Financial Ratios			
Earnings/(Loss) Per Ordinary Share (Cents)	1.25	0.40	(0.55)
Net Assets Per Share (Cents)	13.17	11.75	11.35



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 2022 ("**FY2022**"), 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 2022, 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.

CORPORATE GOVERNANCE REPORT

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 person 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 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 FY2022.

All Directors are updated regularly on changes in the 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 FY2022, 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 by the Company's sponsor, SAC Capital Private Limited ("Sponsor"), and the Company Secretaries.

CORPORATE GOVERNANCE REPORT

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.

CORPORATE GOVERNANCE REPORT

To facilitate meetings, the Company's Constitution allows for meetings to be held through telephone and/or videoconference. The number of meetings of the Board and Board Committees held during FY2022 and the attendance of each Director at the said meetings are tabulated below:

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	N.A.	N.A.	N.A.
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 1967 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.

Provision 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.

CORPORATE GOVERNANCE REPORT

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

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 2001 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 FY2022, save as disclosed above, no other independent professional advisor was appointed by the Board.

CORPORATE GOVERNANCE REPORT

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

Provisions 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	N.A.	Member	N.A.
Mr Tan Chee Wee (Chen Zhiwei)	Executive Director and COO	1 May 2018	N.A.	N.A.	N.A.
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.

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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.

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.

Under Rule 406(3)(d)(iii) of the Catalist Rules which has come into force on 1 January 2022, it stipulates that a Director will not be considered independent if he/she has been a director for an aggregate period of more than nine (9) years (whether before or after listing) and his/her continued appointment as an independent director has not been sought and approved in separate resolutions by (A) all shareholders; and (B) shareholders, excluding the directors and the Chief Executive Officer ("CEO") of the listing applicant, and associates of such directors and CEO.

The Board notes that the SGX-ST has stated that to ensure that the independence designation of a director who has served for more than nine (9) years as at and from 1 January 2022 is not affected, a listed issuer should seek and obtain approvals for his continued appointment as an independent director prior to 1 January 2022.

During FY2022, 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.

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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 FY2022, 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 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;
- (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.

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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.

Provisions 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;

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- 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;
- 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 a 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, Dr Kwan Chee Wai and Ms Pan Pei Say 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.

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

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Ms Pan Pei Say shall, upon re-election as a Director of the Company, remain as the Chairman of the RC and a member of each of the AC and NC of the Company.

The NC has recommended to the Board in which the Board has accepted the re-election of Dr Kwan Chee Wai and Ms Pan Pei Say 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.

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 FY2022, the Company did 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.

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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	29 October 2021	Nil	Nil
Mr Tan Chee Wee (Chen Zhiwei)	1 May 2018	23 October 2020	Nil	Nil
Mr Woo Peng Kong	14 February 2018	29 October 2021	AF Global Limited	Global Premium Hotels Limited
Dr Kwan Chee Wai	14 February 2018	23 October 2020	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 in the "Additional Information on Directors Seeking Re-election" section of this Annual Report. Negative disclosures as set out in the "Additional Information on Directors Seeking Re-election" section of this Annual Report 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 of this 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.

Provisions 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 FY2022, the Board did not engage an independent external consultant to facilitate the annual review of the performance of the Board and the Board Committees.

CORPORATE GOVERNANCE REPORT

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:

- attendance at Board and/or 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 FY2022, 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.

CORPORATE GOVERNANCE REPORT

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.

Provisions 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; and
- 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.

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.

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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 FY2022, 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 FY2022, the Company did 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 enable the Company to recover financial losses arising from exceptional circumstances above from the key management personnel.

CORPORATE GOVERNANCE REPORT

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

As described above, the Group maintains a framework of remuneration for the Board and key management personnel to ensure fair and competitive remuneration packages.

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 FY2022, 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 FY2022 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 attract and retain talent at the Board level on a long-term basis.

CORPORATE GOVERNANCE REPORT

Details of the Directors' remuneration for FY2022 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
Mr Tan Chee Wee (Chen Zhiwei)	–	72	21	7
Below \$S\$250,000				
Mr Woo Peng Kong	100	–	–	–
Dr Kwan Chee Wai	100	–	–	–
Ms Pan Pei Say	100	–	–	–

* Inclusive of Central Provident Fund Contributions.

The RC has recommended that the Independent Directors be paid Directors' fee of S\$125,000 for the financial year ending 30 June 2023, 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 FY2022, 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	68	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

CORPORATE GOVERNANCE REPORT

During FY2022, 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

The Company does not have any employee share scheme nor any long-term incentive scheme. 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.

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.

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

In FY2022, 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.

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 FY2022.

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 Group'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 2022 and up to the date of this report.

Principle 10: Audit Committee

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

Provisions 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.

CORPORATE GOVERNANCE REPORT

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 auditors' 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 auditors 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;
- review the nature and extent of non-audit services provided by the external auditors;
- review the assistance given by the Group's officers 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;

CORPORATE GOVERNANCE REPORT

- 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. In addition, 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, the Company Secretaries and external/internal auditors 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 FY2022.

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 FY2022, 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.

CORPORATE GOVERNANCE REPORT

The following significant matters impacting the financial statements were discussed with the Management and the external auditors and reviewed by the AC:

Key Audit Matters	How these issues were addressed by the AC
<p>Valuation of investment properties and rights in leasehold land classified as property, plant and equipment ("PPE")</p>	<p>The Group's valuation of investments properties and rights in leasehold land classified as property, plant and equipment were 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 and rights in leasehold land classified as property, plant and equipment are carried at fair value, which are determined using the direct comparison method and/or residual 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>
<p>Carrying values of development properties</p>	<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 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; (b) performed additional sensitivity analyses, taking into consideration the market and economic conditions prevailing at the reporting date; and (c) assessed the adequacy of disclosures related to development properties in Note 2.12 <i>Summary of significant accounting policies – Development properties</i>, Note 3.2(c) <i>Key sources of estimation uncertainty – Estimation of NRV for development properties</i> and Note 17 <i>Development properties</i> to the financial statements.

CORPORATE GOVERNANCE REPORT

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 FY2022 were S\$77,000 and S\$10,000, respectively. The non-audit fees pertain mainly to tax returns compliance services.

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 audit firm or director of the audit corporation; and in any case, (b) for as long as they have any financial interest in the external audit firm.

Provision 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 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, Artificial Intelligence and cybersecurity. Baker Tilly Singapore's engagement team comprises an internal audit partner, an internal audit manager and supported by qualified staff internal auditors. The team is well qualified, being staffed by the Chartered Accountants of Singapore and Certified Internal Auditors.

The internal auditors have unrestricted direct access and reports directly to the AC on audit matters relating to governance, risk and internal controls.

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 FY2022 and the findings and corrective actions taken by the Management had been submitted to the AC.

CORPORATE GOVERNANCE REPORT

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 FY2022.

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.

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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 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, are 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 the 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 29 October 2021.

CORPORATE GOVERNANCE REPORT

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.

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 seventy-two (72) hours before the time appointed for the general meetings.

Forthcoming AGM to be convened and held physically

The forthcoming AGM to be held in respect of FY2022, will be convened and held physically at 456 Alexandra Road #13-02 Fragrance Empire Building Singapore 119962. Shareholders will be able to raise questions and vote in person at 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.

CORPORATE GOVERNANCE REPORT

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.

The Board is pleased to recommend a one-tier tax exempt final dividend of S\$0.01 per ordinary share in respect of FY2022 (FY2021: S\$0.003 per ordinary share) for approval by the Company's shareholders at the forthcoming AGM.

Principles 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.

Provisions 12.2 and 12.3 – Communication and Interaction with Shareholders

Provisions 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 AGM to ensure a high level of accountability and to keep informed of the Group's strategy and goals.

At each AGM, the Executive Chairman presents the progress and performance of the Group and encourages shareholders to participate in the question and answer session. The Board also welcomes questions and views of shareholders on matters affecting the Company raised either informally or formally before or during the 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.

CORPORATE GOVERNANCE 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) stakeholder 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 FY2022.

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.

CORPORATE GOVERNANCE REPORT

The Group has not obtained a general mandate from shareholders in respect of any interested person transactions ("IPTs") pursuant to Rule 920(1)(a)(i) of the Catalist Rules.

Pursuant to Rule 907 of the Catalist Rules, information on the IPTs entered into between the Group and the same Interested Person, being Mr Koh Wee Meng, for FY2022 are set out below.

Name of Interested Person(s)	Nature of relationship	Nature of IPTs	Aggregate value of all interested person transactions entered into during the financial year under review (\$\$)
Fragrance Global Pte. Ltd.	A related party in which the controlling shareholder, Mr Koh Wee Meng, has an interest	Provision of marketing services by the Group	34,000
Fragrance Regal Pte. Ltd.	A related party in which the controlling shareholder, Mr Koh Wee Meng, has an interest	Lease of premises and carparks to the Company	93,000
GP Hotel Management Pte Ltd	A related party in which the controlling shareholder, Mr Koh Wee Meng, has an interest	Provision of IT services to the Company	1,000
Total			128,000

Save as disclosed, there were no other interested person transactions with value of S\$100,000 and above in FY2022.

Non-Sponsor Fees

During FY2022, there were no non-sponsor fees paid/payable to SAC Capital Private Limited.

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 subsidiary 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 still 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 statement of financial position and statement of changes in equity of the Company for the financial year ended 30 June 2022.

Opinion of the directors

In the opinion of the directors,

- (i) the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2022 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and
- (ii) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

Directors of the Company

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

Koh Kian Soo	(Executive Chairman)
Tan Chee Wee (Chen Zhiwei)	(Executive Director and Chief Operating Officer)
Woo Peng Kong	(Lead Independent Director)
Dr Kwan Chee Wai	(Independent Director)
Pan Pei Say	(Independent Director)

In accordance with Article 104 of the Company's Constitution, Dr Kwan Chee Wai and Ms Pan Pei Say retire and, being eligible, offer themselves for re-election.

Arrangements to enable directors to acquire shares and debentures

Except as described below, 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' STATEMENT

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 Companies Act 1967 (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	–	–	60,000,000	60,000,000
Tan Chee Wee (Chen Zhiwei)	200,000	200,000	–	–

Except for Mr Tan Chee Wee whose shareholding in the Company increased to 300,000 ordinary shares as at 21 July 2022, 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 2022.

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 name of the Scheme was changed from "TMC Share Award Scheme" to "GDL Share Award Scheme". This was 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 was administered by the Company's Remuneration Committee, comprising three directors, Pan Pei Say (Chairman), Dr Kwan Chee Wai (Member) and Woo Peng Kong (Member), and expired on 31 March 2021. The board of directors (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 was performance-based, with performance targets set over a designated performance period.

The awards granted by the Company did 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 had been awarded under the Scheme since its commencement.

DIRECTORS' STATEMENT

Audit Committee

The Audit Committee ("AC") at the end of the financial year comprises the following members:

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

The AC carried out its functions in accordance with Section 201B (5) of the Act, the Listing Manual Section B: Rules of Catalist (the "Catalist Rules") of the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the Code of Corporate Governance, including the following:

- (a) reviewed the audit plans of the internal and external auditors of the Group and the Company, and reviewed the internal auditor's evaluation of the adequacy of the Company's system of internal accounting controls and the assistance given by the Group and the Company's management to the external and internal auditors;
- (b) reviewed the half-yearly and annual financial statements and the auditor's report on the annual financial statements of the Group and the Company before their submission to the Board;
- (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;
- (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.

DIRECTORS' STATEMENT

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
23 September 2022

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Global Dragon Limited (the "Company") and its subsidiaries (collectively, the "Group"), which comprise the statements of financial position of the Group and the Company as at 30 June 2022, the statements of changes in equity of the Group and the Company and the consolidated statement of comprehensive income and consolidated statement of cash flows of the Group for the financial 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, the statement of financial position and the statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act 1967 (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 2022 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and changes in equity of the Company for the financial 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.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Key Audit Matters (Continued)

Valuation of investment properties and rights in leasehold land classified as property, plant and equipment ("PPE")

As at 30 June 2022, the Group's investment properties and rights in leasehold land classified as PPE are valued at \$10,870,000 and \$108,900,000 respectively, which represent 4.5% and 44.7% of the total assets on the consolidated statement of financial position. Management measures its rights in the leasehold land classified as PPE using the revaluation model. The investment properties are accounted for using the fair value model.

As disclosed in Notes 12 *Property, plant and equipment* and 13 *Investment properties*, the carrying values of the investment properties and rights in leasehold land classified as PPE are 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 significant judgement and the value derived is dependent on key inputs and adjustments for comparability. In addition, there remains estimation uncertainty in determining the valuation of investment properties and rights in leasehold land classified 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 of information. In light of the ongoing 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 rights in leasehold land classified as property, plant and equipment*, Note 12 *Property, plant and equipment*, Note 13 *Investment properties* and Note 34 *Fair value of assets and liabilities* to the financial statements.

Carrying values of development properties

As at 30 June 2022, the carrying values of the Group's development properties amounted to \$33,072,000, which represents 13.6% of the total assets on the consolidated statement of financial position. The Group's development properties are measured at the lower of cost and net realisable value ("NRV").

The carrying values of the development properties were 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. In addition, there remains estimation uncertainty associated with the market and economic conditions prevailing at the reporting date in light of the COVID-19 pandemic and other economic uncertainties. Hence, we consider this to be a key audit matter.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Key Audit Matters (Continued)

Carrying values of development properties (Continued)

Our audit procedures included, amongst others, obtaining an understanding of and testing the Group's internal controls with respect to the project monitoring process and inquiring with management on the development status of on-going and significant projects. NRV is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. 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 ongoing 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 of 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.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

INDEPENDENT AUDITOR'S REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

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 Sharon Peh.

Ernst & Young LLP
Public Accountants and
Chartered Accountants
Singapore

23 September 2022

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	Group	
		2022 \$'000	2021 \$'000
Revenue	4	105,882	35,641
Cost of sales		(89,247)	(28,869)
Gross profit		16,635	6,772
Other income	5	137	688
Fair value gain/(loss) on investment properties	13	380	(205)
Sales and marketing expenses		(3,703)	(943)
General and administrative expenses		(1,694)	(1,653)
Other expenses	6	(1)	(126)
Finance costs	7	(1,683)	(1,262)
Profit before tax	8	10,071	3,271
Income tax expense	9	(1,568)	(541)
Profit for the year		8,503	2,730
Other comprehensive income:			
<i>Items that will not be reclassified to profit or loss</i>			
Revaluation of rights in leasehold land classified as property, plant and equipment		3,885	–
Deferred tax on revaluation of rights in leasehold land classified as property, plant and equipment	9	(660)	–
Total comprehensive income for the year attributable to owners of the Company		11,728	2,730
Earnings per share attributable to owners of the Company (cents per share)			
Basic and diluted	10	1.25	0.40

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

STATEMENTS OF FINANCIAL POSITION

AS AT 30 JUNE 2022

	Note	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Assets					
Non-current assets					
Property, plant and equipment	12	123,742	111,320	24	27
Investment properties	13	10,870	11,170	10,870	11,170
Investment in subsidiaries	14	–	–	6,000	6,000
		134,612	122,490	16,894	17,197
Current assets					
Trade and other receivables	15	11,195	9,158	74	106
Due from subsidiaries (non-trade)	11	–	–	39,359	34,708
Due from a related company (trade)	11	34	–	–	–
Prepayments		27	26	25	24
Contract assets	4	27,436	12,534	–	–
Development properties	17	33,072	91,873	–	–
Properties held for sale	16	628	1,071	628	1,071
Property, plant and equipment	12	–	38	–	–
Cash and short-term deposits	18	36,602	8,037	1,783	33
		108,994	122,737	41,869	35,942
Total assets		243,606	245,227	58,763	53,139
Liabilities					
Current liabilities					
Trade and other payables	19	6,290	4,080	613	641
Due to subsidiaries (non-trade)	11	–	–	1,974	1,981
Contract liabilities	4	3,986	–	–	–
Lease liabilities	26	–	39	–	–
Provisions	20	135	15	15	15
Provision for tax		1,050	–	–	–
Borrowings	21	124,615	22,659	998	2,243
		136,076	26,793	3,600	4,880
Net current (liabilities)/assets		(27,082)	95,944	38,269	31,062
Non-current liabilities					
Deferred tax liabilities	9	10,332	9,154	–	–
Borrowings	21	7,389	129,153	5,831	7,720
		17,721	138,307	5,831	7,720
Total liabilities		153,797	165,100	9,431	12,600
Net assets		89,809	80,127	49,332	40,539
Equity attributable to owners of the Company					
Share capital	23	46,116	46,116	46,116	46,116
Reserves	24	43,693	34,011	3,216	(5,577)
Total equity		89,809	80,127	49,332	40,539
Total equity and liabilities		243,606	245,227	58,763	53,139

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

		Attributable to owners of the Company				
Note	Share capital \$'000	Asset revaluation reserve \$'000	Exchange fluctuation reserve \$'000	Share option reserve \$'000	Accumulated losses \$'000	Total equity \$'000
Group						
At 1 July 2021						
	46,116	42,050	285	498	(8,822)	80,127
Profit for the year	–	–	–	–	8,503	8,503
Other comprehensive income						
– Revaluation of rights in leasehold land classified as property, plant and equipment	–	3,885	–	–	–	3,885
– Deferred tax on revaluation of rights in leasehold land classified as property, plant and equipment	–	(660)	–	–	–	(660)
Total comprehensive income for the year	–	3,225	–	–	8,503	11,728
Dividends on ordinary shares	–	–	–	–	(2,046)	(2,046)
Total transactions with owners, recognised directly in equity	–	–	–	–	(2,046)	(2,046)
At 30 June 2022	46,116	45,275	285	498	(2,365)	89,809
Group						
At 1 July 2020						
	46,116	42,050	285	498	(11,552)	77,397
Profit for the year	–	–	–	–	2,730	2,730
Total comprehensive income for the year	–	–	–	–	2,730	2,730
At 30 June 2021	46,116	42,050	285	498	(8,822)	80,127

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

STATEMENTS OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

Company	Attributable to owners of the Company			
	Share capital S\$'000	Share option reserve S\$'000	Accumulated losses S\$'000	Total equity S\$'000
At 1 July 2021	46,116	498	(6,075)	40,539
Profit for the year	–	–	10,839	10,839
Total comprehensive income for the year	–	–	10,839	10,839
Dividends on ordinary shares	–	–	(2,046)	(2,046)
Total transactions with owners, recognised directly in equity	–	–	(2,046)	(2,046)
At 30 June 2022	46,116	498	2,718	49,332
At 1 July 2020	46,116	498	(5,214)	41,400
Loss for the year	–	–	(861)	(861)
Total comprehensive income for the year	–	–	(861)	(861)
At 30 June 2021	46,116	498	(6,075)	40,539

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

	Note	Group 2022 \$'000	Group 2021 \$'000
Operating activities			
Profit before tax		10,071	3,271
Adjustments for:			
Depreciation of property, plant and equipment	12	42	84
Fair value (gain)/loss on investment properties	13	(380)	205
Loss on disposal of investment properties	8	-	126
Gain on disposal of derivative instrument held at fair value through profit or loss	22	-	(222)
Provision for liquidated damages	8	80	-
Provision for restoration costs	8	40	-
Write back of allowance for expected credit losses	15	-	(2)
Write down to fair value less costs to sell of properties held for sale	16	52	149
Interest expense	8	1,677	1,258
Interest income	8	(2)	(6)
Operating profit before working capital changes		11,580	4,863
Changes in working capital:			
Increase in trade and other receivables		(2,072)	(9,097)
Increase in contract assets		(14,902)	(11,921)
Decrease/(increase) in development properties and properties held for sale		58,966	(1,779)
Decrease in lease receivable		-	263
Increase in trade and other payables		2,210	2,800
Increase/(decrease) in contract liabilities		3,986	(691)
Cash flows generated from/(used in) operations		59,768	(15,562)
Income tax paid		- ¹	-
Interest paid		(1,296)	(1,167)
Net cash flows generated from/(used in) operating activities		58,472	(16,729)
Investing activities			
Interest received		2	2
Interest paid		(693)	(622)
Additions to property, plant and equipment		(7,848)	(2,972)
Proceeds from disposal of investment properties		-	1,493
Proceeds from disposal of properties held for sale		1,071	-
Net cash flows used in investing activities		(7,468)	(2,099)
Financing activities			
Interest paid		(544)	(364)
Repayment of lease liabilities		(39)	(430)
Decrease in fixed deposits pledged		-	622
Proceeds from bank loans		30,685	27,386
Proceeds from shareholder's loans		3,360	1,300
Repayment of bank loans		(49,195)	(4,359)
Repayment of shareholder's loans		(4,660)	-
Dividends paid	28	(2,046)	-
Net cash flows (used in)/generated from financing activities		(22,439)	24,155
Net increase in cash and cash equivalents		28,565	5,327
Cash and cash equivalents at beginning of financial year		7,037	1,710
Cash and cash equivalents at end of financial year	18	35,602	7,037

¹ Amount less than \$1,000.

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 2022

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 statement of financial position 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 \$), which is also the Company's functional currency and all values in the tables are rounded to the nearest thousand (\$'000), except when otherwise indicated.

As at 30 June 2022, the Group's current liabilities exceeded its current assets by \$27,082,000. This is mainly because \$59,125,000 of development loan has been reclassified as current liabilities because they are due for repayment within the next 12 months (Note 21). Notwithstanding this, the Group's financial statements have been prepared on a going concern basis, because subsequent to the financial year ended 30 June 2022, the Group has obtained in-principle approval from the bank for the extension of the loan repayment terms for one of the Group's bank loans, which amounted to \$59,125,000 as at 30 June 2022.

2.2 Changes in accounting policies

The accounting policies adopted are consistent with those of the previous financial year 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 2021. 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 are not yet effective:

Description	Effective for annual periods beginning on or after
Amendments to SFRS(I) 3: Reference to the Conceptual Framework	1 January 2022
Amendments to SFRS(I) 1-16: Property, Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to SFRS(I) 1-37: Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to SFRS(I)s 2018-2020	1 January 2022
Amendments to SFRS(I) 1-1: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to SFRS(I) 1-1 and SFRS(I) Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to SFRS(I) 1-8: Disclosure of Accounting Estimates	1 January 2023
Amendments to SFRS(I) 1-12: Deferred Tax relating to Assets and Liabilities arising from a Single Transaction	1 January 2023

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

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation (Continued)

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 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Foreign currency (Continued)

(a) Transactions and balances (Continued)

Exchange differences arising on the settlement of monetary items or on translating monetary items at the end of the reporting period are recognised in profit or loss.

(b) Consolidated financial statements

For consolidation purpose, the assets and liabilities of foreign operations are translated into SGD at the rate of exchange ruling at the end of the reporting period and their profit or loss are translated at the exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

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 are 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Property, plant and equipment (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 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 Group 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 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial instruments (Continued)

(a) Financial assets (Continued)

Subsequent measurement

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.

Debt instruments

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 Group becomes a party to the contractual provisions of the financial instrument. The Group determines the classification of its financial liabilities at initial recognition.

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

Subsequent measurement

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Financial instruments (Continued)

(b) Financial liabilities (Continued)

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Revenue (Continued)

(b) *Sale of development properties (Continued)*

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Taxes (Continued)

(b) *Deferred tax* (Continued)

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

- Where the deferred tax liability arises from the initial recognition 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, 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Employees benefits

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Leases (Continued)

Group as a lessee (Continued)

(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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.19 Leases (Continued)

Group as a lessor (Continued)

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.

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 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

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 Group 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.1 Judgements made in applying accounting policies (Continued)

(b) *Impairment of non-financial assets*

The Group assesses at the end of each reporting period whether there is any indication that property, plant and equipment and investment in subsidiaries may be impaired. Determining whether there are indicators of impairment requires judgement. The carrying amounts of property, plant and equipment and investment in subsidiaries as at 30 June 2022 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 2022.

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 34.

The carrying amounts of the investment properties carried at fair value as at 30 June 2022 was \$10,870,000 (2021: \$11,170,000).

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

Rights in leasehold land classified as PPE are carried at fair value, with changes in fair value being recognised in other comprehensive income. The Group has engaged an external valuation expert to assess the fair value as at 30 June 2022.

The fair value of rights in leasehold land classified 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 disclosed in Note 34.

The carrying amount of the rights in leasehold land classified as PPE as at 30 June 2022 amounted to \$108,900,000 (2021: \$105,000,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

3. SIGNIFICANT ACCOUNTING JUDGEMENTS AND ESTIMATES (CONTINUED)

3.2 Key sources of estimation uncertainty (Continued)

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

Management has performed an NRV assessment of the development properties as at 30 June 2022. 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 as part of the project budgeting process, based on significant construction contracts and monthly discussions with external contractors and architects, as applicable. The project budgeting process is performed with sufficient frequency to ensure that the estimated costs to complete reflect what the Group expects 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 assessed the NRV of the development properties to be estimated selling price of the units in the ordinary course of business, less estimated costs of completion and selling expenses.

The carrying amount of the development properties as at 30 June 2022 amounted to \$33,072,000 (2021: \$91,873,000).

(d) *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 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 2022

4. REVENUE

	Group	
	2022 \$'000	2021 \$'000
Property development revenue recognised over time	71,269	32,221
Property development revenue recognised at a point in time	34,290	3,100
Rental income from investment properties	289	320
Marketing service fee	34	–
	105,882	35,641

(a) Disaggregation of revenue

	Property development		Investment properties		Total revenue	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Primary geographical markets						
Singapore	105,559	35,321	323	320	105,882	35,641
Major product or service lines						
Commercial properties	–	–	289	320	289	320
Residential properties	105,559	35,321	34	–	105,593	35,321
Timing of transfer of goods or services						
At a point in time	34,290	3,100	34	–	34,324	3,100
Over time	71,269	32,221	289	320	71,558	32,541

(b) Contract assets and contract liabilities

Information about receivables, contract assets and contract liabilities with customers is disclosed as follows:

	Group	
	2022 \$'000	2021 \$'000
Receivables from contracts with customer (Note 15)	2,311	8,961
Contract assets	27,436	12,534 ¹
Contract liabilities	3,986	– ¹

Contract assets primarily relate to the Group's right to consideration for work completed but not yet billed at reporting date for revenue from construction contracts. Contract assets are transferred to receivables when the rights become unconditional.

Contract liabilities primarily relate to the Group's obligation to perform construction contracts for which the Group has received advance payments from the customers.

Contract liabilities are recognised as revenue as (or when) the Group satisfies the performance obligations under these construction contracts.

¹ As disclosed in Note 27 to Accounts, comparative figures for contract assets and contract liabilities have been reclassified.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

4. REVENUE (CONTINUED)

(b) Contract assets and contract liabilities (Continued)

- i. Significant changes in contract assets are explained as follows:

	Group	
	2022 \$'000	2021 \$'000
Contract assets reclassified to receivables	11,842	692

- ii. Significant changes in contract liabilities are explained as follows:

	Group	
	2022 \$'000	2021 \$'000
Advance payments received from customers	3,986	–

5. OTHER INCOME

	Group	
	2022 \$'000	2021 \$'000
Deposits forfeited on aborted property sales	78	296
Gain on disposal of derivative instrument held at fair value through profit or loss	–	222
Government grants	57	164
Interest income from cash and short-term deposits	2	6
	137	688

6. OTHER EXPENSES

	Group	
	2022 \$'000	2021 \$'000
Foreign exchange loss	1	–
Loss on disposal of investment properties	–	126
	1	126

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

7. FINANCE COSTS

	Group	
	2022 \$'000	2021 \$'000
Interest expense on:		
– Bank loans (secured)	1,677	1,254
– Lease liabilities (Note 26)	¹	4
	<u>1,677</u>	<u>1,258</u>
Commitment fee for borrowings	6	4
	<u>1,683</u>	<u>1,262</u>

¹ Amount less than \$1,000.

8. PROFIT BEFORE TAX

	Note	Group	
		2022 \$'000	2021 \$'000
Profit for the year has been arrived at after charging/(crediting):			
Audit fees:			
– Auditors of the Company		77	70
– Other auditors		15	16
Depreciation of property, plant and equipment	12	42	84
Employee benefits expense	25	1,142	1,002
Loss on disposal of investment properties		–	126
Interest expense		1,677	1,258
Interest income		(2)	(6)
Operating lease expenses (Note 26)		87	84
Provision for liquidated damages		80	–
Provision for restoration costs		40	–
Write back of allowance for expected credit losses	15	–	(2)
Write down to fair value less costs to sell of properties held for sale	16	52	149
		<u>1,683</u>	<u>1,262</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

9. TAXATION

(a) Income tax expense

The major components of income tax expense for the financial years ended 30 June 2022 and 2021 are:

	Group	
	2022 \$'000	2021 \$'000
Profit or loss:		
Current income tax		
Current income tax charge	1,050	–
Adjustment in respect of current income tax of previous year	– ¹	–
	1,050	–
Deferred tax		
Relating to origination and reversal of temporary differences attributable to profits from the sale of development properties	518	541
	1,568	541
Other comprehensive income:		
Deferred tax relating to revaluation gain on rights in leasehold land classified as property, plant and equipment	660	–

¹ Amount less than \$1,000.

Relationship between tax expense and accounting profit

A reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the financial years ended 30 June 2022 and 2021 is as follows:

	Group	
	2022 \$'000	2021 \$'000
Profit before tax	10,071	3,271
Tax at statutory rate of 17% (2021: 17%)	1,712	556
<u>Tax adjustments:</u>		
Non-deductible expenses	89	525
Income not subject to taxation	(360)	(555)
Utilisation of previously unrecognised tax losses	(361)	(147)
Effect of partial tax exemption	(35)	–
Deferred tax expenses recognised on the sale of development properties	518	–
Deferred tax assets not recognised	5	162
	1,568	541

At the end of the reporting period, the Group has unutilised tax losses and unutilised capital allowances of approximately \$22,993,000 (2021: \$25,655,000) and \$84,000 (2021: \$84,000) respectively that are available for offset against future taxable profits of the Group subject to the agreement of the Singapore tax authority. No deferred tax asset has been recognised due to uncertainty of its recoverability.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

9. TAXATION (CONTINUED)

(b) Deferred tax liabilities

	Group	
	2022 \$'000	2021 \$'000
Deferred tax liabilities		
Attributable to profits from the sale of development properties	1,059	541
Revaluation gain on rights in leasehold land classified as property, plant and equipment	9,273	8,613
	10,332	9,154

10. EARNINGS PER SHARE

Basic earnings per share are calculated by dividing profit for the year attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2022	2021
Profit for the year attributable to owners of the Company (\$'000)	8,503	2,730
Weighted average number of ordinary shares outstanding for basic and diluted earnings per share computation	681,975,469	681,975,469
Basic and diluted earnings per share (cents)	1.25	0.40

The diluted earnings per share are the same as the basic earnings per share as there were no outstanding convertible securities for the financial years ended 30 June 2022 and 2021.

11. DUE FROM/(TO) SUBSIDIARIES (NON-TRADE) AND DUE FROM A RELATED COMPANY (TRADE)

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.

Due from a related company (trade)

The amount due from a related company is unsecured, repayable on demand and is to be settled in cash. This amount is non-interest bearing and is denominated in SGD.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

12. PROPERTY, PLANT AND EQUIPMENT

	Rights in leasehold land \$'000	Building under construction \$'000	Right-of-use: show flat (Note 26) \$'000	Computers and software \$'000	Furniture and fittings \$'000	Office equipment \$'000	Renovation \$'000	Total \$'000
Group								
Cost and valuation:								
At 1 July 2020	105,000	2,700	157	28	3	36	44	107,968
Additions	–	3,593	–	–	–	–	–	3,593
At 30 June 2021 and 1 July 2021, representing cost and valuation	105,000	6,293	157	28	3	36	44	111,561
Additions	15	8,525	–	1	–	–	–	8,541
Revaluation surplus	3,885	–	–	–	–	–	–	3,885
At 30 June 2022	108,900	14,818	157	29	3	36	44	123,987
Representing –								
Cost	–	14,818	157	29	3	36	44	15,087
Valuation	108,900	–	–	–	–	–	–	108,900
	108,900	14,818	157	29	3	36	44	123,987
Accumulated depreciation:								
At 1 July 2020	–	–	54	23	– ¹	8	34	119
Depreciation charge for the year	–	–	65	5	– ¹	4	10	84
At 30 June 2021 and 1 July 2021	–	–	119	28	– ¹	12	44	203
Depreciation charge for the year	–	–	38	– ¹	1	3	–	42
At 30 June 2022	–	–	157	28	1	15	44	245
Net carrying amount:								
At 30 June 2022								
– Non-current	108,900	14,818	–	1	2	21	–	123,742
At 30 June 2021								
– Current	–	–	38	–	–	–	–	38
– Non-current	105,000	6,293	–	–	3	24	–	111,320
	105,000	6,293	38	–	3	24	–	111,358

¹ Amount less than \$1,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Building under construction

The Group's property, plant and equipment included expenditures for a hotel in the course of construction amounting to \$14,818,000 (2021: \$6,293,000).

	Computers and software \$'000	Furniture and fittings \$'000	Office equipment \$'000	Renovation \$'000	Total \$'000
Company					
Cost:					
At 1 July 2020, 30 June 2021 and 1 July 2021	28	3	36	44	111
Additions	1	–	–	–	1
At 30 June 2022	29	3	36	44	112
Accumulated depreciation:					
At 1 July 2020	23	– ¹	8	34	65
Depreciation charge for the year	5	– ¹	4	10	19
At 30 June 2021 and 1 July 2021	28	– ¹	12	44	84
Depreciation charge for the year	– ¹	1	3	–	4
At 30 June 2022	28	1	15	44	88
Net carrying amount:					
At 30 June 2022	1	2	21	–	24
At 30 June 2021	–	3	24	–	27

¹ Amount less than \$1,000.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

Rights in leasehold land

Rights in leasehold land is stated at fair value, which has been determined based on the valuation performed by an external valuation expert with recognised professional qualifications and experience in the location and category of the property being valued. Details of valuation techniques and inputs used are disclosed in Note 34. Details of rights in leasehold land held by the Group are as follows:

<u>Location</u>	<u>Description and use</u>	<u>Land area (in square metres)</u>	<u>Tenure</u>	<u>Stage of completion</u>
GDL Properties Pte. Ltd.				
448 Telok Blangah Road Singapore 099539	Proposed development of hotel building	2,159	99-year lease from 20 June 2019	Construction works commenced in December 2019. Expected date of completion: second half of FY2023

During the financial year ended 30 June 2022, the Group received a Certificate of House Number from Inland Revenue Authority of Singapore to change the address to 448 Telok Blangah Road Singapore 099539 from 412A to 434A Telok Blangah Road Singapore 098843 to 098854.

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 a building under property, plant and equipment. During the financial year ended 30 June 2022, the borrowing costs capitalised as cost of property, plant and equipment amounted to \$721,000 (2021: \$649,000). The rate used to determine the amount of borrowing costs eligible for capitalisation ranges from 1.44% to 2.84% (2021: 1.38% to 1.54%), 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 \$123,718,000 (2021: \$111,293,000) are mortgaged to secure the Group's borrowings (Note 21).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

13. INVESTMENT PROPERTIES

	Group and Company	
	2022	2021
	\$'000	\$'000
Statement of financial position:		
At 1 July	11,170	14,065
Disposal of investment properties	–	(1,344)
Fair value gain/(loss) on investment properties	380	(205)
Loss on disposal of investment properties	–	(126)
Transfer to properties held for sale (Note 16)	(680)	(1,220)
At 30 June	10,870	11,170
Statement of comprehensive income:		
Rental income from investment properties:		
– Minimum lease payments	289	320
Direct operating expenses (including repairs and maintenance) arising from:		
– Rental generating properties	(75)	(135)
– Non-rental generating properties	(22)	(23)
	(97)	(158)

Valuation of investment properties

Investment properties are stated at fair value, which has been determined based on valuations performed as at 30 June 2022 and 30 June 2021. 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 34 to the financial statements.

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

Properties pledged as security

As at 30 June 2022, investment properties with a carrying value of \$10,870,000 (2021: \$11,170,000) are mortgaged to secure bank loans (Note 21).

The investment properties held by the Group as at 30 June 2022 are as follows:

<u>Description and location</u>	<u>Existing use</u>	<u>Floor area (in square metres)</u>	<u>Tenure</u>	<u>Unexpired lease term</u>
Held by the Company				
111 North Bridge Road #06-01, #06-02, #06-05, #06-06, #06-09 to #06-11, #06-18, #06-19, #06-22, #06-23 & #06-25 Peninsula Plaza Singapore 179098	Commercial	448	999-year lease from 29 October 1829	806 years

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

14. INVESTMENT IN SUBSIDIARIES

	Company	
	2022 \$'000	2021 \$'000
Unquoted equity investments, at cost:		
At 1 July	6,000	5,000
Incorporation of subsidiary	-	1,000
At 30 June	6,000	6,000

Composition of the Group

No new subsidiary was incorporated during the financial year ended 30 June 2022.

During the financial year ended 30 June 2021, the Group incorporated one (1) subsidiary, namely GDL Assets Pte. Ltd., with a paid-up share capital of \$1,000,000.

Name	Principal activities	Country of incorporation	Effective (%) of equity held by the Group	
			2022	2021
<i>Held by the Company</i>				
GDL Assets Pte. Ltd. ¹	Dormant	Singapore	100	100
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	Real estate development and investment	Singapore	100	100
GDL UK Investment Pte. Ltd. ¹	Dormant	Singapore	100	100

Note:

¹ Audited by Ernst & Young LLP, Singapore.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

15. TRADE AND OTHER RECEIVABLES

	Note	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade and other receivables					
Trade receivables		2,311	8,961	-	-
Other receivables		385	131	-	59
Conveyancing and escrow deposits		8,419	-	27	-
Deposits		80	66	47	47
Total trade and other receivables		11,195	9,158	74	106
Add:					
Amounts due from subsidiaries (non-trade)	11	-	-	39,359	34,708
Amount due from a related company (trade)	11	34	-	-	-
Cash and short-term deposits	18	36,602	8,037	1,783	33
Total financial assets carried at amortised cost		47,831	17,195	41,216	34,847

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.

Expected credit losses

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

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade receivables – nominal amounts	62	62	62	62
Less: Allowance for expected credit losses	(62)	(62)	(62)	(62)
	-	-	-	-
Movement in allowance accounts:				
At 1 July	62	64	62	64
Write off during the year	-	(2)	-	(2)
At 30 June	62	62	62	62

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 2022

16. PROPERTIES HELD FOR SALE

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Balance as at 1 July	1,071	3,100	1,071	-
Transfer from investment properties (Note 13)	680	1,220	628	1,220
Cost of properties sold	(1,071)	(3,100)	(1,071)	-
Write down to fair value less costs to sell of properties held for sale	(52)	(149)	-	(149)
Balance as at 30 June	628	1,071	628	1,071

As at 30 June 2022, the option-to-purchase an investment property was exercised by a buyer for a total consideration of \$628,000. The investment property was reclassified as held for sale and written down to its fair value less costs to sell as at 30 June 2022.

As at 30 June 2021, the option-to-purchase investment properties was exercised by a buyer for a total consideration of \$1,071,000. The investment properties were reclassified as held for sale and written down to their fair value less costs to sell as at 30 June 2021. The sale was completed during the financial year ended 30 June 2022.

Details of properties held for sale are as follows:

Location	Description and use	Floor area (in square metres)	Tenure	Stage of completion
2022				
Company				
<u>Investment properties</u>				
111 North Bridge Road #06-24 Peninsula Plaza Singapore 179098	Commercial	28	999-year lease from 29 October 1829	Not applicable
2021				
Company				
<u>Investment properties</u>				
111 North Bridge Road #06-20 & #06-21 Peninsula Plaza Singapore 179098	Commercial	51	999-year lease from 29 October 1829	Not applicable

The properties are pledged as securities for bank borrowings as disclosed in Note 21.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

17. DEVELOPMENT PROPERTIES

	Group	
	2022 \$'000	2021 \$'000
Land	71,794	99,727
Construction costs	14,180	12,773
Finance costs	1,665	2,267
Property tax	1,069	1,073
Professional fees	923	1,196
Other development expenditure	813	1,172
	90,444	118,208
Less: Cost of properties sold to-date	(57,372)	(26,335)
	33,072	91,873

During the financial year ended 30 June 2022, borrowing costs of \$479,000 (2021: \$387,000), 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 1.78% to 3.18% (2021: 1.49% to 2.85%), 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.

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 Homes Pte. Ltd.				
19/19A/19B Tan Sim Boh Road Singapore 307713/308850/308851 ¹	Proposed development of residential landed buildings	642	Freehold	Legal completion of sale in June 2022 and Certificate of Statutory Completion ("CSC") issued in August 2022.
9/11 Kovan Close Singapore 548202/548539 ²	Proposed development of residential landed buildings	437	Freehold	Construction works commenced in June 2021. Launched sales in August 2021. Expected date of completion in September 2022.
97/99/101 Lorong Melayu Singapore 418267/418268/418269 ³	Proposed development of residential landed buildings	625	Freehold	Construction works commenced in October 2021. Launched sales in February 2022. Expected date of completion in December 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

17. DEVELOPMENT PROPERTIES (CONTINUED)

<u>Location</u>	<u>Description and use</u>	<u>Land area (in square metres)</u>	<u>Tenure</u>	<u>Stage of completion</u>
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 in October 2022.
37/37A Lorong Mydin Singapore 416829/416830	Proposed development of residential landed buildings	876	Freehold	CSC issued in July 2021. Legal completion of sale in August 2021 and September 2021.
36/38/40/42/44/46/48 Flower Road Singapore 549435/544935/ 544936/544554/ 544555/544556/ 544557 & 28/30 Glasgow Road Singapore 544825/544826	Proposed development of residential landed buildings	1,831	999-year lease from 2 December 1878	Legal completion of sale in June 2022. CSC issued in July 2022.
2/4/6 Woo Mon Chew Road Singapore 455056/456283/ 456284 ⁴	Proposed development of residential landed buildings	698	Freehold	Construction works commenced in February 2022. Launched sales in May 2022. Expected date of completion in December 2022.

Notes:

During the financial year ended 30 June 2022, the Group received the Certificates of House Number from Inland Revenue Authority of Singapore to change the following addresses:

- ¹ from 19 Tan Sim Boh Road Singapore 307713 to 19/19A/19B Tan Sim Boh Road Singapore 307713/308850/308851;
- ² from 9 Kovan Close Singapore 548202 to 9/11 Kovan Close Singapore 548202/548539;
- ³ from 53 Jalan Daud Singapore 419590 to 97/99/101 Lorong Melayu Singapore 418267/418268/418269; and
- ⁴ from 2/2A/2B/2C/2D/2E Woo Mon Chew Road Singapore 455056 to 2/4/6 Woo Mon Chew Road Singapore 455056/456283/456284.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

18. CASH AND SHORT-TERM DEPOSITS

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Cash at banks and on hand	3,026	1,165	1,783	33
Fixed deposits	1,000	1,000	-	-
Project accounts	32,576	5,872	-	-
	36,602	8,037	1,783	33
Less: Deposits pledged to banks	(1,000)	(1,000)	-	-
Cash and cash equivalents	35,602	7,037	1,783	33

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

As at 30 June 2022, a floating charge has been placed on cash at bank with a carrying value of \$1,000,000 (2021: \$1,000,000) as security for maintaining the access to derivative and credit facilities. The Group has no outstanding derivative contracts as at 30 June 2022 and 2021 (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 earn interest at the respective short-term deposit rates.

The effective interest rates for fixed deposits as at 30 June 2022 for the Group ranged from 0.05% to 0.25% per annum (2021: 0.02% to 0.07% per annum).

Monies received from sale of units of the properties under development are deposited into the project accounts, withdrawals from which are governed by the Housing Developers (Control and Licensing) Act 1965. As at 30 June 2022, cash in the project accounts amounted to \$32,576,000 (2021: \$5,872,000).

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

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Australian Dollars	13	13	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

19. TRADE AND OTHER PAYABLES

	Note	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade and other payables					
Trade payables		623	1,259	119	110
Other payables		50	50	50	50
Accrued operating expenses		394	306	305	236
Accrued development costs		3,385	1,334	–	–
Goods and services tax payable		–	–	43	118
Option fee for investment properties held for sale		33	64	33	64
Rental deposits		63	63	63	63
Retention sum payable		1,742	1,004	–	–
Total trade and other payables		6,290	4,080	613	641
Add:					
Due to subsidiaries (non-trade)	11	–	–	1,974	1,981
Borrowings	21	132,004	151,812	6,829	9,963
Total financial liabilities carried at amortised cost		138,294	155,892	9,416	12,585

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

20. PROVISIONS

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Provision for liquidated damages	80	–	–	–
Provision for restoration costs	55	15	15	15
	135	15	15	15

Provision for liquidated damages represents the estimated compensation payable to the property purchasers due to the delay in obtaining temporary occupation permit in accordance with the sale and purchase agreements.

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

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

21. BORROWINGS

	Group		Company	
	2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Bank term loans (secured):				
Amount due for settlement within 12 months (current)	124,615	22,659	998	2,243
Amount due for settlement after 12 months (non-current)	7,389	129,153	5,831	7,720
	132,004	151,812	6,829	9,963

(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 1.44% to 2.80% (2021: 1.36% to 3.80%) per annum for the Group and from 2.35% to 3.20% (2021: 2.25% to 2.80%) 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 properties held for sale (Note 16);
- (iv) legal mortgages over the Group's development properties (Note 17);
- (v) corporate guarantees by the Company and assignment of developer's rights and benefits in the sale and purchase agreements; and
- (vi) personal guarantees by the Executive Chairman and a substantial shareholder of the Company.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

21. BORROWINGS (CONTINUED)

(b) Maturity of borrowings

Loans due are estimated to be repayable as follows:

	Maturity (Financial year)	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Current:					
Development loans	2023	107,588	17,416	–	–
Non-revolving loans	2023	17,027	3,943	998	943
Shareholder's loans	2023	–	1,300	–	1,300
		124,615	22,659	998	2,243
Non-current:					
Development loans	2023-2024	–	106,443	–	–
Non-revolving loans	2023-2038	7,389	22,710	5,831	7,720
		7,389	129,153	5,831	7,720
Total borrowings		132,004	151,812	6,829	9,963

(c) Reconciliation of liabilities

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

	2021	Net cash	2022
	\$'000	flows \$'000	\$'000
Bank loans	150,512	(18,508)	132,004
Shareholder's loans	1,300	(1,300)	–
Total	151,812	(19,808)	132,004
2020			
	2020	Net cash	2021
	\$'000	flows \$'000	\$'000
Bank loans	127,485	23,027	150,512
Shareholder's loans	–	1,300	1,300
Total	127,485	24,327	151,812

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

22. DERIVATIVE INSTRUMENT

The Group terminated its outstanding forward foreign exchange contracts during the financial year ended 30 June 2021. Accordingly, the Group recognised a gain on disposal of derivative instrument held at fair value through profit or loss of \$222,000 for the financial year ended 30 June 2021 (Note 5).

The Group has no outstanding derivative instruments as at 30 June 2022 and 2021.

23. SHARE CAPITAL

	Group and Company			
	2022	2021	2022	2021
	Number of ordinary shares		\$'000	
<i>Issued and fully paid:</i>				
At beginning and end of year	681,975,469	681,975,469	46,116	46,116

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. The ordinary shares have no par value.

24. RESERVES

	Group		Company	
	2022	2021	2022	2021
	\$'000		\$'000	
Asset revaluation reserve	45,275	42,050	-	-
Exchange fluctuation reserve	285	285	-	-
Share option reserve	498	498	498	498
Accumulated (losses)/profits	(2,365)	(8,822)	2,718	(6,075)
	43,693	34,011	3,216	(5,577)

Asset revaluation reserve

The asset revaluation reserve represents increases in the fair value of rights in leasehold land classified as property, plant and equipment, net of tax, and decreases to the extent that such decreases relate to the accumulated surplus previously recognised on the same asset in other comprehensive income.

Exchange fluctuation reserve

The exchange fluctuation reserve represents exchange differences arising from the translation of financial statements of foreign operations whose functional currencies are different from that of 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

25. EMPLOYEE BENEFITS

	Group	
	2022	2021
	\$'000	\$'000
Employee benefits expense (including directors):		
Salaries and other related costs	1,079	950
Contributions to defined contribution plans	63	52
	<u>1,142</u>	<u>1,002</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 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 was administered by the Company's Remuneration Committee, comprising three directors, Pan Pei Say (Chairman), Dr Kwan Chee Wai (Member) and Woo Peng Kong (Member), and expired 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.

26. LEASES

As lessee

As at the end of the reporting period, the Group has a lease commitment in respect of its office premise. The office lease has a lease term of 12 months or less. The Group applies the 'short-term lease' recognition exemption for its office lease.

The Group also had lease commitments in respect of its state land premises used for show flat during the financial year end 30 June 2022 and as at 30 June 2021. The lease for state land premises used for show flat expired during the financial year ended 30 June 2022.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

26. LEASES (CONTINUED)

As lessee (Continued)

Right-of-use: Show flat

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

	Show flat on state land \$'000
As at 1 July 2020	103
Depreciation of right-of-use asset	(65)
As at 30 June 2021	38
Depreciation of right-of-use asset	(38)
As at 30 June 2022	-

Lease liabilities

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

	Group	
	2022 \$'000	2021 \$'000
At 1 July	39	465
Accretion of interest (Note 7)	- ¹	4
Payments	(39)	(430)
At 30 June	-	39

¹ Amount less than \$1,000.

	Group	
	2022 \$'000	2021 \$'000
Current	-	39
Non-current	-	-
Total lease liabilities	-	39

The lease has expired in January 2022. The maturity analysis of the lease liabilities is disclosed in Note 33(b).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

26. LEASES (CONTINUED)

As lessee (Continued)

Amounts recognised in profit or loss

	Group	
	2022 \$'000	2021 \$'000
Depreciation of right-of-use asset (included in sales and marketing expenses)	38	65
Interest expense on lease liabilities (included in finance costs)	- ¹	4
Expenses relating to a short-term lease (included in general and administrative expenses)	87	84
	125	153

¹ Amount less than \$1,000.

Total cash outflow

Total cash outflow of the Group for the lease during the financial year ended 30 June 2022 amounted to \$126,000 (2021: \$514,000).

Operating lease commitments

At the end of the reporting period, the Company has outstanding commitments of \$54,000 (2021: \$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).

Operating leases

As at 30 June 2022, the Group has entered into commercial property leases on its investment properties and the non-cancellable leases on its commercial premises expire in December 2022 (2021: between August 2021 and December 2021) and contain renewal options.

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

	Group	
	2022 \$'000	2021 \$'000
Not later than one year	138	138

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

27. COMPARATIVE FIGURES

Certain comparative figures have been reclassified and disclosed in Notes 4(b), 15 and 19. No third statement of financial position is presented as there is no material impact on the opening statement of financial position.

The reclassification is as follows:

Impact on the consolidated statement of financial position

	Note	As previously reported 2021 \$'000	As reclassified 2021 \$'000
Current assets			
Contract assets	4	32,834	12,534
Current assets			
Contract liabilities	4	20,300	–

Impact on the consolidation statement of cash flows

	As previously reported 2021 \$'000	As reclassified 2021 \$'000
Cash from used in operations	(15,992)	(15,562)
Net cash flows from financing activities	24,585	24,155

28. DIVIDENDS

	Group and Company 2022 \$'000	2021 \$'000
Declared and paid during the financial year:		
<i>Dividends on ordinary shares:</i>		
Final exempt (one-tier) dividend for 2021: \$0.003 (2020: Nil) per share	2,046	–
Proposed but not recognised as a liability as at 30 June:		
<i>Dividends on ordinary shares, subject to shareholders' approval at the AGM:</i>		
Final exempt (one-tier) dividend for 2022: \$0.01 (2021: \$0.003) per share	6,820	2,046

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

29. 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	
	2022 \$'000	2021 \$'000
Marketing fee received from a related party in which the substantial shareholder has an interest	34	–
Loan interest paid to a director of the Company	(1)	–
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	(87)	(84)
Season parking paid to a related party in which the controlling shareholder has an interest	(6)	(5)
	(6)	(5)

(b) Compensation of key management personnel

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

	Group	
	2022 \$'000	2021 \$'000
Short-term employee benefits	1,079	950
Central Provident Fund contributions	63	52
	1,142	1,002
Comprise amounts paid to:		
Directors of the Company	721	636
Other key management personnel	421	366
	1,142	1,002

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 2022

30. 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	
	2022	2021
	\$'000	\$'000
Capital commitments in respect of:		
Property development expenditure	6,635	26,202
Property, plant and equipment	10,345	14,242
	16,980	40,444

31. CONTINGENCIES

Guarantees

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

- (a) provided corporate guarantees to financial institutions for a total amount of \$146,853,000 (2021: \$189,691,000) in respect of borrowings drawn down by subsidiaries of the Company; and
- (b) 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 (2021: \$363,000) was given to a subsidiary. The performance bond was issued by external underwriters.

During the financial year ended 30 June 2021, the Group obtained the approval of Qualifying Certificate ("QC") exemption under Section 32 of the Residential Property Act 1976 and the performance bonds as required under the QC rules were cancelled accordingly.

32. 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 2022

32. SEGMENT INFORMATION (CONTINUED)

Business and geographical segments (Continued)

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 rental income and for capital appreciation; and
- (c) Hospitality segment relates to the operation, ownership, and/or lease of hotels to operators.

The Group mainly operates in a single principal geographical segment in Singapore for the financial years ended 30 June 2022 and 30 June 2021. 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 years ended 30 June 2022 and 2021.

Group	Property development \$'000	Property investment \$'000	Hospitality \$'000	Adjustments and eliminations \$'000	Notes	Total \$'000
30 June 2022						
External revenue	105,559	1,698	-	(1,375)		105,882
Fair value gain on investment properties	-	380	-	-		380
Depreciation of property, plant and equipment	(38)	(4)	-	-		(42)
Write down to fair value less costs to sell of properties held for sale	-	(52)	-	-		(52)
Interest income	-	2	-	-		2
Interest expense	(1,233)	(189)	(255)	-		(1,677)
Reportable segment profit/(loss) for the year	8,142	10,820	(272)	(10,187)		8,503
Capital expenditure	-	1	8,540	-		8,541
Reportable segment assets	106,418	61,706	126,223	(50,741)	A	243,606
Reportable segment liabilities	(104,505)	(10,157)	(80,433)	41,298	B	(153,797)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

32. SEGMENT INFORMATION (CONTINUED)

Business and geographical segments (Continued)

Group	Property development \$'000	Property investment \$'000	Hospitality \$'000	Adjustments and eliminations \$'000	Notes	Total \$'000
30 June 2021						
External revenue	35,321	1,118	–	(798)		35,641
Fair value loss on investment properties	–	(205)	–	–		(205)
Depreciation of property, plant and equipment	(65)	(19)	–	–		(84)
Write down to fair value less costs to sell of properties held for sale	–	(149)	–	–		(149)
Interest income	1	5	–	–		6
Interest expense	(880)	(220)	(158)	–		(1,258)
Reportable segment profit/(loss) for the year	4,338	(654)	(176)	(778)		2,730
Capital expenditure	–	–	3,593	–		3,593
Reportable segment assets	122,686	56,057	112,967	(46,483)	A	245,227
Reportable segment liabilities	(118,415)	(13,281)	(70,130)	36,726	B	(165,100)

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 statement of financial position:

	Group	
	2022 \$'000	2021 \$'000
Development properties	(72,848)	(2,294)
Property, plant and equipment	69,170	(1,617)
Trade and other receivables	236	118
Due from a related company (trade)	34	–
Investment in subsidiaries	(6,000)	(6,000)
Inter-segment assets	(41,333)	(36,690)
	(50,741)	(46,483)

- B The following items are added to/(deducted from) segment liabilities to arrive at total liabilities reported in the consolidated statement of financial position:

	Group	
	2022 \$'000	2021 \$'000
Trade and other payables	(35)	36
Inter-segment liabilities	41,333	36,690
	41,298	36,726

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

33. 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 and interest rate 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 and contract assets.

For trade receivables and contract assets, 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.

For other financial assets, the Group minimises credit risk by dealing exclusively with high credit rating counterparties.

(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% (2021: 95%) of loans and borrowings should mature in the next one year, and to maintain sufficient liquid financial assets and stand-by credit facilities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)**(b) Liquidity risk (Continued)**

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 used for managing liquidity risk and financial 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
2022				
Group				
Financial assets:				
Trade and other receivables (Note 15)	11,195	–	–	11,195
Due from a related company (Note 11)	34	–	–	34
Cash and short-term deposits (Note 18)	36,602	–	–	36,602
Total undiscounted financial assets	<u>47,831</u>	<u>–</u>	<u>–</u>	<u>47,831</u>
Financial liabilities:				
Trade and other payables (Note 19)	6,290	–	–	6,290
Borrowings (Note 21)	126,850	5,712	1,897	134,459
Total undiscounted financial liabilities	<u>133,140</u>	<u>5,712</u>	<u>1,897</u>	<u>140,749</u>
Total net undiscounted financial liabilities	<u>(85,309)</u>	<u>(5,712)</u>	<u>(1,897)</u>	<u>(92,918)</u>
2021				
Group				
Financial assets:				
Trade and other receivables (Note 15)	9,158	–	–	9,158
Cash and short-term deposits (Note 18)	8,037	–	–	8,037
Total undiscounted financial assets	<u>17,195</u>	<u>–</u>	<u>–</u>	<u>17,195</u>
Financial liabilities:				
Trade and other payables (Note 19)	4,080	–	–	4,080
Lease liabilities (Note 26)	39	–	–	39
Borrowings (Note 21)	24,906	125,791	5,105	155,802
Total undiscounted financial liabilities	<u>29,025</u>	<u>125,791</u>	<u>5,105</u>	<u>159,921</u>
Total net undiscounted financial liabilities	<u>(11,830)</u>	<u>(125,791)</u>	<u>(5,105)</u>	<u>(142,726)</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(b) Liquidity risk (Continued)

Analysis of financial instruments by remaining contractual maturities (Continued)

	1 year or less \$'000	1 to 5 years \$'000	Over 5 years \$'000	Total \$'000
2022				
Company				
Financial assets:				
Trade and other receivables (Note 15)	74	-	-	74
Due from subsidiaries (Note 11)	39,359	-	-	39,359
Cash and short-term deposits (Note 18)	1,783	-	-	1,783
Total undiscounted financial assets	<u>41,216</u>	<u>-</u>	<u>-</u>	<u>41,216</u>
Financial liabilities:				
Trade and other payables (Note 19)	613	-	-	613
Due to subsidiaries (Note 11)	1,974	-	-	1,974
Borrowings (Note 21)	1,029	4,116	1,897	7,042
Total undiscounted financial liabilities	<u>3,616</u>	<u>4,116</u>	<u>1,897</u>	<u>9,629</u>
Total net undiscounted financial assets/(liabilities)	<u>37,808</u>	<u>(3,552)</u>	<u>(2,669)</u>	<u>31,587</u>
2021				
Company				
Financial assets:				
Trade and other receivables (Note 15)	106	-	-	106
Due from subsidiaries (Note 11)	34,708	-	-	34,708
Cash and short-term deposits (Note 18)	33	-	-	33
Total undiscounted financial assets	<u>34,847</u>	<u>-</u>	<u>-</u>	<u>34,847</u>
Financial liabilities:				
Trade and other payables (Note 19)	641	-	-	641
Due to subsidiaries (Note 11)	1,981	-	-	1,981
Borrowings (Note 21)	2,243	3,773	5,105	11,121
Total undiscounted financial liabilities	<u>4,865</u>	<u>3,773</u>	<u>5,105</u>	<u>13,743</u>
Total net undiscounted financial assets/(liabilities)	<u>29,982</u>	<u>(3,773)</u>	<u>(5,105)</u>	<u>21,104</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

33. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONTINUED)

(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 (2021: 50) basis points ("bp") higher/lower with all other variables held constant, the Group and the Company would have recorded higher/lower profit before tax, development properties, and property, plant and equipment as follows:

	Increase/ (decrease) in basis points	Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
		<u>Increase/ (decrease)</u>	<u>Increase/ (decrease)</u>	<u>Increase/ (decrease)</u>	<u>Increase/ (decrease)</u>
Profit before tax	50	(128)	(115)	(36)	(50)
	(50)	128	115	36	50
Development properties	50	422	357	-	-
	(50)	(422)	(357)	-	-
Property, plant and equipment	50	213	212	-	-
	(50)	(213)	(212)	-	-

34. 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 2022

34. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(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			Total \$'000	
	Quoted prices in active markets for identical assets (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000		
	2022				
	Assets measured at fair value				
Non-financial assets:					
Investment properties (Note 13)	-	-	10,870	10,870	
Rights in leasehold land classified as property, plant and equipment (Note 12)	-	-	108,900	108,900	
	<u>-</u>	<u>-</u>	<u>119,770</u>	<u>119,770</u>	
	Company			Total \$'000	
	Quoted prices in active markets for identical assets (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000		
	2022				
	Assets measured at fair value				
Non-financial assets					
Investment properties (Note 13)	-	-	10,870	10,870	
	<u>-</u>	<u>-</u>	<u>10,870</u>	<u>10,870</u>	

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

34. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(b) Assets measured at fair value (Continued)

	Group			Total \$'000
	Quoted prices in active markets for identical assets (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	
2021				
Assets measured at fair value				
Non-financial assets:				
Investment properties (Note 13)	–	–	11,170	11,170
Rights in leasehold land classified as property, plant and equipment (Note 12)	–	–	105,000	105,000
	<u>–</u>	<u>–</u>	<u>116,170</u>	<u>116,170</u>
	Company			Total \$'000
	Quoted prices in active markets for identical assets (Level 1) \$'000	Significant observable inputs other than quoted prices (Level 2) \$'000	Significant unobservable inputs (Level 3) \$'000	
2021				
Assets measured at fair value				
Non-financial assets				
Investment properties (Note 13)	–	–	11,170	11,170
	<u>–</u>	<u>–</u>	<u>11,170</u>	<u>11,170</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

34. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(c) Level 3 fair value measurements

(i) *Information about significant unobservable inputs used in Level 3 fair value measurements*

The following table shows the information about fair value measurements using significant unobservable inputs (Level 3).

Description	Fair value at 30 June 2022 \$'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs \$
Recurring fair value measurements				
Investment properties:				
Commercial	10,870	Direct comparison method	Price per square feet	2,214 to 2,301
Rights in leasehold land classified as property, plant and equipment:				
Commercial	108,900	Direct comparison method and residual value method	Price per hotel key	815,000
Description	Fair value at 30 June 2021 \$'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs \$
Recurring fair value measurements				
Investment properties:				
Commercial	11,170	Direct comparison method	Price per square feet	2,122 to 2,259
Rights in leasehold land classified as property, plant and equipment:				
Commercial	105,000	Direct comparison method and residual value method	Price per hotel key	770,000

For investment properties, a significant increase/(decrease) in price per square feet based on management's assumptions would result in a significantly higher/(lower) fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

34. FAIR VALUE OF ASSETS AND LIABILITIES (CONTINUED)

(c) Level 3 fair value measurements (Continued)

(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.

For valuations performed by external valuation experts, the appropriateness of the valuation methodologies and assumptions adopted are reviewed along with the appropriateness and reliability of the inputs (including those developed internally by the Group) used in the valuations.

In selecting the appropriate valuation models and inputs to be adopted for each valuation that uses significant non-observable inputs, external valuation experts are requested to calibrate the valuation models and inputs to actual market transactions (which may include transactions entered into by the Group with third parties as appropriate) that are relevant to the valuation if such information is reasonably available.

Significant changes in fair value measurements from period to period are evaluated for reasonableness. Key drivers of the changes are identified and assessed for reasonableness against relevant information from independent sources, or internal sources if necessary and appropriate.

(d) Assets and liabilities not carried at fair value and whose carrying amount are a reasonable approximation of fair value

Determination of fair value

Due from subsidiaries (non-trade) (Note 11), trade and other receivables (Note 15), contract assets (Note 4), cash and short-term deposits (Note 18), due to subsidiaries (Note 11), trade and other payables (Note 19), contract liabilities (Note 4) 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

35. 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 2022 and 30 June 2021.

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.

		Group		Company	
		2022 \$'000	2021 \$'000	2022 \$'000	2021 \$'000
Trade and other payables	19	6,290	4,080	613	641
Due to subsidiaries	11	-	-	1,974	1,981
Borrowings	21	132,004	151,812	6,829	9,963
Lease liabilities	26	-	39	-	-
Total debt		138,294	155,931	9,416	12,585
Less: Cash and short-term deposits	18	(36,602)	(8,037)	(1,783)	(33)
Net debt (A)		101,692	147,894	7,633	12,552
Equity attributable to owners of the Company (B)		89,809	80,127	49,332	40,539
Total capital and net debt (C)=(A)+(B)		191,501	228,021	56,965	53,091
Gearing ratio (D)=(A)/(C)		53%	65%	13%	24%

36. EVENTS OCCURRING AFTER THE REPORTING PERIOD

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

Subsequent to the full financial year ended 30 June 2022, the Group's subsidiaries, GDL Homes Pte. Ltd. ("GDL Homes"), GDL Land Pte. Ltd. ("GDL Land") and GDL Properties Pte. Ltd. ("GDL Properties"), recorded the following key events:

- (a) GDL Homes obtained the CSC for its residential property development at Tan Sim Boh Road in August 2022;
- (b) GDL Land obtained the CSC for its residential property development at Flower Road in July 2022;

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2022

36. EVENTS OCCURRING AFTER THE REPORTING PERIOD (CONTINUED)

- (c) GDL Land issued options-to-purchase ("OTPs") for its development property units at East Coast Road and Woo Mon Chew Road amounting to S\$7,239,000. OTPs have been issued for all units under these two property development projects as of the date of these financial statements; and
- (d) GDL Properties has obtained in-principle approval from the bank for the extension of the loan repayment terms for one of the Group's bank loans, which amounted to \$59,125,000 as at 30 June 2022. The bank loan had been classified as a current liability as at 30 June 2022.

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 Group.

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 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.

37. AUTHORISATION OF FINANCIAL STATEMENTS FOR ISSUE

The financial statements for the financial year ended 30 June 2022 were authorised for issue in accordance with a resolution of the directors on 23 September 2022.

STATISTICS OF SHAREHOLDINGS

AS AT 28 SEPTEMBER 2022

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	1	0.09	1	0.00
100 – 1,000	496	43.17	482,166	0.07
1,001 – 10,000	389	33.86	1,685,301	0.25
10,001 – 1,000,000	248	21.58	19,218,833	2.82
1,000,001 AND ABOVE	15	1.30	660,589,168	96.86
TOTAL	1,149	100.00	681,975,469	100.00

SHAREHOLDINGS HELD BY THE PUBLIC

Based on information available to the Company as at 28 September 2022, approximately 17.98% of the issued ordinary shares of the Company is held by the public, and therefore, Rule 723 of the Listing Manual (Section B: Rules of Catalist) of the SGX-ST is complied with.

TWENTY LARGEST SHAREHOLDERS

NO.	SHAREHOLDER'S NAME	NO. OF SHARES	%
1	JK GLOBAL ASSETS PTE. LTD.	404,381,666	59.30
2	TAN SU LAN @ TAN SOO LUNG	94,681,500	13.88
3	HSBC (SINGAPORE) NOMINEES PTE LTD	60,000,000	8.80
4	DBS NOMINEES (PRIVATE) LIMITED	25,920,466	3.80
5	YEOW CHENG KHIM	19,507,140	2.86
6	ROYAL INSTITUTE OF CONSTRUCTION ECONOMISTS PTE LTD	19,064,400	2.80
7	RAFFLES NOMINEES (PTE.) LIMITED	11,630,800	1.71
8	CHIN MAY YEE EMILY	8,699,200	1.28
9	YEOW CHENG CHOO	4,072,600	0.60
10	SING INVESTMENTS & FINANCE NOMINEES (PTE.) LTD.	3,800,000	0.56
11	TU JU CHEN	3,278,700	0.48
12	PHILLIP SECURITIES PTE LTD	1,988,696	0.29
13	ONG LIAN MIN DAVID	1,212,000	0.18
14	TAN LEE HUA	1,196,000	0.18
15	KWAN CHEE SENG	1,156,000	0.17
16	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	952,000	0.14
17	LEE CHIEW ENG	700,000	0.10
18	WOO LEE YONG	671,220	0.10
19	MAYBANK SECURITIES PTE. LTD.	620,600	0.09
20	NG POH CHENG	534,000	0.08
	TOTAL	664,066,988	97.40

STATISTICS OF SHAREHOLDINGS

AS AT 28 SEPTEMBER 2022

SUBSTANTIAL SHAREHOLDERS

	Direct Interest		Deemed Interest	
	NO. OF SHARES	%	NO. OF SHARES	%
JK Global Assets Pte. Ltd. ⁽¹⁾	404,381,666	59.30	–	–
Koh Wee Meng ^{(1), (2), (5)}	–	–	404,381,666	59.30
Koh Kian Soo ^{(2), (3), (4), (5)}	–	–	60,000,000	8.80
Ko Lee Meng ^{(2), (3), (4), (5)}	60,000,000	8.80	–	–
Tan Su Lan @ Tan Soo Lung ⁽⁵⁾	94,681,500	13.88	–	–

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 1967.
- (4) 60,000,000 shares are held through HSBC (Singapore) Nominees Pte Ltd.
- (5) Tan Su Lan @ Tan Soo Lung is the mother of Koh Wee Meng and Ko Lee Meng and the mother-in-law of Koh Kian Soo.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of **GLOBAL DRAGON LIMITED** (the "**Company**") will be held at 456 Alexandra Road #13-02 Fragrance Empire Building Singapore 119962 (see Notes 1 to 6) on Friday, 28 October 2022 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 2022, 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) Dr Kwan Chee Wai [See Explanatory Note (i)] **(Resolution 2)**
 - (b) Ms Pan Pei Say [See Explanatory Note (ii)] **(Resolution 3)**
3. To approve Directors' fees of S\$125,000 for the financial year ending 30 June 2023 (FY2022: S\$110,000), payable yearly. **(Resolution 4)**
4. To declare a final tax exempt (one-tier) dividend of S\$0.01 per ordinary share in respect of the financial year ended 30 June 2022. **(Resolution 5)**
5. 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 6)**
6. 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:

7. **Authority to allot and issue shares in the capital of the Company**

That pursuant to Section 161 of the Companies Act 1967 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,

NOTICE OF ANNUAL GENERAL MEETING

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and (notwithstanding the authority conferred by this ordinary resolution may have ceased to be in force) issue Shares in pursuance of any Instrument made or granted by the Directors while this ordinary resolution was in force,

provided that:

- (1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this ordinary resolution) to be issued pursuant to this ordinary resolution shall not exceed one hundred per cent (100%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares to be issued other than on a pro-rata basis to existing shareholders of the Company (the "**Shareholders**") shall not exceed fifty per cent (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below or any such other limit as may be prescribed by the Catalist Rules as at the date this 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.

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 7)

NOTICE OF ANNUAL GENERAL MEETING

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,
12 October 2022

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

- (i) Dr Kwan Chee Wai ("**Dr Kwan**") shall, upon re-election as a Director of the Company, remain as 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 2022.
- (ii) Ms Pan Pei Say ("**Ms Pan**") shall, upon re-election as a Director of the Company, remain as an Independent Director, the Chairman of the Remuneration Committee and a member of each of the Audit and Nominating Committees of the Company. The Board of Directors considers Ms Pan to be independent for the purpose of Rule 704(7) of the Catalist Rules. Further information on Ms Pan can be found in the sections entitled "Board of Directors" and "Additional Information on Directors seeking Re-election" in the Annual Report 2022.
- (iii) Ordinary Resolution 7, 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 2022.

Notes:

1. Printed copies of the Notice of AGM and the accompanying proxy form will NOT be sent to members. Instead, these documents will be made available on the SGXNet at <https://www.sgx.com/securities/company-announcements>.

NOTICE OF ANNUAL GENERAL MEETING

2. Members may submit questions ahead of the AGM or raise questions at the AGM. For members who would like to submit questions ahead of the AGM, they may do so by 5.00 p.m. on 19 October 2022:
- (a) by email to gdl@globaldragon.com.sg; or
 - (b) by post to registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 1 Harbourfront Avenue Keppel Bay Tower #14-07 Singapore 098632.

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 received by 5.00 p.m. on 19 October 2022 by publishing the Company's responses to such questions on the SGXNet at <https://www.sgx.com/securities/company-announcements> by 23 October 2022, being at least forty-eight (48) hours before the closing date and time for the lodgement of proxy form. The Company will address any subsequent clarification sought, or substantial and relevant follow-up questions (which are related to the resolutions to be tabled for approval at the AGM) received after the 19 October 2022 submission deadline which have not already been addressed prior to the AGM, as well as those substantial and relevant questions received at the AGM, at the AGM itself. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed. The minutes of the AGM will be published on the SGXNet within one (1) month after the date of the AGM.

3. Shareholders, including Central Provident Fund ("CPF") Investment Scheme members ("CPF Investors") and Supplementary Retirement Scheme ("SRS") investors ("SRS Investors"), and (where applicable) duly appointed proxies can attend the AGM in person. To do so, they will need to register in person at the registration counter(s) outside the AGM venue on the date of the AGM. Please bring along your NRIC/passport so as to enable the Company to verify your identity. Shareholders are requested to arrive early to facilitate the registration process and are advised not to attend the AGM if they are feeling unwell.
4. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, a member is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. A member of the Company which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a member of the Company.
5. Pursuant to Section 181(1C) of the Companies Act, a member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two (2) proxies, the appointments shall be invalid unless the member specifies the number of shares in relation to which each proxy has been appointed.

"Relevant Intermediary" means:

- (a) a banking corporation licenced under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;

NOTICE OF ANNUAL GENERAL MEETING

- (b) a person holding a capital market services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.
6. Where a member appoints two (2) proxies, he shall specify the proportion of his shareholding to be represented by each proxy. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and any second proxy as an alternate to the first named.
7. The signed instrument appointing a proxy or proxies, 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 registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 1 Harbourfront Avenue Keppel Bay Tower #14-07 Singapore 098632,

in either case, by no later than 9.30 a.m. on 25 October 2022, being seventy-two (72) hours before the time appointed for holding this AGM, failing which the Company shall be entitled to regard the instrument of proxy as invalid.

The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or signed on its behalf by an attorney or a duly authorised officer of the corporation. Where the instrument appointing a proxy or proxies 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 a proxy or proxies 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 a proxy or proxies (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 2001 of Singapore Statutes), the Company may reject any instrument appointing a proxy or proxies lodged if such member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

8. A Depositor shall not be regarded as a member of the Company entitled to attend and vote at the AGM unless his name appears on the Depository Register maintained by The Central Depository (Pte) Limited not less than seventy-two (72) hours before the time appointed for the AGM.

NOTICE OF ANNUAL GENERAL MEETING

9. Members who hold their Shares through a Relevant Intermediary (as defined in Section 181 of the Companies Act) (including CPF Investors or SRS Investors) may attend and cast his vote(s) at the AGM in person. CPF Investors and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF Investors and SRS Investors shall be precluded from attending the AGM. CPF Investors 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 18 October 2022, being seven (7) working days before the date of the AGM.
10. All resolutions put to vote at the AGM shall be decided by way of poll.
11. 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 AGM.

Personal data privacy:

By attending the AGM and/or any adjournment thereof, submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the AGM and/or any adjournment thereof, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of (i) the processing, administration and analysis by the Company (or its agents or service providers) of the appointment of proxy(ies) appointed for the AGM (including any adjournment thereof), (ii) the processing of any questions submitted to the Company, and (iii) 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

Dr Kwan Chee Wai and Ms Pan Pei Say are the Directors seeking re-election ("**Retiring Directors**") at the forthcoming annual general meeting of the Company to be convened on 28 October 2022.

Pursuant to Rule 720(5) of the Catalist Rules, the information relating to the Retiring Directors as set out in Appendix 7F of the Catalist 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	Dr Kwan Chee Wai	Ms Pan Pei Say
Date of Appointment	14 February 2018	14 February 2018
Date of last re-appointment	23 October 2020	25 October 2019
Age	51	60
Country of principal residence	Singapore	Singapore
The Board's comments on this appointment (including rationale, selection criteria, board diversity considerations, and the search and nomination process)	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.	The re-election of Ms Pan Pei Say as an Independent Director was recommended by the Nominating Committee and the Board of Directors has accepted the recommendation, after taking into consideration Ms Pan Pei Say's qualifications, expertise, past experiences and overall contribution since she was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Non-Executive	Non-Executive
Job Title (e.g. Lead ID, AC Chairman, AC Member etc.)	Independent Director, Chairman of the Nominating Committee and a member of the Audit Committee and the Remuneration Committee	Independent Director, Chairman of the Remuneration Committee and a member of the Audit Committee and the Nominating Committee

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Dr Kwan Chee Wai	Ms Pan Pei Say
Professional qualifications	<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 	Diploma in Banking and Finance, the Institute of Banking and Finance Singapore

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Dr Kwan Chee Wai	Ms Pan Pei Say
Working experience and occupation(s) during the past 10 years	<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>	1989 to 2017: Senior Vice President, Credit Marketing, Sing Investments & Finance Ltd
Shareholding interest in the listed issuer and its subsidiaries	Nil	Nil
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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Dr Kwan Chee Wai	Ms Pan Pei Say
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 Rule 704(8) of the Catalist Rules.		
Past (for the last 5 years)	Directorship: <ul style="list-style-type: none"> • Independent Director, Global Premium Hotels Limited Principal Commitments: <ul style="list-style-type: none"> • Lecturer, Singapore Institute of Technology • Lecturer, National University of Singapore • Lecturer, Kaplan Higher Education • Lecturer, University of Newcastle 	Directorship: Nil Principal Commitment: <ul style="list-style-type: none"> • Senior Vice President, Credit Marketing at Sing Investments & Finance Ltd
Present	Directorship: <ul style="list-style-type: none"> • Independent Director, Global Dragon Limited Principal Commitments: <ul style="list-style-type: none"> • Assistant Professor (Accounting and Finance) at Embry-Riddle Aeronautical University • Lecturer, Nanyang Technological University • Consultant, Lee Hecht Harrison 	Directorship: <ul style="list-style-type: none"> • Independent Director, Global Dragon Limited Principal Commitment: Nil
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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Dr Kwan Chee Wai	Ms Pan Pei Say
(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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Dr Kwan Chee Wai	Ms Pan Pei Say
(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
(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

ADDITIONAL INFORMATION ON DIRECTORS SEEKING RE-ELECTION

Name of Director	Dr Kwan Chee Wai	Ms Pan Pei Say
<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
<p>(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?</p>	No	No

GLOBAL DRAGON LIMITEDCompany Registration No. 198102945K
(Incorporated in the Republic of Singapore)**PROXY FORM – ANNUAL GENERAL MEETING****IMPORTANT:**

- Pursuant to Section 181(1C) of the Companies Act 1967 of Singapore (the "Companies Act"). Relevant Intermediaries may appoint more than two (2) proxies to attend, speak and vote at the AGM.
- This Proxy Form is not valid for use by CPF and/or SRS investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
- An investor who holds shares under the Central Provident Fund Investment Scheme ("CPF Investor") and/or the Supplementary Retirement Scheme ("SRS Investor") (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF and SRS investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy. In which case, the CPF Investors and SRS Investors shall be precluded from attending the AGM. CPF Investors 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 18 October 2022, being seven (7) working days before the date of the AGM.

This form of proxy has been made available on SGXNet and may be accessed at <http://www.sgx.com/securities/company-announcements>. A printed copy of this proxy form will not be despatched to Members.

I/We* _____ (Name) _____ (NRIC/Passport No./Co. Reg. No.*)

of _____ (Address)

being a Member/Members* of **GLOBAL DRAGON LIMITED** (the "Company"), hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%
<i>and/or (delete as appropriate)</i>				

or failing the person, or either or both of the persons, referred to above, the Chairman of the Annual General Meeting ("AGM") as my/our* proxy to attend and vote on my/our* behalf, at the AGM of the Company, to be held at 456 Alexandra Road #13-02 Fragrance Empire Building Singapore 119962 on 28 October 2022 at 9.30 a.m. and at any adjournment thereof. I/We* direct my/our* proxy/proxies* to vote for or against the resolutions to be proposed at the AGM and at any adjournment thereof as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies* will vote or abstain from voting at his/their* discretion, as he/they* will on any other matter arising at the AGM and/or 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 2022, together with the Directors' Statement and Auditors' Report thereon.			
2.	To re-elect Dr Kwan Chee Wai, a Director retiring by rotation pursuant to Article 104 of the Company's Constitution.			
3.	To re-elect Ms Pan Pei Say, a Director retiring by rotation pursuant to Article 104 of the Company's Constitution.			
4.	To approve Directors' fees of S\$125,000 for the financial year ending 30 June 2023 (FY2022: S\$110,000), payable yearly.			
5.	To declare a final tax exempt (one-tier) dividend of S\$0.01 per ordinary share in respect of the financial year ended 30 June 2022.			
6.	To re-appoint Messrs Ernst & Young LLP as Auditors of the Company and to authorise the Directors of the Company to fix their remuneration.			
AS SPECIAL BUSINESS				
7.	To grant the Directors the authority to allot and issue shares in the capital of the Company.			
8.	To approve the proposed renewal of the Share Purchase Mandate.			

* Please delete accordingly.

** If you wish to exercise all you 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.

Dated this _____ day of _____ 2022.

Total Number of Shares Held

Signature(s) of Member(s)/Common Seal of corporate Member

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 2001 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. Except for a Member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, a Member is entitled to appoint not more than two (2) proxies to attend, speak and vote at the AGM. Where a Member appoints more than one (1) proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form. If no such proportion or number is specified, the first named proxy may be treated as representing 100% of the shareholding and the second named proxy shall be deemed to be an alternate to the first named.

CPF Investor and/or SRS Investor (as may be applicable) may attend and cast his vote(s) at the AGM in person. CPF and SRS Investors who are unable to attend the AGM but would like to vote, may inform their CPF and/or SRS Approved Nominees to appoint the Chairman of the AGM to act as their proxy, in which case, the CPF and SRS Investors shall be precluded from attending the AGM. CPF Investor and/or SRS Investor (as may be applicable) who wish to appoint the Chairman of the Company as proxy should approach their respective CFP Agent Banks or SRS Operators to submit their votes by 9.30 a.m. on 18 October 2022, being seven (7) working days before the date of the AGM.

3. Pursuant to Section 181(1C) of the Companies Act, a Member who is a Relevant Intermediary is entitled to appoint more than two (2) proxies to attend, speak and vote at the AGM, but each such proxy must be appointed to exercise the rights attached to different shares held by such member. Where such Member appoints more than two (2) proxies, the appointments shall be invalid unless the Member specifies the number of shares in relation to which each proxy has been appointed.

"**Relevant Intermediary**" means:

- (a) a banking corporation licenced under the Banking Act 1970 of Singapore, or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
 - (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act 2001 of Singapore and who holds shares in that capacity; or
 - (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953 of Singapore, in respect of shares purchased under the subsidiary legislation made under that Companies Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with the subsidiary legislation.
4. The instrument appointing a proxy or proxies must be signed by the appointor or his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
 5. The signed instrument appointing a proxy or proxies 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) lodged at the registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 1 Harbourfront Avenue Keppel Bay Tower #14-07 Singapore 098632,in either case, by 9.30 a.m. on 25 October 2022, being seventy-two (72) hours before the time appointed for the AGM, failing which the Company shall be entitled to regard the instrument of proxy as invalid.
 6. A proxy need not be a Member of the Company.
 7. A corporation which is a Member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act.
 8. The submission of an instrument or form appointing a proxy or proxies by a shareholder does not preclude him from attending and voting in person at the AGM if he so wishes.
 9. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies (such as in the case where the appointor 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 2001 of Singapore), the Company may reject any instrument appointing a proxy or proxies lodged if such Member, being the appointor, is not shown to have Shares entered against his/her name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM, as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy

By submitting this instrument appointing 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 12 October 2022.



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國際集團

GLOBAL DRAGON LIMITED

GLOBAL DRAGON LIMITED

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