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Meeting details:

Date: 22 Jan 2025

Time: 10.00 a.m.

Venue: 86 International Road, Singapore 629176

Q1. Following a change in board and executive leadership, the group achieved a 9.5% increase in revenue to \$13.4 million, driven by the post-pandemic recovery of Singapore’s construction sector and a stronger focus on the domestic market. Shutter production output has also more than doubled year-on-year, leading to reduced unit costs.

However, the group reported a net loss of \$(2.27) million in FY2024, continuing a trend of losses over the past six years: \$(2.1) million in FY2023, \$(1.7) million in FY2022, \$(1.6) million in FY2021, \$(1.1) million in FY2020, \$(1.8) million in FY2019, and \$(0.6) million in FY2018.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Year ended 30 September 2024

	Note	Group	
		2024	2023
		\$'000	\$'000
Revenue	19	13,360	12,203
Cost of sales		(8,932)	(8,816)
Gross profit		4,428	3,387
Other operating income	20	262	118
Marketing and distribution expenses		(324)	(320)
Administrative expenses		(5,673)	(4,782)
Other operating expenses		(358)	(347)
Interest revenue	21	19	13
Other losses	22	(401)	(118)
Finance costs	23	(152)	(174)
Loss before tax		(2,199)	(2,223)
Income tax (expense) credit	24	(71)	105
Loss for the year	25	(2,270)	(2,118)

(Source: company annual report; emphasis added)

- (i) **Could management provide a detailed breakdown of administrative expenses?** The administrative expenses have consistently been higher than the group’s gross profit.
- (ii) **What are management’s specific priorities for FY2025 to restore profitability? Could the company provide an overview of the strategic initiatives, key milestones and operational and financial key performance indicators?**

Q2. The group achieved a significant milestone with its entry into the United States market through a partnership with Blast Resource Group, LLC (BRG) to market and distribute Gliderol's blast-mitigating and blast-resistant shutters.

- (i) **Can management help shareholders better understand the potential of the US market for blast-mitigating and blast-resistant shutters? What is the size of the total address market and what specific sectors or customer segments are expected to drive demand?**
- (ii) **What criteria were used to select BRG as a partner? Can management elaborate on BRG's operational scale, market reach, and distribution capabilities? Does BRG possess a nationwide presence, or is it a specialised entity operating within a niche market, such as in Texas?**
- (iii) **What relevant experience does the board and senior management have in business development and entering foreign markets, particularly the United States?** The biographies of the directors and senior management can be found on pages 10 to 13 of the annual report.

Q3. As disclosed in the corporate governance report, the group's internal audit function is outsourced to KPMG Services Pte Ltd. In FY2024, KPMG conducted reviews on sales and credit management, production and inventory management, follow-up audit and risk mitigation review.

The internal audits in recent years have focused on the following areas:

FY2021 - risk mitigation, sales, credit management and collections, production and inventory management, procurement and payments (trade)

FY2022 - risk mitigation, financial management, and human resource and payroll

FY2023 - sales and credit management, production and inventory management and risk mitigation review

- (i) **What is the length of the group's internal audit cycle? How does the audit committee (AC) proactively identify and prioritise emerging risks across the group's operations?**
- (ii) **What were the key findings and recommendations by the internal auditor for FY2024?**
- (iii) **How does the AC monitor the timely and effective implementation of internal audit recommendations?**

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

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