



Securities Investors Association (Singapore)

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UEN No: S99SS0111B

GST Reg No: M90367530Y

Issuer: Global Dragon Limited

Stock code: 586

Meeting details:

Date: 28 October 2022

Time: 9.30 a.m.

Venue: 456 Alexandra Road #13-02 Fragrance Empire Building Singapore 119962

Q1. As noted in the chairman's statement, the group has sold all of its property development units and secured a total property sale value of \$192.90 million, of which \$75.73 million in property sales have been completed and delivered.

All property development units of the Project Flower Road, Project Lorong Mydin and Project Tan Sim Boh Road were delivered during FY2022 and have obtained the Certificates of Statutory Completion.

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.

- (i) **What is management's view of the Singapore residential market going forward?**
- (ii) **With its developments fully sold, are there plans to replenish the group's land bank? If so, what are the group's targeted segments given the current market sentiments (including rising interest rates) and the newly announced cooling measures?**
- (iii) **Can the company (re)state its competitive advantage in property development in Singapore?**

Q2. In the hospitality segment, the group is constructing a 194-room hotel development project located at Telok Blangah Road, with construction work targeted to be completed during the second half of FY2023. The Temporary Occupation Permit ("TOP") is expected to be obtained during the first half of the financial year ending 30 June 2024.

- (i) **What is the expected capital expenditure required to fit-out the hotel?**
- (ii) **Can management clarify the market positioning of the hotel? What is the unique selling point of the hotel, if any? Has management incorporated sustainability/green building features in the design and construction of the hotel?**
- (iii) **In addition, is the group looking to manage and operate the hotel or to lease it out to a hotel operator?**

The hotel has a carrying value measured at Level 3 fair value of \$108.9 million (FY2021: \$105.0 million). The valuation technique used "Price per hotel key" as an unobservable input. Price per hotel key increased from \$770,000 in FY2021 to \$815,000 in FY2022.

- (iv) **What are the key assumptions used to support the higher price per hotel key of \$815,000 (5.8% increase)?**

Q3. The company has appointed Baker Tilly Consultancy (Singapore) Pte. Ltd. to undertake the internal audit function for the group.

The internal audit plan, which is approved by the audit committee (AC), is drawn up by the internal auditors in consultation with 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 management had been submitted to the AC.

- (i) **What were the scope and key findings of the internal audit in FY2022?**
- (ii) **How long is the internal audit cycle?**
- (iii) **Can the AC confirm that the material subsidiaries, namely GDL Homes Pte. Ltd., GDL Land Pte. Ltd. and GDL Properties Pte. Ltd., were all included in the internal audit?**
- (iv) **In addition, what are the recommendations by the IA? What is the level of involvement by the AC in the implementation of the recommendations by the IA?**

^On 1 October 2020, the Accounting and Corporate Regulatory Authority (“ACRA”), the Monetary Authority of Singapore (“MAS”) and Singapore Exchange Regulation (“SGX RegCo”) published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings (“Meetings Order”) would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

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

[^] Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation
(<https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation>)



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