



# OKH GLOBAL LTD.

(formerly known as Sinobest Technology Holdings Ltd.)  
(Incorporated in Bermuda on 17 June 2004)  
(Company Registration Number: 35479)

## Unaudited Financial Statements and Related Announcement for the Financial Year ended 30 June 2016

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**FULL YEAR FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2016**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS.**

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

**Consolidated Statement of Comprehensive Income**

|   | Group                     |                           |             |
|---|---------------------------|---------------------------|-------------|
|   | FY2016                    | FY2015                    | change      |
|   | 12 months ended 30-Jun-16 | 12 months ended 30-Jun-15 |             |
|   | S\$'000                   | S\$'000                   |             |
|   | Unaudited                 | Audited                   |             |
| Revenue   | 75,777                    | 252,660                   | -70.0%      |
| Cost of sales                                       | (63,920)                  | (186,772)                 | -65.8%      |
| Gross profit  | 11,857                    | 65,888                    | -82.0%      |
| Other (expenses)/income                             | (4,104)                   | 27,215                    | n.m.        |
| General and administrative expenses                 | (17,000)                  | (21,910)                  | -22.4%      |
| Finance costs                                       | (10,086)                  | (7,070)                   | 42.7%       |
| Share of losses of joint venture                    | -                         | (260)                     | n.m.        |
| Share of profit of associate                        | 3,400                     | 4,873                     | -30.2%      |
| <b>(Loss)/profit before tax</b>                     | <b>(15,933)</b>           | <b>68,736</b>             | <b>n.m.</b> |
| Income tax expense                                  | (157)                     | (8,399)                   | -98.1%      |
| <b>Total (loss)/profit for the year, net of tax</b> | <b>(16,090)</b>           | <b>60,337</b>             | <b>n.m.</b> |
| <b>(Loss)/profit attributable to:</b>               |                           |                           |             |
| Owners of the Company                               | (16,481)                  | 46,243                    | n.m.        |
| Non-controlling interests                           | 391                       | 14,094                    | -97.2%      |
|   | <b>(16,090)</b>           | <b>60,337</b>             | <b>n.m.</b> |



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

**Consolidated Statement of Comprehensive Income (Cont'd)**

|   | Group   |   |        |
|---|---|---|--------|
|   | FY2016<br>12 months<br>ended<br>30-Jun-16<br>S\$'000<br>Unaudited | FY2015<br>12 months<br>ended<br>30-Jun-15<br>S\$'000<br>Audited | change |
| <b>(Loss)/profit, net of tax</b>                            | (16,090)  | 60,337  | n.m.   |
| <b>Other comprehensive loss:</b>                            |   |   |        |
| Currency translation differences arising from consolidation | (323)   | (310)   | 4.2%   |
| Other comprehensive loss for the year,<br>net of tax        | (323)   | (310)   | 4.2%   |
| <b>Total comprehensive (loss)/profit for the year</b>       | <u>(16,413)</u>   | <u>60,027</u>   | n.m.   |
| <b>Total comprehensive (loss)/profit attributable to:</b>   |   |   |        |
| Owners of the Company                                       | (16,804)  | 45,933  | n.m.   |
| Non-controlling interests                                   | 391   | 14,094  | -97.2% |
|   | <u>(16,413)</u>   | <u>60,027</u>   | n.m.   |



1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:-

|   | <b>Group</b>     |                  |               |
|---|------------------|------------------|---------------|
|   | <b>FY2016</b>    | <b>FY2015</b>    | <b>change</b> |
|   | <b>12 months</b> | <b>12 months</b> |               |
|   | <b>ended</b>     | <b>ended</b>     |               |
|   | <b>30-Jun-16</b> | <b>30-Jun-15</b> |               |
|   | <b>S\$'000</b>   | <b>S\$'000</b>   |               |
|   | <b>Unaudited</b> | <b>Audited</b>   |               |
| Depreciation of property, plant and equipment       | (1,027)          | (2,404)          | -57.3%        |
| Foreign exchange loss, net                          | (9)              | (4)              | n.m.          |
| Bad debt expense                                    | (102)            | (21)             | n.m.          |
| Interest expenses                                   | (10,086)         | (7,070)          | 42.7%         |
| (Loss)/gain on revaluation of investment properties | (5,230)          | 26,221           | n.m.          |
| Under provision for liquidated damages              | -                | (12)             | n.m.          |
| Interest income                                     | 51               | 80               | -36.3%        |
| Grant income  | 217              | 71               | n.m.          |
| Compensation from insurance claim                   | 83               | -                | n.m.          |
| Forfeiture of deposit from sales/lease cancellation | 147              | 5                | n.m.          |
| Management fee                                      | -                | 168              | n.m.          |
| Other income  | 711              | 670              | 6.1%          |



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

**Statements of Financial Position**

|  | <b>Group</b>     |                  | <b>Company</b>   |                  |
|--|------------------|------------------|------------------|------------------|
|  | <b>30-Jun-16</b> | <b>30-Jun-15</b> | <b>30-Jun-16</b> | <b>30-Jun-15</b> |
|  | <b>S\$'000</b>   | <b>S\$'000</b>   | <b>S\$'000</b>   | <b>S\$'000</b>   |
|  | <b>Unaudited</b> | <b>Audited</b>   | <b>Unaudited</b> | <b>Audited</b>   |
| <b><u>ASSETS</u></b>                               |                  |                  |                  |                  |
| <b>Current assets</b>                              |                  |                  |                  |                  |
| Cash and cash equivalents                          | 44,948           | 19,340           | 712              | 10               |
| Trade and other receivables                        | 37,830           | 56,164           | 34,272           | 50,797           |
| Loan due from non-controlling interests            | 10,357           | 12,257           | -                | -                |
| Completed properties held for sale                 | 76,409           | -                | -                | -                |
| Properties under development                       | 141,623          | 235,831          | -                | -                |
| <b>Total current assets</b>                        | <b>311,167</b>   | <b>323,592</b>   | <b>34,984</b>    | <b>50,807</b>    |
| <b>Non-current assets</b>                          |                  |                  |                  |                  |
| Property, plant and equipment                      | 31,118           | 12,554           | -                | -                |
| Investment properties                              | 127,480          | 98,307           | -                | -                |
| Investments in subsidiaries                        | -                | -                | 126,180          | 129,185          |
| Investment in joint venture                        | -                | -                | -                | -                |
| Investment in associate                            | 38,699           | 35,622           | -                | -                |
| Available-for-sale investment                      | 17,778           | 21,500           | -                | -                |
| <b>Total non-current assets</b>                    | <b>215,075</b>   | <b>167,983</b>   | <b>126,180</b>   | <b>129,185</b>   |
| <b>Total assets</b>                                | <b>526,242</b>   | <b>491,575</b>   | <b>161,164</b>   | <b>179,992</b>   |
| <b><u>LIABILITIES AND EQUITY</u></b>               |                  |                  |                  |                  |
| <b>Current liabilities</b>                         |                  |                  |                  |                  |
| Trade and other payables                           | 129,374          | 82,070           | 29,706           | 32,778           |
| Finance leases                                     | 515              | 448              | -                | -                |
| Loan due to associate                              | 6,000            | 8,000            | -                | -                |
| Loan from third party                              | 20,000           | -                | 20,000           | -                |
| Amount due to non-controlling interests            | 8,920            | 8,920            | -                | -                |
| Redeemable convertible preferences shares ("RCPS") | 6,000            | 7,807            | -                | -                |
| Redeemable exchangeable preference shares ("REPS") | 13,970           | -                | -                | -                |
| Bank loans and overdrafts                          | 207,664          | 57,630           | -                | -                |
| Provisions   | 1,368            | 1,368            | -                | -                |
| Income tax payable                                 | 3,823            | 8,329            | -                | -                |
| <b>Total current liabilities</b>                   | <b>397,634</b>   | <b>174,572</b>   | <b>49,706</b>    | <b>32,778</b>    |



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

**Statements of Financial Position (Cont'd)**

|  | <b>Group</b>     |                  | <b>Company</b>   |                  |
|--|------------------|------------------|------------------|------------------|
|  | <b>30-Jun-16</b> | <b>30-Jun-15</b> | <b>30-Jun-16</b> | <b>30-Jun-15</b> |
|  | <b>S\$'000</b>   | <b>S\$'000</b>   | <b>S\$'000</b>   | <b>S\$'000</b>   |
|  | <b>Unaudited</b> | <b>Audited</b>   | <b>Unaudited</b> | <b>Audited</b>   |
| <b>Non-current liabilities</b>                         |                  |                  |                  |                  |
| Finance leases   | 1,085            | 1,309            | -                | -                |
| Bank loans   | 18,451           | 164,558          | -                | -                |
| Redeemable exchangeable preference shares ("REPS")     | -                | 12,051           | -                | -                |
| Total non-current liabilities                          | 19,536           | 177,918          | -                | -                |
| <b>Total liabilities</b>                               | <b>417,170</b>   | <b>352,490</b>   | <b>49,706</b>    | <b>32,778</b>    |
| <b>Capital, reserves and non-controlling interests</b> |                  |                  |                  |                  |
| Share capital  | 33,278           | 33,278           | 128,624          | 128,624          |
| Share premium  | 26,005           | 26,005           | 28,856           | 28,856           |
| Equity reserves  | 3,974            | 3,974            | -                | -                |
| Translation reserves                                   | (2,132)          | (1,809)          | (1,491)          | (1,491)          |
| Accumulated profits/(losses)                           | 47,647           | 64,128           | (44,531)         | (8,775)          |
| Equity attributable to owners of the Company           | 108,772          | 125,576          | 111,458          | 147,214          |
| Non-controlling interests                              | 300              | 13,509           | -                | -                |
| Total equity   | 109,072          | 139,085          | 111,458          | 147,214          |
| <b>Total liabilities and equity</b>                    | <b>526,242</b>   | <b>491,575</b>   | <b>161,164</b>   | <b>179,992</b>   |



1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.

**Amount repayable in one year or less, or on demand**

| As at 30 June 2016 |           | As at 30 June 2015 |           |
|--------------------|-----------|--------------------|-----------|
| Secured            | Unsecured | Secured            | Unsecured |
| S\$'000            | S\$'000   | S\$'000            | S\$'000   |
| 208,179            | 54,890    | 58,078             | 24,727    |

**Amount repayable after one year**

| As at 30 June 2016 |           | As at 30 June 2015 |           |
|--------------------|-----------|--------------------|-----------|
| Secured            | Unsecured | Secured            | Unsecured |
| S\$'000            | S\$'000   | S\$'000            | S\$'000   |
| 19,536             | 0         | 165,867            | 12,051    |

**Details of any collateral**

The Group's borrowings are secured by the Group's properties, cash deposits and receivables, cash deposits of and personal guarantee from a Director, and assets under fixed term lease financing.



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

**Consolidated Statement of Cash Flows**

|   | <b>Group</b>                                     |  |
|---|--|--|
|   | <b>12 months ended<br/>30-Jun-16<br/>S\$'000</b> | <b>12 months ended<br/>30-Jun-15<br/>S\$'000</b> |
|   | <b>Unaudited</b>                                 | <b>Audited</b>                                   |
| <b>Cash flows from operating activities</b>                   |  |  |
| Net (loss)/profit after tax                                   | (16,090)   | 60,337   |
| Adjustments for:  |  |  |
| Income tax expenses   | 157  | 8,399  |
| Bad debts expense   | 102  | 21   |
| Depreciation of property, plant and equipment                 | 1,027  | 2,404  |
| Loss/(gain) on change in fair value of investment properties  | 5,230  | (26,221)   |
| Interest expenses   | 10,086   | 7,070  |
| Interest income   | (51)   | (80)   |
| Under provision for liquidated damages                        | -  | 12   |
| Share of profit of associate                                  | (3,400)  | (4,873)  |
| Unrealised currency translation gain                          | 6  | -  |
| Written off long overdue payable                              | (425)  | -  |
| Share of losses of joint venture                              | -  | 260  |
| <b>Operating cash flows before changes in working capital</b> | <b>(3,358)</b>                                   | <b>47,329</b>                                    |
| Properties under development                                  | 1,542  | 55,608   |
| Trade and other receivables                                   | 17,225   | 18,186   |
| Construction contracts  | (2,503)  | 5,884  |
| Trade and other payables                                      | 32,651   | (72,239)   |
| <b>Cash generated from operations</b>                         | <b>45,557</b>                                    | <b>54,768</b>                                    |
| Income tax paid   | (4,663)  | (5,129)  |
| Interest paid   | (10,703)   | (8,863)  |
| <b>Net cash generated from operating activities</b>           | <b>30,191</b>                                    | <b>40,776</b>                                    |





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

**Consolidated Statement of Cash Flows (Cont'd)**

|   | <b>Group</b>   |  |
|---|--|--|
|   | <b>12 months ended<br/>30-Jun-16<br/>S\$'000<br/>Unaudited</b> | <b>12 months ended<br/>30-Jun-15<br/>S\$'000<br/>Audited</b> |
| <b>Cash flow from investing activities</b>                        |  |  |
| Purchase of property, plant and equipment                         | (19,174)   | (1,471)  |
| Additions to investment properties                                | (1,476)  | (9,224)  |
| Interest received   | 51   | 80   |
| Proceeds from capital reduction in available for sale investments | 3,722  | -  |
| Investment in available-for-sale investments                      | -  | (21,500)   |
| <b>Net cash used in investing activities</b>                      | <b>(16,877)</b>  | <b>(32,115)</b>  |
| <b>Cash flow from financing activities</b>                        |  |  |
| Proceeds from bank loans  | 125,827  | 134,265  |
| Repayment of bank loans   | (127,913)  | (217,682)  |
| Repayment of obligations under finance lease                      | (526)  | (418)  |
| Increase in fixed deposits pledged                                | (1,000)  | (1,500)  |
| Advances to directors   | (33)   |  |
| Repayment to a director   | -  | 177  |
| Repayment of loan from related company                            | (2,000)  | -  |
| Loan from third party   | 20,000   | -  |
| Repayment of loan by non-controlling interests                    | 1,900  | -  |
| Profit sharing paid to non-controlling interests                  | (5,700)  | -  |
| Redemption of RCPS  | (2,000)  | -  |
| Proceeds from issuance of RCPS                                    | -  | 8,000  |
| <b>Net cash used in financing activities</b>                      | <b>8,555</b>   | <b>(77,158)</b>  |
| <b>Net increase/(decrease) in cash and cash equivalents</b>       | <b>21,869</b>  | <b>(68,497)</b>  |
| <b>Cash and cash equivalents at beginning of period</b>           | <b>14,159</b>  | <b>82,656</b>  |
| <b>Cash and cash equivalents at end of period</b>                 | <b>36,028</b>  | <b>14,159</b>  |
|   | <b>30-Jun-16</b>   | <b>30-Jun-15</b>   |
|   | <b>S\$'000</b>   | <b>S\$'000</b>   |
| Cash and bank balances  | 44,948   | 19,340   |
| Less: Bank overdrafts   | (6,420)  | (3,681)  |
| Fixed deposits pledged  | (2,500)  | (1,500)  |
| <b>Cash and cash equivalents</b>                                  | <b>36,028</b>  | <b>14,159</b>  |

**Cash and cash equivalents at end of the period**

The cash and cash equivalents as at 30 June 2016 comprises bank balance of S\$31.9 million (30 June 2015: S\$6.1 million), which are restricted to payments for expenditure incurred on the properties under development.



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

Statements of Changes in Equity

|  | ← Attributable to owners of the Company → |               |                 |                      |                              | Total    | Non-controlling interests | Total equity |
|--|---|---------------|-----------------|----------------------|------------------------------|----------|---------------------------|--------------|
|  | Share capital                             | Share premium | Equity reserves | Translation reserves | Accumulated profits/(losses) |          |                           |              |
| Group  | S\$'000                                   | S\$'000       | S\$'000         | S\$'000              | S\$'000                      | S\$'000  | S\$'000                   | S\$'000      |
| <b>Balance at 1 July 2015</b>                        | 33,278                                    | 26,005        | 3,974           | (1,809)              | 64,128                       | 125,576  | 13,509                    | 139,085      |
| Total comprehensive loss for the year                | -   | -             | -               | (323)                | (16,481)                     | (16,804) | 391                       | (16,413)     |
| Profit sharing declared to non-controlling interests | -   | -             | -               | -                    | -                            | -        | (13,600)                  | (13,600)     |
| <b>Balance at 30 June 2016</b>                       | 33,278                                    | 26,005        | 3,974           | (2,132)              | 47,647                       | 108,772  | 300                       | 109,072      |
| <b>Balance at 1 July 2014</b>                        | 33,278                                    | 26,005        | 3,573           | (1,499)              | 17,885                       | 79,242   | (585)                     | 78,657       |
| Total comprehensive profit/(loss) for the year       | -   | -             | 401             | (310)                | 46,243                       | 46,334   | 14,094                    | 60,428       |
| <b>Balance at 30 June 2015</b>                       | 33,278                                    | 26,005        | 3,974           | (1,809)              | 64,128                       | 125,576  | 13,509                    | 139,085      |



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

Statements of Changes in Equity (Cont'd)

|                                       | Share capital | Share premium | Translation reserves | Accumulated losses | Total    |
|---------------------------------------|---------------|---------------|----------------------|--------------------|----------|
| Company                               | S\$'000       | S\$'000       | S\$'000              | S\$'000            | S\$'000  |
| <b>Balance at 1 July 2015</b>         | 128,624       | 28,856        | (1,491)              | (8,775)            | 147,214  |
| Total comprehensive loss for the year | -             | -             | -                    | (35,756)           | (35,756) |
| <b>Balance at 30 June 2016</b>        | 128,624       | 28,856        | (1,491)              | (44,531)           | 111,458  |
| <b>Balance at 1 July 2014</b>         | 128,624       | 28,856        | (1,491)              | (1,512)            | 154,477  |
| Total comprehensive loss for the year | -             | -             | -                    | (7,263)            | (7,263)  |
| <b>Balance at 30 June 2015</b>        | 128,624       | 28,856        | (1,491)              | (8,775)            | 147,214  |



**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There was no changes in the Company's share capital for the period ended 30 June 2016.

|                            | <b>Number of<br/>ordinary<br/>shares</b> | <b>Share Capital<br/>S\$'000</b> |
|----------------------------|--|----------------------------------|
| <b>As at 30 June 2016:</b> | <u>628,657,445</u>                       | <u>128,624</u>                   |

On 18 November 2013, the Group issued 100 Redeemable Exchangeable Preference Shares ("REPS") for a total of S\$10 million. Holders of the REPS (the "Holders") have the right to exchange 50% of their holdings of REPS into the ordinary shares of the Company (the "OKH Shares") at the exchange price of S\$0.45 at any time starting from the first anniversary and up to the maturity date. The Holders have the right to exchange another 50% of their holdings of REPS into OKH Shares at any time starting from the second anniversary and up to the maturity date.

As at 30 June 2016, there were 100 REPS which were available for exchange into 22,222,222 OKH Shares.

On 4 November 2014, the Group issued 80 Redeemable Convertible Preference Shares ("RCPS") for a total of S\$8 million. Holders of the RCPS have the right to convert part or its entire holdings of the RCPS into OKH Shares at the conversion price of S\$0.71592 at any time starting from 10 September 2015 and up to the maturity date of the RCPS.

As at 30 June 2016, 20 of the RCPS had been redeemed with the remaining 60 RCPS to be redeemed by end of July 2016.

There were no treasury shares as at 30 June 2016 and 30 June 2015.

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

The total number of issued shares excluding treasury shares as at 30 June 2016 and 30 June 2015 was 628,657,445.

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

There were no treasury shares as at 30 June 2016.

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

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



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

Not applicable.

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

Except as disclosed in paragraph 5, the Group has applied consistent accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the financial year ended 30 June 2015.

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

On 1 July 2015, the Group adopted all the new and revised IASs, IFRSs and amendments to IFRS issued by the International Accounting Standards Board and the Interpretations thereof that are effective from that date and are relevant to its operations.

The adoption of these new/revised IASs, IFRSs and amendment to IFRSs has no material effect on the amounts reported for the current or prior periods.

**6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

|  | 12 months<br>ended<br>30-Jun-16 | 12 months<br>ended<br>30-Jun-15 | Change<br>% |
|--|---------------------------------|---------------------------------|-------------|
| <b>Basic (loss)/profit per share (cents)</b>   |                                 |                                 |             |
| Earnings per ordinary share based on the weighted average number of ordinary shares on issue (cents) | (2.62)                          | 7.36                            | n.m.        |
| Weighted average number of ordinary shares on issue  | <u>628,657,445</u>              | <u>628,657,445</u>              |             |
| <b>Diluted (loss)/profit per share (cents)</b>   |                                 |                                 |             |
| Earnings per ordinary share based on a fully diluted basis (cents)                                   | (2.62)                          | 7.36                            | n.m.        |
| Adjusted weighted average number of ordinary shares  | <u>659,260,492</u>              | <u>658,196,624</u>              |             |

Basic earnings per share ("EPS") is calculated based on the net profit attributable to equity holders of the Group set out in 1(a), divided by the weighted average number of ordinary shares on issue during the financial period. For diluted earnings per share ("EPS"), the weighted average number of ordinary shares includes the number of additional shares to be issued upon conversion of the REPS and RCPS. Adjustment is made to the net profit attributable to the owners of the Company for the effect of the REPS and RCPS. The diluted EPS is the same as the basic EPS as the effect of the REPS and RCPS is anti-dilutive.



**7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.**

|   | <b>Group</b>     |                  |                     |
|---|------------------|------------------|---------------------|
|   | <b>30-Jun-16</b> | <b>30-Jun-15</b> | <b>Change<br/>%</b> |
| Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on (cents) (excluding non-controlling interests) | 17.30            | 19.98            | -13.4               |
| Total number of issued ordinary shares  | 628,657,445      | 628,657,445      |                     |
|   | <b>Company</b>   |                  |                     |
|   | <b>30-Jun-16</b> | <b>30-Jun-15</b> | <b>Change<br/>%</b> |
| Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on (cents) (excluding non-controlling interests) | 17.73            | 23.42            | -24.3               |
| Total number of issued ordinary shares  | 628,657,445      | 628,657,445      |                     |



8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

## **STATEMENT OF COMPREHENSIVE INCOME**

### **CONTINUING OPERATIONS**

|                       | Revenue           |                   |              | COGS              |                   |              | Gross Profit      |                   |              | Gross Profit Margin |             |                    |
|-----------------------|-------------------|-------------------|--------------|-------------------|-------------------|--------------|-------------------|-------------------|--------------|---------------------|-------------|--------------------|
|                       | FY2016<br>S\$'000 | FY2015<br>S\$'000 | change<br>%  | FY2016<br>S\$'000 | FY2015<br>S\$'000 | change<br>%  | FY2016<br>S\$'000 | FY2015<br>S\$'000 | change<br>%  | FY2016<br>%         | FY2015<br>% | change<br>% points |
| Construction Services | 940               | 25,083            | -96.3        | 312               | 26,907            | -98.8        | 628               | (1,824)           | n.m.         | 66.8                | (7.3)       | n.m.               |
| Property Development  | 64,255            | 219,325           | -70.7        | 57,375            | 153,536           | -62.6        | 6,880             | 65,789            | -89.5        | 10.7                | 30.0        | (19.3)             |
| Property Investment   | 10,582            | 8,252             | 28.2         | 6,233             | 6,329             | -1.5         | 4,349             | 1,923             | 126.2        | 41.1                | 23.3        | 17.8               |
| Others                | -                 | -                 | -            | -                 | -                 | -            | -                 | -                 | -            | -                   | -           | -                  |
| <b>Total</b>          | <b>75,777</b>     | <b>252,660</b>    | <b>-70.0</b> | <b>63,920</b>     | <b>186,772</b>    | <b>-65.8</b> | <b>11,857</b>     | <b>65,888</b>     | <b>-82.0</b> | <b>15.6</b>         | <b>26.1</b> | <b>(10.5)</b>      |

### **Revenue**

The Group's revenue dipped 70.0% to approximately S\$75.78 million in FY2016 as compared to approximately S\$252.66 million in FY2015. The drop in revenue was attributed to lower contribution coming from the Property Development and Construction Services segments. The Group adheres to the accounting requirement known as the completion of contract ("COC") method used for commercial and industrial properties, hence revenue recognised from the property development segment is expected to be volatile from year to year.

Revenue recognised from property development dipped by 70.7% to approximately S\$64.26 million in FY2016 as compared to approximately S\$219.33 million in FY2015. As the Group's property development project, Loyang Enterprise, achieved its temporary occupation permit ("TOP") in January 2016, the revenue from this property project was recognised in FY2016. As at the end of FY2016, the said project has registered sales of only 42.2%, hence resulting in a lower revenue contribution from property development as compared to the preceding financial year.

Revenue recognised from the provision of construction services to third parties was down by approximately 96.3% to approximately S\$0.94 million in FY2016 as compared to approximately S\$25.08 million in FY2015. The drop in revenue was due to the completion of most of our third parties construction contracts.

Revenue recognised from property investment increased by 28.2% to approximately S\$10.58 million in FY2016 as compared to approximately S\$8.25 million in FY2015. The increment was attributed mainly to rental income received from our investment properties.

### **Gross Profit ("GP") / Gross Profit Margin ("GPM")**

The Group recorded a gross profit of approximately S\$11.86 million in FY2016, down from S\$65.89 million in FY2015. This was attributed largely to a lower gross profit from Property Development in FY2016 arising from sales of 42.2% achieved by our development project, Loyang Enterprise.

As a result, the Group's GPM was also lower at 15.6% for FY2016 as compared to 26.1% in FY2015.



### **Other (expense) income**

For FY2016, the Group recorded a net other expense of approximately S\$4.10 million as compared to other income of approximately S\$27.22 million in FY2015. There was a gain on revaluation of investment properties amounting to approximately S\$26.22 million back in FY2015 as compared to a S\$5.23 million loss on revaluation of the Group's investment properties in FY2016.

### **General and Administrative Expenses**

In FY2016, the Group's general and administrative expenses declined by 22.4% to approximately S\$17.0 million as compared to S\$21.91 million in FY2015. The reduction was due to among others, lower professional fees, directors' remunerations, donations, and staff and related expenses.

### **Finance Costs**

For FY2016, the Group's finance costs increased by 42.7% to approximately S\$10.09 million as compared to S\$7.07 million in FY2015. This was due to an overall higher level of outstanding bank loans and interest on the RCPS.

### **Share of profit of associate**

The share of profits of associate declined by 30.2% to approximately S\$3.40 million in FY2016 as compared to S\$4.87 million in FY2015. The share of profit for FY2016 was much lower as a result of a lower valuation gain, higher repair and maintenance costs and translational loss incurred by the subsidiary of the associate in Malaysia.

### **Income Tax Expense**

Notwithstanding the Group registering a loss of approximately S\$15.93 million before tax, the Group's income tax expense for FY2016 was about S\$0.16 million.

### **Loss/Profit net of tax**

As a result of the foregoing, the Group registered a net loss of approximately S\$16.09 million in FY2016 as compared to a net profit of approximately S\$60.34 million in FY2015.





## **STATEMENT OF FINANCIAL POSITION**

As at 30 June 2016, total current assets stood at approximately S\$311.17 million as compared to S\$323.59 million as at 30 June 2015. The decrease in total current assets was attributed namely to lower trade and other receivables from approximately S\$56.16 million to S\$37.83 million and properties under development from approximately S\$235.83 million to S\$141.62 million. The reduction was partially offset by increase in cash and cash equivalents from approximately S\$19.34 million to S\$44.95 million and completed properties held for sale of approximately S\$76.41 million.

Total non-current assets increased to approximately S\$215.08 million as at 30 June 2016 as compared to S\$167.98 million as at 30 June 2015. The increment was attributed largely to an increase in the investment properties from approximately S\$98.31 million to S\$127.48 million, investment in associate from approximately S\$35.62 million to S\$38.70 million as well as property, plant and equipment from approximately S\$12.55 million to S\$31.12 million. The increment was partially offset by a reduction in the available-for-sale investments from approximately S\$21.5 million to S\$17.78 million due to a share-buy-back exercise by the Group's 15% investment in Pan Asia Logistics Holdings Singapore Pte. Ltd.

As at 30 June 2016, total current liabilities increased significantly to approximately S\$397.63 million as compared to S\$174.57 million as at 30 June 2015. This increase was largely attributed to an increase in bank loans and overdraft from approximately S\$57.63 million to S\$207.66 million as some of the loans were reclassified from non-current liabilities to current liabilities; trade and other payables from S\$82.07 million to S\$129.37 million; loan from third party of S\$20.00 million and a reclassification of the REPS of approximately S\$13.97 million from non-current liabilities to current liabilities.

Total non-current liabilities declined to approximately S\$19.54 million as at 30 June 2016 as compared to S\$177.92 million as at 30 June 2015. The reduction was due to the reclassification of REPS and some bank loans from non-current liabilities to current liabilities.

As a result of the above, the Group registered a net current liabilities position of approximately S\$86.47 million as at 30 June 2016. Notwithstanding that, the management is of the opinion that it is able to meet all its obligations as and when it falls due.

## **STATEMENT OF CASH FLOWS**

### **Net cash inflow from operating activities**

For the financial period ended 30 June 2016, the Group generated positive net cash inflow of approximately S\$30.19 million from operating activities as compared to the net cash inflow of approximately S\$40.78 million for the corresponding period last year.

The net cash inflow was primarily due to the cash inflow from trade and other receivables amounting to approximately S\$17.23 million and trade and other payables of approximately S\$32.65 million. The inflow was partially offset by an outflow of approximately S\$4.66 million in income tax paid and interest paid of approximately S\$10.70 million.

### **Net cash outflow in investing activities**

The Group recorded net cash outflow of approximately S\$16.88 million from investing activities in FY2016 as compared to a net cash outflow of approximately S\$32.12 million in the corresponding period last year. The net cash outflow in FY2016 relates mainly to purchase of property, plant and equipment of approximately S\$19.17 million. The outflow was partially offset by an inflow from the proceeds from capital reduction in available for sale investments of approximately S\$3.72 million.

### **Net cash inflow/outflow in financing activities**

The Group recorded net cash inflow of approximately S\$8.56 million from financing activities in FY2016 as compared to the net cash outflow of S\$77.16 million in the corresponding period last year. The net cash inflow was largely due to a loan from third party of approximately S\$20.00 million but was partially offset by outflow from net repayment in bank loans, payment of profit distribution to non-controlling interests and redemption of RCPS.

As a result of the above, the Group recorded a net cash inflow of approximately S\$21.87 million in FY2016.



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

There is no variance with what was previously disclosed by the Company.

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

The Group's financial performance may be significantly different in each financial period under review as it adheres to the accounting requirement known as the completion of contract ("COC") used for commercial and industrial properties.

The cooling measures introduced by the Singapore government and the release of more government land for developments continue to slow down the overall property market.

The Group's industrial property project, Ace@Buroh is expected to achieve TOP in FY2017, barring unforeseen circumstances. The Group is also proactively marketing the unsold units of Loyang Enterprise and in the meantime, the Group is looking to lease out these units. For the Group's new completed investment property located at Tai Seng Link, it has secured some leases and will continue to proactively attract tenants.

**11 Dividend**

**(a) Current Financial Period Reported On**

**Any dividend declared for the current financial period report on?**

No.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

**Any dividend declared for the corresponding period of the immediately preceding financial year?**

No.

**(c) Date payable**

Not Applicable.

**(d) Books closure date**

Not Applicable.

**12 If no Dividends has been declared (recommended), a statement to that effect**

No dividends have been declared or recommended.

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

The Company has not obtained a general mandate from shareholders for IPTs. There were no IPTs entered equal to or exceeding S\$100,000 in aggregate between the Company or its subsidiaries with any of its interested persons during the period ended 30 June 2016.



14 **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

|                                  | <b>Continuing Operations<br/>(Singapore)</b> |                                 |                                |                     |                 |
|----------------------------------|--|---------------------------------|--------------------------------|---------------------|-----------------|
|                                  | <u>Construction<br/>Services</u>             | <u>Property<br/>Development</u> | <u>Property<br/>Investment</u> | <u>Eliminations</u> | <u>Total</u>    |
|                                  | \$'000                                       | \$'000                          | \$'000                         | \$'000              | \$'000          |
| <b>2016</b>                      |  |                                 |                                |                     |                 |
| <b>Revenue:</b>                  |  |                                 |                                |                     |                 |
| External customers               | 940  | 64,255                          | 10,582                         | -                   | 75,777          |
| Inter-segment                    | 66,495                                       | -                               | -                              | (66,495)            | -               |
| <b>Total revenue</b>             | <b>67,435</b>                                | <b>64,255</b>                   | <b>10,582</b>                  | <b>(66,495)</b>     | <b>75,777</b>   |
| <b>Results</b>                   | <b>(13,735)</b>                              | <b>2,526</b>                    | <b>6,106</b>                   | <b>4,956</b>        | <b>(147)</b>    |
| Unallocated expenses             |  |                                 |                                |                     | (5,700)         |
| Share of losses of joint venture |  |                                 |                                |                     | -               |
| Finance costs                    |  |                                 |                                |                     | (10,086)        |
| <b>Loss before tax</b>           |  |                                 |                                |                     | <b>(15,933)</b> |
| Income tax expenses              |  |                                 |                                |                     | (157)           |
| <b>Loss for the year</b>         |  |                                 |                                |                     | <b>(16,090)</b> |
| <b>2015</b>                      |  |                                 |                                |                     |                 |
| <b>Revenue:</b>                  |  |                                 |                                |                     |                 |
| External customers               | 25,083                                       | 219,325                         | 8,252                          | -                   | 252,660         |
| Inter-segment                    | 88,543                                       | -                               | -                              | (88,543)            | -               |
| <b>Total revenue</b>             | <b>113,626</b>                               | <b>219,325</b>                  | <b>8,252</b>                   | <b>(88,543)</b>     | <b>252,660</b>  |
| <b>Results</b>                   | <b>2,525</b>                                 | <b>62,072</b>                   | <b>16,592</b>                  | <b>4,020</b>        | <b>85,209</b>   |
| Unallocated expenses             |  |                                 |                                |                     | (9,143)         |
| Share of losses of joint venture |  |                                 |                                |                     | (260)           |
| Finance costs                    |  |                                 |                                |                     | (7,070)         |
| <b>Loss before tax</b>           |  |                                 |                                |                     | <b>68,736</b>   |
| Income tax expense               |  |                                 |                                |                     | (8,399)         |
| <b>Profit for the year</b>       |  |                                 |                                |                     | <b>60,337</b>   |



**14 Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

|  | <b>Continuing Operations<br/>(Singapore)</b> |                         |                        |                |
|--|--|-------------------------|------------------------|----------------|
|  | Construction<br>Services                     | Property<br>Development | Property<br>Investment | Total          |
|  | \$'000                                       | \$'000                  | \$'000                 | \$'000         |
| <b>2016</b>                              |  |                         |                        |                |
| <b>Segment assets:</b>                   |  |                         |                        |                |
| Total segment assets                     | 54,485                                       | 280,408                 | 168,986                | 503,879        |
| Unallocated assets                       | -  | -                       | -                      | 22,364         |
| <b>Total consolidated assets</b>         |  |                         |                        | <b>526,243</b> |
| <b>Segment liabilities:</b>              |  |                         |                        |                |
| Total segment liabilities                | 102,504 #                                    | 220,029                 | 63,579                 | 386,112        |
| Unallocated liabilities                  | -  | -                       | -                      | 31,059         |
| <b>Total consolidated liabilities</b>    |  |                         |                        | <b>417,171</b> |
| <b>Other segment information:</b>        |  |                         |                        |                |
| Depreciation                             | 1,021  | -                       | 6                      | 1,027          |
| Capital expenditure (PPE Additions)      | 19,591                                       | -                       | -                      | 19,591         |
| Fair value loss on investment properties | -  | -                       | (5,230)                | (5,230)        |
| <b>2015</b>                              |  |                         |                        |                |
| <b>Segment assets:</b>                   |  |                         |                        |                |
| Total segment assets                     | 48,529                                       | 283,349                 | 137,856                | 469,734        |
| Unallocated assets                       | -  | -                       | -                      | 21,841         |
| <b>Total consolidated assets</b>         |  |                         |                        | <b>491,575</b> |
| <b>Segment liabilities:</b>              |  |                         |                        |                |
| Total segment liabilities                | 108,370 #                                    | 170,857                 | 52,603                 | 331,830        |
| Unallocated liabilities                  | -  | -                       | -                      | 20,660         |
| <b>Total consolidated liabilities</b>    |  |                         |                        | <b>352,490</b> |
| <b>Other segment information:</b>        |  |                         |                        |                |
| Depreciation                             | 2,400  | -                       | 4                      | 2,404          |
| Capital expenditure (PPE Additions)      | 2,312  | -                       | -                      | 2,312          |
| Fair value gain on investment properties | -  | -                       | 26,221                 | 26,221         |

# Segments liabilities include payables relating to the Group's development projects for which the construction services segment is the main contractor for the projects.



**15 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Please refer to paragraph 8.

**16 A breakdown of sales as follows:-**

|   | Group             |                   |             |
|---|-------------------|-------------------|-------------|
|   | FY2016<br>S\$'000 | FY2015<br>S\$'000 | change<br>% |
| (a) Sales reported for first half year  | 5,880             | 243,045           | -98%        |
| (b) Operating (loss)/profit after tax before deducting minority interests reported for first half year  | (7,781)           | 45,748            | -117%       |
| (c) Sales reported for second half year   | 69,897            | 9,615             | 627%        |
| (d) Operating (loss)/profit after tax before deducting minority interests reported for second half year | (8,309)           | 14,589            | -157%       |

**17 A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year**

There is no dividend distributed during current and previous financial year.

**18 Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement**

Pursuant to Rule 704(13), we confirm that there is no person occupying managerial positions in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholders of the Company.

**19 Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)**

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1).



## 20 Use of proceeds from the Placement

As of to-date, the Group had partially utilised net proceeds of S\$49,750,000 from the placement (after deducting estimated expenses pertaining to the placement of S\$250,000) ("Net Proceeds") as follows:-

| Use of Net Proceeds  | Allocation of Net Proceeds<br>(S\$'000) | Amount Utilised<br>(S\$'000) | Balance of Net Proceeds<br>(S\$'000) |
|--|---|------------------------------|--------------------------------------|
| Repayment of loan granted by Haiyi Holdings Pte Ltd and the interest accrued | 10,643                                  | 10,643                       | -                                    |
| Repayment of existing loans  | 35,800                                  | 30,800                       | 5,000                                |
| Working capital requirements of the Group                                    | 3,307                                   | 3,307                        | -                                    |
| <b>Total</b>   | <b>49,750</b>                           | <b>44,750</b>                | <b>5,000</b>                         |

| (A) Amount utilised for repayment of loan granted by Haiyi Holdings Pte Ltd and the interest accrued | Amount Utilised<br>(S\$'000) |
|--|------------------------------|
| Repayment of loan granted by Haiyi Holdings Pte Ltd  | 10,000                       |
| Interest accrued   | 643                          |
| <b>(B) Amount utilised for repayment of existing loans</b>   |                              |
| Chronoz RCPS   | 6,300                        |
| Transhub REPS  | 10,000                       |
| Bank loan from United Overseas Bank  | 14,500                       |
| <b>(C) Working capital requirements of the Group</b>   |                              |
| General working capital of the Company   | 3,307                        |
| <b>Total</b>   | <b>44,750</b>                |

The aforementioned proceeds have been used in accordance with the stated use.

### BY ORDER OF THE BOARD

Celine Tang  
 EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER  
 29 August 2016