



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 Third Quarter and Three Months ended 31 March 2017

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THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 2017

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			Group		
	3QFY2017	3QFY2016	change	9MFY2017	9MFY2016	change
	3 months ended	3 months ended		9 months ended	9 months ended	
	31-Mar-17	31-Mar-16		31-Mar-17	31-Mar-16	
	S\$'000	S\$'000		S\$'000	S\$'000	
	Unaudited	Unaudited		Unaudited	Unaudited	
Revenue	107,944	82,421	31.0%	126,305	88,301	43.0%
Cost of sales	(105,798)	(71,264)	48.5%	(118,665)	(75,224)	57.7%
Gross profit	2,146	11,157	-80.8%	7,640	13,077	-41.6%
Other income	766	269	n.m.	4,459	554	n.m.
General and administrative expenses	(26,574)	(4,670)	n.m.	(32,368)	(11,135)	190.7%
Finance costs	(2,035)	(2,523)	-19.3%	(6,863)	(6,286)	9.2%
Share of losses of joint venture	-	-	n.m.	-	-	n.m.
Share of profits of associate	464	833	-44.3%	1,108	1,133	-2.2%
(Losses)/profit before tax	(25,233)	5,066	n.m.	(26,024)	(2,657)	n.m.
Income tax credits/(expenses)	219	(2,096)	n.m.	(20)	(2,155)	-99.1%
Total (losses)/profit for the year, net of tax	(25,014)	2,970	n.m.	(26,044)	(4,812)	n.m.
(Losses)/profit attributable to:						
Owners of the Company	(25,014)	2,970	n.m.	(26,044)	(4,812)	n.m.
Non-controlling interests	-	-	n.m.	-	-	n.m.
	(25,014)	2,970	n.m.	(26,044)	(4,812)	n.m.



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			Group		
	3QFY2017 3 months ended 31-Mar-17 S\$'000 Unaudited	3QFY2016 3 months ended 31-Mar-16 S\$'000 Unaudited	change	9MFY2017 9 months ended 31-Mar-17 S\$'000 Unaudited	9MFY2016 9 months ended 31-Mar-16 S\$'000 Unaudited	change
(Losses)/profit, net of tax	(25,014)	2,970	n.m.	(26,044)	(4,812)	n.m.
Other comprehensive (losses)/profits:						
Currency translation differences arising from consolidation	212	(2,714)	n.m.	451	(2,996)	n.m.
Other comprehensive (losses)/profits for the year, net of tax	212	(2,714)	n.m.	451	(2,996)	n.m.
Total comprehensive (losses)/profit for the year	<u>(24,802)</u>	<u>256</u>	n.m.	<u>(25,593)</u>	<u>(7,808)</u>	227.8%
Total comprehensive (losses)/profit attributable to:						
Owners of the Company	(24,802)	256	n.m.	(25,593)	(7,808)	227.8%
Non-controlling interests	-	-	n.m.	-	-	n.m.
	<u>(24,802)</u>	<u>256</u>	n.m.	<u>(25,593)</u>	<u>(7,808)</u>	227.8%



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:-

	Group			Group		
	3QFY2017 3 months ended 31-Mar-17 S\$'000 Unaudited	3QFY2016 3 months ended 31-Mar-16 S\$'000 Unaudited	change	9MFY2017 9 months ended 31-Mar-17 S\$'000 Unaudited	9MFY2016 9 months ended 31-Mar-16 S\$'000 Unaudited	change
Depreciation of property, plant and equipment	(163)	(258)	-36.8%	(589)	(793)	-25.7%
Foreign exchange (loss)/gain, net	(1)	(2)	-50.0%	10	(15)	n.m.
Interest expenses	(2,035)	(2,523)	-19.3%	(6,863)	(6,286)	9.2%
Gain on disposal of property, plant and equipment	326	-	n.m.	725	-	n.m.
Interest income	14	10	40.0%	59	23	n.m.
Grant income	-	160	n.m.	-	160	n.m.
Forfeiture of deposit from sales/lease cancellation	-	147	n.m.	-	147	n.m.
Impairment loss of property, plant and equipment	(15,912)	-	n.m.	(15,912)	-	n.m.
Other income	426	(48)	n.m.	3,675	224	n.m.



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

	Group		Company	
	31-Mar-17 S\$'000 Unaudited	30-Jun-16 S\$'000 Audited	31-Mar-17 S\$'000 Unaudited	30-Jun-16 S\$'000 Audited
ASSETS				
Current assets				
Cash and cash equivalents	36,009	44,948	483	712
Trade and other receivables	66,206	37,830	87,321	34,272
Loan due from non-controlling interests	330	1,430	-	-
Completed properties held for sale	94,927	75,327	-	-
Properties under development	-	140,032	-	-
Derivative financial instruments	1,268	1,268	-	-
Total current assets	198,740	300,835	87,804	34,984
Non-current assets				
Property, plant and equipment	16,974	31,118	-	-
Investment properties	150,596	127,480	-	-
Investments in subsidiaries	-	-	137,418	126,180
Investment in joint venture	-	-	-	-
Investment in associate	40,258	38,699	-	-
Available-for-sale investment	16,257	16,257	-	-
Total non-current assets	224,085	213,554	137,418	126,180
Total assets	422,825	514,389	225,222	161,164
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	56,393	127,107	25,843	29,706
Finance leases	333	515	-	-
Loan due to associate	1,600	6,000	-	-
Loan from controlling interests	20,000	20,000	40,000	20,000
Loan from third party	20,000	-	-	-
Redeemable convertible preferences shares ("RCPS")	-	6,000	-	-
Redeemable exchangeable preference shares ("REPS")	-	13,970	-	-
Bank loans and overdrafts	163,338	207,664	-	-
Provisions	1,368	1,368	-	-
Income tax payable	135	3,958	-	-
Total current liabilities	263,167	386,582	65,843	49,706



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)

	Group		Company	
	31-Mar-17	30-Jun-16	31-Mar-17	30-Jun-16
	S\$'000	S\$'000	S\$'000	S\$'000
	Unaudited	Audited	Unaudited	Audited
Non-current liabilities				
Finance leases	734	1,085	-	-
Bank loans	26,246	18,451	-	-
Total non-current liabilities	26,980	19,536	-	-
Total liabilities	290,147	406,118	65,843	49,706
Capital, reserves and non-controlling interests				
Share capital	39,979	33,278	135,325	128,624
Share premium	69,304	26,005	72,155	28,856
Equity reserves	3,974	3,974	-	-
Translation reserves	(1,681)	(2,132)	(1,491)	(1,491)
Accumulated profits/(losses)	20,802	46,846	(46,610)	(44,531)
Equity attributable to owners of the Company	132,378	107,971	159,379	111,458
Non-controlling interests	300	300	-	-
Total equity	132,678	108,271	159,379	111,458
Total liabilities and equity	422,825	514,389	225,222	161,164



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 31 March 2017		As at 30 June 2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
183,671	21,600	208,179	45,970

Amount repayable after one year

As at 31 March 2017		As at 30 June 2016	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
26,980	0	19,536	0

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 an ex-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

	Group		Group	
	3 months ended 31-Mar-17 S\$'000	3 months ended 31-Mar-16 S\$'000	9 months ended 31-Mar-17 S\$'000	9 months ended 31-Mar-16 S\$'000
	Unaudited	Unaudited	Unaudited	Unaudited
Cash flows from operating activities				
Net profits/(losses) after tax	(25,014)	2,970	(26,044)	(4,812)
Adjustments for:				
Income tax (credits) expenses	(219)	2,096	20	2,155
Depreciation of property, plant and equipment	163	258	589	793
Impairment loss of property, plant and equipment	15,912	-	15,912	
Gain on disposal of property, plant and equipment	(326)	-	(725)	-
Interest expenses	2,035	2,523	6,863	6,286
Interest income	(14)	(10)	(59)	(23)
Share of profits of associate	(464)	(833)	(1,108)	(1,133)
Operating cash flows before changes in working capital	(7,927)	7,004	(4,552)	3,266
Properties under development	143,415	140,226	142,229	101,186
Completed properties held for sale	(48,152)	(87,877)	(19,600)	(87,877)
Trade and other receivables	(31,784)	(13,054)	(28,235)	(14,644)
Trade and other payables	(46,015)	(19,333)	(66,241)	35,882
Cash generated from operations	9,537	26,966	23,601	37,813
Income tax paid	(22)	-	(3,843)	(4,501)
Interest paid	(165)	(707)	(2,621)	(3,204)
Net cash generated from operating activities	9,350	26,259	17,137	30,108



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)

	Group		Group	
	3 months ended 31-Mar-17	3 months ended 31-Mar-16	9 months ended 31-Mar-17	9 months ended 31-Mar-16
	S\$'000	S\$'000	S\$'000	S\$'000
	Unaudited	Unaudited	Unaudited	Unaudited
Cash flow from investing activities				
Purchase of property, plant and equipment	(641)	(6,102)	(2,571)	(16,396)
Additions to investment properties	(4,033)	44	(23,116)	(3,360)
Proceeds from disposal of property, plant and equipment	531	-	1,080	-
Interest received	14	10	59	23
Net cash used in investing activities	(4,129)	(6,048)	(24,548)	(19,733)
Cash flow from financing activities				
Proceeds from bank loans	6,790	17,906	65,787	102,095
Repayment of bank loans	(5,480)	(9,818)	(107,997)	(69,414)
Repayment of obligations under finance lease	(167)	(221)	(597)	(450)
Increase in fixed deposits pledged	(1,700)	-	(200)	(1,000)
Loan from third party	2,000	-	20,000	-
Repayment of loan to associate	-	-	(4,400)	-
Loan from controlling interests	-	-	10,000	-
Repayment of loan to controlling interests	-	-	(10,000)	-
Issuance of share capital	-	-	50,000	-
Repayment of loan from non-controlling interests	-	-	1,100	-
Redemption of RCPS	-	-	(6,000)	-
Redemption of REPS	-	-	(15,000)	-
Net cash from financing activities	1,443	7,867	2,693	31,231
Net increase/(decrease) in cash and cash equivalents	6,664	28,078	(4,718)	41,606
Cash and cash equivalents at beginning of period	24,646	27,687	36,028	14,159
Cash and cash equivalents at end of period	31,310	55,765	31,310	55,765
			31-Mar-17	31-Mar-16
			S\$'000	S\$'000
Cash and bank balances			36,009	65,246
Less: Bank overdrafts			(1,999)	(6,981)
Fixed deposits pledged			(2,700)	(2,500)
Cash and cash equivalents			31,310	55,765

Cash and cash equivalents at end of the period

The cash and cash equivalents as at 31 March 2017 comprises bank balance of S\$23.57 million (31 March 2016: S\$62.20 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

	Share capital	Share premium	Translation reserves	Accumulated losses	Total
Company	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2016	128,624	28,856	(1,491)	(44,531)	111,458
Issuance of share capital	6,701	43,299	-	-	50,000
Total comprehensive losses for the year	-	-	-	(2,310)	(2,310)
Balance at 31 December 2016	135,325	72,155	(1,491)	(46,841)	159,148
Total comprehensive losses for the year	-	-	-	231	231
Balance at 31 March 2017	135,325	72,155	(1,491)	(46,610)	159,379
Balance at 1 July 2015	128,624	28,856	(1,491)	(8,775)	147,214
Total comprehensive losses for the year	-	-	-	(1,833)	(1,833)
Balance at 31 December 2015	128,624	28,856	(1,491)	(10,608)	145,381
Total comprehensive profits for the year	-	-	-	(790)	(790)
Balance at 31 March 2016	128,624	28,856	(1,491)	(11,398)	144,591



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)

Company	Share capital S\$'000	Share premium S\$'000	Translation reserves S\$'000	Accumulated losses S\$'000	Total S\$'000
Balance at 1 July 2016	128,624	28,856	(1,491)	(44,531)	111,458
Issuance of share capital	6,701	43,299	-	-	50,000
Total comprehensive losses for the year	-	-	-	(2,310)	(2,310)
Balance at 31 December 2016	135,325	72,155	(1,491)	(46,841)	159,148
Total comprehensive losses for the year	-	-	-	231	231
Balance at 31 March 2017	135,325	72,155	(1,491)	(46,610)	159,379
Balance at 1 July 2015	128,624	28,856	(1,491)	(8,775)	147,214
Total comprehensive losses for the year	-	-	-	(1,833)	(1,833)
Balance at 31 December 2015	128,624	28,856	(1,491)	(10,608)	145,381
Total comprehensive profits for the year	-	-	-	(790)	(790)
Balance at 31 March 2016	128,624	28,856	(1,491)	(11,398)	144,591



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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediate preceding financial year.

There was no changes in the Company's share capital for the period ended 31 March 2017.

	Number of ordinary shares	Share Capital S\$'000
As at 31 March 2017:	<u>1,128,657,445</u>	<u>135,325</u>

There were no treasury shares as at 31 March 2017 and 31 March 2016.

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 31 March 2017 and 30 June 2016 were 1,128,657,445 and 628,657,445 respectively.

1(d)(iv) A statement showing all sales, transfers, 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 31 March 2017.

1(d)(v) A statement showing all sales, transfer, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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 2016.



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.

In the current financial period, the Group has 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 annual periods beginning on or after 1 July 2016 and are relevant to its operations.

The adoption of these new or revised IASs, IFRSs and amendments 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

	3 months ended 31-Mar-17	3 months ended 31-Mar-16	Change %	9 months ended 31-Mar-17	9 months ended 31-Mar-16	Change %
Net (loss)/profit attributable to equity holders of the Company (S\$'000)						
From continuing operations	(25,014)	2,970	n.m.	(26,044)	(4,812)	n.m.
From discontinued operations	-	-	n.m.	-	-	n.m.
	<u>(25,014)</u>	<u>2,970</u>	n.m.	<u>(26,044)</u>	<u>(4,812)</u>	n.m.
Basic loss per share (cents)						
Earnings per ordinary share based on the weighted average number of ordinary shares on issue (cents)	(2.22)	0.47	n.m.	(2.44)	(0.77)	n.m.
Weighted average number of ordinary shares on issue	<u>1,128,657,445</u>	<u>628,657,445</u>		<u>1,067,746,612</u>	<u>628,657,445</u>	
Diluted loss per share (cents)						
Earnings per ordinary share based on a fully diluted basis (cents)	(2.22)	0.47	n.m.	(2.44)	(0.77)	n.m.
Adjusted weighted average number of ordinary shares	<u>1,128,657,445</u>	<u>662,054,100</u>		<u>1,067,746,612</u>	<u>662,054,100</u>	



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.

	Group		
	31-Mar-17	30-Jun-16	Change %
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)	11.73	17.30	-32.2
Total number of issued ordinary shares	1,128,657,445	628,657,445	
	Company		
	31-Mar-17	30-Jun-16	Change %
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)	14.12	17.73	-20.4
Total number of issued ordinary shares	1,128,657,445	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

3QFY2017 vs 3QFY2016

	Revenue			COGS			Gross Profit			Gross Profit Margin		
	3QFY2017 S\$'000	3QFY2016 S\$'000	change %	3QFY2017 S\$'000	3QFY2016 S\$'000	change %	3QFY2017 S\$'000	3QFY2016 S\$'000	change %	3QFY2017 %	3QFY2016 %	change %points
Construction Services	2	9	-77.8	(1)	(19)	-94.7	3	28	-89.3	150.0	311.1	n.m.
Property Development	105,036	79,805	31.6	104,307	69,789	49.5	729	10,016	-92.7	0.7	12.6	(11.9)
Property Investment	2,906	2,607	11.5	1,492	1,494	-0.1	1,414	1,113	27.0	48.7	42.7	6.0
Total	107,944	82,421	31.0	105,798	71,264	48.5	2,146	11,157	-80.8	2.0	13.5	(11.5)

9MFY2017 vs 9MFY2016

	Revenue			COGS			Gross Profit			Gross Profit Margin		
	9MFY2017 S\$'000	9MFY2016 S\$'000	change %	9MFY2017 S\$'000	9MFY2016 S\$'000	change %	9MFY2017 S\$'000	9MFY2016 S\$'000	change %	9MFY2017 %	9MFY2016 %	change %points
Construction Services	157	840	-81.3	18	787	-97.7	139	53	n.m.	88.5	6.3	82.2
Property Development	117,635	79,805	47.4	114,123	69,789	63.5	3,512	10,016	-64.9	3.0	12.6	(9.6)
Property Investment	8,513	7,656	11.2	4,524	4,648	-2.7	3,989	3,008	32.6	46.9	39.3	7.6
Total	126,305	88,301	43.0	118,665	75,224	57.7	7,640	13,077	-41.6	6.0	14.8	(8.8)

Revenue

3QFY2017 vs 3QFY2016/ 9MFY2017 vs 9MFY2016

The Group posted revenue of approximately S\$107.94 million in 3QFY2017 as compared to S\$82.42 million in the previous corresponding period in 3QFY2016. The difference in the reported revenue in the said current quarter was attributed largely to the Group's development project, Ace@Buroh which has obtained its temporary occupancy permit ("TOP") during the 3QFY2017.

In 3QFY2017, there was almost no contribution to the revenue from Construction due to the completion of most of the third party construction contracts in the earlier quarters. Revenue from Property Development in 3QFY2017 came in at approximately S\$105.03 million largely due to the development project, Ace@Buroh as mentioned above and sale of four units over at the other development project, Loyang Enterprise. Revenue from Property Investment for 3QFY2017 was approximately S\$2.91 million, 11.5% higher as compared to S\$2.61 million in 3QFY2016. The increment was attributed mainly to rental income received from the leased units in Loyang Enterprise.

For 9MFY2017, the Group posted revenue of approximately S\$126.31 million as compared to S\$88.30 million in 9MFY2016. The increase in revenue was essentially attributed to revenue from Property Development, amounting to approximately S\$117.64 million for 9MFY2017 as compared to S\$79.81 million in 9MFY2016. The revenue contribution from Property Development arose as a result of the recognition of revenue from the development project at Ace@Buroh after obtaining the TOP and coupled with the sale of some units over at the development project at Loyang Enterprise. The Group has completed all its third parties construction contracts in 9MFY2017 as compared to multiple on-going third party construction contracts in 9MFY2016, hence the lower revenue recognised in 9MFY2017. Revenue recognised from Property Investment increased by 11.2% from approximately S\$7.66 million in 9MFY2016 to approximately S\$8.51 million in 9MFY2017. The increment was attributed mainly to rental income received from the leased units in Loyang Enterprise.



Gross Profit (“GP”) / Gross Profit Margin (“GPM”)

3QFY2017 vs 3QFY2016/ 9MFY2017 vs 9MFY2016

The Group recorded a gross profit of approximately S\$2.15 million in 3QFY2017, as compared to S\$11.16 million in 3QFY2016. For 9MFY2017, gross profit recorded was also lower at S\$7.64 million as compared to S\$13.08 million in 9MFY2016. The reason for the lower gross profit in 3QFY2017 and for 9MFY2017 was due to higher cost incurred in the development projects.

Other income

3QFY2017 vs 3QFY2016/ 9MFY2017 vs 9MFY2016

Other income for 3QFY2017 was higher at approximately S\$0.77 million as compared to S\$0.27 million in 3QFY2016. For 9MFY2017, other income was also much higher at approximately S\$4.46 million as compared to S\$0.55 million in 9MFY2016. The increase was largely attributed to one-off income derived from discounts and goodwill received from suppliers and sub-contractors for our previously completed projects.

General and Administrative Expenses

3QFY2017 vs 3QFY2016/ 9MFY2017 vs 9MFY2016

General and administrative expenses increased significantly from approximately S\$4.67 million in 3QFY2016 to S\$26.57 million in 3QFY2017. For 9MFY2017, general and administrative expenses was also much higher at approximately S\$32.37 million as compared to S\$11.14 million in 9MFY2016. The factors contributing to the increases were largely due to the recognition of sales commission arising from the sale of units over at the development project, Ace@Buroh and an impairment on property, plant and equipment amounting to approximately S\$15.91 million. The Group has decided to write down the book value of its property, plant and equipment after performing a valuation on it. The overall increase in general and administrative expenses was partially offset by reduction in other expenses which, amongst others, lower depreciation, repair and maintenance and other staff and related costs.

Finance Costs

3QFY2017 vs 3QFY2016/ 9MFY2017 vs 9MFY2016

Finance costs decreased by 19.3% from approximately S\$2.52 million in 3QFY2016 to S\$2.04 million in 3QFY2017. The decrease is due to the absence of interest from REPS that was redeemed in 1QFY2017 and lower outstanding bank loans. The decrease was partially offset by a lower interest capitalisation rate due to the lesser on-going projects as compared to 3QFY2016 and interest from third party loans.

For 9MFY2017, finance costs increased by 9.2% from approximately S\$6.29 million in 9MFY2016 to S\$6.86 million in 9MFY2017. The increments were mainly due to interest from third party loans and lower project capitalisation rate as most of the Group's projects had obtained TOP. The increase was partially offset by reduction in interest from bank loans due to the lower outstanding bank loans.

Share of profits of associate

3QFY2017 vs 3QFY2016/ 9MFY2017 vs 9MFY2016

The share of profits of associate for 3QFY2017 was approximately S\$0.46 million as compared to S\$0.83 million in 3QFY2016. The decrease was due to lower unrealised foreign exchange gain in the subsidiary of the associate in Malaysia for this quarter compared to the corresponding period. For 9MFY2017, the share of profits of associate was also lower at approximately S\$1.11 million, down from S\$1.13 million in 9MFY2016.



Income Tax

3QFY2017 vs 3QFY2016/ 9MFY2017 vs 9MFY2016

With the ensuing losses for the period, income tax for the quarter was a credit at approximately S\$0.22 million as compared to a tax expense of S\$2.10 million in 3QFY2016.

Notwithstanding the loss for the 9MFY2017, income tax expense was approximately S\$0.02 million as compared to S\$2.16 million in 9MFY2016. This was due to previously under provided income tax payable.

Loss/Profit for the period, net of tax

3QFY2017 vs 3QFY2016/ 9MFY2017 vs 9MFY2016

As a result of the foregoing, the Group registered a net loss of approximately S\$30.51 million in 3QFY2017 as compared to a net profit of S\$2.97 million in 3QFY2016 and a net loss of S\$31.54 million in 9MFY2017 as compared to a net loss of S\$4.81 million in 9MFY2016.

STATEMENT OF FINANCIAL POSITION

As at 31 March 2017, total current assets stood at approximately S\$198.74 million as compared to S\$300.84 million as at 30 June 2016. The reduction in total current assets was attributed largely to properties under development after the development project, Ace@Buroh obtained its TOP. Units of the said project that has been sold were recognised as revenue in the current quarter while unsold units are being held as properties held for sale. The reduction in current assets was partially offset by increases in trade and other receivables and also completed properties held for sale.

Total non-current assets increased to approximately S\$224.09 million as at 31 March 2017 as compared to approximately S\$213.55 million as at 30 June 2016. The increment was attributed largely to an increase in investment property from approximately S\$127.48 million to approximately S\$150.60 million but was partially offset by a reduction in the property, plant and equipment from approximately S\$31.19 million to S\$11.47 million.

As at 31 March 2017, total current liabilities reduced significantly to approximately S\$263.17 million as compared to approximately S\$386.58 million as at 30 June 2016. This was a result of repayment in bank loans, reduction in loan due to associate during the period, redemption of the RCPS and REPS and a reduction in total trade and other payables. In addition, the reduction in current liabilities was also due to a re-classification of a bank loan from current liabilities to non-current liabilities as at 31 March 2017. The overall reduction in current liabilities was partially offset by the additional loan of S\$20.00 million from third party taken up during the period under review.

Total non-current liabilities increased to approximately S\$26.98 million as at 31 March 2017 as compared to approximately S\$19.54 million as at 30 June 2016. The increase was mainly due to a reclassification of a bank loan from current liabilities to non-current liabilities.

STATEMENT OF CASH FLOWS

Net cash inflow from operating activities

For the financial period 3 months ended 31 March 2017, the Group generated positive net cash inflow from operating activities of approximately S\$9.35 million as compared to approximately S\$26.26 million in 3QFY2016. The net cash inflow was primarily due to proceeds from properties under development, which was partially offset by the outflow from trade and other receivables, trade and other payables and completed properties held for sale.



Net cash outflow in investing activities

The Group recorded net cash outflow of approximately S\$4.13 million for 3QFY2017 from investing activities as compared to net cash outflow of approximately S\$6.05 million in the corresponding period last year. The net cash outflow in 3QFY2017 related mainly to the additions to investment properties which was partially offset by disposal of property, plant and equipment.

Net cash inflow from financing activities

The Group recorded net cash inflow of approximately S\$1.44 million from financing activities in 3QFY2017 as compared to a net cash inflow of S\$7.87 million in the corresponding period last year. The net cash inflow was largely due to increase in loan from third party and net increase in bank loans.

As a result of the above, the Group recorded a net increase in cash and cash equivalents of approximately S\$6.66 million in 3QFY2017.

Cash and cash equivalents as at 31 March 2017 stood at (including bank overdraft and fixed deposits pledged that totalled approximately S\$4.70 million) approximately S\$36.01 million.

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 remaining property development project, namely Ace@Buroh has obtained the TOP on 30 March 2017. It's another milestone reached by the Group where it has now completed all its development projects for sale. The Group is working closely with its designated marketing agents and recently, the Group has re-launched our marketing effort for the remaining unsold units for both Ace@Buroh and Loyang Enterprise. Barring any unforeseen circumstances, the Group is cautiously optimistic that with the right pricing and marketing strategies, the Group should be able to move more of the unsold units in Ace@Buroh and Loyang Enterprise in the forthcoming periods.

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. The Group did not obtain a mandate under Rule 920(1)(a)(ii). The value of interested person transactions entered into during the period under review were as follows:-

Name of interested party	Aggregate value of all interested person transaction during the financial period under review (excluding transactions conducted under shareholders' mandate pursuant to Rule 920) S\$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 S\$'000
<u>Haiyi Holdings Pte Ltd</u> Interest on loan	437	-

14 Negative assurance

The Board of Directors of the Company hereby confirms to the best of their knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the three months financial period ended 31 March 2017 to be false or misleading in any material aspects.

15 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).

BY ORDER OF THE BOARD

LOCK WAI HAN
EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER
12 May 2017