



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 Nine Months ended 31 March 2018

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10 May 2018



FIRST QUARTER AND THREE MONTHS FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 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 | | |
|--|--------------------------|--------------------------|---------------|--------------------------|--------------------------|---------------|
| | 3QFY2018 | 3QFY2017 | change | 9MFY2018 | 9MFY2017 | change |
| | 3 months ended 31-Mar-18 | 3 months ended 31-Mar-17 | | 9 months ended 31-Mar-18 | 9 months ended 31-Mar-17 | |
| | S\$'000 | S\$'000 | | S\$'000 | S\$'000 | |
| | Unaudited | Unaudited | | Unaudited | Unaudited | |
| Revenue | 6,648 | 107,944 | -93.8% | 16,397 | 126,305 | -87.0% |
| Cost of sales | (6,921) | (105,798) | -93.5% | (11,107) | (118,665) | -90.6% |
| Gross (loss) profit | (273) | 2,146 | -112.7% | 5,290 | 7,640 | -30.8% |
| Other income | 543 | 766 | -29.1% | 4,586 | 4,459 | 2.8% |
| General and administrative expenses | (1,706) | (26,574) | -93.6% | (5,630) | (32,368) | -82.6% |
| Finance costs | (1,953) | (2,035) | -4.0% | (5,884) | (6,863) | -14.3% |
| Share of profits of associate | - | 464 | n.m. | - | 1,108 | n.m. |
| Loss before tax | (3,389) | (25,233) | -86.6% | (1,638) | (26,024) | -93.7% |
| Income tax (expense) credit | (180) | 219 | n.m. | 774 | (20) | n.m. |
| Total loss for the period, net of tax | (3,569) | (25,014) | -85.7% | (864) | (26,044) | -96.7% |
| Loss attributable to: | | | | | | |
| Owners of the Company | (3,569) | (25,014) | -85.7% | (864) | (26,044) | -96.7% |
| Non-controlling interests | - | - | n.m. | - | - | n.m. |
| | (3,569) | (25,014) | n.m. | (864) | (26,044) | 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 | | |
|---|--|--|--------|--|--|--------|
| | 3QFY2018 3 months ended 31-Mar-18 S\$'000 Unaudited | 3QFY2017 3 months ended 31-Mar-17 S\$'000 Unaudited | change | 9MFY2018 9 months ended 31-Mar-18 S\$'000 Unaudited | 9MFY2017 9 months ended 31-Mar-17 S\$'000 Unaudited | change |
| Loss, net of tax | (3,569) | (25,014) | -85.7% | (864) | (26,044) | -96.7% |
| Other comprehensive profit: | | | | | | |
| Currency translation differences arising from consolidation | - | 212 | n.m. | - | 451 | n.m. |
| Other comprehensive profit for the period, net of tax | - | 212 | n.m. | - | 451 | n.m. |
| Total comprehensive loss for the period | <u>(3,569)</u> | <u>(24,802)</u> | -85.6% | <u>(864)</u> | <u>(25,593)</u> | -96.6% |
| Total comprehensive loss attributable to: | | | | | | |
| Owners of the Company | (3,569) | (24,802) | -85.6% | (864) | (25,593) | -96.6% |
| Non-controlling interests | - | - | n.m. | - | - | n.m. |
| | <u>(3,569)</u> | <u>(24,802)</u> | -85.6% | <u>(864)</u> | <u>(25,593)</u> | -96.6% |



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 | | |
|---|--|--|---------|--|--|--------|
| | 3QFY2018 3 months ended 31-Mar-18 S\$'000 Unaudited | 3QFY2017 3 months ended 31-Mar-17 S\$'000 Unaudited | change | 9MFY2018 9 months ended 31-Mar-18 S\$'000 Unaudited | 9MFY2017 9 months ended 31-Mar-17 S\$'000 Unaudited | change |
| Depreciation of property, plant and equipment | (69) | (163) | -57.7% | (342) | (589) | -41.9% |
| Gain on disposal of assets held for sale | - | - | n.m. | 1,603 | - | n.m. |
| Foreign exchange gain (loss), net | (1) | (1) | n.m. | - | 10 | n.m. |
| Interest expenses | (1,953) | (2,035) | -4.0% | (5,884) | (6,863) | -14.3% |
| Gain on disposal of property, plant and equipment | 103 | 326 | -68.4% | 108 | 725 | -85.1% |
| Gain on disposal of investment properties | 480 | - | n.m. | 480 | - | n.m. |
| Interest income | 6 | 14 | -57.1% | 33 | 59 | -44.1% |
| Impairment loss of property, plant and equipment | - | (15,912) | n.m. | - | (15,912) | n.m. |
| Liquidated damages income | - | - | n.m. | 1,617 | - | n.m. |
| Other income | (46) | 426 | -110.8% | 745 | 3,675 | -79.7% |



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-18 | 30-Jun-17 | 31-Mar-18 | 30-Jun-17 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| | Unaudited | Audited | Unaudited | Audited |
| <u>ASSETS</u> | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 7,775 | 20,258 | 88 | 21 |
| Trade and other receivables | 30,653 | 28,919 | 71,304 | 59,702 |
| Loan due from non-controlling interests | 330 | 330 | - | - |
| Completed properties held for sale | 35,801 | 67,900 | - | - |
| Assets held for sale | 49,000 | 56,197 | - | - |
| Total current assets | 123,559 | 173,604 | 71,392 | 59,723 |
| Non-current assets | | | | |
| Property, plant and equipment | 12,754 | 13,265 | - | - |
| Investment properties | 151,194 | 129,580 | - | - |
| Investments in subsidiaries | - | - | 86,171 | 86,171 |
| Total non-current assets | 163,948 | 142,845 | 86,171 | 86,171 |
| Total assets | 287,507 | 316,449 | 157,563 | 145,894 |
| <u>LIABILITIES AND EQUITY</u> | | | | |
| Current liabilities | | | | |
| Trade and other payables | 27,585 | 41,158 | 29,198 | 26,294 |
| Finance leases | 185 | 327 | - | - |
| Loan due to associate | - | 1,600 | - | - |
| Loan from controlling interests | 20,000 | 10,000 | 20,000 | 10,000 |
| Loan from third party | - | 20,000 | - | 20,000 |
| Bank loans and overdrafts | 95,294 | 89,036 | - | - |
| Provisions | 1,368 | 1,368 | - | - |
| Income tax payable | - | 1,338 | - | - |
| Total current liabilities | 144,432 | 164,827 | 49,198 | 56,294 |



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-18 S\$'000 Unaudited | 30-Jun-17 S\$'000 Audited | 31-Mar-18 S\$'000 Unaudited | 30-Jun-17 S\$'000 Audited |
| Non-current liabilities | | | | |
| Loan from controlling interests | - | 10,000 | - | 10,000 |
| Finance leases | 304 | 657 | - | - |
| Bank loans | 25,939 | 53,269 | - | - |
| Loan from third party | 30,000 | - | 30,000 | - |
| Total non-current liabilities | 56,243 | 63,926 | 30,000 | 10,000 |
| Total liabilities | 200,675 | 228,753 | 79,198 | 66,294 |
| Capital, reserves and non-controlling interests | | | | |
| Share capital | 27,916 | 27,916 | 8,936 | 8,936 |
| Share premium | 69,304 | 69,304 | 72,155 | 72,155 |
| Contributed Surplus | 12,063 | 12,063 | 126,389 | 126,389 |
| Translation reserves | (2,363) | (2,363) | (1,491) | (1,491) |
| Accumulated losses | (20,388) | (19,524) | (127,624) | (126,389) |
| Equity attributable to owners of the Company | 86,532 | 87,396 | 78,365 | 79,600 |
| Non-controlling interests | 300 | 300 | - | - |
| Total equity | 86,832 | 87,696 | 78,365 | 79,600 |
| Total liabilities and equity | 287,507 | 316,449 | 157,563 | 145,894 |



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 2018 | | As at 30 June 2017 | |
|---------------------|-----------|--------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 95,479 | 20,000 | 109,363 | 11,600 |

Amount repayable after one year

| As at 31 March 2018 | | As at 30 June 2017 | |
|---------------------|-----------|--------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 56,243 | 0 | 53,926 | 10,000 |

Details of any collateral

The Group's borrowings are secured by the Group's properties, cash deposits and receivables 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-18 S\$'000 Unaudited | 3 months ended 31-Mar-17 S\$'000 Unaudited | 9 months ended 31-Mar-18 S\$'000 Unaudited | 9 months ended 31-Mar-17 S\$'000 Unaudited |
| Cash flows from operating activities | | | | |
| Net loss after tax | (3,569) | (25,014) | (864) | (26,044) |
| Adjustments for: | | | | |
| Income tax (credit) expenses | 180 | (219) | (774) | 20 |
| Depreciation of property, plant and equipment | 69 | 163 | 342 | 589 |
| Impairment loss of property, plant and equipment | - | 15,912 | - | 15,912 |
| Gain on disposal of property, plant and equipment | (103) | (326) | (108) | (725) |
| Gain on disposal of assets held for sale ¹ | - | - | (1,603) | - |
| Gain on disposal of investment properties | (480) | - | (480) | - |
| Interest expenses | 1,953 | 2,035 | 5,884 | 6,863 |
| Interest income | (6) | (14) | (33) | (59) |
| Share of profits of associate | - | (464) | - | (1,108) |
| Operating cash flows before changes in working capital | (1,956) | (7,927) | 2,364 | (4,552) |
| Properties under development | - | 143,415 | - | 142,229 |
| Completed properties held for sale | 5,422 | (48,152) | 6,585 | (19,600) |
| Trade and other receivables | (975) | (31,784) | (3,299) | (28,235) |
| Trade and other payables | (6,587) | (46,015) | (16,497) | (66,241) |
| Cash (used in)/generated from operations | (4,096) | 9,537 | (10,847) | 23,601 |
| Income tax paid | (315) | (22) | (563) | (3,843) |
| Interest paid | (975) | (165) | (2,994) | (2,621) |
| Net cash (used in)/generated from operating activities | (5,386) | 9,350 | (14,404) | 17,137 |



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-18 | 3 months ended 31-Mar-17 | 9 months ended 31-Mar-18 | 9 months ended 31-Mar-17 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| | Unaudited | Unaudited | Unaudited | Unaudited |
| Cash flow from investing activities | | | | |
| Purchase of property, plant and equipment | - | (641) | (12) | (2,571) |
| Additions to investment properties | - | (4,033) | - | (23,116) |
| Proceeds from disposal of property, plant and equipment | 275 | 531 | 287 | 1,080 |
| Proceeds from disposal of assets held for sale ¹ | - | - | 8,800 | - |
| Proceeds from disposal of investment properties | 4,380 | - | 4,380 | - |
| Interest received | 6 | 14 | 33 | 59 |
| Net cash from/(used in) investing activities | 4,661 | (4,129) | 13,488 | (24,548) |
| Cash flow from financing activities | | | | |
| Proceeds from bank loans | - | 6,790 | 33 | 65,787 |
| Repayment of bank loans | (3,106) | (5,480) | (21,223) | (107,997) |
| Repayment of obligations under finance lease | (326) | (167) | (494) | (597) |
| Decrease (Increase) in fixed deposits pledged | - | (1,700) | 5,873 | (200) |
| Repayment of loan to associate | - | - | - | (4,400) |
| Loan from controlling interests | - | - | - | 10,000 |
| Loan from third party | 3,000 | 2,000 | 10,000 | 20,000 |
| 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 (used in)/from financing activities | (432) | 1,443 | (5,811) | 2,693 |
| Net (decrease)/increase in cash and cash equivalents | (1,157) | 6,664 | (6,727) | (4,718) |
| Cash and cash equivalents at beginning of period | 5,212 | 24,646 | 10,782 | 36,028 |
| Cash and cash equivalents at end of period | 4,055 | 31,310 | 4,055 | 31,310 |
| | | | 31-Mar-18 | 31-Mar-17 |
| | | | S\$'000 | S\$'000 |
| Cash and bank balances | | | 7,775 | 36,009 |
| Less: Bank overdrafts | | | (2,893) | (1,999) |
| Fixed deposits pledged | | | (827) | (2,700) |
| Cash and cash equivalents | | | 4,055 | 31,310 |

¹ This pertains to the sale of the 5 units at LHK Building which were classified as assets held for sale as at 30 June 2017.



Cash and cash equivalents at end of the period

The cash and cash equivalents as at 31 March 2018 comprises bank balance of S\$3.21 million (31 March 2017: S\$23.57 million), which are restricted to approved expenditure incurred in relation to the property under development and completed properties held for sale and repayment of certain bank loans.



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 | Contributed Surplus | Equity reserves | Translation reserves | Accumulated profits/(losses) | | | |
| Group | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Balance at 1 July 2017 | 27,916 | 69,304 | 12,063 | - | (2,363) | (19,524) | 87,396 | 300 | 87,696 |
| Total comprehensive profit for the period | - | - | - | - | - | 2,705 | 2,705 | - | 2,705 |
| Balance at 31 December 2017 | 27,916 | 69,304 | 12,063 | - | (2,363) | (16,819) | 90,101 | 300 | 90,401 |
| Total comprehensive loss for the period | - | - | - | - | - | (3,569) | (3,569) | - | (3,569) |
| Balance at 31 March 2018 | 27,916 | 69,304 | 12,063 | - | (2,363) | (20,388) | 86,532 | 300 | 86,832 |
| Balance at 1 July 2016 | 33,278 | 26,005 | - | 3,974 | (2,132) | 46,846 | 107,971 | 300 | 108,271 |
| Total comprehensive loss for the period | - | - | - | - | 239 | (1,030) | (791) | - | (791) |
| Issuance of share capital | 6,701 | 43,299 | - | - | - | - | 50,000 | - | 50,000 |
| Balance at 31 December 2016 | 39,979 | 69,304 | - | 3,974 | (1,893) | 45,816 | 157,180 | 300 | 157,480 |
| Total comprehensive loss for the period | - | - | - | - | 212 | (25,014) | (24,802) | - | (24,802) |
| Balance at 31 March 2017 | 39,979 | 69,304 | - | 3,974 | (1,681) | 20,802 | 132,378 | 300 | 132,678 |



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 | Contributed Surplus S\$'000 | Translation reserves S\$'000 | Accumulated losses S\$'000 | Total S\$'000 |
|---|--------------------------|--------------------------|--------------------------------|---------------------------------|-------------------------------|------------------|
| Balance at 1 July 2017 | 8,936 | 72,155 | 126,389 | (1,491) | (126,389) | 79,600 |
| Total comprehensive loss for the period | | | | | (408) | (408) |
| Balance at 31 December 2017 | 8,936 | 72,155 | 126,389 | (1,491) | (126,797) | 79,192 |
| Total comprehensive loss for the period | - | - | - | - | (827) | (827) |
| Balance at 31 March 2018 | 8,936 | 72,155 | 126,389 | (1,491) | (127,624) | 78,365 |
| Balance at 1 July 2016 | 128,624 | 28,856 | - | (1,491) | (44,531) | 111,458 |
| Total comprehensive loss for the period | - | - | - | - | (2,310) | (2,310) |
| Issuance of share capital | 6,701 | 43,299 | - | - | - | 50,000 |
| Balance at 31 December 2016 | 135,325 | 72,155 | - | (1,491) | (46,841) | 159,148 |
| Total comprehensive loss for the period | - | - | - | - | 231 | 231 |
| Balance at 31 March 2017 | 135,325 | 72,155 | - | (1,491) | (46,610) | 159,379 |



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 2018.

| | Number of ordinary shares | Share Capital S\$'000 |
|-----------------------------|--|----------------------------------|
| As at 31 March 2018: | <u>1,128,657,445</u> | <u>8,936</u> |

1(d)(iii) To show the total number of issued shares excluding treasury shares and subsidiary holdings 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 and subsidiary holdings as at 31 March 2018 and 30 June 2017 were 1,128,657,445.

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

Not applicable.

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 2017.

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 2017 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-18 | 3 months ended 31-Mar-17 | Change % | 9 months ended 31-Mar-18 | 9 months ended 31-Mar-17 | Change % |
|--|--------------------------------|--------------------------------|-------------|--------------------------------|--------------------------------|-------------|
| Basic loss per share (cents) | | | | | | |
| Loss per ordinary share based on the weighted average number of ordinary shares on issue (cents) | (0.32) | (2.22) | 85.7% | (0.08) | (2.44) | 96.9% |
| Weighted average number of ordinary shares on issue | <u>1,128,657,445</u> | <u>1,128,657,445</u> | | <u>1,128,657,445</u> | <u>1,067,746,612</u> | |
| Diluted loss per share (cents) | | | | | | |
| Loss per ordinary share based on a fully diluted basis (cents) | (0.32) | (2.22) | 85.7% | (0.08) | (2.44) | 96.9% |
| Adjusted weighted average number of ordinary shares | <u>1,128,657,445</u> | <u>1,128,657,445</u> | | <u>1,128,657,445</u> | <u>1,067,746,612</u> | |



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

| | Group | | |
|---|------------------|------------------|---------------------|
| | 31-Mar-18 | 30-Jun-17 | 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) | 7.67 | 7.74 | -0.9 |
| Total number of issued ordinary shares | 1,128,657,445 | 1,128,657,445 | |

| | Company | | |
|---|------------------|------------------|---------------------|
| | 31-Mar-18 | 30-Jun-17 | 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) | 6.94 | 7.05 | -1.6 |
| Total number of issued ordinary shares | 1,128,657,445 | 1,128,657,445 | |



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

3QFY2018 vs 3QFY2017

| | Revenue | | | COGS | | | Gross Profit | | | Gross Profit Margin | | |
|-----------------------|----------|----------|--------|----------|----------|--------|--------------|----------|--------|---------------------|----------|---------|
| | 3QFY2018 | 3QFY2017 | change | 3QFY2018 | 3QFY2017 | change | 3QFY2018 | 3QFY2017 | change | 3QFY2018 | 3QFY2017 | change |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % | % | % | %points |
| Construction Services | - | 2 | n.m | - | (1) | n.m | - | 3 | n.m | - | 150.0 | n.m. |
| Property Development | 2,960 | 105,036 | -97.2 | 5,422 | 104,307 | -94.8 | (2,462) | 729 | -437.7 | (83.2) | 0.7 | (83.9) |
| Property Investment | 3,688 | 2,906 | 26.9 | 1,499 | 1,492 | 0.5 | 2,189 | 1,414 | 54.8 | 59.4 | 48.7 | 10.7 |
| Total | 6,648 | 107,944 | -93.8 | 6,921 | 105,798 | -93.5 | (273) | 2,146 | -112.7 | (4.1) | 2.0 | (6.1) |

9MFY2018 vs 9MFY2017

| | Revenue | | | COGS | | | Gross Profit | | | Gross Profit Margin | | |
|-----------------------|----------|----------|--------|----------|----------|--------|--------------|----------|--------|---------------------|----------|---------|
| | 9MFY2018 | 9MFY2017 | change | 9MFY2018 | 9MFY2017 | change | 9MFY2018 | 9MFY2017 | change | 9MFY2018 | 9MFY2017 | change |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % | % | % | %points |
| Construction Services | - | 157 | n.m | - | 18 | n.m | - | 139 | n.m | - | 88.5 | (88.5) |
| Property Development | 5,553 | 117,635 | -95.3 | 6,585 | 114,123 | -94.2 | (1,032) | 3,512 | -129.4 | (18.6) | 3.0 | (21.6) |
| Property Investment | 10,844 | 8,513 | 27.4 | 4,522 | 4,524 | 0.0 | 6,322 | 3,989 | 58.5 | 58.3 | 46.9 | 11.4 |
| Total | 16,397 | 126,305 | -87.0 | 11,107 | 118,665 | -90.6 | 5,290 | 7,640 | -30.8 | 32.3 | 6.0 | 26.3 |

Revenue

3QFY2018 vs 3QFY2017 / 9MFY2018 vs 9MFY2017

The Group posted revenue of approximately S\$6.65 million in 3QFY2018 as compared to S\$107.94 million in the previous corresponding period in 3QFY2017. The difference in the reported revenue in the said quarter was attributed largely to the Group's development project, ACE@Buroh obtaining its temporary occupancy permit ("TOP") in 3QFY2017.

In 3QFY2018, revenue from Property Development was approximately S\$2.96 million which was attributed to units sold in our completed development projects as compared to S\$105.04 million largely due to the TOP of the project ACE@Buroh as mentioned above. Revenue from Property Investment for 3QFY2018 was S\$3.69 million, 4.0% higher as compared to S\$2.91 million in 3QFY2017. The increment was attributed mainly to rental income received from additional leased units in Tai Seng Link and ACE@Buroh.

For 9MFY2018, the Group posted revenue of approximately S\$16.40 million as compared to S\$126.31 million in 9MFY2017. The decrease was largely attributed to revenue from Property Development, amounting to S\$117.64 million in 9MFY2017 as compared to S\$5.55 million in 9MFY2018 due to the revenue contribution from the development project ACE@Buroh upon obtaining TOP and coupled with the sale of some units over at the development project Loyang Enterprise. There is no new third parties construction contracts in 9MFY2018 as such no revenue reported for Construction Services. Revenue recognised from Property Investment increased from S\$8.51 million in 9MFY2017 to S\$10.84 million in 9MFY2018, the increment was attributed primarily to rental income received from additional leased units in Loyang Enterprise, Tai Seng Link and ACE@Buroh.



Gross (Loss) Profit / Gross Profit Margin

3QFY2018 vs 3QFY2017 / 9MFY2018 vs 9MFY2017

The Group recorded a gross loss of approximately S\$0.27 million in 3QFY2018, as compared to a gross profit of S\$2.15 million in 3QFY2017. The gross loss in 3QFY2018 was due to the bulk sale of several units of the completed project compared to the higher costs incurred in the development of the project.

For 9MFY2018, gross profit recorded was S\$5.29 million as compared to S\$7.64 million in 9MFY2017. The reason for the lower gross profit achieved in 9MFY2018 was due to higher cost incurred in the development projects.

Other Income

3QFY2018 vs 3QFY2017 / 9MFY2018 vs 9MFY2017

Other income for 3QFY2018 was lower at approximately S\$0.54 million as compared to S\$0.77 million in 3QFY2017. The decrease in other income was largely attributed to one-off income derived from government grants in 3QFY2017.

For 9MFY2018, other income recorded was S\$4.59 million as compared to S\$4.46 million in 9MFY2017. The higher other income for 9MFY2018 was largely attributed to one-off income derived from the sale of assets held for sale, liquidated damages levied due to non-completion of a divestment by the purchaser and gain from disposal of investment properties.

General and Administrative Expenses

3QFY2018 vs 3QFY2017 / 9MFY2018 vs 9MFY2017

General and administrative expenses for the period was down by 93.6% from approximately S\$26.57 million in 3QFY2017 to S\$1.71 million in 3QFY2018. The factors contributing to the reduction were largely due to lower bank charges, depreciation of fixed assets, repair and maintenance cost, sales commission, staff and related costs and impairment loss on property, plant and equipment. For 9MFY2018, general and administrative expenses decreased by 82.6% to S\$5.63 million as compared to S\$32.37 million in 9MFY2017, due to similar reasons mentioned above.

Finance Costs

3QFY2018 vs 3QFY2017 / 9MFY2018 vs 9MFY2017

Finance costs decreased by 4.0% from approximately S\$2.04 million in 3QFY2017 to S\$1.95 million in 3QFY2018. The decrease was mainly due to lower outstanding bank loans. For 9MFY2018, finance cost was lower by 14.3% at approximately S\$5.88 million compared to S\$6.86 million in 9MFY2017. The lower finance cost in 9MFY2018 was due mainly to lower outstanding bank loans.

Share of Profits of Associate

3QFY2018 vs 3QFY2017 / 9MFY2018 vs 9MFY2017

There was no share of profits of associate for 3QFY2018 and 9MFY2018 as the investments in associate has been classified as assets held for sale and the Group no longer equity account for the said investment.

Income Tax (Expense) Credit

3QFY2018 vs 3QFY2017 / 9MFY2018 vs 9MFY2017

Income tax expense for 3QFY2018 was at approximately S\$0.18 million as compared to a credit of S\$0.22 million in 3QFY2017. The tax expense for 3QFY2018 was due to previously under provided income tax payable.



For 9MFY2018, income tax was a credit of S\$0.77 million as compared to a tax expense of S\$0.02 million for 9MFY2017. The tax credit for 9MFY2018 was due to adjustments made to prior year taxation based on the Estimated Chargeable Income statement received from the tax authorities which resulted in a tax refund.

Loss for the period, net of tax

3QFY2018 vs 3QFY2017 / 9MFY2018 vs 9MFY2017

As a result of the foregoing, the Group registered a net loss of approximately S\$3.57 million in 3QFY2018 as compared to that of S\$25.01 million in 3QFY2017 and a net loss of S\$0.86 million for 9MFY2018 as compared to a net loss of S\$26.04 million for 9MFY2017.

STATEMENT OF FINANCIAL POSITION

As at 31 March 2018, total current assets stood at approximately S\$123.56 million as compared to S\$173.60 million as at 30 June 2017. The reduction in total current assets was attributed largely to the sales and the leasing of completed properties held for sale, cash and cash equivalents and assets held for sale.

Total non-current assets increased to approximately S\$163.95 million as at 31 March 2018 as compared to approximately S\$142.85 million as at 30 June 2017. The increment was attributed solely to an increase in investment properties from approximately S\$129.58 million to approximately S\$151.19 million due to additional units of completed projects being leased out, the increase was partially offset by the sale of some property, plants and equipment.

As at 31 March 2018, total current liabilities reduced to approximately S\$144.43 million as compared to approximately S\$164.83 million as at 30 June 2017. This was a result of repayment in loan due to associate, a reduction in total trade and other payables, income tax payables and also the reclassification of loan from third party from current liabilities to non-current liabilities due to an extension obtained. The overall reduction in current liabilities was partially offset by the re-classification of loan from controlling interests and bank loan from non-current liabilities to current liabilities.

Total non-current liabilities decreased to approximately S\$56.24 million as at 31 March 2018 as compared to approximately S\$63.93 million as at 30 June 2017. The decrease was mainly due to the re-classification of bank loan and loan from controlling interests from non-current liabilities to current liabilities which was partially offset by a re-classification of loan from third party from current liabilities to non-current liabilities.

STATEMENT OF CASH FLOWS

Net cash outflow/inflow from operating activities

For the financial period 3 months ended 31 March 2018, the Group generated net cash outflow from operating activities of approximately S\$5.39 million as compared to a net cash inflow of approximately S\$9.35 million in 3QFY2017. The net cash outflow was primarily due to repayment in trade and other payables, income tax and interest paid which was partially offset by proceeds from sale of completed properties held for sale.

For 9MFY2018, the Group generated net cash outflow from operating activities of approximately S\$14.40 million mainly due to repayment of trade and other payables, interest paid and income tax paid.

Net cash inflow/outflow in investing activities

The Group recorded net cash inflow of approximately S\$4.66 million for 3QFY2018 from investing activities as compared to net cash outflow of approximately S\$4.13 million in the corresponding period last year. The net cash inflow in 3QFY2018 was mainly attributed to the proceeds received from the disposal of property, plant and equipment and investment properties.

For 9MFY2018, the Group recorded a net cash inflow from investing activities of approximately S\$13.49 million as compared to a net cash outflow of S\$24.55 million in 9MFY2017. The net cash inflow was largely attributed to the proceeds received from the disposal of assets held for sale, property plant and equipment and investment properties.



Net cash outflow/inflow from financing activities

The Group recorded net cash outflow of approximately S\$0.43 million from financing activities in 3QFY2018 as compared to a net cash inflow of S\$1.44 million in the corresponding period last year. The net cash outflow was largely due to the repayment of bank loans and finance leases which was largely offset by additional loan received from third party.

For 9MFY2018, the Group recorded a net cash outflow of S\$5.81 million from financing activities as compared to a net cash inflow of S\$2.69 million in the corresponding period. The net cash outflow was mainly attributed to repayment of bank loans which was partially offset by additional loan from third party and the reduction in fixed deposits pledged.

As a result of the above, the Group recorded a net decrease in cash and cash equivalents of approximately S\$1.16 million in 3QFY2018.

Cash and cash equivalents as at 31 March 2018 stood at approximately S\$7.75 million (including bank overdraft and fixed deposits pledged that totalled approximately S\$3.72 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.

Notwithstanding the current state of the industrial real estate market in Singapore, the Group has started looking for attractive industrial land for development opportunities. Given its success in Addition & Alteration ("A&A") works and rental income from its Kim Yam Road, Herencia property, the Group will continue to look out for opportunities to undertake A&A to similar buildings to generate a recurrent income stream. The Group is pursuing overseas businesses in the region and has recently signed a Strategic Cooperation Agreement with Ping An Industrial and Logistics Co., Ltd to develop and manage warehouses in various cities in China. The Group is currently exploring various cities for the potential collaboration with Ping An Industrial and Logistics Co., Ltd.

The Group owns a diverse portfolio of development and investment properties as well as fixed assets. As part of its continuous review, the Group is assessing the relevance of the properties and fixed assets against its overall strategies. The Group may monetise some of these assets through sales so as to further strengthen the financial strength of the Group as it explores new business opportunities.

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 | 1,331 | - |
| <u>Singhaiyi Capital Pte Ltd</u> ⁽¹⁾ Sale of 5 units of properties located at LHK Building ⁽²⁾ | 8,800 | - |

⁽¹⁾ Singhaiyi Capital Pte Ltd is a wholly-owned subsidiary of Singhaiyi Group Ltd, which is 56.17% held by Haiyi Holdings Pte Ltd, the controlling shareholder of the Company.

⁽²⁾ As the transaction fall within the exception set out in Rule 916(4), Rule 906 is not applicable.

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 2018 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
10 May 2018