



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 9 Months ended 31 March 2019

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13 May 2019



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		
	3QFY2019	3QFY2018	change	9MFY2019	9MFY2018	change
	3 months ended	3 months ended		9 months ended	9 months ended	
	31-Mar-19	31-Mar-18		31-Mar-19	31-Mar-18	
	S\$'000	S\$'000		S\$'000	S\$'000	
	Unaudited	Unaudited		Unaudited	Unaudited	
Revenue	4,107	6,648	-38.2%	12,423	16,397	-24.2%
Cost of sales	(1,550)	(6,921)	-77.6%	(4,707)	(11,107)	-57.6%
Gross profit	2,557	(273)	-1036.6%	7,716	5,290	45.9%
Other income	98	543	-82.0%	197	4,586	-95.7%
General and administrative expenses	(1,659)	(1,706)	-2.8%	(4,650)	(5,630)	-17.4%
Finance costs	(1,598)	(1,953)	-18.2%	(5,099)	(5,884)	-13.3%
Loss before tax	(602)	(3,389)	n.m.	(1,836)	(1,638)	n.m.
Income tax (expense) credit	-	(180)	-100.0%	(18)	774	n.m.
Total loss for the period, net of tax	(602)	(3,569)	n.m.	(1,854)	(864)	n.m.
Loss attributable to:						
Owners of the Company	(602)	(3,569)	n.m.	(1,854)	(864)	n.m.
Non-controlling interests	-	-	n.m.	-	-	n.m.
	(602)	(3,569)	n.m.	(1,854)	(864)	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		
	3QFY2019 3 months ended 31-Mar-19 S\$'000 Unaudited	3QFY2018 3 months ended 31-Mar-18 S\$'000 Unaudited	change	9MFY2019 9 months ended 31-Mar-19 S\$'000 Unaudited	9MFY2018 9 months ended 31-Mar-18 S\$'000 Unaudited	change
Loss, net of tax	(602)	(3,569)	n.m.	(1,854)	(864)	n.m.
Other comprehensive profits:						
Currency translation differences arising from consolidation	-	-	n.m.	-	-	n.m.
Other comprehensive profits for the period, net of tax	-	-	n.m.	-	-	n.m.
Total comprehensive loss for the period	<u>(602)</u>	<u>(3,569)</u>	n.m.	<u>(1,854)</u>	<u>(864)</u>	n.m.
Total comprehensive loss attributable to:						
Owners of the Company	(602)	(3,569)	n.m.	(1,854)	(864)	n.m.
Non-controlling interests	-	-	n.m.	-	-	n.m.
	<u>(602)</u>	<u>(3,569)</u>	n.m.	<u>(1,854)</u>	<u>(864)</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:-

	Group			Group		
	3QFY2019 3 months ended 31-Mar-19 S\$'000 Unaudited	3QFY2018 3 months ended 31-Mar-18 S\$'000 Unaudited	change	9MFY2019 9 months ended 31-Mar-19 S\$'000 Unaudited	9MFY2018 9 months ended 31-Mar-18 S\$'000 Unaudited	change
Depreciation of property, plant and equipment	(16)	(69)	-76.8%	(79)	(342)	-76.9%
Gain on disposal of assets held for sale	-	-	n.m.	-	1,603	n.m.
Gain (Loss) on disposal of property, plant and equipment	4	103	-96.1%	(10)	108	n.m.
Foreign exchange gain, net	-	(1)	n.m.	-	-	n.m.
Bad debt expense	-	-	n.m.	(330)	-	n.m.
(Loss) Gain on disposal of investment properties	(156)	480	n.m.	(156)	480	n.m.
Interest expenses	(1,598)	(1,953)	-18.2%	(5,099)	(5,884)	-13.3%
Interest income	15	6	n.m.	40	33	21.2%
Liquidated damages income	-	-	n.m.	-	1,617	n.m.
Other income	79	(46)	n.m.	153	745	-79.5%



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-19	30-Jun-18	31-Mar-19	30-Jun-18
	S\$'000	S\$'000	S\$'000	S\$'000
	Unaudited	Audited	Unaudited	Audited
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	6,386	6,425	51	52
Trade and other receivables	16,665	21,597	52,696	51,464
Loan due from non-controlling interests	-	330	-	-
Completed properties held for sale	25,920	35,335	-	-
Assets held for sale	49,000	49,000	-	-
Total current assets	97,971	112,687	52,747	51,516
Non-current assets				
Property, plant and equipment	12,031	12,194	-	-
Investment properties	160,010	151,543	-	-
Investments in subsidiaries	-	-	27,000	27,000
Investment in joint venture	-	-	-	-
Total non-current assets	172,041	163,737	27,000	27,000
Total assets	270,012	276,424	79,747	78,516
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade and other payables	19,377	19,831	24,258	22,292
Finance leases	130	182	-	-
Loan from controlling interests	32,778	20,000	32,778	20,000
Bank loans and overdrafts	24,123	82,856	-	-
Provisions	-	900	-	-
Income tax payable	-	-	-	-
Total current liabilities	76,408	123,769	57,036	42,292



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-19	30-Jun-18	31-Mar-19	30-Jun-18
	S\$'000	S\$'000	S\$'000	S\$'000
	Unaudited	Audited	Unaudited	Audited
Non-current liabilities				
Loan from controlling interests	20,000	32,778	20,000	32,778
Finance leases	127	259	-	-
Bank loans	83,032	27,319	-	-
Total non-current liabilities	103,159	60,356	20,000	32,778
Total liabilities	179,567	184,125	77,036	75,070
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	(16,775)	(14,921)	(203,278)	(202,543)
Equity attributable to owners of the Company	90,145	91,999	2,711	3,446
Non-controlling interests	300	300	-	-
Total equity	90,445	92,299	2,711	3,446
Total liabilities and equity	270,012	276,424	79,747	78,516



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 2019		As at 30 June 2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
57,031	0	83,038	20,000

Amount repayable after one year

As at 31 March 2019		As at 30 June 2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
83,159	20,000	60,356	0

Details of any collateral

The Group's borrowings are secured by the Group's properties, 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-19 S\$'000	3 months ended 31-Mar-18 S\$'000	9 months ended 31-Mar-19 S\$'000	9 months ended 31-Mar-18 S\$'000
	Unaudited	Unaudited	Unaudited	Unaudited
Cash flows from operating activities				
Net loss profit after tax	(602)	(3,569)	(1,854)	(864)
Adjustments for:				
Income tax expenses/(credit)	-	180	18	(774)
Bad debt expense	-	-	330	-
Depreciation of property, plant and equipment	17	69	81	342
Loss/(Gain) on disposal of investment properties	156	(480)	156	(480)
(Gain)/Loss on disposal of property, plant and equipment	(4)	(103)	10	(108)
Gain on disposal of assets held for sale ¹	-	-	-	(1,603)
Interest expenses	1,598	1,953	5,099	5,884
Interest income	(15)	(6)	(40)	(33)
Operating cash flows before changes in working capital	1,150	(1,956)	3,800	2,364
Completed properties held for sale	-	5,422	-	6,585
Trade and other receivables	685	(975)	4,932	(3,299)
Trade and other payables	(889)	(6,587)	(3,255)	(16,497)
Cash generated from/(used in) operations	946	(4,096)	5,477	(10,847)
Income tax paid	-	(315)	(18)	(563)
Interest paid	(974)	(975)	(3,198)	(2,994)
Net cash generated (used in)/from operating activities	(28)	(5,386)	2,261	(14,404)



- 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-19	3 months ended 31-Mar-18	9 months ended 31-Mar-19	9 months ended 31-Mar-18
	S\$'000	S\$'000	S\$'000	S\$'000
	Unaudited	Unaudited	Unaudited	Unaudited
Cash flow from investing activities				
Purchase of property, plant and equipment	-	-	(2)	(12)
Proceeds from disposal of property, plant and equipment	3	275	73	287
Proceeds from disposal of investment properties	792	4,380	792	4,380
Proceeds from disposal of assets held for sale ¹	-	-	-	8,800
Interest received	16	6	40	33
Net cash from investing activities	811	4,661	903	13,488
Cash flow from financing activities				
Proceeds from bank loans	24,400	-	51,950	33
Repayment of bank loans	(25,249)	(3,106)	(54,648)	(21,223)
Repayment of obligations under finance lease	(33)	(326)	(183)	(494)
Decrease/(Increase) in fixed deposits pledged	827	-	(173)	5,873
Loan from third party	-	3,000	-	10,000
Net cash used in financing activities	(55)	(432)	(3,054)	(5,811)
Net increase/(decrease) in cash and cash equivalents	728	(1,157)	110	(6,727)
Cash and cash equivalents at beginning of period	2,086	5,212	2,704	10,782
Cash and cash equivalents at end of period	2,814	4,055	2,814	4,055
			31-Mar-19	31-Mar-18
			S\$'000	S\$'000
Cash and bank balances			6,386	7,775
Less: Bank overdrafts			(2,572)	(2,893)
Fixed deposits pledged			(1,000)	(827)
Cash and cash equivalents			2,814	4,055

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 2019 comprises bank balance of S\$2.96 million (31 March 2018: S\$3.21 million), which are restricted to approved expenditure incurred in relation to the completed properties held for sale, investment properties 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	Translation reserves	Accumulated losses			
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2018	27,916	69,304	12,063	(2,363)	(14,921)	91,999	300	92,299
Total comprehensive loss for the period	-	-	-	-	(1,252)	(1,252)	-	(1,252)
Balance at 31 December 2018	27,916	69,304	12,063	(2,363)	(16,173)	90,747	300	91,047
Total comprehensive loss for the period	-	-	-	-	(602)	(602)	-	(602)
Balance at 31 March 2019	27,916	69,304	12,063	(2,363)	(16,775)	90,145	300	90,445
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 profit 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



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	Share premium	Contributed Surplus	Translation reserves	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2018	8,936	72,155	126,389	(1,491)	(202,543)	3,446
Total comprehensive loss for the year	-	-	-	-	(507)	(507)
Balance at 31 December 2018	8,936	72,155	126,389	(1,491)	(203,050)	2,939
Total comprehensive loss for the year	-	-	-	-	(228)	(228)
Balance at 31 March 2019	8,936	72,155	126,389	(1,491)	(203,278)	2,711
Balance at 1 July 2017	8,936	72,155	126,389	(1,491)	(126,389)	79,600
Total comprehensive loss for the year	-	-	-	-	(903)	(903)
Balance at 31 December 2017	8,936	72,155	126,389	(1,491)	(127,292)	78,697
Total comprehensive loss for the year	-	-	-	-	(332)	(332)
Balance at 31 March 2018	8,936	72,155	126,389	(1,491)	(127,624)	78,365



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 2019.

	Number of ordinary shares	Share Capital S\$'000
As at 31 March 2019:	<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 2019 and 30 June 2018 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 2018.

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 2018 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-19	3 months ended 31-Mar-18	Change %	9 months ended 31-Mar-19	9 months ended 31-Mar-18	Change %
Basic (loss) earnings per share (cents)						
Earnings per ordinary share based on the weighted average number of ordinary shares on issue (cents)	(0.05)	(0.32)	-83.3%	(0.16)	(0.08)	105.3%
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>1,128,657,445</u>	
Diluted (loss) earnings per share (cents)						
Earnings per ordinary share based on a fully diluted basis (cents)	(0.05)	(0.32)	-83.3%	(0.16)	(0.08)	105.3%
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>1,128,657,445</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-19	30-Jun-18	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)	7.99	8.15	-2.0
Total number of issued ordinary shares	1,128,657,445	1,128,657,445	

	Company		
	31-Mar-19	30-Jun-18	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)	0.24	0.31	-22.6
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

Revenue

3QFY2019 vs 3QFY2018 / 9MFY2019 vs 9MFY2018

The Group posted revenue of approximately S\$4.11 million in 3QFY2019, 38.2% lower as compared to S\$6.65 million in the previous corresponding period in 3QFY2018. The lower revenue was due to no units sold for our completed properties held for sale in 3QFY2019, however this was partially offset by the increase in rental income from the leased properties.

For 9MY2019, the Group posted revenue of approximately S\$12.42 million as compared to S\$16.40 million in 9MFY2018. The decrease was largely attributed to revenue from our Property Development segment due to no units sold for our completed properties held for sale in 9MFY2019. The decrease was however partially offset by the increase in revenue contribution from our Property Investment segment due to additional leased units.

Gross Profit Margin

3QFY2019 vs 3QFY2018 / 9MFY2019 vs 9MFY2018

The Group recorded a gross profit of approximately S\$2.56 million in 3QFY2019, as compared to a gross loss of S\$0.27 million in 3QFY2018. The gross loss in 3QFY2018 was due to the bulk sale of several units of the completed properties held for sale whereby the higher costs were incurred in the development of the project hence resulting in a lower gross profit margin when compared to 3QFY2019.

For 9MFY2019, gross profit of S\$7.72 million and gross profit margin of 62.1% as compared to S\$5.29 million and 32.3% in 9MFY2018. The reason for the higher gross profit and gross profit margin achieved in 9MFY2019 was due to the higher revenue Property Investment segment while the gross loss on the Property Development segment for 9MFY2018 lower the overall gross profit and gross profit margin in 9MFY2018.

Other Income

3QFY2019 vs 3QFY2018 / 9MFY2019 vs 9MFY2018

Other income for 3QFY2019 was 82.0% lower at approximately S\$0.10 million as compared to S\$0.54 million in 3QFY2018. The decrease in other income was largely attributed to the absence of one-off income derived from gain on disposal of property, plant and equipment and gain on disposal of investment properties in 3QFY2019.

For 9MFY2019, other income recorded was S\$0.20 million as compared to S\$4.59 million in 9MFY2018. The lower other income was largely attributed to the absence of one-off income derived from the sale of assets held for sale and liquidated damages income in 9MFY2019.

General and Administrative Expenses

3QFY2019 vs 3QFY2018 / 9MFY2019 vs 9MFY2018

General and administrative expenses for the period was down by 2.8% from approximately S\$1.71 million in 3QFY2018 to S\$1.66 million in 3QFY2019. The factors contributing to the reduction were largely due to lower staff and related costs, property tax, depreciation of fixed assets and sales commission.



For 9MFY2019, general and administrative expenses decreased by 13.3% to S\$4.65 million as compared to S\$5.63 million in 9MFY2018. The decrease was largely attributed lower staff and related costs, property tax, depreciation of fixed assets and sales commission.

Finance Costs

3QFY2019 vs 3QFY2018 / 9MFY2019 vs 9MFY2018

Finance costs decreased by 18.2% from approximately S\$1.95 million in 3QFY2018 to S\$1.60 million in 3QFY2019. For 9MFY2019, the Group recorded finance costs of S\$5.10 million, which was 13.3% lower as compared to 9MFY2018 of S\$5.88 million. The decrease in 3QFY2019 and 9MFY2019 was mainly due to lower outstanding bank loans and lower interest rates from refinancing.

Income Tax (Expense) Credit

3QFY2019 vs 3QFY2018 / 9MFY2019 vs 9MFY2018

There is no income tax for 3QFY2019 as compared to an income tax expense of S\$0.18 million in 3QFY2018 due to previously under provided income tax payable.

Income tax expense for 9MFY2019 was at approximately S\$0.02 million as compared to a credit amount in 9MFY2018. The tax expense for 9MFY2019 was due to a revised assessment from the authority for a previously paid tax.

Loss for the period, net of tax

3QFY2019 vs 3QFY2018 / 9MFY2019 vs 9MFY2018

As a result of the foregoing, the Group registered a net loss of approximately S\$0.60 million in 3QFY2019 as compared to a net loss of S\$3.57 million in 3QFY2018 and a net loss of S\$1.85 million in 9MFY2019 as compared to a net loss of S\$0.86 million in 9MFY2018.

STATEMENT OF FINANCIAL POSITION

As at 31 March 2019, total current assets stood at approximately S\$97.97 million as compared to S\$112.69 million as at 30 June 2018. The reduction in total current assets was attributed largely to the transfer of completed properties held for sale to investment properties and the reduction in trade and other receivables.

Total non-current assets increased to approximately S\$172.04 million as at 31 March 2019 as compared to approximately S\$163.74 million as at 30 June 2018. The increment was attributed mainly to an increase in investment properties from approximately S\$151.54 million to approximately S\$160.01 million due to additional units of completed projects being leased out.

As at 31 March 2019, total current liabilities reduced to approximately S\$76.41 million as compared to approximately S\$123.77 million as at 30 June 2018. This was a result of the refinancing of bank loans, repayment of provisions and the extension of the repayment date of the loan from controlling interests. The overall reduction in current liabilities was partially offset by the re-classification of loan from controlling interests from non-current liabilities to current liabilities.

Total non-current liabilities increased to approximately S\$103.16 million as at 31 March 2019 as compared to approximately S\$60.36 million as at 30 June 2018. The increase was mainly due to the re-classification of loan from controlling interests from current liabilities to non-current liabilities and the refinancing of bank loans previously classified as current liabilities. The overall increase was partially offset by a re-classification of loan from controlling interests from non-current liabilities to current liabilities.



STATEMENT OF CASH FLOWS

Net cash outflow/inflow from operating activities

For the period 3 months ended 31 March 2019, the Group generated net cash outflow from operating activities of approximately S\$0.03 million as compared to a net cash outflow of approximately S\$5.34 million for the corresponding period last year. The net cash outflow was primarily due to repayment in trade and other payables and interest paid which was mostly offset by inflow from operations and collection from trade and other receivables.

For the 9 months ended 31 March 2019, the Group generated net cash inflow of approximately S\$2.26 million from operating activities mainly due to the collection of trade and other receivables.

Net cash inflow in investing activities

The Group recorded net cash inflow of approximately S\$0.81 million for the financial period 3 months ended 31 March 2019 and S\$0.90 million for the 9 months ended 31 March 2019 from investing activities as compared to net cash inflow of approximately S\$4.66 million and S\$13.49 million in the corresponding periods last year. The net cash inflow for the 3 months and 9 months ended 31 March 2019 was mainly attributed to the proceeds received from the disposal of property, plant and equipment, investment properties and interest received.

Net cash outflow from financing activities

The Group recorded net cash outflow of approximately S\$0.06 million from financing activities in the period 3 months ended 31 March 2019 as compared to a net cash outflow of S\$0.43 million in the corresponding period last year. The net cash outflow in the current period was largely due to the repayment of bank loans and finance leases which was mostly offset by additional proceeds from bank loans and the decrease in fixed deposit pledged.

For the period 9 months ended 31 March 2019, the Group recorded net cash outflow of S\$3.05 million as compared to S\$5.81 million in the corresponding period last year. The net cash outflow was largely due to additional fixed deposit pledged and repayment of a bank loan during the period. The outflow was partially offset by additional bank loan and the reduction in fixed deposit pledged during the current period.

As a result of the above, the Group recorded a net increase in cash and cash equivalents of approximately S\$0.73 million for the 3 months ended 31 March 2019 and S\$0.11 million for the 9 months ended 31 March 2019.

Cash and cash equivalents as at 31 March 2019 stood at approximately S\$2.81 million (not including bank overdraft and fixed deposits pledged that totalled approximately S\$3.57 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 current state of the industrial real estate market in Singapore continues to remain challenging amidst an uncertain economy and a slowing demand of output from the manufacturing sector. Notwithstanding this, the Group continues to look 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 continues to look out for opportunities to undertake A&A to similar buildings to generate a recurrent income stream.

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	1,902	-



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 2019 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
13 May 2019