



OKH GLOBAL LTD.

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

Unaudited Financial Statements and Related Announcement for the Financial Year ended 30 June 2019

<u>Table of Contents</u>	<u>Page</u>
Consolidated Statement of Comprehensive Income.....	2
Statements of Financial Position.....	5
Consolidated Statement of Cash Flows.....	8
Statements of Changes in Equity.....	10
Earnings per Ordinary Share.....	13
Net Asset Value per Ordinary Share.....	14
Review of Performance of the Group.....	15
Significant Trends and Business Outlook.....	17
Dividend.....	17
Interested Person Transactions.....	18
Segmental Reporting.....	19

27 August 2019



FULL YEAR FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2019

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		
	FY2019	FY2018	change
	12 months ended 30-Jun-19	12 months ended 30-Jun-18	
	S\$'000	S\$'000	
	(Restated)		
Revenue	16,440	25,269	-34.9%
Cost of sales	(6,360)	(17,019)	-62.6%
Gross profit	10,080	8,250	22.2%
Other income	418	12,254	-96.6%
Other expenses	(18,901)	(956)	n.m.
General and administrative expenses	(6,235)	(8,269)	-24.6%
Finance costs	(6,663)	(7,451)	-10.6%
Share of profits of associates	12,889	6,045	113.2%
(Loss) Profit before tax	(8,412)	9,873	n.m.
Income tax (expenses) credit	(18)	775	n.m.
Total (loss) profit for the year	(8,430)	10,648	n.m.
(Loss) Profit attributable to:			
Owners of the Company	(8,430)	10,648	n.m.
Non-controlling interests	-	-	n.m.
	(8,430)	10,648	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		
	FY2019 12 months ended 30-Jun-19 S\$'000	FY2018 12 months ended 30-Jun-18 S\$'000 (Restated)	change
Total (loss) profit for the year	(8,430)	10,648	n.m.
Other comprehensive (loss) income:			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Currency translation differences arising from consolidation	(1,236)	520	n.m.
Other comprehensive (loss) income for the year	(1,236)	520	n.m.
Total comprehensive (loss) income for the year	(9,666)	11,168	n.m.
Total comprehensive (loss) income attributable to:			
Owners of the Company	(9,666)	11,168	n.m.
Non-controlling interests	-	-	n.m.
	(9,666)	11,168	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		
	FY2019	FY2018	change
	12 months	12 months	
	ended	ended	
	30-Jun-19	30-Jun-18	
	S\$'000	S\$'000	
Depreciation of property, plant and equipment	(91)	(401)	-77.3%
Foreign exchange gain, net	-	6	n.m.
Bad debt expense	(330)	(200)	n.m.
Interest expenses	(6,663)	(7,451)	-10.6%
(Loss) Gain on disposal of property, plant and equipment	(10)	107	n.m.
(Loss) Gain on disposal of investment properties	(156)	480	n.m.
Gain on disposal of non-current assets held for sale	-	1,603	n.m.
Impairment loss of property, plant and equipment	(8,000)	(500)	n.m.
(Loss) Gain on revaluation of investment properties	(7,666)	2,860	n.m.
Impairment loss on completed properties held for sale	(3,235)	(456)	n.m.
Interest income	26	70	-62.9%
Liquidated damages income	-	1,617	n.m.
Extension fee income	-	500	n.m.
Other income	392	5,017	-92.2%



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	
	30-Jun-19	30-Jun-18	30-Jun-19	30-Jun-18
	S\$'000	S\$'000	S\$'000	S\$'000
	(Restated)¹			
ASSETS				
Current assets				
Cash and cash equivalents	5,755	6,425	57	52
Trade and other receivables	4,931	21,597	49,129	51,464
Loan due from non-controlling interests	-	330	-	-
Completed properties held for sale	18,937	35,335	-	-
Total current assets	29,623	63,687	49,186	51,516
Non-current assets				
Property, plant and equipment	4,023	12,194	-	-
Investment properties	156,092	151,544	-	-
Investments in subsidiaries	-	-	25,000	27,000
Investment in joint venture	-	-	-	-
Investment in associates	60,671	49,018	-	-
Available-for-sale investment	-	9,000	-	-
Financial asset at fair value through profit or loss	9,000	-	-	-
Total non-current assets	229,786	221,756	25,000	27,000
Total assets	259,409	285,443	74,186	78,516
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	15,628	19,831	24,574	22,292
Finance leases	117	182	-	-
Loans from controlling interests	-	20,000	-	20,000
Bank loans and overdrafts	24,139	82,856	-	-
Provisions	-	900	-	-
Total current liabilities	39,884	123,769	24,574	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	
	30-Jun-19 S\$'000	30-Jun-18 S\$'000 (Restated) ¹	30-Jun-19 S\$'000	30-Jun-18 S\$'000
Non-current liabilities				
Loans from controlling interests	52,778	32,778	52,778	32,778
Finance leases	111	259	-	-
Bank loans	74,984	27,319	-	-
Total non-current liabilities	127,873	60,356	52,778	32,778
Total liabilities	167,757	184,125	77,352	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	(3,815)	(2,579)	(1,491)	(1,491)
Accumulated losses	(14,116)	(5,686)	(209,155)	(202,543)
Equity attributable to owners of the Company	91,352	101,018	(3,166)	3,446
Non-controlling interests	300	300	-	-
Total equity (capital deficiency)	91,652	101,318	(3,166)	3,446
Total liabilities and equity (net of capital deficiency)	259,409	285,443	74,186	78,516

¹ The Group's investment in associates and unquoted equity shares which were previously classified as held for sale in accordance with IFRS 5 no longer meets the criteria to be classified as so in the current financial year and thus will be accounted for using the equity method in accordance to IAS 28 and as a financial asset fair value through profit or loss (2018: Available-for-sale investment) in accordance to IFRS 9 (2018: IAS 39) respectively. Financial statements for the periods since classification as held for sale has been amended accordingly.



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

Amount repayable in one year or less, or on demand

As at 30 June 2019		As at 30 June 2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
24,256	-	83,038	20,000

Amount repayable after one year

As at 30 June 2019		As at 30 June 2018	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
107,873	20,000	60,356	-

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	
	12 months ended 30-Jun-19 S\$'000	12 months ended 30-Jun-18 S\$'000 (Restated)
Cash flows from operating activities		
(Loss) Profit for the year	(8,430)	10,648
Adjustments for:		
Income tax expenses (credit)	18	(775)
Bad debts expense	330	200
Loss (Gain) on disposal of property, plant and equipment	10	(107)
Loss (Gain) on disposal of investment property	156	(480)
Gain on disposal of non-current assets held for sale	-	(1,603)
Depreciation of property, plant and equipment	91	401
Impairment loss of property, plant and equipment	8,000	500
Loss (Gain) on revaluation of investment properties	7,666	(2,860)
Impairment loss on completed properties held for sale	3,235	456
Interest expenses	6,663	7,451
Interest income	(26)	(70)
Share of profits of associates	(12,889)	(6,045)
Operating cash flows before changes in working capital	4,824	7,716
Completed properties held for sale	1	9,107
Trade and other receivables	8,245	1,229
Trade and other payables	794	(16,366)
Cash generated from operations	13,864	1,686
Income tax paid	(18)	(563)
Interest paid	(4,138)	(7,332)
Net cash generated from (used in) operating activities	9,708	(6,209)



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	
	12 months ended 30-Jun-19	12 months ended 30-Jun-18
	S\$'000	S\$'000
		(Restated)
Cash flow from investing activities		
Purchase of property, plant and equipment	(4)	(70)
Proceeds from disposal of property, plant and equipment	73	290
Proceeds from disposal of investment properties	792	4,380
Proceeds from disposal of non-current assets held for sale	-	8,800
Interest received	26	70
Net cash from investing activities	887	13,470
Cash flow from financing activities		
Proceeds from bank loans	51,950	47
Repayment of bank loans	(62,857)	(32,295)
Repayment of obligations under finance lease	(212)	(543)
(Increase) Decrease in fixed deposits pledged	(173)	5,873
Loan from third party	-	10,000
Repayment of loan from third party	-	(30,000)
Loan from controlling interests	-	32,778
Profit sharing paid to non-controlling interests	-	(1,200)
Net cash used in financing activities	(11,292)	(15,340)
Net decrease in cash and cash equivalents	(697)	(8,079)
Cash and cash equivalents at beginning of period	2,704	10,783
Cash and cash equivalents at end of period	2,007	2,704
	30-Jun-19	30-Jun-18
	S\$'000	S\$'000
Cash and bank balances	5,755	6,425
Less: Bank overdrafts	(2,748)	(2,894)
Fixed deposits pledged	(1,000)	(827)
Cash and cash equivalents	2,007	2,704

Cash and cash equivalents at end of the period

The cash and cash equivalents as at 30 June 2019 comprises bank balance of S\$1.29 million (30 June 2018: S\$2.49 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

Group	← Attributable to owners of the Company →					Total	Non-controlling interests	Total equity
	Share capital	Share premium	Contributed surplus	Translation reserves	Accumulated losses			
	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	(2,579)	(5,686)	101,018	300	101,318
Total comprehensive loss for the year								
Loss for the year	-	-	-	-	(8,430)	(8,430)	-	(8,430)
Other comprehensive loss for the year	-	-	-	(1,236)	-	(1,236)	-	(1,236)
Balance at 30 June 2019	27,916	69,304	12,063	(3,815)	(14,116)	91,352	300	91,652
Balance at 1 July 2017 (as previously reported)	27,916	69,304	12,063	(2,363)	(19,524)	87,396	300	87,696
Prior year's adjustments	-	-	-	(736)	3,190	2,454	-	2,454
Balance at 1 July 2017 (restated)	27,916	69,304	12,063	(3,099)	(16,334)	89,850	300	90,150
Total comprehensive income for the year								
Profit for the year (restated)	-	-	-	-	10,648	10,648	-	10,648
Other comprehensive income for the year (restated)	-	-	-	520	-	520	-	520
Balance at 30 June 2018 (restated)	27,916	69,304	12,063	(2,579)	(5,686)	101,018	300	101,318



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	-	-	-	-	(6,612)	(6,612)
Balance at 30 June 2019	8,936	72,155	126,389	(1,491)	(209,155)	(3,166)
Balance at 1 July 2017	8,936	72,155	126,389	(1,491)	(126,389)	79,600
Total comprehensive loss for the year	-	-	-	-	(76,154)	(76,154)
Balance at 30 June 2018	8,936	72,155	126,389	(1,491)	(202,543)	3,446



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 year ended 30 June 2019

	Number of ordinary shares	Share Capital S\$'000
As at 30 June 2019:	<u>1,128,657,445</u>	<u>8,936</u>

There were no treasury shares and subsidiary holdings as at 30 June 2019 and 30 June 2018.

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 30 June 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.

In the previous financial year, the Group's investment in associates and unquoted equity shares were previously classified as held for sale in accordance with IFRS 5 *Non-Current Assets Held for Sale and Discontinued Operations*. However, these investments no longer meet the criteria to be classified as such in the current financial year and this should be accounted for using the equity method in accordance to IAS 28 *Investments in Associates and Joint Ventures* and as a financial asset measure at fair value through profit and loss (2018: Available-for-sale investment) in accordance to IFRS 9 *Financial Instruments* (2018: IAS 39 *Financial Instruments*) respectively.

The equity method for investment in associates has to be applied retrospectively from the date of its classification as held for sale. Financial statements for the periods since classification as held for sale has been amended accordingly.

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

	12 months ended 30-Jun-19	12 months ended 30-Jun-18 (restated)	Change %
Basic (loss) earnings per share (cents)			
(Loss) Earnings per ordinary share based on the weighted average number of ordinary shares on issue (cents)	(0.75)	0.94	n.m.
Weighted average number of ordinary shares on issue	<u>1,128,657,445</u>	<u>1,128,657,445</u>	
Diluted (loss) earnings per share (cents)			
(Loss) Earnings per ordinary share based on a fully diluted basis (cents)	(0.75)	0.94	n.m.
Adjusted weighted average number of ordinary shares	<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 of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.

	Group		
	30-Jun-19	30-Jun-18 (restated)	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)	8.09	8.95	-9.6
Total number of issued ordinary shares	1,128,657,445	1,128,657,445	
	Company		
	30-Jun-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)	(0.28)	0.31	n.m
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

The Group posted revenue of approximately S\$16.44 million in FY2019 as compared to S\$25.27 million in FY2018. The decrease in the reported revenue for FY2019 was attributed largely to the Group's property development segment as there were no sale of completed properties held for sale as compared to FY2018. Unit sold from the project Loyang Enterprise during the year was classified as investment properties.

Revenue recognised from property development in FY2019 decreased by approximately S\$9.63 million as compared to FY2018. The overall decrease in revenue was partially offset by the increase in revenue recognised from property investment segment of S\$0.80 million. The increment in property investment segment was attributed mainly to additional rental income received from new units leased in Loyang Enterprise.

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

The Group recorded a higher gross profit of approximately S\$10.08 million in FY2019 as compared to approximately S\$8.25 million in FY2018. This was largely attributed to higher rental generated from the property investment segment. With the higher gross profit for FY2019, the Group's GPM was higher at 61.3% as compared to 32.6% in FY2018. The reason for the higher GPM was attributed to the higher rental contribution from our investment properties which gives a better profit margin.

Other income

Other income for FY2019 was lower at approximately S\$0.42 million as compared to S\$12.25 million in FY2018. Amongst others, the decrease was largely attributed to the absence of one-off income derived from gain on disposal of non-current assets held for sale and investment properties, gain on revaluation of investment properties and liquidated damages income in FY2019.

Other expenses

Other expenses for FY2019 increased to approximately S\$18.90 million as compared to S\$0.96 million in FY2018. The increase was mainly attributed to higher impairment loss on the Group's property, plant and equipment and completed properties held for sale and revaluation loss on the Group's investment property. The lower valuations reflected the current challenging state of industrial property market segment.

General and Administrative Expenses

General and administrative expenses decreased by 24.6% from approximately S\$8.27 million in FY2018 to S\$6.24 million in FY2019. The decrease was largely due to lower sales commission which decreased by approximately S\$0.31 million and lower depreciation expenses of S\$0.31 million in FY2019. The overall in general and administrative expenses was also attributed to decrease in professional fees, staff and related cost and lower professional fees incurred during the year.

Finance Costs

Finance costs decreased by 10.6% from approximately S\$7.45 million in FY2018 to S\$6.66 million in FY2019. The decrease was due to the lower outstanding bank loans and lower interest rate during the year.



Share of Profits of Associate

Share of profits of associate increased by 113.2% from S\$6.05 million in FY2018 to S\$12.89 million in FY2019 mainly due to a higher fair value gain recognised on the associate's asset located in Korea based on an agreed upon selling price.

Income Tax (Expense) Credit

For FY2018, income tax was a credit of S\$0.78 million as compared to a tax expense of S\$0.02 million for FY2019. The tax credit for FY2018 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) Profit for the year

As a result of the foregoing, the Group registered a total loss of approximately S\$8.43 million in FY2019 as compared to a profit of S\$10.65 million in FY2018.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2019, total current assets stood at approximately S\$29.62 million as compared to S\$63.69 million as at 30 June 2018. The reduction in total current assets was largely attributed to the final collection from previous sold units of ACE@Buroh and additional units leased out from the Group's ACE@Buroh and Loyang Enterprise projects, which resulted in the reclassification from completed properties held for sale to investment properties. The cash and cash equivalents were also lower as at 30 June 2019.

Total non-current assets stood at approximately S\$229.79 million as at 30 June 2019 as compared to approximately S\$221.76 million as at 30 June 2018. The increase was a result of the transfer of the Group's completed properties held for sale to investment properties and the increase in investment in associate due to the share of profits for the year. The overall increase was partially offset by the decrease in property, plant and equipment due to the impairment recognised during the year.

As at 30 June 2019, total current liabilities reduced significantly to approximately S\$39.88 million as compared to approximately S\$123.77 million as at 30 June 2018. This was largely attributed to a reduction in the outstanding trade and other payables, and the reclassification of loan from controlling interest and bank loans from current liabilities to non-current liabilities.

Total non-current liabilities increased to approximately S\$127.87 million as at 30 June 2019 as compared to approximately S\$60.36 million as at 30 June 2018. The increase was largely due to the bank loans and loan from controlling interest which was reclassified to non-current liabilities as at 30 June 2019.

STATEMENT OF CASH FLOWS

Net cash outflow/inflow from operating activities

For the financial period ended 30 June 2019, the Group generated net cash inflow from operating activities of approximately S\$9.71 million as compared to a net cash outflow of approximately S\$6.21 million in FY2018. The net cash inflow was primarily due to the final collection from units previously sold for our development project

Net cash inflow from investing activities

The Group recorded net cash inflow of approximately S\$0.89 million for FY2019 from investing activities as compared to net cash inflow of approximately S\$13.47 million in the corresponding period last year. The net cash inflow in FY2019 is largely to proceeds from the disposal of investment properties and property, plant and equipment.



Net cash outflow from financing activities

The Group recorded net cash outflow of approximately S\$11.29 million from financing activities in FY2019 as compared to a net cash outflow of S\$15.34 million in the corresponding period last year. The net cash outflow was largely due to a repayment in bank loans and obligations under finance lease. The cash outflow was partially offset by additional bank loan taken up during the year.

As a result of the above, the Group recorded a net decrease in cash and cash equivalents of approximately S\$0.70 million in FY2019.

Cash and cash equivalents as at 30 June 2019 stood at (excluding bank overdraft and fixed deposits pledged that totalled approximately S\$3.75 million) approximately S\$2.01 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 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.

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined.

Not Applicable.



12 If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividends have been declared or recommended as the Group is in a loss making position for FY2019.

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	2,533	-



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

	Continuing Operations (Singapore)				
	<u>Construction Services</u>	<u>Property Development</u>	<u>Property Investment</u>	<u>Eliminations</u>	<u>Total</u>
	\$'000	\$'000	\$'000	\$'000	\$'000
2019					
Revenue:					
External customers	338	-	16,102	-	16,440
Inter-segment	-	-	-	-	-
Total revenue	338	-	16,102	-	16,440
Results	(8,851)	(5,328)	12,433	(355)	(2,101)
Unallocated expenses					(884)
Finance costs					(6,663)
Loss before tax					(9,648)
Income tax expense					(18)
Loss for the year					(9,666)
2018 (restated)					
Revenue:					
External customers	331	9,633	15,305	-	25,269
Inter-segment	-	-	-	-	-
Total revenue	331	9,633	15,305	-	25,269
Results	452	(2,483)	21,056	(890)	18,135
Unallocated expenses					(811)
Finance costs					(7,451)
Profit before tax					9,873
Income tax credit					775
Profit for the year					10,648



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

	Continuing Operations (Singapore)			
	Construction Services	Property Development	Property Investment	Total
	\$'000	\$'000	\$'000	\$'000
2019				
Segment assets:				
Total segment assets	5,426	23,405	219,092	247,923
Unallocated assets	-	-	-	11,486
Total consolidated assets				259,409
Segment liabilities:				
Total segment liabilities	20,273	46,116	43,049	109,438
Unallocated liabilities	-	-	-	58,319
Total consolidated liabilities				167,757
Other segment information:				
Impairment loss on property, plant and equipment	(8,000)	-	-	(8,000)
Impairment loss on completed properties held for sale	-	(3,235)	-	(3,235)
Depreciation	(89)	-	(2)	(91)
Change in fair value of investment properties	-	-	(7,666)	(7,666)
2018 (restated)				
Segment assets:				
Total segment assets	15,905	56,283	203,408	275,596
Unallocated assets	-	-	-	9,847
Total consolidated assets				285,443
Segment liabilities:				
Total segment liabilities	23,893	60,850	43,189	127,932
Unallocated liabilities	-	-	-	56,193
Total consolidated liabilities				184,125
Other segment information:				
Impairment loss on property, plant and equipment	(500)	-	-	(500)
Impairment loss on completed properties held for sale	-	(456)	-	(456)
Depreciation	(398)	-	(3)	(401)
Liquidated damage income	-	-	1,320	1,320
Change in fair value of investment properties	-	-	2,860	2,860



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

Please refer to paragraph 8.

16 A breakdown of sales as follows:-

	Group		
	FY2019 S\$'000	FY2018 S\$'000 (restated)	change %
(a) Sales reported for first half year	8,316	6,280	32%
(b) Operating profit (loss) after tax before deducting minority interests reported for first half year	(1,252)	3,012	n.m
(c) Sales reported for second half year	8,124	18,989	-57%
(d) Operating profit (loss) after tax before deducting minority interests reported for second half year	(7,178)	7,636	n.m

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

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

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

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

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

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

BY ORDER OF THE BOARD

LOCK WAI HAN
EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER
27 August 2019