



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 2020

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29 September 2020



FULL YEAR FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2020

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		
	FY2020	FY2019	change
	12 months ended 30-Jun-20	12 months ended 30-Jun-19	
	S\$'000	S\$'000	
Revenue	15,254	16,440	-7.2%
Cost of sales	(1,362)	(6,360)	-78.6%
Gross profit	13,892	10,080	37.8%
Other income	4,810	418	n.m.
Other expenses	(25,099)	(18,901)	32.8%
Impairment loss on trade and other receivables	(1,355)	(330)	n.m.
General and administrative expenses	(6,621)	(5,905)	12.1%
Finance costs	(5,870)	(6,663)	-11.9%
Share of (losses) profits of associates	(1,433)	12,889	-111.1%
Loss before income tax	(21,676)	(8,412)	157.7%
Income tax expense	(687)	(18)	n.m.
Total loss for the year	(22,363)	(8,430)	165.3%
Loss attributable to:			
Owners of the Company	(22,363)	(8,430)	165.3%
Non-controlling interests	-	-	n.m.
	(22,363)	(8,430)	165.3%



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		
	FY2020 12 months ended 30-Jun-20 S\$'000	FY2019 12 months ended 30-Jun-19 S\$'000	change
Total loss for the year	(22,363)	(8,430)	165.3%
Other comprehensive loss:			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Share of other comprehensive losses of associates	(1,243)	(1,236)	0.6%
Other comprehensive loss for the year	(1,243)	(1,236)	0.6%
Total comprehensive loss for the year	(23,606)	(9,666)	144.2%
Total comprehensive loss attributable to:			
Owners of the Company	(23,606)	(9,666)	144.2%
Non-controlling interests	-	-	n.m.
	(23,606)	(9,666)	144.2%



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		
	FY2020 12 months ended 30-Jun-20 S\$'000	FY2019 12 months ended 30-Jun-19 S\$'000	change
Depreciation of property, plant and equipment	(26)	(92)	-71.7%
Bad debt expense	(156)	(330)	-52.7%
Interest on loans and overdrafts	(5,485)	(6,628)	-17.2%
Interest on lease liabilities (FY2019: finance leases)	(385)	(35)	n.m.
Loss on disposal of property, plant and equipment	-	(10)	n.m.
Gain (Loss) on disposal of investment properties	1,099	(156)	n.m.
Impairment loss of property, plant and equipment	-	(8,000)	n.m.
Impairment loss on amount due from a joint venture	(1,199)	-	n.m.
Fair value loss on investment properties	(23,174)	(7,666)	202.3%
Diminution of value of properties for sale	(1,925)	(3,235)	-40.5%
Interest income	28	26	7.7%
Dividend income from financial asset at fair value through profit or loss	240	-	n.m.
Gain on surrender of insurance policy	144	-	n.m.
Reduction of prior years' property tax	193	-	n.m.
Write-off of long outstanding payables	304	-	n.m.
Reversal of overprovision for warranty expenses	781	-	n.m.
Adjustment for the underprovision of tax in respect of prior year	(423)	-	n.m.
Grant income	1,616	-	n.m.
Grant expenses	(1,183)	-	n.m.
Other income	405	392	3.3%



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-20 S\$'000	30-Jun-19 S\$'000	30-Jun-20 S\$'000	30-Jun-19 S\$'000
<u>ASSETS</u>				
Current assets				
Cash and bank balances	7,182	5,755	105	57
Trade and other receivables	3,679	4,930	34,408	49,129
Properties for sale	12,036	18,937	-	-
Total current assets	22,897	29,622	34,513	49,186
Non-current assets				
Property, plant and equipment	34	4,023	-	-
Investment properties	125,863	156,092	-	-
Investments in subsidiaries	-	-	10,000	25,000
Investment in a joint venture	-	-	-	-
Investment in associates	56,395	60,671	-	-
Financial asset at fair value through profit or loss	9,000	9,000	-	-
Total non-current assets	191,292	229,786	10,000	25,000
Total assets	214,189	259,408	44,513	74,186
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade and other payables	9,508	15,628	19,074	24,574
Lease liabilities (2019: Obligations under finance leases)	4,802	117	-	-
Bank loans and overdrafts	38,696	24,139	-	-
Income tax payable	260	-	-	-
Total current liabilities	53,266	39,884	19,074	24,574



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-20	30-Jun-19	30-Jun-20	30-Jun-19
	S\$'000	S\$'000	S\$'000	S\$'000
Non-current liabilities				
Other payables	5,914	-	5,914	-
Loans due to a shareholder	43,537	52,778	43,537	52,778
Lease liabilities (2019: Obligations under finance leases)	3,337	111	-	-
Bank loans	40,842	74,984	-	-
Total non-current liabilities	93,630	127,873	49,451	52,778
Total liabilities	146,896	167,757	68,525	77,352
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
Other reserves	(476)	-	-	-
Translation reserve	(4,582)	(3,815)	(1,491)	(1,491)
Accumulated losses	(37,232)	(14,117)	(230,001)	(209,155)
Equity attributable to owners of the Company	66,993	91,351	(24,012)	(3,166)
Non-controlling interests	300	300	-	-
Total equity (capital deficiency)	67,293	91,651	(24,012)	(3,166)
Total liabilities and equity (net of capital deficiency)	214,189	259,408	44,513	74,186



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

Amount repayable in one year or less, or on demand

As at 30 June 2020		As at 30 June 2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
38,696	-	24,139	-

Amount repayable after one year

As at 30 June 2020		As at 30 June 2019	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
81,379	3,000	107,762	20,000

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-20 S\$'000	12 months ended 30-Jun-19 S\$'000
Cash flows from operating activities		
Loss for the year	(22,363)	(8,430)
Adjustments for:		
Income tax expenses	687	18
Bad debts expense	156	330
Impairment loss on amount due from a joint venture	1,199	-
Loss on disposal of property, plant and equipment	-	10
(Gain) Loss on sale of investment properties	(1,099)	156
Depreciation of property, plant and equipment	26	92
Impairment loss of property, plant and equipment	-	8,000
Loss on revaluation of investment properties	23,174	7,666
Diminution in value of properties for sale	1,925	3,235
Interest expense	5,870	6,663
Interest income	(28)	(26)
Dividend income from financial asset at fair value through profit or loss	(240)	-
Reversal of overprovision for warranty expenses	(781)	-
Write-off of long outstanding payables	(304)	-
Share of losses (profits) of associates	1,433	(12,889)
Operating cash flows before changes in working capital	9,655	4,825
Trade and other receivables	(91)	8,245
Trade and other payables	202	794
Cash generated from operations	9,766	13,864
Income tax paid	(427)	(18)
Interest paid	(3,438)	(4,138)
Net cash from operating activities	5,901	9,708



- 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-20 S\$'000	12 months ended 30-Jun-19 S\$'000
Cash flow from investing activities		
Purchase of property, plant and equipment	(11)	(4)
Proceeds from disposal of property, plant and equipment	4,000	73
Proceeds from sale of investment properties	24,968	792
Dividend received from an associate	1,600	-
Dividend income from financial asset at fair value through profit or loss	240	-
Interest received	19	26
Net cash from investing activities	30,816	887
Cash flow from financing activities		
Proceeds from bank loans	-	51,950
Repayments of bank loans	(16,837)	(62,856)
Repayments of obligations under finance lease	-	(213)
Decrease (Increase) in fixed deposits pledged	1,000	(173)
Repayments of lease liabilities	(4,705)	-
Repayment of loans due to a shareholder	(11,000)	-
Net cash used in financing activities	(31,542)	(11,292)
Net increase (decrease) in cash and cash equivalents	5,175	(697)
Cash and cash equivalents at beginning of period	2,007	2,704
Cash and cash equivalents at end of period	7,182	2,007
	30-Jun-20	30-Jun-19
	S\$'000	S\$'000
Cash and bank balances	7,182	5,755
Less: Bank overdrafts	-	(2,748)
Fixed deposits pledged	-	(1,000)
Cash and cash equivalents	7,182	2,007

Cash and cash equivalents at end of the period

The cash and cash equivalents as at 30 June 2020 comprises bank balance of S\$2.14 million (30 June 2019: S\$1.29 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	Other reserves	Translation reserves	Accumulated losses			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2019	27,916	69,304	12,063	-	(3,815)	(14,117)	91,351	300	91,651
Adjustment due to adoption of IFRS16	-	-	-	-	-	(752)	(752)	-	(752)
Balance at 1 July 2019 (restated)	27,916	69,304	12,063	-	(3,815)	(14,869)	90,599	300	90,899
Total comprehensive loss for the year									
Loss for the year	-	-	-	-	-	(22,363)	(22,363)	-	(22,363)
Other comprehensive loss for the year	-	-	-	(476)	(767)	-	(1,243)	-	(1,243)
Balance at 30 June 2020	27,916	69,304	12,063	(476)	(4,582)	(37,232)	66,993	300	67,293
Balance at 1 July 2018	27,916	69,304	12,063	-	(2,579)	(5,687)	101,017	300	101,317
Total comprehensive income 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)	(14,117)	91,351	300	91,651



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 2019	8,936	72,155	126,389	(1,491)	(209,155)	(3,166)
Total comprehensive loss for the year	-	-	-	-	(20,846)	(20,846)
Balance at 30 June 2020	8,936	72,155	126,389	(1,491)	(230,001)	(24,012)
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)



1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 immediately preceding financial year.

There was no changes in the Company's share capital for the year ended 30 June 2020

	Number of ordinary shares	Share Capital S\$'000
As at 30 June 2020:	<u>1,128,657,445</u>	<u>8,936</u>

There were no treasury shares and subsidiary holdings as at 30 June 2020 and 30 June 2019.

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

The total number of issued shares excluding treasury shares as at 30 June 2020 and 30 June 2019 were 1,128,657,445.

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

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 modifications or emphasis of a matter).

Not applicable.



3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:—

(a) Updates on the efforts taken to resolve each outstanding audit issue.

Not applicable.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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 2019.

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.

IFRS 16 Leases

Before the adoption of IFRS 16, commitments under operating leases for future periods were not recognised by the Group as liabilities. Operating lease rental expenses were recognised in the consolidated income statement over the lease period on a straight-line basis.

On adoption of IFRS 16, the Group recognised the full lease liabilities in relation to leases which had previously been classified as “operating leases” if they met certain criteria set out in IFRS 16.

These liabilities were measured at the present value of the remaining lease payments, discounted using the Group's incremental borrowing rate. The difference between the present value and the total remaining lease payments represents the cost of financing.

Such finance cost will be charged to the consolidated income statement in the period in which it is incurred using the effective interest rate method.

The associated right-of-use (“ROU”) assets were measured equal to the initial measurement of lease liability adjusted by the amount of any previously recognised prepaid or accrued lease payments relating to the lease except for ROU assets which meets the definition of investment property which is measured at fair value. These associated right-of-use assets were recognised in the consolidated statement of financial position.

Depreciation is charged on a straight-line basis over the shorter of the asset's useful life and the lease term except when ROU asset is classified as investment property.

Cash payments for the settlement of lease liabilities and interest arising from lease liabilities were reported as cash flows from financing activities and operating activities respectively. The total net cash flows of the Group are unaffected.

IFRS 16 substantially carries forward the lessor accounting requirements in IAS 17 *Leases*. Accordingly, a lessor continues to classify its leases as operating leases or finance leases, and to account for these two types of leases using IAS 17 operating lease and finance lease accounting models respectively.



The effect on adoption of IFRS 16 resulted in the following:

- Recognition of right-of-use assets and lease liabilities of approximately S\$25,810 on 1 July 2019.
- Reclassification of property, plant and equipment of S\$228,249 under finance leases as of 30 June 2019 to right-of-use assets on 1 July 2019.
- Recognition of right-of-use asset at fair value using the fair value model in IAS 40 Investment Property and lease liabilities of approximately S\$11.8 million and S\$12.6 million respectively on 1 July 2019. The difference of S\$0.8 million is recognised to retained earnings in accordance with IFRS 16:C7.

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-20	12 months ended 30-Jun-19	Change %
Basic loss per share (cents)			
Loss per ordinary share based on the weighted average number of ordinary shares on issue (cents)	(1.98)	(0.75)	164.0%
Weighted average number of ordinary shares on issue	<u>1,128,657,445</u>	<u>1,128,657,445</u>	
Diluted loss per share (cents)			
Loss per ordinary share based on a fully diluted basis (cents)	(1.98)	(0.75)	164.0%
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.

	<u>Group</u>		
	30-Jun-20	30-Jun-19	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)	5.94	8.09	-26.6
Total number of issued ordinary shares	1,128,657,445	1,128,657,445	
	<u>Company</u>		
	30-Jun-20	30-Jun-19	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)	(2.13)	(0.28)	660.7
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\$15.25 million in FY2020 as compared to S\$16.44 million in FY2019. The decrease in the reported revenue for FY2020 was attributed largely to the Group's property investment segment due to the sale of an investment property, Seatown Dormitory, during the year which resulted in less rental income for the Group. The decrease was also due to rental rebates given to eligible tenants as mandated by the COVID-19 (Temporary Measures) (Amendment) Act ("Act").

Gross profit ("GP") / Gross profit margin ("GPM")

The Group recorded a higher gross profit of approximately S\$13.89 million in FY2020 as compared to approximately S\$10.08 million in FY2019. The higher gross profit in FY2020 was largely attributed to the adoption of IFRS 16 whereby rental expenses are now classified as finance costs and depreciation due to the amortisation of lease liabilities and right-of use ("ROU") assets respectively. When the ROU assets meets the definition of investment property, they are measured at fair value and any revaluation change is recognised in "Other expenses". As a result, the Group's GPM was higher at 91.1% in FY2020 as compared to 61.3% in FY2019.

Other income

Other income for FY2020 was higher at approximately S\$4.81 million as compared to S\$0.42 million in FY2019. Amongst others, the increase was largely attributed to the one-off income derived from the gain on disposal of investment properties of approximately S\$1.10 million, grant income of approximately S\$1.62 million, gain from surrendering of an insurance policy and the dividend income from the Group's investment in a financial asset at fair value through profit or loss.

Other expenses

Other expenses for FY2020 increased to approximately S\$25.10 million as compared to S\$18.90 million in FY2019. The increase was mainly attributed to the diminution of value of properties for sale and fair value loss on the Group's investment properties. The lower valuations reflected the current challenging state of industrial property market segment amidst the current COVID-19 pandemic.

Impairment loss on trade and other receivables

Impairment loss on trade and other receivables increased to approximately S\$1.36 million in FY2020 as compared to S\$0.33 million in FY2019 mainly due to impairment loss on amount due from a joint venture made in FY2020 in light of the current economic climate.

General and administrative expenses

General and administrative expenses increased by 12.1% from approximately S\$5.91 million in FY2019 to S\$6.62 million in FY2020. The increase was largely due to grant expenses for rental rebates provided to eligible tenants amounting to S\$1.18 million in FY2020 (FY2019 : S\$Nil) and higher staff and related costs. The increase was partially offset by lower property tax and professional fees in FY2020.

Finance costs

Finance costs decreased by 11.9% from approximately S\$6.66 million in FY2019 to S\$5.87 million in FY2020. The decrease was due to the lower outstanding bank loans due to repayments made during the year.



Share of (losses) profits of associates

Share of profits of associate decreased from S\$12.89 million in FY2019 to a share of losses of S\$1.43 million in FY2020 mainly due to lower valuations reflected by the current challenging state of industrial property market segment amidst the current COVID-19 pandemic and the absence of a one-off fair value gain recognised on the associate's asset located in Korea based on an agreed upon selling price.

Income tax expense

For FY2020, income tax expense amounts to S\$0.69 million as compared to S\$0.02 million in FY2019 due to the adjustments for underprovision of tax in prior year and a subsidiary of the Group recording a taxable profit in FY2020.

Loss for the year

As a result of the foregoing, the Group registered a total loss of approximately S\$22.36 million in FY2020 as compared to a loss of S\$8.43 million in FY2019.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2020, total current assets stood at approximately S\$22.90 million as compared to S\$29.62 million as at 30 June 2019. The decrease in total current assets was largely attributed the reclassification of 3 units of properties for sale to investment properties due to them being leased out, and the diminution of value of properties for sale, the decrease was partially offset by higher cash and bank balances.

Total non-current assets stood at approximately S\$191.29 million as at 30 June 2020 as compared to approximately S\$229.79 million as at 30 June 2019. The decrease was a result of the sale of the Group's investment properties and land classified as property, plant and equipment during the year. Fair value loss on the Group's investment properties as a result of the current challenging state of the global economy due to the COVID-19 pandemic further contributed to the lower non-current assets balance as at 30 June 2020. The decrease can also be attributed to a lower balance for investment in associates due to the share of losses and dividend received during the year. The decrease was partially offset by the transfer of 3 units of properties for sale to investment properties.

As at 30 June 2020, total current liabilities increased to approximately S\$53.27 million as compared to approximately S\$39.88 million as at 30 June 2019. This was largely attributed to a reclassification of a bank loan from non-current liabilities to current liabilities and lease liabilities of S\$4.80 million as a result of the adoption of IFRS 16 and the increase in income tax payable.

Total non-current liabilities decreased to approximately S\$93.63 million as at 30 June 2020 as compared to approximately S\$127.87 million as at 30 June 2019. The decrease was largely due to repayment of bank loans and loans due to a shareholder. The decrease was partially offset by additional lease liabilities of S\$3.34 million as a result of the adoption of IFRS 16.

STATEMENT OF CASH FLOWS

Net cash from operating activities

For the financial year ended 30 June 2020, the Group generated net cash inflow from operating activities of approximately S\$5.90 million as compared to a net cash inflow of approximately S\$9.71 million in FY2019. The net cash inflow was primarily due to the collection from rental of investment properties.

Net cash from investing activities

The Group recorded net cash inflow of approximately S\$30.82 million for FY2020 from investing activities as compared to net cash inflow of approximately S\$0.89 million in the corresponding period last year. The net cash inflow in FY2020 is largely due to proceeds from the disposal of investment properties and property, plant and equipment and dividends received from the Group's investment in associates and a financial asset at fair value through profit or loss.



Net cash used in financing activities

The Group recorded net cash outflow of approximately S\$31.54 million from financing activities in FY2020 as compared to a net cash outflow of S\$11.29 million in the corresponding period last year. The net cash outflow was largely due to a repayment of bank loans, loans due to a shareholder and lease liabilities, the outflow was slightly offset by the decrease in fixed deposit pledged.

As a result of the above, the Group recorded a net increase in cash and cash equivalents of approximately S\$5.18 million in FY2020.

Cash and cash equivalents as at 30 June 2020 stood at S\$7.18 million.

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

Not applicable.

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 the COVID-19 pandemic. This has impact global economies and many businesses. There is no certainty on when the global economy will recover to pre-COVID-19 levels and when each country will fully resume normal business operations and/or normal daily social activities.

In accordance to guidelines issued by the relevant authorities, the Group has established precautionary measures to protect the health and safety of our employees and the Group will implement additional short-term precautionary measures, as and when required.

Notwithstanding the above, 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 part of its continuous review, the Group is assessing the relevance of the properties 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 FY2020.

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	Nature of relationship	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	Controlling Shareholder	2,433	-



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.

	Construction Services \$'000	Property Development \$'000	Property Investment \$'000	Eliminations \$'000	Total \$'000
2020					
Revenue:					
External customers	26	-	15,228	-	15,254
Inter-segment	-	-	-	-	-
Total revenue	26	-	15,228	-	15,254
Results	(739)	(3,844)	(10,518)	(272)	(15,373)
Unallocated expenses					(433)
Finance costs					(5,870)
Loss before tax					(21,676)
Income tax expense					(687)
Loss for the year					(22,363)
2019					
Revenue:					
External customers	338	-	16,102	-	16,440
Inter-segment	-	-	-	-	-
Total revenue	338	-	16,102	-	16,440
Results	(8,851)	(5,328)	13,669	(355)	(865)
Unallocated expenses					(884)
Finance costs					(6,663)
Profit before tax					(8,412)
Income tax credit					(18)
Profit for the year					(8,430)



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.

	Construction Services \$'000	Property Development \$'000	Property Investment \$'000	Total \$'000
2020				
Segment assets:				
Total segment assets	2,012	15,843	186,574	204,429
Unallocated assets	-	-	-	9,760
Total consolidated assets				214,189
Segment liabilities:				
Total segment liabilities	1,845	43,143	52,110	97,098
Unallocated liabilities	-	-	-	49,798
Total consolidated liabilities				146,896
Other segment information:				
Gain on disposal of investment properties	-	-	1,099	1,099
Diminution in value of completed properties for sale	-	(1,925)	-	(1,925)
Depreciation	(26)	-	-	(26)
Loss on change in fair value of investment properties	-	-	(23,174)	(23,174)
2019				
Segment assets:				
Total segment assets	7,426	23,405	219,092	249,923
Unallocated assets	-	-	-	9,485
Total consolidated assets				259,408
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)
Diminution in value of completed properties for sale	-	(3,235)	-	(3,235)
Depreciation	(89)	-	(3)	(92)
Liquidated damage income	-	-	-	-
Change in fair value of investment properties	-	-	(7,666)	(7,666)

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		
	FY2020	FY2019	change
	S\$'000	S\$'000	%
(a) Sales reported for first half year	8,207	8,316	-1%
(b) Operating profit (loss) after tax before deducting non-controlling interests reported for first half year	2,315	3,373	-31%
(c) Sales reported for second half year	7,047	8,124	-13%
(d) Operating profit (loss) after tax before deducting non-controlling interests reported for second half year	(24,678)	(11,803)	109%

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 years.

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

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

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

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

20 Disclosure pursuant to Rule 706A of the Listing Manual

During the second half of FY2020 and as at the date of this announcement, there were no changes to the Company's and the Group's shareholding percentage in its respective subsidiaries or associated companies nor incorporation of any new subsidiary or associate by the Company or any of the Group's entities.

BY ORDER OF THE BOARD

LOCK WAI HAN
EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER
29 SEPTEMBER 2020