



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 2016

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FULL YEAR FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 JUNE 2016

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		
	FY2016	FY2015	change
	12 months ended 30-Jun-16	12 months ended 30-Jun-15	
	S\$'000	S\$'000	
	Unaudited	Audited	
Revenue	75,777	252,660	-70.0%
Cost of sales	(63,920)	(186,772)	-65.8%
Gross profit	11,857	65,888	-82.0%
Other (expenses)/income	(4,104)	27,215	n.m.
General and administrative expenses	(17,000)	(21,910)	-22.4%
Finance costs	(10,086)	(7,070)	42.7%
Share of losses of joint venture	-	(260)	n.m.
Share of profit of associate	3,400	4,873	-30.2%
(Loss)/profit before tax	(15,933)	68,736	n.m.
Income tax expense	(157)	(8,399)	-98.1%
Total (loss)/profit for the year, net of tax	(16,090)	60,337	n.m.
(Loss)/profit attributable to:			
Owners of the Company	(16,481)	46,243	n.m.
Non-controlling interests	391	14,094	-97.2%
	(16,090)	60,337	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		
	FY2016 12 months ended 30-Jun-16 S\$'000 Unaudited	FY2015 12 months ended 30-Jun-15 S\$'000 Audited	change
(Loss)/profit, net of tax	(16,090)	60,337	n.m.
Other comprehensive loss:			
Currency translation differences arising from consolidation	(323)	(310)	4.2%
Other comprehensive loss for the year, net of tax	(323)	(310)	4.2%
Total comprehensive (loss)/profit for the year	<u>(16,413)</u>	<u>60,027</u>	n.m.
Total comprehensive (loss)/profit attributable to:			
Owners of the Company	(16,804)	45,933	n.m.
Non-controlling interests	391	14,094	-97.2%
	<u>(16,413)</u>	<u>60,027</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		
	FY2016	FY2015	change
	12 months	12 months	
	ended	ended	
	30-Jun-16	30-Jun-15	
	S\$'000	S\$'000	
	Unaudited	Audited	
Depreciation of property, plant and equipment	(1,027)	(2,404)	-57.3%
Foreign exchange loss, net	(9)	(4)	n.m.
Bad debt expense	(102)	(21)	n.m.
Interest expenses	(10,086)	(7,070)	42.7%
(Loss)/gain on revaluation of investment properties	(5,230)	26,221	n.m.
Under provision for liquidated damages	-	(12)	n.m.
Interest income	51	80	-36.3%
Grant income	217	71	n.m.
Compensation from insurance claim	83	-	n.m.
Forfeiture of deposit from sales/lease cancellation	147	5	n.m.
Management fee	-	168	n.m.
Other income	711	670	6.1%



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-16 S\$'000 Unaudited	30-Jun-15 S\$'000 Audited	30-Jun-16 S\$'000 Unaudited	30-Jun-15 S\$'000 Audited
ASSETS				
Current assets				
Cash and cash equivalents	44,948	19,340	712	10
Trade and other receivables	37,830	56,164	34,272	50,797
Loan due from non-controlling interests	10,357	12,257	-	-
Completed properties held for sale	76,409	-	-	-
Properties under development	141,623	235,831	-	-
Total current assets	311,167	323,592	34,984	50,807
Non-current assets				
Property, plant and equipment	31,118	12,554	-	-
Investment properties	127,480	98,307	-	-
Investments in subsidiaries	-	-	126,180	129,185
Investment in joint venture	-	-	-	-
Investment in associate	38,699	35,622	-	-
Available-for-sale investment	17,778	21,500	-	-
Total non-current assets	215,075	167,983	126,180	129,185
Total assets	526,242	491,575	161,164	179,992
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	129,374	82,070	29,706	32,778
Finance leases	515	448	-	-
Loan due to associate	6,000	8,000	-	-
Loan from third party	20,000	-	20,000	-
Amount due to non-controlling interests	8,920	8,920	-	-
Redeemable convertible preferences shares ("RCPS")	6,000	7,807	-	-
Redeemable exchangeable preference shares ("REPS")	13,970	-	-	-
Bank loans and overdrafts	207,664	57,630	-	-
Provisions	1,368	1,368	-	-
Income tax payable	3,823	8,329	-	-
Total current liabilities	397,634	174,572	49,706	32,778



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-16	30-Jun-15	30-Jun-16	30-Jun-15
	S\$'000	S\$'000	S\$'000	S\$'000
	Unaudited	Audited	Unaudited	Audited
Non-current liabilities				
Finance leases	1,085	1,309	-	-
Bank loans	18,451	164,558	-	-
Redeemable exchangeable preference shares ("REPS")	-	12,051	-	-
Total non-current liabilities	19,536	177,918	-	-
Total liabilities	417,170	352,490	49,706	32,778
Capital, reserves and non-controlling interests				
Share capital	33,278	33,278	128,624	128,624
Share premium	26,005	26,005	28,856	28,856
Equity reserves	3,974	3,974	-	-
Translation reserves	(2,132)	(1,809)	(1,491)	(1,491)
Accumulated profits/(losses)	47,647	64,128	(44,531)	(8,775)
Equity attributable to owners of the Company	108,772	125,576	111,458	147,214
Non-controlling interests	300	13,509	-	-
Total equity	109,072	139,085	111,458	147,214
Total liabilities and equity	526,242	491,575	161,164	179,992



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 2016		As at 30 June 2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
208,179	54,890	58,078	24,727

Amount repayable after one year

As at 30 June 2016		As at 30 June 2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
19,536	0	165,867	12,051

Details of any collateral

The Group's borrowings are secured by the Group's properties, cash deposits and receivables, cash deposits of and personal guarantee from a Director, and assets under fixed term lease financing.



1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows

	Group	
	12 months ended 30-Jun-16 S\$'000	12 months ended 30-Jun-15 S\$'000
	Unaudited	Audited
Cash flows from operating activities		
Net (loss)/profit after tax	(16,090)	60,337
Adjustments for:		
Income tax expenses	157	8,399
Bad debts expense	102	21
Depreciation of property, plant and equipment	1,027	2,404
Loss/(gain) on change in fair value of investment properties	5,230	(26,221)
Interest expenses	10,086	7,070
Interest income	(51)	(80)
Under provision for liquidated damages	-	12
Share of profit of associate	(3,400)	(4,873)
Unrealised currency translation gain	6	-
Written off long overdue payable	(425)	-
Share of losses of joint venture	-	260
Operating cash flows before changes in working capital	(3,358)	47,329
Properties under development	1,542	55,608
Trade and other receivables	17,225	18,186
Construction contracts	(2,503)	5,884
Trade and other payables	32,651	(72,239)
Cash generated from operations	45,557	54,768
Income tax paid	(4,663)	(5,129)
Interest paid	(10,703)	(8,863)
Net cash generated from operating activities	30,191	40,776



- 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-16 S\$'000 Unaudited	12 months ended 30-Jun-15 S\$'000 Audited
Cash flow from investing activities		
Purchase of property, plant and equipment	(19,174)	(1,471)
Additions to investment properties	(1,476)	(9,224)
Interest received	51	80
Proceeds from capital reduction in available for sale investments	3,722	-
Investment in available-for-sale investments	-	(21,500)
Net cash used in investing activities	(16,877)	(32,115)
Cash flow from financing activities		
Proceeds from bank loans	125,827	134,265
Repayment of bank loans	(127,913)	(217,682)
Repayment of obligations under finance lease	(526)	(418)
Increase in fixed deposits pledged	(1,000)	(1,500)
Advances to directors	(33)	
Repayment to a director	-	177
Repayment of loan from related company	(2,000)	-
Loan from third party	20,000	-
Repayment of loan by non-controlling interests	1,900	-
Profit sharing paid to non-controlling interests	(5,700)	-
Redemption of RCPS	(2,000)	-
Proceeds from issuance of RCPS	-	8,000
Net cash used in financing activities	8,555	(77,158)
Net increase/(decrease) in cash and cash equivalents	21,869	(68,497)
Cash and cash equivalents at beginning of period	14,159	82,656
Cash and cash equivalents at end of period	36,028	14,159
	30-Jun-16	30-Jun-15
	S\$'000	S\$'000
Cash and bank balances	44,948	19,340
Less: Bank overdrafts	(6,420)	(3,681)
Fixed deposits pledged	(2,500)	(1,500)
Cash and cash equivalents	36,028	14,159

Cash and cash equivalents at end of the period

The cash and cash equivalents as at 30 June 2016 comprises bank balance of S\$31.9 million (30 June 2015: S\$6.1 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

	← Attributable to owners of the Company →					Total	Non-controlling interests	Total equity
	Share capital	Share premium	Equity reserves	Translation reserves	Accumulated profits/(losses)			
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2015	33,278	26,005	3,974	(1,809)	64,128	125,576	13,509	139,085
Total comprehensive loss for the year	-	-	-	(323)	(16,481)	(16,804)	391	(16,413)
Profit sharing declared to non-controlling interests	-	-	-	-	-	-	(13,600)	(13,600)
Balance at 30 June 2016	33,278	26,005	3,974	(2,132)	47,647	108,772	300	109,072
Balance at 1 July 2014	33,278	26,005	3,573	(1,499)	17,885	79,242	(585)	78,657
Total comprehensive profit/(loss) for the year	-	-	401	(310)	46,243	46,334	14,094	60,428
Balance at 30 June 2015	33,278	26,005	3,974	(1,809)	64,128	125,576	13,509	139,085



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)

	Share capital	Share premium	Translation reserves	Accumulated losses	Total
Company	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at 1 July 2015	128,624	28,856	(1,491)	(8,775)	147,214
Total comprehensive loss for the year	-	-	-	(35,756)	(35,756)
Balance at 30 June 2016	128,624	28,856	(1,491)	(44,531)	111,458
Balance at 1 July 2014	128,624	28,856	(1,491)	(1,512)	154,477
Total comprehensive loss for the year	-	-	-	(7,263)	(7,263)
Balance at 30 June 2015	128,624	28,856	(1,491)	(8,775)	147,214



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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

There was no changes in the Company's share capital for the period ended 30 June 2016.

	Number of ordinary shares	Share Capital S\$'000
As at 30 June 2016:	<u>628,657,445</u>	<u>128,624</u>

On 18 November 2013, the Group issued 100 Redeemable Exchangeable Preference Shares ("REPS") for a total of S\$10 million. Holders of the REPS (the "Holders") have the right to exchange 50% of their holdings of REPS into the ordinary shares of the Company (the "OKH Shares") at the exchange price of S\$0.45 at any time starting from the first anniversary and up to the maturity date. The Holders have the right to exchange another 50% of their holdings of REPS into OKH Shares at any time starting from the second anniversary and up to the maturity date.

As at 30 June 2016, there were 100 REPS which were available for exchange into 22,222,222 OKH Shares.

On 4 November 2014, the Group issued 80 Redeemable Convertible Preference Shares ("RCPS") for a total of S\$8 million. Holders of the RCPS have the right to convert part or its entire holdings of the RCPS into OKH Shares at the conversion price of S\$0.71592 at any time starting from 10 September 2015 and up to the maturity date of the RCPS.

As at 30 June 2016, 20 of the RCPS had been redeemed with the remaining 60 RCPS to be redeemed by end of July 2016.

There were no treasury shares as at 30 June 2016 and 30 June 2015.

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 2016 and 30 June 2015 was 628,657,445.

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

There were no treasury shares as at 30 June 2016.

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 2015.

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.

On 1 July 2015, the Group 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 that date and are relevant to its operations.

The adoption of these new/revised IASs, IFRSs and amendment 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

	12 months ended 30-Jun-16	12 months ended 30-Jun-15	Change %
Basic (loss)/profit per share (cents)			
Earnings per ordinary share based on the weighted average number of ordinary shares on issue (cents)	(2.62)	7.36	n.m.
Weighted average number of ordinary shares on issue	<u>628,657,445</u>	<u>628,657,445</u>	
Diluted (loss)/profit per share (cents)			
Earnings per ordinary share based on a fully diluted basis (cents)	(2.62)	7.36	n.m.
Adjusted weighted average number of ordinary shares	<u>659,260,492</u>	<u>658,196,624</u>	

Basic earnings per share ("EPS") is calculated based on the net profit attributable to equity holders of the Group set out in 1(a), divided by the weighted average number of ordinary shares on issue during the financial period. For diluted earnings per share ("EPS"), the weighted average number of ordinary shares includes the number of additional shares to be issued upon conversion of the REPS and RCPS. Adjustment is made to the net profit attributable to the owners of the Company for the effect of the REPS and RCPS. The diluted EPS is the same as the basic EPS as the effect of the REPS and RCPS is anti-dilutive.



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-16	30-Jun-15	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)	17.30	19.98	-13.4
Total number of issued ordinary shares	628,657,445	628,657,445	
	Company		
	30-Jun-16	30-Jun-15	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)	17.73	23.42	-24.3
Total number of issued ordinary shares	628,657,445	628,657,445	



8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

STATEMENT OF COMPREHENSIVE INCOME

CONTINUING OPERATIONS

	Revenue			COGS			Gross Profit			Gross Profit Margin		
	FY2016 S\$'000	FY2015 S\$'000	change %	FY2016 S\$'000	FY2015 S\$'000	change %	FY2016 S\$'000	FY2015 S\$'000	change %	FY2016 %	FY2015 %	change % points
Construction Services	940	25,083	-96.3	312	26,907	-98.8	628	(1,824)	n.m.	66.8	(7.3)	n.m.
Property Development	64,255	219,325	-70.7	57,375	153,536	-62.6	6,880	65,789	-89.5	10.7	30.0	(19.3)
Property Investment	10,582	8,252	28.2	6,233	6,329	-1.5	4,349	1,923	126.2	41.1	23.3	17.8
Others	-	-	-	-	-	-	-	-	-	-	-	-
Total	75,777	252,660	-70.0	63,920	186,772	-65.8	11,857	65,888	-82.0	15.6	26.1	(10.5)

Revenue

The Group's revenue dipped 70.0% to approximately S\$75.78 million in FY2016 as compared to approximately S\$252.66 million in FY2015. The drop in revenue was attributed to lower contribution coming from the Property Development and Construction Services segments. The Group adheres to the accounting requirement known as the completion of contract ("COC") method used for commercial and industrial properties, hence revenue recognised from the property development segment is expected to be volatile from year to year.

Revenue recognised from property development dipped by 70.7% to approximately S\$64.26 million in FY2016 as compared to approximately S\$219.33 million in FY2015. As the Group's property development project, Loyang Enterprise, achieved its temporary occupation permit ("TOP") in January 2016, the revenue from this property project was recognised in FY2016. As at the end of FY2016, the said project has registered sales of only 42.2%, hence resulting in a lower revenue contribution from property development as compared to the preceding financial year.

Revenue recognised from the provision of construction services to third parties was down by approximately 96.3% to approximately S\$0.94 million in FY2016 as compared to approximately S\$25.08 million in FY2015. The drop in revenue was due to the completion of most of our third parties construction contracts.

Revenue recognised from property investment increased by 28.2% to approximately S\$10.58 million in FY2016 as compared to approximately S\$8.25 million in FY2015. The increment was attributed mainly to rental income received from our investment properties.

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

The Group recorded a gross profit of approximately S\$11.86 million in FY2016, down from S\$65.89 million in FY2015. This was attributed largely to a lower gross profit from Property Development in FY2016 arising from sales of 42.2% achieved by our development project, Loyang Enterprise.

As a result, the Group's GPM was also lower at 15.6% for FY2016 as compared to 26.1% in FY2015.



Other (expense) income

For FY2016, the Group recorded a net other expense of approximately S\$4.10 million as compared to other income of approximately S\$27.22 million in FY2015. There was a gain on revaluation of investment properties amounting to approximately S\$26.22 million back in FY2015 as compared to a S\$5.23 million loss on revaluation of the Group's investment properties in FY2016.

General and Administrative Expenses

In FY2016, the Group's general and administrative expenses declined by 22.4% to approximately S\$17.0 million as compared to S\$21.91 million in FY2015. The reduction was due to among others, lower professional fees, directors' remunerations, donations, and staff and related expenses.

Finance Costs

For FY2016, the Group's finance costs increased by 42.7% to approximately S\$10.09 million as compared to S\$7.07 million in FY2015. This was due to an overall higher level of outstanding bank loans and interest on the RCPS.

Share of profit of associate

The share of profits of associate declined by 30.2% to approximately S\$3.40 million in FY2016 as compared to S\$4.87 million in FY2015. The share of profit for FY2016 was much lower as a result of a lower valuation gain, higher repair and maintenance costs and translational loss incurred by the subsidiary of the associate in Malaysia.

Income Tax Expense

Notwithstanding the Group registering a loss of approximately S\$15.93 million before tax, the Group's income tax expense for FY2016 was about S\$0.16 million.

Loss/Profit net of tax

As a result of the foregoing, the Group registered a net loss of approximately S\$16.09 million in FY2016 as compared to a net profit of approximately S\$60.34 million in FY2015.



STATEMENT OF FINANCIAL POSITION

As at 30 June 2016, total current assets stood at approximately S\$311.17 million as compared to S\$323.59 million as at 30 June 2015. The decrease in total current assets was attributed namely to lower trade and other receivables from approximately S\$56.16 million to S\$37.83 million and properties under development from approximately S\$235.83 million to S\$141.62 million. The reduction was partially offset by increase in cash and cash equivalents from approximately S\$19.34 million to S\$44.95 million and completed properties held for sale of approximately S\$76.41 million.

Total non-current assets increased to approximately S\$215.08 million as at 30 June 2016 as compared to S\$167.98 million as at 30 June 2015. The increment was attributed largely to an increase in the investment properties from approximately S\$98.31 million to S\$127.48 million, investment in associate from approximately S\$35.62 million to S\$38.70 million as well as property, plant and equipment from approximately S\$12.55 million to S\$31.12 million. The increment was partially offset by a reduction in the available-for-sale investments from approximately S\$21.5 million to S\$17.78 million due to a share-buy-back exercise by the Group's 15% investment in Pan Asia Logistics Holdings Singapore Pte. Ltd.

As at 30 June 2016, total current liabilities increased significantly to approximately S\$397.63 million as compared to S\$174.57 million as at 30 June 2015. This increase was largely attributed to an increase in bank loans and overdraft from approximately S\$57.63 million to S\$207.66 million as some of the loans were reclassified from non-current liabilities to current liabilities; trade and other payables from S\$82.07 million to S\$129.37 million; loan from third party of S\$20.00 million and a reclassification of the REPS of approximately S\$13.97 million from non-current liabilities to current liabilities.

Total non-current liabilities declined to approximately S\$19.54 million as at 30 June 2016 as compared to S\$177.92 million as at 30 June 2015. The reduction was due to the reclassification of REPS and some bank loans from non-current liabilities to current liabilities.

As a result of the above, the Group registered a net current liabilities position of approximately S\$86.47 million as at 30 June 2016. Notwithstanding that, the management is of the opinion that it is able to meet all its obligations as and when it falls due.

STATEMENT OF CASH FLOWS

Net cash inflow from operating activities

For the financial period ended 30 June 2016, the Group generated positive net cash inflow of approximately S\$30.19 million from operating activities as compared to the net cash inflow of approximately S\$40.78 million for the corresponding period last year.

The net cash inflow was primarily due to the cash inflow from trade and other receivables amounting to approximately S\$17.23 million and trade and other payables of approximately S\$32.65 million. The inflow was partially offset by an outflow of approximately S\$4.66 million in income tax paid and interest paid of approximately S\$10.70 million.

Net cash outflow in investing activities

The Group recorded net cash outflow of approximately S\$16.88 million from investing activities in FY2016 as compared to a net cash outflow of approximately S\$32.12 million in the corresponding period last year. The net cash outflow in FY2016 relates mainly to purchase of property, plant and equipment of approximately S\$19.17 million. The outflow was partially offset by an inflow from the proceeds from capital reduction in available for sale investments of approximately S\$3.72 million.

Net cash inflow/outflow in financing activities

The Group recorded net cash inflow of approximately S\$8.56 million from financing activities in FY2016 as compared to the net cash outflow of S\$77.16 million in the corresponding period last year. The net cash inflow was largely due to a loan from third party of approximately S\$20.00 million but was partially offset by outflow from net repayment in bank loans, payment of profit distribution to non-controlling interests and redemption of RCPS.

As a result of the above, the Group recorded a net cash inflow of approximately S\$21.87 million in FY2016.



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

There is no variance with what was previously disclosed by the Company.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Group's financial performance may be significantly different in each financial period under review as it adheres to the accounting requirement known as the completion of contract ("COC") used for commercial and industrial properties.

The cooling measures introduced by the Singapore government and the release of more government land for developments continue to slow down the overall property market.

The Group's industrial property project, Ace@Buroh is expected to achieve TOP in FY2017, barring unforeseen circumstances. The Group is also proactively marketing the unsold units of Loyang Enterprise and in the meantime, the Group is looking to lease out these units. For the Group's new completed investment property located at Tai Seng Link, it has secured some leases and will continue to proactively attract tenants.

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. There were no IPTs entered equal to or exceeding S\$100,000 in aggregate between the Company or its subsidiaries with any of its interested persons during the period ended 30 June 2016.



14 **Segmented revenue and results for 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
2016					
Revenue:					
External customers	940	64,255	10,582	-	75,777
Inter-segment	66,495	-	-	(66,495)	-
Total revenue	67,435	64,255	10,582	(66,495)	75,777
Results	(13,735)	2,526	6,106	4,956	(147)
Unallocated expenses					(5,700)
Share of losses of joint venture					-
Finance costs					(10,086)
Loss before tax					(15,933)
Income tax expenses					(157)
Loss for the year					(16,090)
2015					
Revenue:					
External customers	25,083	219,325	8,252	-	252,660
Inter-segment	88,543	-	-	(88,543)	-
Total revenue	113,626	219,325	8,252	(88,543)	252,660
Results	2,525	62,072	16,592	4,020	85,209
Unallocated expenses					(9,143)
Share of losses of joint venture					(260)
Finance costs					(7,070)
Loss before tax					68,736
Income tax expense					(8,399)
Profit for the year					60,337



14 Segmented revenue and results for 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)			Total
	Construction Services	Property Development	Property Investment	
	\$'000	\$'000	\$'000	\$'000
2016				
Segment assets:				
Total segment assets	54,485	280,408	168,986	503,879
Unallocated assets	-	-	-	22,364
Total consolidated assets				526,243
Segment liabilities:				
Total segment liabilities	102,504 #	220,029	63,579	386,112
Unallocated liabilities	-	-	-	31,059
Total consolidated liabilities				417,171
Other segment information:				
Depreciation	1,021	-	6	1,027
Capital expenditure (PPE Additions)	19,591	-	-	19,591
Fair value loss on investment properties	-	-	(5,230)	(5,230)
2015				
Segment assets:				
Total segment assets	48,529	283,349	137,856	469,734
Unallocated assets	-	-	-	21,841
Total consolidated assets				491,575
Segment liabilities:				
Total segment liabilities	108,370 #	170,857	52,603	331,830
Unallocated liabilities	-	-	-	20,660
Total consolidated liabilities				352,490
Other segment information:				
Depreciation	2,400	-	4	2,404
Capital expenditure (PPE Additions)	2,312	-	-	2,312
Fair value gain on investment properties	-	-	26,221	26,221

Segments liabilities include payables relating to the Group's development projects for which the construction services segment is the main contractor for the projects.



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		
	FY2016 S\$'000	FY2015 S\$'000	change %
(a) Sales reported for first half year	5,880	243,045	-98%
(b) Operating (loss)/profit after tax before deducting minority interests reported for first half year	(7,781)	45,748	-117%
(c) Sales reported for second half year	69,897	9,615	627%
(d) Operating (loss)/profit after tax before deducting minority interests reported for second half year	(8,309)	14,589	-157%

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).



20 Use of proceeds from the Placement

As of to-date, the Group had partially utilised net proceeds of S\$49,750,000 from the placement (after deducting estimated expenses pertaining to the placement of S\$250,000) ("Net Proceeds") as follows:-

Use of Net Proceeds	Allocation of Net Proceeds (S\$'000)	Amount Utilised (S\$'000)	Balance of Net Proceeds (S\$'000)
Repayment of loan granted by Haiyi Holdings Pte Ltd and the interest accrued	10,643	10,643	-
Repayment of existing loans	35,800	30,800	5,000
Working capital requirements of the Group	3,307	3,307	-
Total	49,750	44,750	5,000

(A) Amount utilised for repayment of loan granted by Haiyi Holdings Pte Ltd and the interest accrued	Amount Utilised (S\$'000)
Repayment of loan granted by Haiyi Holdings Pte Ltd	10,000
Interest accrued	643
(B) Amount utilised for repayment of existing loans	
Chronoz RCPS	6,300
Transhub REPS	10,000
Bank loan from United Overseas Bank	14,500
(C) Working capital requirements of the Group	
General working capital of the Company	3,307
Total	44,750

The aforementioned proceeds have been used in accordance with the stated use.

BY ORDER OF THE BOARD

Celine Tang
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER
29 August 2016