



OKH GLOBAL LTD.

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

Unaudited Financial Statements And Related Announcement For The Third Quarter and Nine Months ended 31 March 2016

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THIRD QUARTER AND NINE MONTHS FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 31 MARCH 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 | | | Group | | |
|---|--------------------------|--------------------------|--------|--------------------------|--------------------------|--------|
| | 3QFY2016 | 3QFY2015 | change | 9MFY2016 | 9MFY2015 | change |
| | 3 months ended 31-Mar-16 | 3 months ended 31-Mar-15 | | 9 months ended 31-Mar-16 | 9 months ended 31-Mar-15 | |
| | S\$'000 | S\$'000 | | S\$'000 | S\$'000 | |
| | Unaudited | Unaudited | | Unaudited | Unaudited | |
| Revenue | 82,421 | 6,083 | n.m. | 88,301 | 249,128 | -64.6% |
| Cost of sales | (71,264) | (4,169) | n.m. | (75,224) | (178,684) | -57.9% |
| Gross profit | 11,157 | 1,914 | 482.9% | 13,077 | 70,444 | -81.4% |
| Other income | 269 | 149 | 80.5% | 554 | 343 | 61.5% |
| General and administrative expenses | (4,670) | (2,983) | 56.6% | (11,135) | (15,435) | -27.9% |
| Finance costs | (2,523) | (1,912) | 32.0% | (6,286) | (5,187) | 21.2% |
| Share of losses of joint venture | - | - | n.m. | - | - | n.m. |
| Share of profit of associate | 833 | 943 | -11.7% | 1,133 | 3,751 | -69.8% |
| Profit/(loss) before tax | 5,066 | (1,889) | n.m. | (2,657) | 53,916 | n.m. |
| Income tax (expense)/credit | (2,096) | 218 | n.m. | (2,155) | (9,839) | -78.1% |
| Total profit/(loss) for the period, net of tax | 2,970 | (1,671) | n.m. | (4,812) | 44,077 | n.m. |
| Profit/(loss) attributable to: | | | | | | |
| Owners of the Company | 2,970 | (1,629) | n.m. | (4,812) | 29,758 | n.m. |
| Non-controlling interests | - | (42) | n.m. | - | 14,319 | n.m. |
| | 2,970 | (1,671) | n.m. | (4,812) | 44,077 | n.m. |



1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Comprehensive Income (Cont'd)

| | Group | | | Group | | |
|---|--|--|---------|--|--|--------|
| | 3QFY2016 3 months ended 31-Mar-16 S\$'000 Unaudited | 3QFY2015 3 months ended 31-Mar-15 S\$'000 Unaudited | change | 9MFY2016 9 months ended 31-Mar-16 S\$'000 Unaudited | 9MFY2015 9 months ended 31-Mar-15 S\$'000 Unaudited | change |
| Profit/(loss), net of tax | 2,970 | (1,671) | n.m. | (4,812) | 44,077 | n.m. |
| Other comprehensive loss: | | | | | | |
| Currency translation differences arising from consolidation | (2,714) | (159) | n.m. | (2,996) | (897) | n.m. |
| Other comprehensive loss for the period, net of tax | (2,714) | (159) | n.m. | (2,996) | (897) | n.m. |
| Total comprehensive profit/(loss) for the period | <u>256</u> | <u>(1,830)</u> | -114.0% | <u>(7,808)</u> | <u>43,180</u> | n.m. |
| Total comprehensive profit/(loss) attributable to: | | | | | | |
| Owners of the Company | 256 | (1,788) | -114.3% | (7,808) | 28,861 | n.m. |
| Non-controlling interests | - | (42) | n.m. | - | 14,319 | n.m. |
| | <u>256</u> | <u>(1,830)</u> | n.m. | <u>(7,808)</u> | <u>43,180</u> | n.m. |



1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year:-

| | Group | | | Group | | |
|---|--|--|--------|--|--|--------|
| | 3QFY2016 3 months ended 31-Mar-16 S\$'000 Unaudited | 3QFY2015 3 months ended 31-Mar-15 S\$'000 Unaudited | change | 9MFY2016 9 months ended 31-Mar-16 S\$'000 Unaudited | 9MFY2015 9 months ended 31-Mar-15 S\$'000 Unaudited | change |
| Depreciation of property, plant and equipment | (258) | (646) | -60.1% | (793) | (1,880) | -57.8% |
| Foreign exchange loss, net | (2) | (157) | -98.7% | (15) | (638) | -97.6% |
| Interest expenses | (2,523) | (1,912) | 32.0% | (6,286) | (5,187) | 21.2% |
| Under provision for liquidated damages | - | - | n.m. | - | (12) | n.m. |
| Interest income | 10 | 3 | n.m. | 23 | 62 | -62.9% |
| Grant income | 160 | 71 | n.m. | 160 | 71 | n.m. |
| Forfeiture of deposit from lease cancellation | 147 | - | n.m. | 147 | 5 | n.m. |
| Management fee | - | 42 | n.m. | - | 126 | n.m. |
| Other income | (48) | 33 | n.m. | 224 | 79 | n.m. |



1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position

| | Group | | Company | |
|--|-----------------------------------|---------------------------------|-----------------------------------|---------------------------------|
| | 31-Mar-16 S\$'000 Unaudited | 30-Jun-15 S\$'000 Audited | 31-Mar-16 S\$'000 Unaudited | 30-Jun-15 S\$'000 Audited |
| ASSETS | | | | |
| Current assets | | | | |
| Cash and cash equivalents | 65,246 | 19,340 | 10 | 10 |
| Trade and other receivables | 70,066 | 56,164 | 44,663 | 50,797 |
| Loan due from non-controlling interests | 12,257 | 12,257 | - | - |
| Completed properties held for sale | 87,877 | - | - | - |
| Properties under development | 138,115 | 235,831 | - | - |
| Total current assets | 373,561 | 323,592 | 44,673 | 50,807 |
| Non-current assets | | | | |
| Property, plant and equipment | 29,756 | 12,554 | - | - |
| Investment properties | 101,899 | 98,307 | - | - |
| Investments in subsidiaries | - | - | 129,185 | 129,185 |
| Investment in joint venture | - | - | - | - |
| Investment in associate | 33,760 | 35,622 | - | - |
| Available-for-sale investment | 21,500 | 21,500 | - | - |
| Total non-current assets | 186,915 | 167,983 | 129,185 | 129,185 |
| Total assets | 560,476 | 491,575 | 173,858 | 179,992 |
| LIABILITIES AND EQUITY | | | | |
| Current liabilities | | | | |
| Trade and other payables | 121,936 | 82,070 | 29,267 | 32,778 |
| Finance leases | 528 | 448 | - | - |
| Loan due to associate | 8,000 | 8,000 | - | - |
| Amount due to non-controlling interests | 8,920 | 8,920 | - | - |
| Redeemable convertible preferences shares ("RCPS") | 8,000 | 7,807 | - | - |
| Redeemable exchangeable preference shares ("REPS") | 13,455 | - | - | - |
| Bank loans and overdrafts | 66,911 | 57,630 | - | - |
| Provisions | 1,368 | 1,368 | - | - |
| Income tax payable | 5,982 | 8,329 | - | - |
| Total current liabilities | 235,100 | 174,572 | 29,267 | 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 | |
|--|------------------|------------------|------------------|------------------|
| | 31-Mar-16 | 30-Jun-15 | 31-Mar-16 | 30-Jun-15 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| | Unaudited | Audited | Unaudited | Audited |
| Non-current liabilities | | | | |
| Finance leases | 1,200 | 1,309 | - | - |
| Bank loans | 192,899 | 164,558 | - | - |
| Redeemable exchangeable preference shares ("REPS") | - | 12,051 | - | - |
| Total non-current liabilities | 194,099 | 177,918 | - | - |
| Total liabilities | 429,199 | 352,490 | 29,267 | 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 | (4,805) | (1,809) | (1,491) | (1,491) |
| Accumulated profits/(losses) | 59,316 | 64,128 | (11,398) | (8,775) |
| Equity attributable to owners of the Company | 117,768 | 125,576 | 144,591 | 147,214 |
| Non-controlling interests | 13,509 | 13,509 | - | - |
| Total equity | 131,277 | 139,085 | 144,591 | 147,214 |
| Total liabilities and equity | 560,476 | 491,575 | 173,858 | 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 31 Mar 2016 | | As at 30 June 2015 | |
|-------------------|-----------|--------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 67,439 | 38,375 | 58,078 | 24,727 |

Amount repayable after one year

| As at 31 Mar 2016 | | As at 30 June 2015 | |
|-------------------|-----------|--------------------|-----------|
| Secured | Unsecured | Secured | Unsecured |
| S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| 194,099 | 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 | | Group | |
|---|---|---|---|---|
| | 3 months ended 31-Mar-16 S\$'000 Unaudited | 3 months ended 31-Mar-15 S\$'000 Unaudited | 9 months ended 31-Mar-16 S\$'000 Unaudited | 9 months ended 31-Mar-15 S\$'000 Unaudited |
| Cash flows from operating activities | | | | |
| Net profit/(loss) after tax | 2,970 | (1,671) | (4,812) | 44,077 |
| Adjustments for: | | | | |
| Income tax expenses/(credit) | 2,096 | (218) | 2,155 | 9,839 |
| Depreciation of property, plant and equipment | 258 | 646 | 793 | 1,880 |
| Interest expenses | 2,523 | 1,912 | 6,286 | 5,187 |
| Interest income | (10) | (3) | (23) | (62) |
| Under provision for liquidated damages | - | - | - | 12 |
| Share of profit of associate | (833) | (943) | (1,133) | (3,751) |
| Share of losses of joint venture | - | - | - | - |
| Operating cash flows before changes in working capital | 7,004 | (277) | 3,266 | 57,182 |
| Properties under development | 140,226 | (33,073) | 101,186 | 70,324 |
| Completed properties held for sale | (87,877) | - | (87,877) | - |
| Trade and other receivables | (13,054) | 21,168 | (14,644) | 11,266 |
| Trade and other payables | (19,333) | (29,876) | 35,882 | (81,387) |
| Cash generated from/(used in) operations | 26,966 | (42,058) | 37,813 | 57,385 |
| Income tax paid | - | (3,612) | (4,501) | (5,129) |
| Interest paid | (707) | (2,913) | (3,204) | (8,208) |
| Net cash generated from/(used in) operating activities | 26,259 | (48,583) | 30,108 | 44,048 |



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

Consolidated Statement of Cash Flows (Cont'd)

| | Group | | Group | |
|---|---|---|---|---|
| | 3 months ended 31-Mar-16 S\$'000 Unaudited | 3 months ended 31-Mar-15 S\$'000 Unaudited | 9 months ended 31-Mar-16 S\$'000 Unaudited | 9 months ended 31-Mar-15 S\$'000 Unaudited |
| Cash flow from investing activities | | | | |
| Purchase of property, plant and equipment | (6,102) | (98) | (16,396) | (278) |
| Additions to investment properties | 44 | (286) | (3,360) | (1,120) |
| Interest received | 10 | 3 | 23 | 62 |
| Investment in available-for-sale investments | - | (3,200) | - | (15,500) |
| Net cash used in investing activities | (6,048) | (3,581) | (19,733) | (16,836) |
| Cash flow from financing activities | | | | |
| Proceeds from bank loans | 17,906 | 41,063 | 102,095 | 99,282 |
| Repayment of bank loans | (9,818) | (29,845) | (69,414) | (200,419) |
| Repayment of obligations under finance lease | (221) | (64) | (450) | (473) |
| Increase in fixed deposits pledged | - | - | (1,000) | - |
| Proceeds from issuance of RCPS | - | - | - | 8,000 |
| Net cash generated from/(used in) financing activities | 7,867 | 11,154 | 31,231 | (93,610) |
| Net increase/(decrease) in cash and cash equivalents | 28,078 | (41,010) | 41,606 | (66,398) |
| Cash and cash equivalents at beginning of period | 27,687 | 57,268 | 14,159 | 82,656 |
| Cash and cash equivalents at end of period | 55,765 | 16,258 | 55,765 | 16,258 |
| | | | 31-Mar-16 | 31-Mar-15 |
| | | | S\$'000 | S\$'000 |
| Cash and bank balances | | | 65,246 | 19,834 |
| Less: Bank overdrafts | | | (6,981) | (3,576) |
| Fixed deposits pledged | | | (2,500) | - |
| Cash and cash equivalents | | | 55,765 | 16,258 |

Cash and cash equivalents at end of the period

The cash and cash equivalents as at 31 March 2016 comprises bank balance of S\$62.2 million (31 March 2015: S\$13.3 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 period | - | - | - | (282) | (7,782) | (8,064) | - | (8,064) |
| Balance at 31 December 2015 | 33,278 | 26,005 | 3,974 | (2,091) | 56,346 | 117,512 | 13,509 | 131,021 |
| Total comprehensive (loss)/profit for the period | - | - | - | (2,714) | 2,970 | 256 | - | 256 |
| Balance at 31 March 2016 | 33,278 | 26,005 | 3,974 | (4,805) | 59,316 | 117,768 | 13,509 | 131,277 |
| Balance at 1 July 2014 | 59,283 | - | 3,573 | (1,499) | 17,885 | 79,242 | (585) | 78,657 |
| Total comprehensive loss for the period | - | - | - | (738) | 31,387 | 30,649 | 14,361 | 45,010 |
| Balance at 31 December 2014 | 59,283 | - | 3,573 | (2,237) | 49,272 | 109,891 | 13,776 | 123,667 |
| Total comprehensive loss for the period | - | - | - | (159) | (1,629) | (1,788) | (42) | (1,830) |
| Balance at 31 March 2015 | 59,283 | - | 3,573 | (2,396) | 47,643 | 108,103 | 13,734 | 121,837 |



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 period | - | - | - | (1,833) | (1,833) |
| Balance at 31 December 2015 | 128,624 | 28,856 | (1,491) | (10,608) | 145,381 |
| Total comprehensive profit for the period | - | - | - | (790) | (790) |
| Balance at 31 March 2016 | 128,624 | 28,856 | (1,491) | (11,398) | 144,591 |
| Balance at 1 July 2014 | 128,624 | 28,856 | (1,491) | (1,512) | 154,477 |
| Total comprehensive loss for the period | - | - | - | (1,902) | (1,902) |
| Balance at 31 December 2014 | 128,624 | 28,856 | (1,491) | (3,414) | 152,575 |
| Total comprehensive loss for the period | - | - | - | (911) | (911) |
| Balance at 31 March 2015 | 128,624 | 28,856 | (1,491) | (4,325) | 151,664 |



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 31 March 2016.

| | Number of ordinary shares | Share Capital S\$'000 |
|-----------------------------|--|----------------------------------|
| As at 31 March 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 31 March 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 31 March 2016 2016, there were 80 RCPS available for conversion into 11,174,433 OKH Shares.

There were no treasury shares as at 31 March 2016 and 31 March 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 31 March 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 31 March 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.

For financial year ended 30 June 2015, the Group adopted IFRS in the preparation of these financial information (2014: Singapore Financial Reporting Standards). The first time adoption of IFRS did not result in any changes to the financial information in prior periods. On 1 July 2014, 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.

Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective IFRSs. 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

| | 3 months ended 31-Mar-16 | 3 months ended 31-Mar-15 | Change % | 9 months ended 31-Mar-16 | 9 months ended 31-Mar-15 | Change % |
|--|--------------------------------|--------------------------------|-------------|--------------------------------|--------------------------------|-------------|
| Basic profit per share (cents) | | | | | | |
| Earnings per ordinary share based on the weighted average number of ordinary shares on issue (cents) | 0.47 | (0.26) | n.m. | (0.77) | 4.73 | n.m. |
| Weighted average number of ordinary shares on issue | <u>628,657,445</u> | <u>628,657,445</u> | | <u>628,657,445</u> | <u>628,657,445</u> | |
| Diluted profit per share (cents) | | | | | | |
| Earnings per ordinary share based on a fully diluted basis (cents) | 0.47 | (0.26) | n.m. | (0.77) | 4.73 | n.m. |
| Adjusted weighted average number of ordinary shares | <u>662,054,100</u> | <u>662,054,100</u> | | <u>662,054,100</u> | <u>656,915,492</u> | |

Basic earnings per share ("EPS") is calculated based on the net profit or loss 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 or loss 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 | | |
|---|------------------|------------------|---------------------|
| | 31-Mar-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) | 18.73 | 19.98 | -6.3 |
| Total number of issued ordinary shares | 628,657,445 | 628,657,445 | |

| | Company | | |
|---|------------------|------------------|---------------------|
| | 31-Mar-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) | 23.00 | 23.42 | -1.8 |
| 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

3QFY2016 vs 3QFY2015

| | Revenue | | | COGS | | | Gross Profit | | | Gross Profit Margin | | |
|-----------------------|---------------------|---------------------|-------------|---------------------|---------------------|-------------|---------------------|---------------------|-------------|---------------------|---------------|--------------------|
| | 3QFY2016 S\$'000 | 3QFY2015 S\$'000 | change % | 3QFY2016 S\$'000 | 3QFY2015 S\$'000 | change % | 3QFY2016 S\$'000 | 3QFY2015 S\$'000 | change % | 3QFY2016 % | 3QFY2015 % | change % points |
| Construction Services | 9 | 4,001 | -99.8 | (19) | 2,616 | n.m. | 28 | 1,385 | -98.0 | 311.1 | 34.6 | 276.5 |
| Property Development | 79,805 | - | n.m. | 69,789 | - | n.m. | 10,016 | - | n.m. | 12.6 | - | n.m. |
| Property Investment | 2,607 | 2,082 | 25.2 | 1,494 | 1,553 | -3.8 | 1,113 | 529 | 110.4 | 42.7 | 25.4 | 17.3 |
| Total | 82,421 | 6,083 | 1254.9 | 71,264 | 4,169 | 1609.4 | 11,157 | 1,914 | 482.9 | 13.5 | 31.5 | (18.0) |

9MFY2016 vs 9MFY2015

| | Revenue | | | COGS | | | Gross Profit | | | Gross Profit Margin | | |
|-----------------------|---------------------|---------------------|-------------|---------------------|---------------------|-------------|---------------------|---------------------|-------------|---------------------|---------------|--------------------|
| | 9MFY2016 S\$'000 | 9MFY2015 S\$'000 | change % | 9MFY2016 S\$'000 | 9MFY2015 S\$'000 | change % | 9MFY2016 S\$'000 | 9MFY2015 S\$'000 | change % | 9MFY2016 % | 9MFY2015 % | change % points |
| Construction Services | 840 | 24,176 | -96.5 | 787 | 19,051 | -95.9 | 53 | 5,125 | -99.0 | 6.3 | 21.2 | (14.9) |
| Property Development | 79,805 | 219,325 | -63.6 | 69,789 | 154,917 | -55.0 | 10,016 | 64,408 | -84.4 | 12.6 | 29.4 | (16.8) |
| Property Investment | 7,656 | 5,627 | 36.1 | 4,648 | 4,716 | -1.4 | 3,008 | 911 | 230.2 | 39.3 | 16.2 | 23.1 |
| Others | - | - | - | - | - | - | - | - | - | - | - | - |
| Total | 88,301 | 249,128 | -64.6 | 75,224 | 178,684 | -57.9 | 13,077 | 70,444 | -81.4 | 14.8 | 28.3 | (13.5) |

Revenue

3QFY2016 vs 3QFY2015/ 9MFY2016 vs 9MFY2015

The Group posted revenue of approximately S\$82.42 million in 3QFY2016 as compared to S\$6.08 million in the previous corresponding period 3QFY2015. The vast difference in the reported revenue in the said current quarter was attributed largely to income recognised from our property development business in the current quarter under review.

In 3QFY2016, revenue from Construction Services amounted to S\$9,000 as compared to S\$4.00 million in 3QFY2015. This was due to the completion of majority of the third party construction contracts in the previous quarters.

On the property development front, the Group's property development project, Loyang Enterprise, achieved its temporary occupation permit ("TOP") in January 2016 and hence, the Group recorded a revenue of approximately S\$79.81 million in 3QFY2016 as compared to zero revenue recorded in the corresponding period in previous year. As the Group adheres to the accounting requirement known as the completion of contract ("COC") used for commercial and industrial properties, our financial performance may be significantly different in each financial period under review.

Revenue from Property Investment for 3QFY2016 was approximately S\$2.61 million, 25.2% higher as compared to S\$2.08 million in 3QFY2015. The increment was largely attributed to the rental income received from our investment property, The Herencia, at Kim Yam Road.

For 9MFY2016, the Group posted overall revenue of approximately S\$88.30 million as compared to S\$249.13 million in 9MFY2015. The explanation for the difference is similar to that on a quarterly basis as highlighted above for revenue from Construction Services and Property Investment. Revenue from third party Construction Services was only S\$0.84 million for 9MFY2016 as compared to S\$24.18 million in 9MFY2015. Property development revenue for 9MFY2016 was about S\$79.81 million and arose when our project, Loyang Enterprise, achieved its TOP as compared to S\$219.33 million in 9MFY2015 which arose



when our project, Woodlands Horizon, achieved its TOP. Revenue from Property Investment for 9MFY2016 was 36.1% higher at S\$7.66 million as compared to S\$5.63 million in 9MFY2015.

Gross Profit (“GP”) / Gross Profit Margin (“GPM”)

3QFY2016 vs 3QFY2015/ 9MFY2016 vs 9MFY2015

The Group recorded a gross profit of approximately S\$11.16 million in 3QFY2016, up from S\$1.91 million in 3QFY2015. This was attributed largely to gross profit arising from Property Development in 3QFY2016 as compared to the absence of property development project obtaining TOP in 3QFY2015. For 9MFY2016, gross profit was lower at S\$13.08 million as compared to S\$70.44 million in 9MFY2015. This was due to higher gross profit recognised by the Property Development business in 9MFY2015 whereby the Woodlands Horizon property project was 100% sold as compared to the Loyang Enterprise project in 9MFY2016 which was about 44% sold.

As a result, the GPM for 3QFY2016 was lower at 13.5% as compared to 31.5% in 3QFY2015. On nine-month basis, GPM for 9MFY2016 was also lower at 14.8% as compared to 28.3% in 9MFY2015.

Other income

3QFY2016 vs 3QFY2015/ 9MFY2016 vs 9MFY2015

Other income for 3QFY2016 was higher at approximately S\$0.27 million as compared to S\$0.15 million in 3QFY2015. For 9MFY2016, other income was also higher at approximately S\$0.55 million as compared to S\$0.34 million in 9MFY2015. The increment was largely attributed to income from the forfeiture of sales, government grant and back charges to third party contractors.

General and Administrative Expenses

3QFY2016 vs 3QFY2015/ 9MFY2016 vs 9MFY2015

General and administrative expenses rose by 56.6% to approximately S\$4.67 million in 3QFY2016 as compared to S\$2.98 million in 3QFY2015. Contributing to the increase in general and administrative expenses for the quarter under review were among others, higher repair and maintenance costs as well as sales commission. However, general and administrative expenses in 9MFY2016 dipped 27.9% to approximately S\$11.14 million as compared to S\$15.44 million in 9MFY2015. The factors contributing to the decrease were among others, lower depreciation charges, professional fees and staff and related costs.

Finance Costs

3QFY2016 vs 3QFY2015/ 9MFY2016 vs 9MFY2015

Finance costs increased by 32.0% from approximately S\$1.91 million in 3QFY2015 to S\$2.52 million in 3QFY2016. For 9MFY2016, finance costs also increased by 21.2% from approximately S\$5.19 million in 9MFY2015 to S\$6.29 million in 9MFY2016. The increments were mainly due to higher outstanding bank loans and interest on the RCPS and REPS.

Share of profit

3QFY2016 vs 3QFY2015/ 9MFY2016 vs 9MFY2015

The share of profit of an associate for 3QFY2016 was approximately S\$0.83 million as compared to S\$0.94 million in 3QFY2015. For 9MFY2016, the share of profit of an associate was approximately S\$1.13 million, down from S\$3.75 million in 9MFY2015. The share of profit of an associate was much lower for both the quarter and the nine-month period under review due to certain foreign exchange translational loss incurred by the subsidiary of the associate in Malaysia.



Income Tax Expense

3QFY2016 vs 3QFY2015/ 9MFY2016 vs 9MFY2015

Income tax expense for the quarter was approximately S\$2.10 million as compared to a tax credit of S\$0.22 million in 3QFY2015 and the income tax expense for 9MFY2016 was approximately S\$2.16 million as compared to S\$9.84 million in 9MFY2015.

Profit/Loss for the period, net of tax

3QFY2016 vs 3QFY2015/ 9MFY2016 vs 9MFY2015

As a result of the foregoing, the Group recorded a net profit of approximately S\$2.97 for 3QFY2016 as compared to a net loss of S\$1.67 million in 3QFY2015 and a net loss of S\$4.81 million in 9MFY2016 as compared to a net profit of S\$44.08 million in 9MFY2015.

STATEMENT OF FINANCIAL POSITION

As at 31 March 2016, total current assets stood at approximately S\$373.56 million as compared to S\$323.59 million as at 30 June 2015. The increase in total current assets was attributed to higher cash and cash equivalents from approximately S\$19.34 million to approximately S\$65.25 million, higher trade and other receivables from approximately S\$56.16 million to approximately S\$70.07 million and completed properties held for sale of approximately S\$87.88 million. The increase in total current assets was partially offset by lower properties under development primarily due to the completion of one of our properties, namely Loyang Enterprise, resulting in properties under development to decrease from approximately S\$235.83 million to S\$138.12 million.

Total non-current assets increased to approximately S\$186.92 million as at 31 March 2016 as compared to approximately S\$167.98 million as at 30 June 2015. The increment was attributed largely to the higher level of property, plant and equipment and investment properties though partially offset by a lower value in the investment in associate.

As at 31 March 2016, total current liabilities increased to approximately S\$235.10 million as compared to approximately S\$174.57 million as at 30 June 2015. The increment was due largely to the increase in the trade and other payables from approximately S\$82.07 million to approximately S\$121.94 million, bank loans and overdraft increased from approximately S\$57.63 million to approximately S\$66.91 million and a re-classification of the redeemable exchangeable preference shares of approximately S\$13.46 million from non-current liabilities to current liabilities.

Total non-current liabilities increased to approximately S\$194.10 million as at 31 March 2016 as compared to approximately S\$177.92 million as at 30 June 2015. The increase was due mainly to higher bank loans of approximately S\$192.90 million as compared to approximately S\$164.56 million as at 30 June 2015.

STATEMENT OF CASH FLOWS

Net cash inflow/outflow from operating activities

For the 3QFY2016, the Group generated positive net cash inflow from operating activities of approximately S\$26.26 million as compared to an outflow of approximately S\$48.58 million in 3QFY2015. The net cash inflow was primarily due to inflow of proceeds from properties under development, which was partially offset by the outflow from trade and other receivables and payables.

Net cash outflow in investing activities

The Group recorded net cash outflow of approximately S\$6.05 million for 3QFY2016 from investing activities as compared to a lower net cash outflow of approximately S\$3.58 million in the corresponding period last year. The net cash outflow in 3QFY2016 relate mainly to the increase in the purchase of property, plant and equipment.



Net cash inflow/outflow in financing activities

The Group recorded net cash inflow of approximately S\$7.87 million from financing activities in 3QFY2016 as compared to S\$11.15 million in the corresponding period last year. The net cash inflow was largely due to higher net increase in bank loans during the period under review.

As a result of the above, the Group recorded a net increase in cash and cash equivalent of approximately S\$28.08 million in 3QFY2016.

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.

On 5th April 2016, the Group announced the proposed allotment and issue of 500 million new ordinary shares in the capital of OKH Global Ltd. at the subscription price of S\$0.10 per share, S\$10 million loan and capital reorganisation. A special general meeting will be convened for shareholders to vote on the proposed shares allotment and the capital reorganisation exercise.

The Subscriber, Haiyi Holdings Pte. Ltd., of the proposed shares allotment, is an investment holding company incorporated in Singapore. As at the date of this Announcement, the Subscriber is the controlling shareholder of SingHaiyi Group Ltd, a company listed on the Catalist Board the SGX-ST with a market capitalisation of approximately \$300 million.

For the proposed shares allotment, the Company believes that there are synergistic benefits to be reaped from the strategic investment by the Subscriber, with its real estate development business in Singapore. The Company also believes that the Subscriber's investment in the Company will deepen and strengthen the strategic ties between the Company and the Subscriber, as well as restore investor confidence in our business. More details can be found in our announcement dated 5th April 2016.

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 31 December 2015.

- 14 Negative assurance**

The Board of Directors of the Company hereby confirms to the best of their knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the three months and nine months ended 31 March 2016 to be false or misleading in any material aspects.

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

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

BY ORDER OF THE BOARD

BON WEEN FOONG
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER
13 May 2016