



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 First Quarter and Three Months ended 30 September 2015

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13 November 2015

Xandar Capital Pte Ltd (formerly known as Asiasons WFG Capital Pte Ltd) was the financial adviser to the Company in relation to the acquisition of the entire issued share capital of OKH Holdings Pte. Ltd. (the "Financial Adviser"). The Financial Adviser assumes no responsibility for the contents of this announcement.



EXECUTIVE SUMMARY

SGX Mainboard-Listed OKH Global Ltd. (“OKH Global”, “傲凯国际有限公司”, “Company”) and its subsidiaries (the “Group”), an integrated property developer with a strategic focus on logistics and industrial properties, announced today its financial results for the first quarter (“1QFY2016”) for the financial year ending 30 June 2016.

- 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. Residential properties, on the other hand, use the percentage of completion (“POC”) method, such that profits are recognised progressively as the projects are completed.
- Higher revenue contribution from property investment business segment with recurring rental income from the investment property, the Herencia, located at Kim Yam road, which achieved 100% occupancy rate in 1QFY2016.

Commenting on the Group’s financial performance for 1QFY2016, Mr. Bon Ween Foong, Executive Chairman & CEO of OKH Global Ltd, said, “As our property development projects are still under development, the Group did not recognise any property development revenue in this first quarter financial results.

However, with a focus in strengthening our recurring income base, we have made substantial progress in our property investment division and logistic properties division. With our investment property at Tai Seng Link completing soon, we expect our enlarged rental income base to contribute positively to our financial performance in FY2016, barring unforeseen circumstances.”



FIRST QUARTER AND THREE MONTHS FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2015

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		
	1QFY2016 3 months ended 30-Sep-15 S\$'000 Unaudited	1QFY2015 3 months ended 30-Sep-14 S\$'000 Unaudited	change
Revenue	2,549	12,813	-80.1%
Cost of sales	(1,580)	(10,648)	-85.2%
Gross profit	969	2,165	-55.2%
Other income	29	93	-68.8%
General and administrative expenses	(4,763)	(5,650)	-15.7%
Finance costs	(1,808)	(1,522)	18.8%
Share of profits/(losses) of joint venture	-	-	n.m.
Share of (losses)/profits of associate	(35)	955	-103.7%
Loss before tax for the period	(5,608)	(3,959)	41.7%
Income (expense)/ tax credit	(29)	544	n.m.
Loss for the period, net of tax	(5,637)	(3,415)	65.1%
Loss attributable to:			
Owners of the Company	(5,637)	(3,389)	66.3%
Non-controlling interests	-	(26)	n.m.
	(5,637)	(3,415)	65.1%



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		
	1QFY2016 3 months ended 30-Sep-15 S\$'000 Unaudited	1QFY2015 3 months ended 30-Sep-14 S\$'000 Unaudited	change
Loss, net of tax	(5,637)	(3,415)	65.1%
Other comprehensive loss:			
Currency translation differences arising from consolidation	(371)	(415)	-10.6%
Other comprehensive loss for the period, net of tax	<u>(371)</u>	<u>(415)</u>	-10.6%
Total comprehensive loss for the period	<u>(6,008)</u>	<u>(3,830)</u>	56.9%
Total comprehensive loss attributable to:			
Owners of the Company	(6,008)	(3,804)	57.9%
Non-controlling interests	-	(26)	n.m.
	<u>(6,008)</u>	<u>(3,830)</u>	56.9%



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		
	1QFY2016 3 months ended 30-Sep-15 S\$'000 Unaudited	1QFY2015 3 months ended 30-Sep-14 S\$'000 Unaudited	change
Depreciation of property, plant and equipment	(269)	(610)	-55.9%
Foreign exchange loss, net	(11)	(42)	-73.8%
Interest expenses	(1,808)	(1,522)	18.8%
Gain on revaluation of investment properties	-	-	n.m.
Interest income	4	33	-87.9%
Forfeiture of deposit from lease cancellation	-	5	n.m.
Other income	25	55	-54.5%



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

Statements of Financial Position

	Group		Company	
	30-Sep-15	30-Jun-15	30-Sep-15	30-Jun-15
	S\$'000	S\$'000	S\$'000	S\$'000
	Unaudited	Audited	Unaudited	Audited
<u>ASSETS</u>				
Current assets				
Cash and cash equivalents	23,823	19,340	36	10
Trade and other receivables	57,023	56,164	49,305	50,797
Loan due from non-controlling interests	12,257	12,257	-	-
Properties under development	246,903	235,831	-	-
Total current assets	340,006	323,592	49,341	50,807
Non-current assets				
Property, plant and equipment	16,519	12,554	-	-
Investment properties	98,719	98,307	-	-
Investments in subsidiaries	-	-	129,185	129,185
Investment in joint venture	-	-	-	-
Investment in associate	35,216	35,622	-	-
Available-for-sale investment	21,500	21,500	-	-
Total non-current assets	171,954	167,983	129,185	129,185
Total assets	511,960	491,575	178,526	179,992
<u>LIABILITIES AND EQUITY</u>				
Current liabilities				
Trade and other payables	94,415	82,070	33,539	32,778
Obligations under 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")	7,857	7,807	-	-
Bank loans and overdrafts	46,675	57,630	-	-
Provisions	1,368	1,368	-	-
Income tax payable	8,358	8,329	-	-
Total current liabilities	176,121	174,572	33,539	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-Sep-15	30-Jun-15	30-Sep-15	30-Jun-15
	S\$'000	S\$'000	S\$'000	S\$'000
	Unaudited	Audited	Unaudited	Audited
Non-current liabilities				
Obligations under finance leases	1,468	1,309	-	-
Bank loans	188,798	164,558	-	-
Redeemable exchangeable preference shares ("REPS")	12,496	12,051	-	-
Total non-current liabilities	202,762	177,918	-	-
Total liabilities	378,883	352,490	33,539	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	(2,180)	(1,809)	(1,491)	(1,491)
Accumulated profits/(losses)	58,491	64,128	(11,002)	(8,775)
Equity attributable to owners of the Company	119,568	125,576	144,987	147,214
Non-controlling interests	13,509	13,509	-	-
Total equity	133,077	139,085	144,987	147,214
Total liabilities and equity	511,960	491,575	178,526	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 September 2015		As at 30 June 2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
47,203	24,777	58,078	24,727

Amount repayable after one year

As at 30 September 2015		As at 30 June 2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
190,266	12,496	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	
	3 months ended 30-Sep-15 S\$'000	3 months ended 30-Sep-14 S\$'000
	Unaudited	Unaudited
Cash flows from operating activities		
Net loss after tax	(5,637)	(3,415)
Adjustments for:		
Income tax expenses/(credit)	29	(544)
Depreciation of property, plant and equipment	269	610
Interest expenses	1,808	1,522
Interest income	(4)	(33)
Gain on change in fair value of investment properties	-	-
Share of losses/(profits) of an associate	35	(955)
Operating cash flows before changes in working capital	(3,500)	(2,815)
Properties under development	(9,892)	4,381
Trade and other receivables	(1,065)	(6,951)
Trade and other payables	11,400	33,728
Cash (used in)/generated from operations	(3,057)	28,343
Income tax refunded	-	544
Interest paid	(1,232)	(2,336)
Net cash (used in)/generated from operating activities	(4,289)	26,551



- 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	
	3 months ended 30-Sep-15 S\$'000 Unaudited	3 months ended 30-Sep-14 S\$'000 Unaudited
Cash flow from investing activities		
Purchase of property, plant and equipment	(3,531)	(38)
Additions to investment properties	(202)	(553)
Proceeds from disposal of property, plant and equipment	-	(1)
Interest received	4	33
Investment in associate	-	(6,000)
Net cash used in investing activities	(3,729)	(6,559)
Cash flow from financing activities		
Proceeds from bank loans	26,776	25,800
Repayment of bank loans	(14,129)	(67,623)
Repayment of obligations under finance lease	(148)	(94)
Increase in fixed deposits pledged	(1,000)	-
Net cash generated from/(used in) financing activities	11,499	(41,917)
Net increase/(decrease) in cash and cash equivalents	3,481	(21,925)
Cash and cash equivalents at beginning of period	14,159	82,656
Cash and cash equivalents at end of period	17,640	60,731
	30-Sep-15	30-Sep-14
	S\$'000	S\$'000
Cash and bank balances	23,823	65,033
Less: Bank overdrafts	(3,683)	(4,302)
Fixed deposits pledged	(2,500)	-
Cash and cash equivalents	17,640	60,731

Cash and cash equivalents at end of the period

The cash and cash equivalents as at 30 September 2015 comprises bank balance of S\$14.0 million (30 September 2014: S\$59.5 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	-	-	-	(371)	(5,637)	(6,008)	-	(6,008)
Balance at 30 September 2015	33,278	26,005	3,974	(2,180)	58,491	119,568	13,509	133,077
Balance at 1 July 2014	33,278	26,005	3,573	(1,499)	17,885	79,242	(585)	78,657
Total comprehensive loss for the period	-	-	-	(415)	(3,389)	(3,804)	(26)	(3,830)
Balance at 30 September 2014	33,278	26,005	3,573	(1,914)	14,496	75,438	(611)	74,827



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	Translation reserves	Accumulated losses	Total
	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	-	-	-	(2,227)	(2,227)
Balance at 30 September 2015	128,624	28,856	(1,491)	(11,002)	144,987
Balance at 1 July 2014	128,624	28,856	(1,491)	(1,512)	154,477
Total comprehensive loss for the period	-	-	-	(848)	(848)
Balance at 30 September 2014	128,624	28,856	(1,491)	(2,360)	153,629



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 September 2015.

	Number of ordinary shares	Share Capital S\$'000
As at 30 September 2015:	<u>628,657,445</u>	<u>154,629</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") shall 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 shall 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 September 2015, there were 100 REPS of which 50% or 50 REPS were available for exchange into 11,111,111 OKH Shares. The other 50 REPS would only be available for exchange into 11,111,111 OKH Shares starting from 18 November 2015.

On 4 November 2014, the Group issued 80 Redeemable Convertible Preference Shares ("RCPS") for a total of S\$8 million. Holders of the RCPS shall 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 September 2015, there were 80 RCPS available for conversion into 11,174,433 OKH Shares.

There were no treasury shares as at 30 September 2015 and 30 September 2014.

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 September 2015 and 30 September 2014 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 September 2015.

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 30-Sep-15	3 months ended 30-Sep-14	Change %
Basic loss per share (cents)			
Earnings per ordinary share based on the weighted average number of ordinary shares on issue (cents)	(0.90)	(0.54)	66.1
Weighted average number of ordinary shares on issue	<u>628,657,445</u>	<u>628,657,445</u>	
Diluted loss per share (cents)			
Earnings per ordinary share based on a fully diluted basis (cents)	(0.90)	(0.54)	66.1
Adjusted weighted average number of ordinary shares	<u>662,054,100</u>	<u>650,879,667</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 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		
	30-Sep-15	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)	19.02	19.98	-4.8
Total number of issued ordinary shares	628,657,445	628,657,445	

	Company		
	30-Sep-15	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)	23.06	23.42	-1.5
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

1QFY2016 vs 1QFY2015

	Revenue			COGS			Gross Profit			Gross Profit Margin		
	1QFY2016 S\$'000	1QFY2015 S\$'000	change %	1QFY2016 S\$'000	1QFY2015 S\$'000	change %	1QFY2016 S\$'000	1QFY2015 S\$'000	change %	1QFY2016 %	1QFY2015 %	change % points
Construction Services	-	11,193	n.m.	-	9,151	n.m.	-	2,042	n.m.	-	18.2	n.m.
Property Development	-	-	n.m.	-	-	n.m.	-	-	n.m.	-	-	n.m.
Property Investment	2,549	1,620	57.3	1,580	1,497	5.5	969	123	687.8	38.0	7.6	400.0
Total	2,549	12,813	-80.1	1,580	10,648	-85.2	969	2,165	-55.2	38.0	16.9	21.1

Revenue

1QFY2016 vs 1QFY2015

The Group posted revenue of approximately S\$2.55 million in 1QFY2016 as compared to S\$12.81 million registered in 1QFY2015. The dip in revenue in the period under review was attributed to an absence of any third party construction revenue as compared to approximately S\$11.19 million in 1QFY2015. Revenue recognised from property investment increased 57.3% from approximately S\$1.62 million in 1QFY2015 to approximately S\$2.55 million in 1QFY2016, which was mainly attributed to rental income received from our investment property, The Herencia at Kim Yam Road, which achieved 100% occupancy rate for 1QFY2016.

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

1QFY2016 vs 1QFY2015

The Group recorded a gross profit of approximately S\$0.97 million in 1QFY2016, which was approximately 55.2% lower from approximately S\$2.17 million registered in 1QFY2015. The dip in gross profit in 1QFY2016 was due to the same reason that attributed to the dip in revenue in 1QFY2016. The Group achieved a GPM of 38.0% for 1QFY2016 and it was mainly attributed to the property investment segment, which was much higher than the GPM of 7.6% recorded in 1QFY2015 for the property investment segment as the occupancy rate for our investment property, The Herencia, achieved 100% occupancy rate in 1QFY2016.

Other income

1QFY2016 vs 1QFY2015

Other income dipped 68.8% to approximately S\$29,000 in 1QFY2016 as compared to S\$99,000 in 1QFY2015. The dip in other income was attributed to lower interest income and other miscellaneous income.

General and Administrative Expenses

1QFY2016 vs 1QFY2015

General and administrative expenses decreased by 15.7% to approximately S\$4.76 million in 1QFY2016 as compared to approximately S\$5.65 million in 1QFY2015, due to lower depreciation charges, advertising, repair and maintenance, property tax and staff and related costs, during the period under review. The reduced general and administrative expenses were partially offset by higher professional fees and donations for the quarter under review.



Finance Costs

1QFY2016 vs 1QFY2015

Finance costs increased by 18.8% to approximately S\$1.81 million in 1QFY2016 as compared to approximately S\$1.52 million in 1QFY2015. The increment was mainly attributed to higher outstanding bank loan and interest on the outstanding RCPS and REPS.

Share of profit/loss of associate

1QFY2016 vs 1QFY2015

The share of loss of an associate for 1QFY2016 was approximately S\$35,000 as compared to a share of profit of an associate of approximately S\$0.96 million in 1QFY2015. The loss was due to the foreign exchange loss incurred by the subsidiary of the associate in Malaysia.

Income Tax Expense

1QFY2016 vs 1QFY2015

Income tax expense for the quarter under review was approximately S\$29,000 as compared to a tax credit of approximately S\$0.54 million in 1QFY2015. This was due to non-tax deductibility of certain expenses.

Loss for the period, net of tax

1QFY2016 vs 1QFY2015

As a result of the foregoing, the Group registered a net loss of approximately S\$5.64 million in 1QFY2016 as compared to a net loss of approximately S\$3.42 million in 1QFY2015.



STATEMENT OF FINANCIAL POSITION

As at 30 September 2015, total current assets stood at approximately S\$340.0 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\$23.82 million, higher trade and other receivables from approximately S\$56.16 million to approximately S\$57.02 million and higher carrying value of properties under development from approximately S\$235.83 million to approximately S\$246.90 million.

Total non-current assets increased to approximately S\$171.95 million as at 30 September 2015 as compared to approximately S\$167.98 million as at 30 June 2015. The increment was mainly attributed to the higher level of property, plant and equipment from approximately S\$12.55 million to approximately S\$16.52 million.

As at 30 September 2015, total current liabilities increased marginally to approximately S\$176.12 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\$94.42 million. The increment was partially offset by a reduction in the outstanding bank loans and overdraft from approximately S\$57.63 million to approximately S\$46.68 million.

Total non-current liabilities increased to approximately S\$202.76 million as at 30 September 2015 as compared to approximately S\$177.92 million as at 30 June 2015. The increment was mainly due to higher bank loans of approximately S\$188.80 million as compared to approximately S\$164.56 million as at 30 June 2015.

As a result of the loss recorded in 1QFY2016, the Group's total equity stood at approximately S\$133.08 million as at 30 September 2015 as compared to approximately S\$139.09 million as at 30 June 2015.

STATEMENT OF CASH FLOWS

Net cash inflow/outflow from operating activities

For the financial period ended 30 September 2015, the net cash used in operating activities was approximately S\$4.23 million as compared to net cash generated from operating activities of approximately S\$26.55 million in the previous corresponding period.

The net cash outflow was primarily due to properties under development amounting to approximately S\$9.89 million, trade and other receivables of approximately S\$1.07 million and interest paid amounting to approximately S\$1.23 million and loss registered for the period. The net cash outflow was partially offset by an inflow of approximately S\$11.40 million in trade and other payables.

Net cash outflow in investing activities

The Group recorded net cash outflow of approximately S\$3.73 million in 1QFY2016 from investing activities as compared to a higher net cash outflow of approximately S\$6.56 million in the corresponding period last year. The net cash outflow in 1QFY2016 relate mainly to the increased purchases of property, plant and equipment of approximately S\$3.53 million.

Net cash inflow/outflow in financing activities

The Group recorded net cash inflow of approximately S\$11.50 million from financing activities as compared to a net cash outflow of S\$41.92 million in the corresponding period last year. The net cash inflow was largely due to the higher net increase in bank loans.

As a result of the above, the Group recorded a net cash inflow of approximately S\$3.48 million in 1QFY2016.

Cash and cash equivalents as at 30 September 2015 stood at (including bank overdraft and fixed deposits pledged that totalled approximately S\$6.18 million) approximately S\$23.82 million.

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

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



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

Property Development Business

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. However, industrial property projects with strong attributes, such as higher building specifications and convenient locations, as well as industrial projects catering to niche industries will likely to be in demand.

The Group is focusing on the marketing and construction of our two other property projects, namely Loyang Enterprise and Ace@Buroh. Barring unforeseen circumstances, both projects are targeted for completion in FY2016 and as such, sales from both projects are expected to contribute positively to the Group's financial performance for the financial year ending 30 June 2016.

The Group will continue to focus on the completion of its current projects and exercise prudence in exploring and evaluating new opportunities within different segments of the property market in Singapore and other countries in Asia.

Logistic & Supply Chain Business

To develop the Group's recurring income base, the Group invested in Pan Asia Logistics Investments Holdings Pte Ltd ("Pali"), an associate of the Group, on 9 October 2013, to develop, own and manage modern logistic properties across Asia. Currently, the associate owns three logistics properties, of approximately 1.1 million square feet in total, located in Singapore, Malaysia and Korea.

Subsequently on 18 August 2014, the Group acquired 15% stake in Pan Asia Logistics Holdings Singapore Pte Ltd, an established logistics and supply chain solutions provider, at an aggregate consideration of S\$21.5 million.

On 20 August 2015, Pali entered into a 10-year logistics property lease agreement with BMW Asia for a built to suit logistics property. The logistics property provides up to 761,000 square feet of logistics space and is located at Senai Airport Free Industrial Zone in Johor Bahru, Johor, Malaysia. It will be designed and built to suit the logistics requirements of BMW Asia.

Further strengthening this working relationship, the strategic investment by the Group will bring both companies closer together with highly complementary core strengths in their specialised business focus.

Investment Properties Business

Barring unforeseen circumstances, the recurring rental income from the Group's newly completed investment property located at Tai Seng Link is expected to contribute positively to the Group's financial performance for the financial year ending 30 June 2016.

Construction Services Business

With construction costs likely to trend upwards as a result of progressive tightening of manpower policies and rise in other operating costs, the Group will exercise prudence in evaluating and exploring new construction projects in Singapore and other countries in Asia. Nevertheless, the Group will continue to focus on the completion of its own property development projects and existing construction projects.

Barring unforeseen circumstances, the Group is cautiously optimistic on the outlook of its performance in FY2016.



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 September 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 financial period ended 30 September 2015 to be false or misleading in any material aspects.

BY ORDER OF THE BOARD

BON WEEN FOONG
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER
13 November 2015