



# 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 Second Quarter And Half Year Ended 31 December 2015

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

12 February 2016



**SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 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			Group		
	2QFY2016	2QFY2015	change	HY2016	HY2015	change
	3 months ended 31-Dec-15	3 months ended 31-Dec-14		6 months ended 31-Dec-15	6 months ended 31-Dec-14	
	S\$'000	S\$'000		S\$'000	S\$'000	
	Unaudited	Unaudited		Unaudited	Unaudited	
Revenue	3,331	230,232	-98.6%	5,880	243,045	-97.6%
Cost of sales	(2,380)	(163,867)	-98.5%	(3,960)	(174,515)	-97.7%
Gross profit	951	66,365	n.m.	1,920	68,530	-97.2%
Other income	256	101	153.5%	285	194	46.9%
General and administrative expenses	(1,702)	(6,803)	-75.0%	(6,465)	(12,452)	-48.1%
Finance costs	(1,955)	(1,753)	11.5%	(3,763)	(3,275)	14.9%
Share of losses of joint venture	-	-	n.m.	-	-	n.m.
Share of profit of associate	335	1,853	-81.9%	300	2,808	-89.3%
<b>(Loss)/profit before tax</b>	<b>(2,115)</b>	<b>59,763</b>	<b>n.m.</b>	<b>(7,723)</b>	<b>55,805</b>	<b>n.m.</b>
Income tax expense	(30)	(10,600)	-99.7%	(59)	(10,057)	-99.4%
<b>Total (Loss)/profit for the period, net of tax</b>	<b>(2,145)</b>	<b>49,163</b>	<b>n.m.</b>	<b>(7,782)</b>	<b>45,748</b>	<b>n.m.</b>
<b>(Loss)/profit attributable to:</b>						
Owners of the Company	(2,145)	34,776	n.m.	(7,782)	31,387	n.m.
Non-controlling interests	-	14,387	n.m.	-	14,361	n.m.
	(2,145)	49,163	n.m.	(7,782)	45,748	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		
	2QFY2016 3 months ended 31-Dec-15 S\$'000 Unaudited	2QFY2015 3 months ended 31-Dec-14 S\$'000 Unaudited	change	HY2016 6 months ended 31-Dec-15 S\$'000 Unaudited	HY2015 6 months ended 31-Dec-14 S\$'000 Unaudited	change
<b>(Loss)/profit, net of tax</b>	(2,145)	49,163	n.m.	(7,782)	45,748	n.m.
<b>Other comprehensive profit/(loss):</b>						
Currency translation differences arising from consolidat	89	(323)	n.m.	(282)	(738)	-61.8%
Other comprehensive profit/(loss) for the period, net of tax	89	(323)	n.m.	(282)	(738)	-61.8%
<b>Total comprehensive (Loss)/profit for the period</b>	<b>(2,056)</b>	<b>48,840</b>	n.m.	<b>(8,064)</b>	<b>45,010</b>	n.m.
<b>Total comprehensive (Loss)/profit attributable to:</b>						
Owners of the Company	(2,056)	34,453	n.m.	(8,064)	30,649	n.m.
Non-controlling interests	-	14,387	n.m.	-	14,361	n.m.
	<b>(2,056)</b>	<b>48,840</b>	n.m.	<b>(8,064)</b>	<b>45,010</b>	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		
	2QFY2016 3 months ended 31-Dec-15 S\$'000 Unaudited	2QFY2015 3 months ended 31-Dec-14 S\$'000 Unaudited	change	HY2016 6 months ended 31-Dec-15 S\$'000 Unaudited	HY2015 6 months ended 31-Dec-14 S\$'000 Unaudited	change
Depreciation of property, plant and equipment	(265)	(623)	-57.5%	(535)	(1,233)	-56.6%
Foreign exchange loss, net	(2)	(439)	-99.5%	(13)	(481)	-97.3%
Interest expenses	(1,955)	(1,753)	11.5%	(3,763)	(3,275)	14.9%
Under provision for liquidated damages	-	(12)	n.m.	-	(12)	n.m.
Interest income	9	26	-65.4%	13	59	-78.0%
Forfeiture of deposit from lease cancellation	-	-	n.m.	-	5	n.m.
Management fee	-	42	n.m.	-	84	n.m.
Other income	247	33	648.5%	272	46	491.3%



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

**Statements of Financial Position**

	Group		Company	
	31-Dec-15	30-Jun-15	31-Dec-15	30-Jun-15
	S\$'000	S\$'000	S\$'000	S\$'000
	Unaudited	Audited	Unaudited	Audited
<b><u>ASSETS</u></b>				
<b>Current assets</b>				
Cash and cash equivalents	37,852	19,340	50	10
Trade and other receivables	57,297	56,164	45,417	50,797
Loan due from non-controlling interests	12,257	12,257	-	-
Properties under development	277,411	235,831	-	-
Total current assets	384,817	323,592	45,467	50,807
<b>Non-current assets</b>				
Property, plant and equipment	22,879	12,554	-	-
Investment properties	101,951	98,307	-	-
Investments in subsidiaries	-	-	129,185	129,185
Investment in joint venture	-	-	-	-
Investment in associate	35,640	35,622	-	-
Available-for-sale investment	21,500	21,500	-	-
Total non-current assets	181,970	167,983	129,185	129,185
<b>Total assets</b>	<b>566,787</b>	<b>491,575</b>	<b>174,652</b>	<b>179,992</b>
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Current liabilities</b>				
Trade and other payables	140,104	82,070	29,271	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")	7,857	7,807	-	-
Redeemable exchangeable preference shares ("REPS")	12,940	-	-	-
Bank loans and overdrafts	67,405	57,630	-	-
Provisions	1,368	1,368	-	-
Income tax payable	3,887	8,329	-	-
Total current liabilities	251,009	174,572	29,271	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-Dec-15	30-Jun-15	31-Dec-15	30-Jun-15
	S\$'000	S\$'000	S\$'000	S\$'000
	Unaudited	Audited	Unaudited	Audited
<b>Non-current liabilities</b>				
Finance leases	1,336	1,309	-	-
Bank loans	183,421	164,558	-	-
Redeemable exchangeable preference shares ("REPS")	-	12,051	-	-
Total non-current liabilities	184,757	177,918	-	-
<b>Total liabilities</b>	<b>435,766</b>	<b>352,490</b>	<b>29,271</b>	<b>32,778</b>
<b>Capital, reserves and non-controlling interests</b>				
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	(2,091)	(1,809)	(1,491)	(1,491)
Accumulated profits/(losses)	56,346	64,128	(10,608)	(8,775)
Equity attributable to owners of the Company	117,512	125,576	145,381	147,214
Non-controlling interests	13,509	13,509	-	-
Total equity	131,021	139,085	145,381	147,214
<b>Total liabilities and equity</b>	<b>566,787</b>	<b>491,575</b>	<b>174,652</b>	<b>179,992</b>



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 Dec 2015		As at 30 June 2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
67,933	37,717	58,078	24,727

**Amount repayable after one year**

As at 31 Dec 2015		As at 30 June 2015	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
184,757	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-Dec-15 S\$'000	3 months ended 31-Dec-14 S\$'000	6 months ended 31-Dec-15 S\$'000	6 months ended 31-Dec-14 S\$'000
	Unaudited	Unaudited	Unaudited	Unaudited
<b>Cash flows from operating activities</b>				
Net (loss)/profit after tax	(2,145)	49,163	(7,782)	45,748
Adjustments for:				
Income tax expenses	30	10,600	59	10,057
Depreciation of property, plant and equipment	265	623	535	1,233
Interest expenses	1,955	1,753	3,763	3,275
Interest income	(9)	(26)	(13)	(59)
Under provision for liquidated damages	-	12	-	12
Share of profit of associate	(335)	(1,853)	(300)	(2,808)
Share of losses of joint venture	-	-	-	-
<b>Operating cash flows before changes in working capital</b>	<b>(239)</b>	<b>60,272</b>	<b>(3,738)</b>	<b>57,458</b>
Properties under development	(29,148)	99,016	(39,040)	103,397
Trade and other receivables	(525)	(2,951)	(1,590)	(9,902)
Trade and other payables	43,816	(85,239)	55,215	(51,511)
<b>Cash generated from operations</b>	<b>13,904</b>	<b>71,098</b>	<b>10,847</b>	<b>99,442</b>
Income tax paid	(4,501)	(2,061)	(4,501)	(1,517)
Interest paid	(1,265)	(2,959)	(2,497)	(5,295)
<b>Net cash generated from operating activities</b>	<b>8,138</b>	<b>66,078</b>	<b>3,849</b>	<b>92,630</b>





- 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-Dec-15	3 months ended 31-Dec-14	6 months ended 31-Dec-15	6 months ended 31-Dec-14
	S\$'000	S\$'000	S\$'000	S\$'000
	Unaudited	Unaudited	Unaudited	Unaudited
<b>Cash flow from investing activities</b>				
Purchase of property, plant and equipment	(6,763)	(142)	(10,294)	(180)
Additions to investment properties	(3,202)	(281)	(3,404)	(834)
Interest received	9	26	13	59
Investment in available-for-sale investments	-	(6,300)	-	(12,300)
<b>Net cash used in investing activities</b>	<b>(9,956)</b>	<b>(6,697)</b>	<b>(13,685)</b>	<b>(13,255)</b>
<b>Cash flow from financing activities</b>				
Proceeds from bank loans	57,413	32,419	84,189	58,219
Repayment of bank loans	(45,467)	(102,951)	(59,596)	(170,574)
Repayment of obligations under finance lease	(81)	(315)	(229)	(409)
Increase in fixed deposits pledged	-	-	(1,000)	-
Proceeds from issuance of RCPS	-	8,000	-	8,000
<b>Net cash generated from/(used in) financing activities</b>	<b>11,865</b>	<b>(62,847)</b>	<b>23,364</b>	<b>(104,764)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>10,047</b>	<b>(3,466)</b>	<b>13,528</b>	<b>(25,389)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>17,640</b>	<b>60,733</b>	<b>14,159</b>	<b>82,656</b>
<b>Cash and cash equivalents at end of period</b>	<b>27,687</b>	<b>57,267</b>	<b>27,687</b>	<b>57,267</b>
			<b>31-Dec-15</b>	<b>31-Dec-14</b>
			<b>S\$'000</b>	<b>S\$'000</b>
Cash and bank balances			37,852	58,362
Less: Bank overdrafts			(7,665)	(1,095)
Fixed deposits pledged			(2,500)	-
<b>Cash and cash equivalents</b>			<b>27,687</b>	<b>57,267</b>

**Cash and cash equivalents at end of the period**

The cash and cash equivalents as at 31 December 2015 comprises bank balance of S\$33.05 million (31 December 2014: S\$12.7 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
<b>Balance at 1 July 2015</b>	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)
<b>Balance at 30 September 2015</b>	33,278	26,005	3,974	(2,180)	58,491	119,568	13,509	133,077
Total comprehensive profit/(loss) for the period	-	-	-	89	(2,145)	(2,056)	-	(2,056)
<b>Balance at 31 December 2015</b>	33,278	26,005	3,974	(2,091)	56,346	117,512	13,509	131,021
<b>Balance at 1 July 2014</b>	59,283	-	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)
<b>Balance at 30 September 2014</b>	59,283	-	3,573	(1,914)	14,496	75,438	(611)	74,827
Total comprehensive (loss)/profit for the period	-	-	-	(323)	34,776	34,453	14,387	48,840
<b>Balance at 31 December 2014</b>	59,283	-	3,573	(2,237)	49,272	109,891	13,776	123,667



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)**

<b>Company</b>	<b>Share capital</b>	<b>Share premium</b>	<b>Translation reserves</b>	<b>Accumulated losses</b>	<b>Total</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
<b>Balance at 1 July 2015</b>	128,624	28,856	(1,491)	(8,775)	147,214
Total comprehensive loss for the period	-	-	-	(2,227)	(2,227)
<b>Balance at 30 September 2015</b>	128,624	28,856	(1,491)	(11,002)	144,987
Total comprehensive profit for the period	-	-	-	394	394
<b>Balance at 31 December 2015</b>	128,624	28,856	(1,491)	(10,608)	145,381
<b>Balance at 1 July 2014</b>	154,629	2,851	(1,491)	(1,512)	154,477
Total comprehensive loss for the period	-	-	-	(848)	(848)
<b>Balance at 30 September 2014</b>	154,629	2,851	(1,491)	(2,360)	153,629
Total comprehensive loss for the period	-	-	-	(1,054)	(1,054)
<b>Balance at 31 December 2014</b>	154,629	2,851	(1,491)	(3,414)	152,575



**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 December 2015.

	<b>Number of ordinary shares</b>	<b>Share Capital S\$'000</b>
<b>As at 31 December 2015:</b>	<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") 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 December 2015, 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 December 2015, there were 80 RCPS available for conversion into 11,174,433 OKH Shares.

There were no treasury shares as at 31 December 2015 and 31 December 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 31 December 2015 and 31 December 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 31 December 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 31-Dec-15	3 months ended 31-Dec-14	Change %	6 months ended 31-Dec-15	6 months ended 31-Dec-14	Change %
<b>Basic profit per share (cents)</b>						
Earnings per ordinary share based on the weighted average number of ordinary shares on issue (cents)	(5.97)	5.53	n.m.	(1.24)	4.99	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>	
<b>Diluted profit per share (cents)</b>						
Earnings per ordinary share based on a fully diluted basis (cents)	(5.97)	5.48	n.m.	(1.24)	4.99	n.m.
Adjusted weighted average number of ordinary shares	<u>662,054,100</u>	<u>657,924,418</u>		<u>662,054,100</u>	<u>654,402,043</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.**

	<b>Group</b>		
	<b>31-Dec-15</b>	<b>30-Jun-15</b>	<b>Change %</b>
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)	18.69	19.98	-6.5
Total number of issued ordinary shares	628,657,445	628,657,445	
	<b>Company</b>		
	<b>31-Dec-15</b>	<b>30-Jun-15</b>	<b>Change %</b>
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)	23.13	23.42	-1.2
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

#### 2QFY2016 vs 2QFY2015

	Revenue			COGS			Gross Profit			Gross Profit Margin		
	2QFY2016 S\$'000	2QFY2015 S\$'000	change %	2QFY2016 S\$'000	2QFY2015 S\$'000	change %	2QFY2016 S\$'000	2QFY2015 S\$'000	change %	2QFY2016 %	2QFY2015 %	change % points
Construction Services	831	8,982	-90.7	806	7,284	-88.9	25	1,698	-98.5	3.0	18.9	(15.9)
Property Development	-	219,325	n.m.	-	154,917	n.m.	-	64,408	n.m.	-	19.4	n.m.
Property Investment	2,500	1,925	29.9	1,574	1,666	-5.5	926	259	257.5	37.0	13.5	23.5
Total	3,331	230,232	-98.6	2,380	163,867	-98.5	951	66,365	-98.6	28.5	28.8	(0.3)

#### HY2016 vs HY2015

	Revenue			COGS			Gross Profit			Gross Profit Margin		
	HY2016 S\$'000	HY2015 S\$'000	change %	HY2016 S\$'000	HY2015 S\$'000	change %	HY2016 S\$'000	HY2015 S\$'000	change %	HY2016 %	HY2015 %	change % points
Construction Services	831	20,175	-95.9	806	16,435	-95.1	25	3,740	-99.3	3.0	18.5	(15.5)
Property Development	-	219,325	n.m.	-	154,917	n.m.	-	64,408	n.m.	-	-	n.m.
Property Investment	5,049	3,545	42.4	3,154	3,163	-0.3	1,895	382	396.1	37.5	10.8	26.7
Others	-	-	-	-	-	-	-	-	-	-	-	-
Total	5,880	243,045	-97.6	3,960	174,515	-97.7	1,920	68,530	-97.2	32.7	28.2	4.5

### Revenue

#### 2QFY2016 vs 2QFY2015/ HYFY2016 vs HYFY2015

The Group posted revenue of approximately S\$3.33 million in 2QFY2016 as compared to S\$230.23 million in the previous corresponding period 2QFY2015. The vast difference in the reported revenue in the said current quarter was attributed largely to an absence of any income from property development and a reduction in third party construction contracts.

In 2QFY2016, revenue from Construction Services was a mere S\$0.83 million as compared to S\$8.98 million in 2QFY2015. This was due to the completion of most of the third party construction contracts in the earlier quarters. There was no revenue from Property Development in 2QFY2016 as none of the Group's development projects achieved any temporary occupancy permit ("TOP") during the quarter as compared to 2QFY2015 where revenue from Property Development was about S\$219.33 million as one of the Group's projects, Woodlands Horizon received its TOP. Revenue from Property Investment for 2QFY2016 was S\$2.50 million, 29.9% higher as compared to S\$1.93 million in 2QFY2015. The increment was attributed mainly to rental income received from our investment property, The Herencia at Kim Yam Road, which received 100% occupancy rate for 2QFY2016.

For HY2016, the Group posted revenue of approximately S\$5.88 million as compared to S\$243.05 million in HYFY2015. The explanation for the difference is similar to that on a quarterly basis as explained above. Revenue from third party Construction Services was only S\$0.83 million for HYFY2016 as compared to S\$20.18 million in HYFY2015. There was also no TOP during the HYFY2016, hence there was no revenue from Property Development as compared to revenue of S\$219.33 million in HYFY2015. Revenue from property investment for HYFY2016 was 42.4% higher at S\$5.05 million as compared to S\$3.55 million in HYFY2015.



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

#### **2QFY2016 vs 2QFY2015/ HYFY2016 vs HYFY2015**

The Group recorded a gross profit of approximately S\$0.95 million in 2QFY2016, down from S\$66.37 million in 2QFY2015. For HYFY2016, gross profit was also down at S\$1.92 million as compared to S\$68.53 million in HYFY2015. The reasons for lower gross profit in 2QFY2016 and HYFY2016 were similar to the reasons for the drop in revenue for the quarter and half year, namely the completion of the Group's third party construction contracts in the earlier periods and the absence of any revenue from property development as compared to the corresponding periods.

The GPM for 2QFY2016 was marginally down at 28.5% as compared to 28.8% in 2QFY2015. On half year basis, GPM for HYFY2016 was higher at 32.7% as compared to 28.2% in HYFY2015. Reason being that the occupancy rate for the investment property, The Herencia did not achieve 100% back in HYFY2015.

### **Other income**

#### **2QFY2016 vs 2QFY2015/ HYFY2016 vs HYFY2015**

Other income for 2QFY2016 was higher at approximately S\$0.26 million as compared to S\$0.10 million in 2QFY2015. For HYFY2016, other income was also higher at approximately S\$0.29 as compared to S\$0.19 million in HYFY2015. The increase was largely attributed to income from forfeiture of sales, MOM credit scheme and back charges to third party contractors.

### **General and Administrative Expenses**

#### **2QFY2016 vs 2QFY2015/ HYFY2016 vs HYFY2015**

General and administrative expenses was lowered by 75.0% to approximately S\$1.70 million in 2QFY2016 as compared to S\$6.80 million in 2QFY2015. Contributing to the drop in general and administrative expenses for the said quarter were among others, lower depreciation charges, advertising, donation, professional fees, sales commission and staff and related costs. For HYFY2016, general and administrative expenses was also lower by 48.1% to approximately S\$6.47 million as compared to S\$12.45 million in HYFY2015. The factors contributing to the drop were similar to those for 2QFY2016. .

### **Finance Costs**

#### **2QFY2016 vs 2QFY2015/ HYFY2016 vs HYFY2015**

Finance costs increased by 11.5% from approximately S\$1.75 million in 2QFY2015 to S\$1.96 million in 2QFY2016. For HYFY2016, finance costs also increased by 14.9% from approximately S\$3.28 million in HYFY2015 to S\$3.76 million in HYFY2016. The increments were mainly due to higher outstanding bank loans and interest on RCPS and REPS.

### **Share of profit**

#### **2QFY2016 vs 2QFY2015/ HYFY2016 vs HYFY2015**

The share of profit of an associate for 2QFY2016 was approximately S\$0.34 million as compared to S\$1.85 million in 2QFY2015. For HYFY2016, the share of profit of an associate was approximately S\$0.30 million, down from S\$2.81 million in HYFY2015. The share of profit was much lower for both the quarter and the half year was due to certain foreign exchange translational loss incurred by the subsidiary of the associate in Malaysia.





### **Income Tax Expense**

#### **2QFY2016 vs 2QFY2015/ HYFY2016 vs HYFY2015**

Income tax expense for the quarter was approximately S\$0.03 million as compared to S\$10.60 million in 2QFY2015 and income tax expense for HYFY2016 was approximately S\$0.06 million as compared to S\$10.06 million in HYFY2015. The lower tax expense for the current quarter and half year was due to lower level of profitability.

### **Loss for the period, net of tax**

#### **2QFY2016 vs 2QFY2015/ HYFY2016 vs HYFY2015**

As a result of the foregoing, the Group registered a net loss of approximately S\$2.15 million in 2QFY2016 as compared to a net profit of S\$49.16 million in 2QFY2015 and a net loss of S\$7.78 million in HYFY2016 as compared to a net profit of S\$45.75 million in HYFY2015.

### **STATEMENT OF FINANCIAL POSITION**

As at 31 December 2015, total current assets stood at approximately S\$384.82 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\$37.85 million, higher trade and other receivables from approximately S\$56.16 million to approximately S\$57.30 million and higher carrying value of properties under development from approximately S\$235.83 million to approximately S\$277.41 million.

Total non-current assets increased to approximately S\$181.97 million as at 31 December 2015 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 from approximately S\$12.55 million to approximately S\$22.88 million.

As at 31 December 2015, total current liabilities increased to approximately S\$254.01 million as compared to approximately S\$174.572 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\$140.10 million, bank loans and overdraft from approximately S\$57.63 million to approximately S\$67.41 million and a re-classification of the redeemable exchangeable preference shares from non-current liabilities to current liabilities.

Total non-current liabilities increased to approximately S\$184.76 million as at 31 December 2015 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\$183.42 million as compared to approximately S\$164.56 million as at 30 June 2015.

As a result of the loss recorded in 2QFY2016, the Group's total equity was lower at approximately S\$131.02 million as at 31 December 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 31 December 2015, the Group generated positive net cash inflow from operating activities of approximately S\$8.14 million as compared to approximately S\$66.08 million in 2QFY2015. The net cash inflow was primarily due to higher trade and other payables but was partially offset by outflow from properties under development and income tax paid.

#### **Net cash outflow in investing activities**

The Group recorded net cash outflow of approximately S\$9.96 million for 2QFY2016 from investing activities as compared to a lower net cash outflow of approximately S\$6.70 million in the corresponding period last year. The net cash outflow in 2QFY2016 relate mainly to the increase in the purchase of property, plant and equipment and addition to investment properties.



### **Net cash inflow/outflow in financing activities**

The Group recorded net cash inflow of approximately S\$11.87 million from financing activities in 2QFY2016 as compared to a net cash outflow of S\$62.85 million in the corresponding period last year. The net cash inflow was largely due to higher net increase in bank loans.

As a result of the above, the Group recorded a net cash inflow of approximately S\$10.05 million in 2QFY2016.

Cash and cash equivalents as at 31 December 2015 stood at (including bank overdraft and fixed deposits pledged that totalled approximately S\$10.17) approximately S\$37.85 million.

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

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

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

The 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.

#### **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.

The Group's industrial property, Loyang Enterprise, has attained its TOP in January 2016 and another property project, Ace@Buroh is targeted to achieve TOP by June 2016, barring unforeseen circumstances. Hence 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**

The Group's associate company, Pan Asia Logistics Investments Holdings Pte Ltd, is primarily involved in the development, ownership and management of modern logistic properties across Asia. Providing recurring income to the Group, the associate currently owns three logistics properties, of approximately 1.1 million square feet in total, located in Singapore, Malaysia and Korea. As announced in August 2015, BMW Asia has signed a 10-year logistics property lease with this associate company for a logistics property located at Senai Airport Free Industrial Zone. This logistic property has commenced construction and is expected to complete and begin its lease to BMW Asia by end of 2016, barring any unforeseen circumstances.

In addition, the Group's 15% equity stake in Pan Asia Logistics Holdings Singapore Pte Ltd, an established logistics and supply chain solutions provider, with highly complementary core strengths will better serve the growing logistics needs of MNCs clients as their businesses evolve in Asia.

#### **Investment Properties Business**

The Group's new investment property located at Tai Seng Link has been completed and is in the process of securing new tenants. Barring unforeseen circumstances, the recurring rental income from this property 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. Nevertheless, the Group will continue to focus on the completion of its own property development projects and existing construction projects.

### **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 half year ended 31 December 2015 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  
12 February 2016