



# 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 2014

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12 November 2014

*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 niche focus on industrial properties, announced today its financial results for the first quarter (“1QFY2015”) for the financial year ending 30 June 2015.

- 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.
- Woodlands Horizon, which has achieved 100% sales of its 287 strata-titled units, as at 03 November 2014, is targeted for completion by June 2015, barring unforeseen circumstances. As such, sales from Woodlands Horizon will contribute positively to the Group’s financial performance for the financial year ending 30 June 2015.
- As at 30 September 2014, the Group’s construction order book stood at S\$129.4 million.
- Higher revenue contribution from property investment business segment with recurring rental income from the investment property, the Herencia, located at Kim Yam road, which received its TOP in late FY2014.

Commenting on the Group’s financial performance for 1Q2015, Mr. Bon Ween Foong, Executive Chairman & CEO of OKH Global Ltd, said, “While 287 industrial units of Woodlands Horizon have been fully sold, the Group did not recognise any revenue in this first quarter financial results as Woodlands Horizon has not yet achieved its TOP certification.

Nevertheless, with an integrated business model, we recorded higher revenue from our construction services division as well as higher recurring rental income from our property investment division.

Barring unforeseen circumstances, we expect the sales of Woodlands Horizon to contribute positively to our financial performance in FY2015.”



**FIRST QUARTER AND THREE MONTHS FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2014**  
**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS.**

At a special general meeting held on 10 March 2014, shareholders approved the *proposed distribution in specie* ("Proposed Distribution) of the Group's IT business, comprising Guangzhou Sinobest Information Technology Ltd. and Sinobest Technologies (H.K.) Limited (the "Operating Subsidiaries"), to the shareholders of the Company by way of capital reduction. On 24 June 2014, the Company completed the Proposed Distribution. Accordingly the Operating Subsidiaries are no longer subsidiaries of the Company as at 30 June 2014.

**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		
	3MFY2015 3 months ended 30-Sep-14 S\$'000 Unaudited	3MFY2014 3 months ended 30-Sep-13 S\$'000 Unaudited	change
<b>Continuing operations</b>			
Revenue	12,813	776	1551.2%
Cost of sales	(10,648)	(401)	2555.4%
Gross profit	2,165	375	477.3%
Other income	93	66	40.9%
General and administrative expenses	(5,650)	(5,574)	1.4%
Finance costs	(1,522)	(348)	337.4%
Share of losses of joint venture	-	-	n.m.
Share of profits of associate	955	-	n.m.
<b>Loss before tax from continuing operations</b>	(3,959)	(5,481)	-27.8%
Income tax credit	544	1	54300.0%
<b>Loss from continuing operations, net of tax</b>	(3,415)	(5,480)	-37.7%
<b>Discontinued operations</b>			
Loss from discontinued operations, net of tax	-	(546)	n.m.
<b>Total loss for the period</b>	(3,415)	(6,026)	n.m.
<b>Loss attributable to:</b>			
Owners of the Company	(3,389)	(5,148)	-34.2%
Non-controlling interests	(26)	(878)	-97.0%
	(3,415)	(6,026)	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		
	3MFY2015 3 months ended 30-Sep-14 S\$'000 Unaudited	3MFY2014 3 months ended 30-Sep-13 S\$'000 Unaudited	change
<b>Loss, net of tax</b>	(3,415)	(6,026)	n.m.
<b>Other comprehensive loss:</b>			
Currency translation differences arising from consolidation	(415)	(70)	492.9%
Other comprehensive loss for the period, net of tax	(415)	(70)	n.m.
<b>Total comprehensive loss for the period</b>	<u>(3,830)</u>	<u>(6,096)</u>	n.m.
<b>Total comprehensive loss attributable to:</b>			
Owners of the Company	(3,804)	(5,218)	-27.1%
Non-controlling interests	(26)	(878)	-97.0%
	<u>(3,830)</u>	<u>(6,096)</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		
	3MFY2015 3 months ended 30-Sep-14 S\$'000 Unaudited	3MFY2014 3 months ended 30-Sep-13 S\$'000 Unaudited	change
<b>Continuing Operations</b>			
Depreciation of property, plant and equipment	(610)	(617)	-1.1%
Foreign exchange loss, net	(42)	-	n.m.
Interest expenses	(1,522)	(348)	337.4%
Gain on disposal of property, plant and equipment	-	56	n.m.
Interest income	33	8	312.5%
Forfeiture of deposit from lease cancellation	5	-	n.m.
Other income	55	-	n.m.
<b>Discontinued Operations</b>			
Depreciation and amortisation	-	(47)	n.m.
Foreign exchange gain, net	-	11	n.m.
Allowance of doubtful debts	-	(33)	n.m.
Interest income	-	19	n.m.
<b>Total</b>			
Depreciation of property, plant and equipment	(610)	(664)	-8.1%
Foreign exchange (loss)/gain, net	(42)	11	n.m.
Allowance of doubtful debts	-	(33)	n.m.
Interest expenses	(1,522)	(348)	337.4%
Gain on disposal of property, plant and equipment	-	56	n.m.
Interest income	33	27	22.2%
Forfeiture of deposit from lease cancellation	5	-	n.m.
Other income	55	-	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	
	30-Sep-14 S\$'000 Unaudited	30-Jun-14 S\$'000 Audited	30-Sep-14 S\$'000 Unaudited	30-Jun-14 S\$'000 Audited
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	65,033	84,234	20	10
Trade and other receivables	108,801	79,293	53,433	56,174
Loan due from non-controlling interests	12,000	12,022	-	-
Properties under development	284,492	287,065	-	-
<b>Total current assets</b>	<b>470,326</b>	<b>462,614</b>	<b>53,453</b>	<b>56,184</b>
<b>Non-current assets</b>				
Property, plant and equipment	12,299	12,646	-	-
Investment properties	62,788	62,036	-	-
Investments in subsidiaries	-	-	129,185	129,185
Investments in joint venture	-	-	-	-
Investments in an associate	31,599	31,059	-	-
Investment in unquoted securities	21,500	-	-	-
<b>Total non-current assets</b>	<b>128,186</b>	<b>105,741</b>	<b>129,185</b>	<b>129,185</b>
<b>Total assets</b>	<b>598,512</b>	<b>568,355</b>	<b>182,638</b>	<b>185,369</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Trade and other payables	233,648	159,214	29,009	30,892
Finance leases	398	349	-	-
Loan due to associate	8,000	8,000	-	-
Amount due to non-controlling interests	8,920	8,920	-	-
Bank loans and overdrafts	120,291	158,954	-	-
Provisions	1,680	1,680	-	-
Income tax payable	5,059	5,059	-	-
<b>Total current liabilities</b>	<b>377,996</b>	<b>342,176</b>	<b>29,009</b>	<b>30,892</b>



**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)**

	<b>Group</b>		<b>Company</b>	
	<b>30-Sep-14</b>	<b>30-Jun-14</b>	<b>30-Sep-14</b>	<b>30-Jun-14</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>	<b>S\$'000</b>
	<b>Unaudited</b>	<b>Audited</b>	<b>Unaudited</b>	<b>Audited</b>
<b>Non-current liabilities</b>				
Finance leases	1,395	1,313	-	-
Bank loans	133,515	135,815	-	-
Redeemable exchangeable preference shares	10,779	10,394	-	-
Total non-current liabilities	145,689	147,522	-	-
<b>Total liabilities</b>	<b>523,685</b>	<b>489,698</b>	<b>29,009</b>	<b>30,892</b>
<b>Capital, reserves and non-controlling interests</b>				
Share capital	59,283	59,283	154,629	154,629
Share premium	-	-	2,851	2,851
Equity reserves	3,573	3,573	-	-
Translation reserves	(1,914)	(1,499)	(1,491)	(1,491)
Accumulated profits/(losses)	14,496	17,885	(2,360)	(1,512)
Equity attributable to owners of the Company	75,438	79,242	153,629	154,477
Non-controlling interests	(611)	(585)	-	-
Total equity	74,827	78,657	153,629	154,477
<b>Total liabilities and equity</b>	<b>598,512</b>	<b>568,355</b>	<b>182,638</b>	<b>185,369</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 30 Sep 2014		As at 30 June 2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
120,689	16,920	159,303	16,920

**Amount repayable after one year**

As at 30 Sep 2014		As at 30 June 2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
134,910	10,779	137,128	10,394

**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**

	<b>Group</b>	
	<b>3 months ended 30-Sep-14 S\$'000 Unaudited</b>	<b>3 months ended 30-Sep-13 S\$'000 Unaudited</b>
<b>Cash flows from operating activities</b>		
Net loss after tax	(3,415)	(6,026)
Adjustments for:		
Income tax credit	(544)	(44)
Allowance of doubtful debts	-	33
Depreciation of property, plant and equipment	610	664
Gain on disposal of property, plant and equipment	-	(56)
Interest expenses	1,522	348
Interest income	(33)	(27)
Property, plant and equipment written off	-	122
Over provision for warranty	-	(4)
Share of profits of an associate	(955)	-
<b>Operating cash flows before changes in working capital</b>	<b>(2,815)</b>	<b>(4,990)</b>
Investment properties	-	(1,553)
Properties under development	4,381	(111,937)
Trade and other receivables	(6,951)	9,048
Inventories	-	(3,397)
Trade and other payables	33,728	12,421
<b>Cash generated from/(used in) operations</b>	<b>28,343</b>	<b>(100,408)</b>
Income tax refunded	544	5
Interest paid	(2,336)	(1,525)
<b>Net cash generated from/(used in) operating activities</b>	<b>26,551</b>	<b>(101,928)</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	
	3 months ended 30-Sep-14 S\$'000 Unaudited	3 months ended 30-Sep-13 S\$'000 Unaudited
<b>Cash flow from investing activities</b>		
Purchase of property, plant and equipment	(38)	(10)
Additions to investment properties	(553)	-
Proceeds from disposal of property, plant and equipment	(1)	82
Interest received	33	27
Investment in unquoted securities	(6,000)	-
<b>Net cash (used in)/generated from investing activities</b>	<b>(6,559)</b>	<b>99</b>
<b>Cash flow from financing activities</b>		
Proceeds from bank loans	25,800	111,444
Repayment of bank loans	(67,623)	(12,122)
Repayment of obligations under finance lease	(94)	(146)
<b>Net cash (used in)/generated from financing activities</b>	<b>(41,917)</b>	<b>99,176</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(21,925)</b>	<b>(2,653)</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>82,656</b>	<b>60,866</b>
<b>Effects of exchange rate changes on cash balances held in foreign currencies</b>	<b>-</b>	<b>(58)</b>
<b>Cash and cash equivalents at end of period</b>	<b>60,731</b>	<b>58,155</b>
	<b>30-Sep-14</b>	<b>30-Sep-13</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Cash and bank balances	65,033	47,248
Cash held by disposal group	-	12,390
	65,033	59,638
Less: Bank overdrafts	(4,302)	(1,453)
Fixed deposits pledged	-	(30)
<b>Cash and cash equivalents</b>	<b>60,731</b>	<b>58,155</b>

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

The cash and cash equivalents as at 30 September 2014 comprises bank balance of S\$59.5 million (30 Sep 2013: S\$42.1 million), which are restricted to payments for expenditure incurred on the properties under development.



1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

**Statements of Changes in Equity**

	← Attributable to owners of the Company →				Total	Non-controlling interests	Total equity
	Share capital	Equity reserves	Translation reserves	Accumulated profits/(losses)			
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<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 Sep 2014</b>	59,283	3,573	(1,914)	14,496	75,438	(611)	74,827
<b>Balance at 1 July 2013</b>	19,793	-	839	19,719	40,351	(234)	40,117
Total comprehensive loss for the period	-	-	(70)	(5,148)	(5,218)	(878)	(6,096)
<b>Balance at 30 Sep 2013</b>	19,793	-	769	14,571	35,133	(1,112)	34,021



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>S\$'000</b>
<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 Sep 2014</b>	154,629	2,851	(1,491)	(2,360)	153,629
<b>Balance at 1 July 2013</b>	130,844	17,394	(1,491)	(8,394)	138,353
Total comprehensive loss for the period	-	-	-	(711)	(711)
<b>Balance at 30 Sep 2013</b>	130,844	17,394	(1,491)	(9,105)	137,642

**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 during 1Q2015.

	<b>Number of ordinary shares</b>	<b>Share Capital S\$'000</b>
<b>As at 30 September 2014:</b>	<u>628,657,445</u>	<u>154,629</u>

On 18 November 2013, the Group have 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.

There are 100 REPS available for exchange to 22,222,222 ordinary shares of the Company as at 30 September 2014. As at the date of this announcement, the REPS have yet to reach its first anniversary.

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

**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 2014.

**5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.**

On July 1, 2013, the Group adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") 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 FRSs.

The adoption of these new/revised FRSs and INT FRSs 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**

	<b>3 months ended 30-Sep-14</b>	<b>3 months ended 30-Sep-13</b>	<b>Change %</b>
<b>Basic loss per share (cents)</b>			
Earnings per ordinary share based on the weighted average number of ordinary shares on issue (cents)	(0.54)	(0.90)	36%
Weighted average number of ordinary shares on issue	<u>628,657,445</u>	<u>568,657,445</u>	
<b>Diluted loss per share (cents)</b>			
Earnings per ordinary share based on a fully diluted basis (cents)	(0.54)	(0.90)	36%
Adjusted weighted average number of ordinary shares	<u>650,879,667</u>	<u>568,657,445</u>	

Basic earnings per share ("EPS") is calculated based on the net 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. Adjustment is made to net loss attributable to the equity holders of the Group to reflect the effect of the exchange of the REPS. The diluted EPS for the 3 months ended 30 September 2014 is the same as the basic EPS as the effect of the exchange of the REPS 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>30-Sep-14</b>	<b>30-Jun-14</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)	11.90	12.51	-4.9
Total number of issued ordinary shares	628,657,445	628,657,445	

	<b>Company</b>		
	<b>30-Sep-14</b>	<b>30-Jun-14</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)	24.44	24.57	-0.5
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**

#### **3MFY2015 vs 3MFY2014**

	Revenue			COGS			Gross Profit/(Loss)			Gross Profit Margin		
	3MFY2015 S\$'000	3MFY2014 S\$'000	change %	3MFY2015 S\$'000	3MFY2014 S\$'000	change %	3MFY2015 S\$'000	3MFY2014 S\$'000	change %	3MFY2015 %	3MFY2014 %	change %points
Construction Services	11,193	432	2491.0	9,151	401	2182.0	2,042	31	6487.1	18.20	7.2	11.0
Property Development	-	-	n.m.	-	-	n.m.	-	-	n.m.	-	-	n.m.
Property Investment	1,620	344	370.9	1,497	-	n.m.	123	344	-64.2	7.6	100.0	(92.4)
<b>Total</b>	<b>12,813</b>	<b>776</b>	<b>1551.2</b>	<b>10,648</b>	<b>401</b>	<b>2555.4</b>	<b>2,165</b>	<b>375</b>	<b>477.3</b>	<b>16.9</b>	<b>48.3</b>	<b>(31.4)</b>

### **Revenue**

#### **Overall**

##### **1QFY2015 vs 1QFY2014**

The Group's revenue increased from approximately S\$0.78 million in 1QFY2014 to approximately S\$12.81 million in 1QFY2015. The increase was attributed to higher contribution coming from construction services and property investment income.

### **Construction Services**

##### **1QFY2015 vs 1QFY2014**

Construction revenue increased from approximately S\$0.43 million in 1QFY2014 to S\$11.19 million in 1QFY2015. The increase was due largely to an increase in the revenue recognised from the provision of construction services during the period.

### **Property Investment**

##### **1QFY2015 vs 1QFY2014**

Revenue recognised from property investment increased by approximately S\$1.28 million from S\$0.34 million in 1QFY2014 to S\$1.62 million in 1QFY2015. The increase was mainly due to rental income from its investment property, The Herencia at Kim Yam road, which received its TOP in late FY2014.



## **STATEMENT OF COMPREHENSIVE INCOME (Cont'd)**

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

#### **1QFY2015 vs 1QFY2014**

The Group recorded a GP increase from approximately S\$0.38 million in 1QFY2014 to approximately S\$2.17 million in 1QFY2015. GPM was however down to 16.9% in 1QFY2015 as compared to 48.3% in 1QFY2014.

### **Other income**

#### **1QFY2015 vs 1QFY2014**

Other income increased marginally from approximately S\$0.07 million in 1QFY2014 to approximately S\$0.09 million in 1QFY2015. The increase came largely from management fees and interest income.

### **General and Administrative Expenses**

#### **1QFY2015 vs 1QFY2014**

General and administrative expenses increased by 1.4% from approximately S\$5.57 million in 1QFY2014 to approximately S\$5.65 million in 1QFY2015. The increase was largely due to higher bank charges and repair and maintenance charges for its development projects. The increase was partially offset by lower professional fees incurred during the period and also staff and related costs.

### **Finance Expense**

#### **1QFY2015 vs 1QFY2014**

Finance expenses increased by 337.4%, from approximately S\$0.35 million in 1QFY2014 to S\$1.52 million in 1QFY2015. The increase was mainly due to the redeemable exchangeable preference shares and higher level of bank loans to finance the increase in its business activities.

### **Share of profits of an associates**

#### **1QFY2015 vs 1QFY2014**

For the period, the share of profits of an associate amounted to approximately S\$0.96 million. There was none in the corresponding period.

### **Income Tax Expense**

#### **1QFY2015 vs 1QFY2014**

Due to the operating loss for the period, the Group instead registered a tax credit of approximately S\$0.54 million in 1QFY2015 as compared to S\$1000 tax credit in 1QFY2014.

## **STATEMENT OF COMPREHENSIVE INCOME (Cont'd)**

### **Loss from operations, net of tax**

#### **1QFY2015 vs 1QFY2014**

As a result of the above, the Group registered a lower net loss from its operation of approximately S\$3.42 million in 1QFY2015 as compared to a net loss of approximately S\$6.03 million in 1QFY2014.

## **STATEMENT OF FINANCIAL POSITION**

Total current assets increased approximately from S\$462.61 million as at 30 June 2014 to S\$470.33 million as at 30 September 2014.

The increase was attributed to higher trade and other receivables which increased by approximately S\$29.51 million from S\$79.29 million to approximately S\$108.80 million as at 30 September 2014. This comprised of higher progress billings from its development projects and work-in-progress.

Loan due from non-controlling interests remained marginally unchanged at approximately S\$12.0 million as at 30 June 2014. The loan was extended to ZACD (Woodlands) Pte Ltd, a non-controlling interest in OKH Development Pte. Ltd. ("OKHD"). The loan would be repayable upon the completion of Woodlands Horizon, a development project of OKHD, and carries an interest rate of 3.28% per annum.

Properties under development decreased by S\$2.57 million from S\$287.07 million as at 30 June 2014 to S\$284.49 million as at 30 September 2014.

Total non-current assets as at 30 September 2014 increased by approximately S\$22.45 million from S\$105.74 million to S\$128.19 million. This was attributed largely to an investment in unquoted securities of S\$21.50 million which relates to the Group 15% investment in Pan Asia Logistics Holdings Singapore Pte. Ltd.

Total current liabilities was higher at S\$377.99 million as at 30 September 2014 as compared to S\$342.18 million as at 30 June 2014. This was due to higher trade and other payables which rose from S\$159.21 million to S\$233.65 million. However, the increase was partially offset by a reduction in the bank loans and overdraft payable from S\$158.95 million to S\$120.29 million.

Total non-current liabilities as at 30 September 2014 was lowered by approximately S\$1.83 million from S\$147.52 million to S\$145.69 million. This was largely due to a reduction in bank loans outstanding.

## **STATEMENT OF CASH FLOWS**

### **Net cash outflow from operating activities**

For the financial period ended 30 September 2014, the Group recorded net cash inflow of approximately S\$26.55 million from operating activities as compared to net cash outflow of approximately S\$101.93 million for the corresponding period last year.

The net cash inflow was primarily due to cash inflow from properties under development amounting to approximately S\$4.38 million and trade and other payables of approximately S\$33.73 million. The inflow was partially offset by an outflow of approximately S\$6.95 million in trade and receivables and approximately S\$2.34 million in interest paid.

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

The Group recorded net cash outflow of approximately S\$6.56 million from investing activities as compared to an inflow of approximately S\$99,000 in the corresponding period last year. The outflow relates mainly to increases in purchase of plant and equipment, additions to investment properties and investment in unquoted securities.

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

The Group recorded net cash outflow of approximately S\$41.92 million from financing activities as compared to net cash inflow of S\$99.18 million in the corresponding period last year. The net cash outflow was largely due to higher net repayment in bank loans.

As a result of the above, the Group recorded a net cash outflow of approximately S\$21.93 million. Cash and cash equivalents as at 30 September 2014 stood at (including bank overdraft S\$4.30 million) approximately S\$65.03 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**

Woodlands Horizon, which has achieved 100% sales of its 287 strata-titled units, as at 3 November 2014, is targeted for completion by June 2015, barring unforeseen circumstances. As such, sales from Woodlands Horizon will contribute positively to the Group's financial performance for the financial year ending 30 June 2015.

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.

### **Construction Services Business**

As at 30 September 2014, the Group's construction order book stood at approximately S\$129.4 million.

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.

Barring unforeseen circumstances, the Group is cautiously optimistic on the outlook of its performance in FY2015.

**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 2014.

**14 Negative assurance**

The Board of Directors of the Company hereby confirms to the best of its 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 2014 to be false or misleading in any material aspects.

## 15 Use of proceeds from the Placement

As of to-date, the Group had utilised net proceeds of S\$37,339,000 from the placement of approximately S\$39,500,000 (after deducting estimated expenses pertaining to the placement of S\$1,300,000) ("Net Proceeds") as follows:-

<b>Use of Net Proceeds</b>	<b>Allocation of Net Proceeds (S\$'000)</b>	<b>Amount Utilised (S\$'000)</b>	<b>Balance of Net Proceeds (S\$'000)</b>
Funding for potential acquisitions, investments and business expansion plans in connection with the Group's business	7,000	5,000	2,000
Working capital requirements of the Group	32,500	32,339	161
<b>Total</b>	<b>39,500</b>	<b>37,339</b>	<b>2,161</b>

  

<b>(A) Amount utilised for funding for potential acquisitions, investments and business expansion plans in connection with the Group's business</b>	<b>Amount Utilised (S\$'000)</b>
Increase of issued and paid-up share capital of OKH TransHub Pte. Ltd.	5,000

  

<b>(B) Working capital requirements of the Group</b>	
General working capital of the Company	3,839
Payment for construction materials and services	12,000
Repayment of advances to a Director	16,500
<b>Total</b>	<b>37,339</b>

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

The Company will make periodic announcements via SGXNet on the utilisation of the Net Proceeds as and when the balances of the Net Proceeds are materially disbursed.

### BY ORDER OF THE BOARD

BON WEEN FOONG  
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER  
12 November 2014