



# 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 2013

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13 November 2013

*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.*



## FIRST QUARTER AND THREE MONTHS FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2013

### 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.

*Unless otherwise defined, all capitalised terms used in this announcement shall bear the same meanings ascribed to them in the Company's circular to Shareholders dated 31 December 2012 (the "Circular").*

On 23 January 2013, the Company had obtained shareholders' approvals on resolutions relating to the Proposed Acquisition and Proposed Disposal.

On 28 January 2013, the Company announced that the Proposed Acquisition had been completed with the issuance of 1,026,538,825 Consideration Shares to the Vendor on an unconditional basis at the issue price of S\$0.12 each. The Company had fully acquired the entire share capital of the OKH Group, satisfied by the allotment and issuance of new ordinary shares in the capital of the Company to the shareholder of the OKH Group.

One of the condition precedents in the sale and purchase agreement for the Proposed Acquisition is for the Proposed Disposal of all the Company's existing business to Zou Gefei, Jin Changren and Profit Saver International Limited (the "Undertaking Shareholders") based on the terms and conditions set out in the disposal agreement entered into between the Company and the Undertaking Shareholders dated 27 December 2012. The existing business to be disposed of comprises Guangzhou Sinobest Information Technology Ltd. and Sinobest Technologies (H.K.) Limited (the "Operating Subsidiaries").

On 12 March 2013, the Company announced that the Independent Financial Adviser, Provenance Capital Pte. Ltd. (the "IFA") in respect of the Proposed Disposal in accordance with the ruling from the Securities Industry Council, had opined that "*Based on our evaluation of the terms of the Proposed Disposal and the information available to us as of the Latest Practicable Date, we are of the opinion that, as a whole, the terms of the Proposed Disposal are not fair and reasonable in the context of Rule 10 of the Code*".

Accordingly, the Proposed Disposal involving the Proposed Selective Share Cancellation could not be proceeded with as regulatory approval (being one of the conditions precedent to the Proposed Disposal) was not obtained. The Board had then announced that it would continue to explore alternatives for the divestment of the Company's existing IT business. Thus on 22 October 2013 the Group announced the proposed distribution in specie of the Operating Subsidiaries to shareholders of the Company by way of capital reduction.

In view of the above-mentioned, the Operating Subsidiaries previously reported as discontinued operations continues to meet the criteria under FRS 105, Non-current Assets Held for Sale and Discontinued Operations. Hence, the Company's financial statements for the three-month period ended 30 September 2013 ("3MFY2014") has been prepared in accordance with presentation and disclosure prescribed under FRS 105.

Upon the completion of the Reverse Takeover ("RTO"), the enlarged group comprised:

- (i) Sinobest Technology Holdings Ltd. (now known as OKH Global Ltd.) and the Operating Subsidiaries (hereinafter refer to as the "SinoBest Group"); and
  - (ii) OKH Group.
- (collectively, the "Enlarged Group")



**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.**

**BASIS OF PREPARATION OF THE FINANCIAL STATEMENTS**

At Group Level

The Acquisition has been accounted for as a reverse acquisition in accordance with FRS 103 Business Combinations, where the legal subsidiary, OKH Group, is regarded as the acquirer and the Company as the acquiree for accounting purposes. Accordingly, the Enlarged Group's consolidated statement of comprehensive income, statements of financial position, statements of changes in equity and consolidated statement of cash flows for the three-month period ended 30 September 2013 have been presented as a continuation of OKH Group's financial results and operations.

Since such consolidated financial statements represent a continuation of the OKH Group:

- (a) the assets and liabilities of the OKH Group are recognised and measured in the consolidated statement of financial position at their pre-combination carrying amounts;
- (b) the assets and liabilities of the SinoBest Group are recognised and measured in accordance to FRS 103 Business Combinations;
- (c) the retained earnings and other equity balances recognised in the consolidated financial statements are the retained earnings and other equity balances of the OKH Group immediately before the business combination;
- (d) the amount recognised as issued equity interest in the consolidated financial statements is determined by adding to the issued equity of OKH Group immediately before the business combination to the fair value of SinoBest Group. However, the equity structure appearing in the consolidated financial statements (i.e. the number and type of equity instruments issued) reflects the equity structure of the legal parent (i.e. the Company), including the equity instruments issued by the legal parent (i.e. the Company) to effect the combination; and
- (e) the comparative figures presented in these consolidated financial statements are that of consolidated financial statements of the OKH Group.

Consolidated financial statements prepared following a reverse acquisition shall reflect the fair values of the assets, liabilities and contingent liabilities of the legal parent (i.e. the acquiree for accounting purposes). Therefore, the cost of the business combination for the acquisition is allocated to the identifiable assets, liabilities and contingent liabilities of the legal parent that satisfy the recognition criteria at their fair values at 28 January 2013.

At Company Level

*Reverse acquisition accounting*

Reverse acquisition accounting applies only to the consolidated financial statements at the Group level. Therefore, in the Company's financial statements, the investment in the legal subsidiaries (OKH Group) is accounted for at cost less accumulated impairment losses, if any, in the Company's statement of financial position.



**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.**

Notes:

- The Group's consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the three-month period ended 30 September 2013 refer to the Enlarged Group which consists of the results of the OKH Group for the period from 1 July 2013 to 30 September 2013 and results of the SinoBest Group for the period from 1 July 2013 to 30 September 2013.
- The Group's consolidated statement of comprehensive income, consolidated statement of cash flows and consolidated statement of changes in equity for the three-month period ended 30 September 2012 refer to the results of the OKH Group for the period from 1 July 2012 to 30 September 2012.
- The Group's consolidated statement of financial position as at 30 September 2013 refers to the Enlarged Group which consists of the assets and liabilities of the OKH Group and the SinoBest Group as at 30 September 2013.
- The Company's statement of financial position as at 30 September 2013 and 30 June 2013 and the statement of changes in equity for the three-month period ended 30 September 2013 and 30 September 2012 refer to that of OKH Global Ltd.



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		
	1QFY2014 3 months ended 30-Sep-13 S\$'000	1QFY2013 3 months ended 30-Sep-12 S\$'000	change %
<b>Continuing operations</b>			
Revenue	776	4,082	-81.0%
Cost of sales	(401)	(2,518)	-84.1%
Gross profit	375	1,564	-76.0%
Other income	66	67	-1.5%
General and administrative expenses	(5,574)	(3,610)	54.4%
Finance expenses	(348)	(564)	-38.3%
Share of losses of joint venture	-	-	-
<b>Loss before tax from continuing operations</b>	<b>(5,481)</b>	<b>(2,543)</b>	<b>115.5%</b>
Income tax credit	1	-	n.m.
<b>Loss from continuing operations, net of tax</b>	<b>(5,480)</b>	<b>(2,543)</b>	<b>115.5%</b>
<b>Discontinued operations</b>			
Loss from discontinued operations, net of tax	(546)	-	n.m.
<b>Total loss for the period</b>	<b>(6,026)</b>	<b>(2,543)</b>	<b>137.0%</b>
<b>Loss attributable to:</b>			
Equity holders of the Group	(5,148)	(2,439)	111.1%
Non-controlling interests	(878)	(104)	744.2%
	<b>(6,026)</b>	<b>(2,543)</b>	<b>137.0%</b>



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		
	1QFY2014 3 months ended 30-Sep-13 S\$'000	1QFY2013 3 months ended 30-Sep-12 S\$'000	change %
<b>Loss, net of tax</b>	(6,026)	(2,543)	137.0%
<b>Other comprehensive loss:</b>			
Currency translation differences arising from consolidation	(70)	-	n.m.
Other comprehensive loss for the period, net of tax	(70)	-	n.m.
<b>Total comprehensive loss for the period</b>	<u>(6,096)</u>	<u>(2,543)</u>	139.7%
<b>Total comprehensive loss attributable to:</b>			
Equity holders of the Group	(5,218)	(2,439)	113.9%
Non-controlling interests	(878)	(104)	744.2%
	<u>(6,096)</u>	<u>(2,543)</u>	139.7%



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		
	1QFY2014 3 months ended 30-Sep-13 S\$'000	1QFY2013 3 months ended 30-Sep-12 S\$'000	change %
<b>Continuing Operations</b>			
Depreciation and amortisation	(617)	(101)	510.9%
Interest expenses	(348)	(564)	-38.3%
Gain on disposal of fixed assets	56	48	16.7%
Interest Income	8	9	-11.1%
<b>Discontinued Operations</b>			
Depreciation and amortisation	(47)	-	n.m.
Foreign exchange gain, net	11	-	n.m.
Allowance for doubtful debts	(33)	-	n.m.
Interest Income	19	-	n.m.
<b>Total</b>			
Depreciation and amortisation	(664)	(101)	557.4%
Foreign exchange gain, net	11	-	n.m.
Allowance for doubtful debts	(33)	-	n.m.
Interest expenses	(348)	(564)	-38.3%
Gain on disposal of fixed assets	56	48	16.7%
Interest Income	27	9	200.0%



**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**

	<b>Group</b>		<b>Company</b>	
	<b>30-Sep-13</b>	<b>30-Jun-13</b>	<b>30-Sep-13</b>	<b>30-Jun-13</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><u>ASSETS</u></b>				
<b>Current assets</b>				
Cash and cash equivalents	47,248	51,981	143	185
Trade and other receivables	38,010	45,028	304	290
Properties under development	349,047	235,669	-	-
	<b>434,305</b>	<b>332,678</b>	<b>447</b>	<b>475</b>
Non-current assets held for sale	-	-	20,099	20,099
Assets directly associated with disposal group classified as held-for-sales <sup>(Note 1)</sup>	77,403	73,286	-	-
Total current assets	<b>511,708</b>	<b>405,964</b>	<b>20,546</b>	<b>20,574</b>
<b>Non-current assets</b>				
Property, plant and equipment	13,994	14,627	-	-
Investment properties	54,800	53,240	-	-
Investments in subsidiaries	-	-	123,184	123,184
Investments in joint venture	-	-	-	-
Deferred tax asset	1,994	1,994	-	-
Total non-current assets	<b>70,788</b>	<b>69,861</b>	<b>123,184</b>	<b>123,184</b>
<b>Total assets</b>	<b>582,496</b>	<b>475,825</b>	<b>143,730</b>	<b>143,758</b>
<b><u>LIABILITIES AND EQUITY</u></b>				
<b>Current liabilities</b>				
Trade and other payables	204,488	194,560	6,088	5,405
Finance leases	429	437	-	-
Bank loans and overdrafts	19,171	22,115	-	-
Provisions	10,188	10,188	-	-
Income tax payable	14	20	-	-
	<b>234,290</b>	<b>227,320</b>	<b>6,088</b>	<b>5,405</b>
Liabilities directly associated with disposal group classified as held-for-sales <sup>(Note 1)</sup>	49,518	44,765	-	-
Total current liabilities	<b>283,808</b>	<b>272,085</b>	<b>6,088</b>	<b>5,405</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)**

	Group		Company	
	30-Sep-13 S\$'000 Unaudited	30-Jun-13 S\$'000 Audited	30-Sep-13 S\$'000 Unaudited	30-Jun-13 S\$'000 Audited
<b>Non-current liabilities</b>				
Amount due to non-controlling interest	8,729	8,665	-	-
Finance leases	1,224	1,362	-	-
Bank loans	254,714	153,596	-	-
Total non-current liabilities	264,667	163,623	-	-
<b>Capital, reserves and non-controlling interests</b>				
Share capital	19,793	19,793	130,844	130,844
Share premium	-	-	17,394	17,394
Other reserves	769	839	(1,491)	(1,491)
Accumulated profits/(losses)	14,571	19,719	(9,105)	(8,394)
Equity attributable to shareholders	35,133	40,351	137,642	138,353
Non-controlling interests	(1,112)	(234)	-	-
Total equity	34,021	40,117	137,642	138,353
<b>Total liabilities and equity</b>	<b>582,496</b>	<b>475,825</b>	<b>143,730</b>	<b>143,758</b>

Note 1:

These relate to assets and liabilities of Guangzhou Sinobest Information Technology Ltd. and Sinobest Technologies (H.K.) Limited.



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 2013		As at 30 Jun 2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
19,600	-	22,552	-

**Amount repayable after one year**

As at 30 September 2013		As at 30 Jun 2013	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
255,938	8,729	154,958	8,665

**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.

The Group has breached a covenant associated with credit arrangements with a bank. The Group has informed the bank and the bank is currently reviewing the breach. As at the date of this announcement, the Group has not utilised any of the facilities granted by the bank.

There is no material effect on the financial position and operations of the Group.



- 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-13 S\$'000</b>	<b>3 months ended 30-Sep-12 S\$'000</b>
	<b>Unaudited</b>	<b>Unaudited</b>
<b>Cash flows from operating activities</b>		
Net loss after tax	(6,026)	(2,543)
Adjustments for:		
Income tax credit	(44)	-
Allowance for doubtful debt	33	-
Depreciation of fixed assets	664	101
Gain on disposal of fixed assets	(56)	(48)
Interest expense	348	564
Interest income	(27)	(9)
Fixed assets written off	122	-
Over provision for warranty	(4)	-
<b>Operating cash flows before changes in working capital</b>	<b>(4,990)</b>	<b>(1,935)</b>
Investment properties	(1,553)	(1,435)
Properties under development	(111,937)	(14,603)
Properties available for sale	-	(39)
Trade and other receivables	9,048	47,327
Inventory	(3,397)	-
Trade and other payables	12,421	20,897
<b>Cash (used in)/generated from operations</b>	<b>(100,408)</b>	<b>50,212</b>
Income tax paid	5	5
Interest paid	(1,525)	(2,533)
<b>Net cash (used in)/generated from operating activities</b>	<b>(101,928)</b>	<b>47,684</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)**

	<b>Group</b>	
	<b>3 months ended 30-Sep-13 S\$'000 Unaudited</b>	<b>3 months ended 30-Sep-12 S\$'000 Unaudited</b>
<b>Cash flow from investing activities</b>		
Purchase of plant and equipment	(10)	(240)
Proceeds from disposal of fixed assets	82	29
Interest received	27	9
<b>Net cash generated from/(used in) investing activities</b>	<b>99</b>	<b>(202)</b>
<b>Cash flow from financing activities</b>		
Proceeds from bank loans	111,444	22,882
Repayment of bank loans	(12,122)	(41,864)
Repayment of obligations under finance leases	(146)	(48)
<b>Net cash generated from/(used in) financing activities</b>	<b>99,176</b>	<b>(19,030)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(2,653)</b>	<b>28,452</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>60,866</b>	<b>16,556</b>
<b>Effects of exchange rate changes on cash balances held in foreign currencies</b>	<b>(58)</b>	<b>-</b>
<b>Cash and cash equivalents at end of period</b>	<b>58,155</b>	<b>45,008</b>
	<b>30-Sep-13</b>	<b>30-Sep-12</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Cash and bank balances	47,248	48,701
Cash held by disposal group	12,390	-
	<b>59,638</b>	<b>48,701</b>
Less: Bank overdrafts	(1,453)	(3,663)
Fixed deposits	(30)	(30)
<b>Cash and cash equivalents</b>	<b>58,155</b>	<b>45,008</b>

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

The cash and cash equivalents as at 30 September 2013 comprises bank balance of S\$42.1 million (30 September 2012: S\$15.5 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	Other reserves	Accumulated profits/(losses)			
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<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 September 2013</b>	<b>19,793</b>	<b>-</b>	<b>769</b>	<b>14,571</b>	<b>35,133</b>	<b>(1,112)</b>	<b>34,021</b>
<b>Balance at 1 July 2012</b>	6,500	-	-	20,633	27,133	231	27,364
Total comprehensive loss for the period	-	-	-	(2,439)	(2,439)	(104)	(2,543)
<b>Balance at 30 September 2012</b>	<b>6,500</b>	<b>-</b>	<b>-</b>	<b>18,194</b>	<b>24,694</b>	<b>127</b>	<b>24,821</b>



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 S\$'000	Share premium S\$'000	Treasury shares S\$'000	Other reserves S\$'000	Accumulated losses S\$'000	Total S\$'000
<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 September 2013</b>	130,844	17,394	-	(1,491)	(9,105)	137,642
<b>Balance at 1 July 2012</b>	17,103	8,934	-	(779)	(645)	24,613
Total comprehensive loss for the period	-	-	-	(904)	(75)	(979)
<b>Balance at 30 September 2012</b>	17,103	8,934	-	(1,683)	(720)	23,634

**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 were no changes in the Company's share capital for the period ended 30 September 2013

**Share Capital**

	<b>Number of ordinary shares</b>	<b>Share Capital S\$</b>
<b>As at 30 June 2013 and 30 September 2013:</b>	568,657,445	130,843,547
Share placement: 60,000,000 ordinary shares at placement price of S\$0.68 each	60,000,000	40,800,000
Less: Share placement expenses	-	(1,309,680)
<b>As at date of announcement:</b>	628,657,445	170,333,867

On 9 October 2013, the Company successfully completed the placement of 60,000,000 Placement Shares to its subscribers procured by the UOB Kay Hian Private Limited ("Placement Agent") according to the terms of the Placement Agreement dated 25 September 2013.

There were no outstanding convertibles as at 30 September 2013 and 30 September 2012.

There were no treasury shares as at 30 September 2013 and 30 September 2012.

**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 2013 and 30 June 2013 was 568,657,445.

**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 2013.

**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 2013.

**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-13</b>	<b>3 months ended 30-Sep-12</b>	<b>Change %</b>
Earnings per ordinary share based on the weighted average number of ordinary shares on issue (cents)	-0.90	-0.48	-190.0
Weighted average number of ordinary share on issue	<u>568,657,445</u>	<u>513,269,413</u>	
Earnings per ordinary share based on a fully diluted basis (cents)	-0.90	-0.48	-190.0
Adjusted weighted average number of ordinary shares	<u>568,657,445</u>	<u>513,269,413</u>	

Basic earnings per share ("EPS") is calculated based on the net profit attributable to equity holders of the Group set out in 1(a), divided by the weighted average number of ordinary shares on issue during the financial period.



**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-13</b>	<b>30-Jun-13</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)	5.98	7.05	-15.2
Total number of issued ordinary shares	568,657,445	568,657,445	
	<b>Company</b>		
	<b>30-Sep-13</b>	<b>30-Jun-13</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)	24.20	24.33	-0.5
Total number of issued ordinary shares	568,657,445	568,657,445	

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**

#### **1QFY2014 vs 1QFY2013 and 3MFY2014 vs 3MFY2013**

	Revenue			COGS			Gross Profit/(Loss)			Gross Profit Margin		
	1QFY2014 S\$'000	1QFY2013 S\$'000	change %	1QFY2014 S\$'000	1QFY2013 S\$'000	change %	1QFY2014 S\$'000	1QFY2013 S\$'000	change %	1QFY2014 %	1QFY2013 %	change %points
Construction Services	432	3,731	-88.4	401	2,518	-84.1	31	1,213	-97.4	7.2	32.5	-25.3
Property Development	-	-	-	-	-	-	-	-	-	-	-	-
Property Investment	344	351	-2.0	-	-	-	344	351	-2.0	100.0	100.0	-
Others	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>776</b>	<b>4,082</b>	<b>-81.0</b>	<b>401</b>	<b>2,518</b>	<b>-84.1</b>	<b>375</b>	<b>1,564</b>	<b>-76.0</b>	<b>48.3</b>	<b>38.3</b>	<b>10.0</b>

### **Revenue**

#### **Overall**

##### *1QFY2014 vs 1QFY2013*

The Group's revenue decreased by S\$3.3 million or 81.0%, from S\$4.1 million in 1QFY2013 to S\$0.8 million in 1QFY2014. The decrease was mainly due to decrease in revenue from its construction services division.

#### **Construction Services**

##### *1QFY2014 vs 1QFY2013*

Revenue recognised from the provision of construction services decreased by S\$3.3 million or 88.4%, from S\$3.7 million in 1QFY2013 to S\$0.4 million in 1QFY2014. The decrease was due to the lower revenue recognised as majority of the existing third party construction projects are nearing their completion stage in 1QFY2014.

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

#### **Overall**

##### *1QFY2014 vs 1QFY2013*

GP decreased by S\$1.2 million or 76.0%, from S\$1.6 million in 1QFY2013 to S\$0.4 million in 1QFY2014, mainly due to decrease in contribution from construction services as majority of the existing projects are nearing their completion stage in 1QFY2014.

GPM increased by 10.0 percentage points from 38.3% in 1QFY2013 to 48.3% in 1QFY2014, as no liquidated damages were required to be provided for third party construction projects in 1QFY2014.

## **STATEMENT OF COMPREHENSIVE INCOME (CONT'D)**

### **General and Administrative Expenses**

*1QFY2014 vs 1QFY2013*

General and administrative expenses increased by S\$2.0 million or 54.4%, from S\$3.6 million in 1QFY2013 to S\$5.6 million in 1QFY2014, mainly due to the increase in depreciation of fixed assets and staff costs. Rental paid for the land parcel at Kim Yan Road in 1QFY2014 also contributed to the increase. The increase is partially offset by the decrease in sales commission and advertising expenses.

The increase in depreciation of fixed asset was mainly attributable to the depreciation for plant and equipment purchased subsequent to 1QFY2013. The increase in staff costs was mainly due to increase in staff headcount as a result of the Group's expansion.

### **Finance Expense**

*1QFY2014 vs 1QFY2013*

Finance expenses decreased by S\$0.3 million or 38.3%, from S\$0.6 million in 1QFY2013 to S\$0.3 million in 1QFY2014, mainly due to lower bank interest expense arising from the decrease in credit facilities utilised.

## **DISCONTINUED OPERATIONS**

### **Loss from Discontinued Operations**

Loss from discontinued operations is mainly contributed by the Operating Subsidiaries in the People's Republic of China ("PRC") as a result of pending divestments as discussed in 1(a)(i). As the Operating Subsidiaries were effectively acquired via RTO exercise on 28 January 2013, there is no comparative figure shown. The income statement of the Operating Subsidiaries for the period from 1 July 2013 to 30 September 2013 is as below:

	<b>Group</b>
	<b>S\$'000</b>
Revenue	14,939
Cost of sales	<u>(11,227)</u>
Gross profit	3,712
Other income	30
General and administrative expenses	<u>(4,331)</u>
Loss before tax	(589)
Income tax credit	43
Loss for the period	<u>(546)</u>

The Operating Subsidiaries is a one-stop solution provider of IT services consisting of system integration for computer information systems and intelligent building systems, and software development and technical services. The businesses operate predominantly in the PRC and its main customers include the various governmental authorities, departments, telecommunication service operators and corporations (both state-owned and private-owned) in the PRC. Having a head office located in Guangzhou, the business has six branch offices located in Shenzhen, Fuzhou, Wuhan, Guiyang, Guangxi and Changsha.

## **STATEMENT OF FINANCIAL POSITION**

Trade and other receivables decreased by S\$7.0 million or 15.6%, from S\$45.0 million as at 30 June 2013 to S\$38.0 million as at 30 September 2013, mainly due to the reclassification of deposits paid for two land parcels at Buroh Crescent and Loyang Way to property under development in view of the completion of the acquisition. Receipts for progress billings from customers of Primz BizHub and Woodlands Horizon also contributed to the decrease. The decrease is partially offset by progress billings issued to the individual customers of Primz BizHub and Woodlands Horizon during the period.

Properties under development increased by S\$113.3 million or 48.1%, from S\$235.7 million as at 30 June 2013 to S\$349.0 million as at 30 September 2013, mainly attributable to the completion of the acquisition of two land parcels at Buroh Crescent and Loyang Way. Cost of construction works incurred during the period for Primz BizHub and Woodlands Horizon also contributed to the increase.

Bank loans and overdrafts increased by S\$98.2 million or 55.9%, from S\$175.7 million as at 30 June 2013 to S\$273.9 million as at 30 September 2013, mainly due to bank loan drawn down to finance the acquisition of two land parcels at Buroh Crescent and Loyang Way as well as the construction and development of Primz Bizhub and Woodlands Horizon.

Assets and liabilities directly associated with the disposal group classified as held-for-sale is mainly contributed by the Operating Subsidiaries in the PRC as a result of pending divestments as discussed in 1(a)(i). As the Operating Subsidiaries were effectively acquired via RTO exercise on 28 January 2013, there is no comparative figure shown. The assets and liabilities directly associated with the disposal group classified as held-for-sale is as below.

### **Assets directly associated with disposal group classified as held-for-sale**

	<b>S\$'000</b>
<b>Current assets</b>	
Cash and bank balances	12,390
Trade receivables and other receivables	42,354
Inventory	13,269
<b>Non-current assets</b>	
Financial assets, available-for sale	77
Long term receivables	803
Property, plant and equipment	6,820
Deferred tax assets	1,690
	<u>77,403</u>

### **Liabilities directly associated with disposal group classified as held-for-sale**

	<b>S\$'000</b>
Trade payables and other payables	48,794
Provisions	724
	<u>49,518</u>

## **STATEMENT OF CASH FLOWS**

### **Net cash inflow from operating activities**

For the financial period ended 30 September 2013, the Group recorded net cash outflow of S\$102.0 million from operating activities as compared to net cash inflow of S\$47.7 million in operating activities for the same period last year.

The net cash outflow was primarily due to cash outflow from properties under development of S\$111.9 million, inventory of S\$3.4 million, investment properties of S\$1.6 million and payment of interest of S\$1.5 million. This was partially offset by cash inflow from trade and other receivables of S\$9.0 million and lower cash outflow from trade and other payables of S\$12.4 million.

### **Net cash outflow from financing activities**

The Group recorded net cash inflow of S\$99.2 million from financing activities as compared to net cash outflow of S\$19.0 million in the same period last year. The net cash inflow was primarily due to the proceeds from bank loans of \$111.4 million drawn down to finance the construction and development of Primz BizHub, Woodlands Horizon and Tai Seng as well as the acquisition of two land parcels at Buroh Crescent and Loyang Way respectively. The cash inflow was partially offset by cash outflow arising from the repayment of bank loans amounting to S\$12.1 million.

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

No forecast or prospect statement has been 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**

Based on the recent real estate statistics announced on 25 October 2013 from the Urban Redevelopment Authority of Singapore, prices of multiple-user factory space increased by 0.9% in 3rd Quarter 2013, while rentals of multiple-user factory space increased by 4.4% in 3rd Quarter 2013. While the property cooling measures in January 2013 introduced seller's stamp duty on industrial property to discourage short-term speculative activity, Singapore's industrial property outlook remains stable as the economy of Singapore and demand for industrial properties remain healthy.

On 28 June 2013, the Monetary Authority of Singapore ("MAS") has introduced a Total Debt Servicing Ratio ("TDSR") framework for all property loans granted by financial institutions ("FI") to individuals, which stipulates that any property loan extended by the FI does not exceed a TDSR threshold of 60%. While this TDSR framework may affect the overall property market, the Group remains mindful of the impact to Singapore's industrial property market.

As at 30 September 2013, Primz BizHub, the Group's industrial property development located at Woodlands Avenue 12, has achieved a 100% sell-out while another of the Group's adjacent industrial property development, Woodlands Horizon, has achieved sales of 72%.

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

With OKH Global Ltd.'s transformed business model to property development, the financial performance of the Group in each reporting period may be significantly different depending on the timing of sales and completion of our property development projects.

Barring unforeseen circumstances, the Group is cautiously optimistic on the outlook of its performance in FY2014.

#### **Joint Venture with Pan Asia Logistics Singapore Pte. Ltd. ("PAL")**

On 9 October 2013, the Group completed a Joint Venture Agreement ("JVA") with PAL to jointly undertake the business of developing, owning and managing logistic buildings. Under the terms of the JVA, OKH Global will acquire a 40 percent ownership stake in the proposed joint venture, while PAL will acquire the remaining majority stake. For a start, the joint venture shall acquire three properties located in Singapore, Malaysia and Korea that are owned by PAL.

The joint venture is expected to have a positive impact to the earnings per share of the Group for the financial year ending 30 June 2014 due to the rental income that it will receive from the lease of the logistic properties in the joint venture

#### **Information Technology Business**

On 22 October 2013, the Company announced the proposed divestment of two of the Company's subsidiaries, Guangzhou Sinobest Information Technology Ltd. and Sinobest Technologies (H.K.) Limited by way of a Proposed Distribution in specie to the shareholders of the Company by way of capital reduction.

Full details of the Proposed Distribution can be found in the SGX announcement issued on 22 October 2013. Following the Proposed Distribution, the Operating Subsidiaries will cease to be subsidiaries of the Company and the Company will no longer be involved in the IT business going forward.

## **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. The IPTs entered into by the Group during the financial period ended 30 September 2013 are as follows:

Name of interested party	Aggregate value of all interested person transaction during the financial period under review (excluding transactions conducted under shareholders' mandate pursuant to Rule 920)  S\$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920  S\$'000
<b><u>Allianz International Pte Ltd</u></b>		
Purchases	(974)	-
Rental Income	11	-
<b><u>Bon Ween Foong</u></b>		
Repayment	(208)	-

**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 ended 30 September 2013 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\$12,608,000 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:-

Use of Net Proceeds	Allocation of Net Proceeds (S\$'000)	Amount Utilised (S\$'000)	Balance of Net Proceeds (S\$'000)
Funding for potential acquisitions, investments and business expansion plans in connection with the Group's business	31,600 <sup>(1)</sup>	5,000	26,600
Working capital requirements of the Group	7,900 <sup>(2)</sup>	7,608	292
<b>Total</b>	<b>39,500</b>	<b>12,608</b>	<b>26,892</b>

(A) Amount utilised for funding for potential acquisitions, investments and business expansion plans in connection with the Group's business	Amount Utilised (S\$'000)
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	108
Working capital for subsidiaries	7,500
<b>Total</b>	<b>12,608</b>

Notes:

(1) Up to 80% of the Net Proceeds to fund potential acquisitions, investments and business expansion plans in connection with the Group's business, subject to suitable opportunities arising or being available for the same.

(2) The balance of the Net Proceeds for the working capital requirements of the Group on the assumption that Note (1) is fully utilised.

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 Proceed are materially disbursed.

**BY ORDER OF THE BOARD**

BON WEEN FOONG  
EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER  
13 NOVEMBER 2013