



# 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 2014

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12 February 2015

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



**SECOND QUARTER AND HALF YEAR FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 31 DECEMBER 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			Group		
	2QFY2015 3 months ended 31-Dec-14 S\$'000 Unaudited	2QFY2014 3 months ended 31-Dec-13 S\$'000 Unaudited	change	HYFY2015 6 months ended 31-Dec-14 S\$'000 Unaudited	HYFY2014 6 months ended 31-Dec-13 S\$'000 Unaudited	change
<b>Continuing operations</b>						
Revenue	230,232	3,326	n.m.	243,045	4,102	n.m.
Cost of sales	(163,867)	(1,443)	n.m.	(174,515)	(1,844)	n.m.
Gross profit	66,365	1,883	n.m.	68,530	2,258	n.m.
Other income	101	52	94.2%	194	118	64.4%
General and administrative expenses	(6,803)	(4,947)	37.5%	(12,452)	(10,521)	18.4%
Finance expenses	(1,753)	(503)	248.5%	(3,275)	(851)	284.8%
Share of losses of joint venture	-	-	n.m.	-	-	n.m.
Share of profit/(loss) of associate	1,853	(457)	n.m.	2,808	(457)	n.m.
<b>Profit/(loss) before tax from continuing operations</b>	<b>59,763</b>	<b>(3,972)</b>	n.m.	<b>55,805</b>	<b>(9,453)</b>	n.m.
Income tax (expenses)/credit	(10,600)	-	n.m.	(10,057)	1	n.m.
<b>Profit/(loss) from continuing operations, net of tax</b>	<b>49,163</b>	<b>(3,972)</b>	n.m.	<b>45,748</b>	<b>(9,452)</b>	n.m.
<b>Discontinued operations</b>						
Profit from discontinued operations, net of tax	-	3,492	n.m.	-	2,946	n.m.
<b>Total profit/(loss) for the period</b>	<b>49,163</b>	<b>(480)</b>	n.m.	<b>45,748</b>	<b>(6,506)</b>	n.m.
<b>Profit/(loss) attributable to:</b>						
Owners of the Company	34,776	(423)	n.m.	31,387	(5,571)	n.m.
Non-controlling interests	14,387	(57)	n.m.	14,361	(935)	n.m.
	<b>49,163</b>	<b>(480)</b>	n.m.	<b>45,748</b>	<b>(6,506)</b>	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		
	2QFY2015 3 months ended 31-Dec-14 S\$'000 Unaudited	2QFY2014 3 months ended 31-Dec-13 S\$'000 Unaudited	change	HYFY2015 6 months ended 31-Dec-14 S\$'000 Unaudited	HYFY2014 6 months ended 31-Dec-13 S\$'000 Unaudited	change
<b>Profit/(loss), net of tax</b>	49,163	(480)	n.m.	45,748	(6,506)	n.m.
<b>Other comprehensive (loss)/profit:</b>						
Currency translation differences arising from consolidation	(323)	671	n.m.	(738)	601	n.m.
Other comprehensive loss for the period, net of tax	(323)	671	n.m.	(738)	601	n.m.
<b>Total comprehensive profit/(loss) for the period</b>	<u>48,840</u>	<u>191</u>	n.m.	<u>45,010</u>	<u>(5,905)</u>	n.m.
<b>Total comprehensive profit/(loss) attributable to:</b>						
Owners of the Company	34,453	248	n.m.	30,649	(4,970)	n.m.
Non-controlling interests	14,387	(57)	n.m.	14,361	(935)	n.m.
	<u>48,840</u>	<u>191</u>	n.m.	<u>45,010</u>	<u>(5,905)</u>	n.m.



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

	Group			Group		
	2QFY2015 3 months ended 31-Dec-14 S\$'000 Unaudited	2QFY2014 3 months ended 31-Dec-13 S\$'000 Unaudited	change	HYFY2015 6 months ended 31-Dec-14 S\$'000 Unaudited	HYFY2014 6 months ended 31-Dec-13 S\$'000 Unaudited	change
<b>Continuing Operations</b>						
Depreciation of property, plant and equipment	(623)	(595)	4.7%	(1,233)	(1,212)	1.7%
Foreign exchange loss, net	(439)	-	n.m.	(481)	-	n.m.
Interest expenses	(1,753)	(503)	248.5%	(3,275)	(851)	284.8%
Gain on disposal of property, plant and equipment	-	-	n.m.	-	56	n.m.
(Under)/over provision for liquidated damages	(12)	1,456	n.m.	(12)	1,456	n.m.
Interest income	26	14	85.7%	59	22	168.2%
Grant income	-	37	n.m.	-	37	n.m.
Forfeiture of deposit from lease cancellation	-	-	n.m.	5	-	n.m.
Management fee	42	-	n.m.	84	-	n.m.
Other income	33	1	3200.0%	46	3	1433.3%
<b>Discontinued Operations</b>						
Depreciation and amortisation	-	(1,395)	n.m.	-	(1,442)	n.m.
Foreign exchange loss, net	-	(12)	n.m.	-	(1)	n.m.
Reversal of doubtful debts	-	120	n.m.	-	87	n.m.
Loss on disposal of fixed assets	-	(52)	n.m.	-	(52)	n.m.
Property, plant and equipment written off	-	122	n.m.	-	-	n.m.
Under provision for warranty	-	(82)	n.m.	-	(78)	n.m.
Interest income	-	36	n.m.	-	55	n.m.
Grant income	-	1,430	n.m.	-	1,430	n.m.
Other income	-	4	n.m.	-	4	n.m.
<b>Total</b>						
Depreciation of property, plant and equipment	(623)	(1,990)	-68.7%	(1,233)	(2,654)	-53.5%
Foreign exchange loss, net	(439)	(12)	3558.3%	(481)	(1)	n.m.
Reversal of doubtful debts	-	120	n.m.	-	87	n.m.
Interest expenses	(1,753)	(503)	248.5%	(3,275)	(851)	284.8%
(Loss)/gain on disposal of property, plant and equipment	-	(52)	n.m.	-	4	n.m.
Property, plant and equipment written off	-	122	n.m.	-	-	n.m.
(Under)/over provision for liquidated damages	(12)	1,456	n.m.	(12)	1,456	n.m.
Under provision for warranty	-	(82)	n.m.	-	(78)	n.m.
Interest income	26	50	-48.0%	59	77	-23.4%
Grant income	-	1,467	-100.0%	-	1,467	n.m.
Forfeiture of deposit from lease cancellation	-	-	n.m.	5	-	n.m.
Office insurance claims	84	-	n.m.	84	-	n.m.
Other income	33	5	560.0%	46	7	557.1%



**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-14 S\$'000 Unaudited	30-Jun-14 S\$'000 Audited	31-Dec-14 S\$'000 Unaudited	30-Jun-14 S\$'000 Audited
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	58,362	84,234	-	10
Trade and other receivables	95,984	79,293	51,829	56,174
Loan due from non-controlling interests	12,000	12,022	-	-
Properties under development	186,952	287,065	-	-
<b>Total current assets</b>	<b>353,298</b>	<b>462,614</b>	<b>51,829</b>	<b>56,184</b>
<b>Non-current assets</b>				
Property, plant and equipment	12,102	12,646	-	-
Investment properties	63,323	62,036	-	-
Investments in subsidiaries	-	-	129,185	129,185
Investments in joint venture	-	-	-	-
Investment in an associate	33,129	31,059	-	-
Investment in unquoted securities	21,500	-	-	-
<b>Total non-current assets</b>	<b>130,054</b>	<b>105,741</b>	<b>129,185</b>	<b>129,185</b>
<b>Total assets</b>	<b>483,352</b>	<b>568,355</b>	<b>181,014</b>	<b>185,369</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Trade and other payables	133,510	159,214	28,439	30,892
Finance leases	461	349	-	-
Loan due to an associate	8,000	8,000	-	-
Amount due to non-controlling interests	8,920	8,920	-	-
Bank loans and overdrafts	37,527	158,954	-	-
Provisions	1,368	1,680	-	-
Income tax payable	13,599	5,059	-	-
<b>Total current liabilities</b>	<b>203,385</b>	<b>342,176</b>	<b>28,439</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>31-Dec-14</b>	<b>30-Jun-14</b>	<b>31-Dec-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	1,302	1,313	-	-
Bank loans	143,835	135,815	-	-
Redeemable exchangeable preference shares	11,163	10,394	-	-
Total non-current liabilities	156,300	147,522	-	-
<b>Total liabilities</b>	<b>359,685</b>	<b>489,698</b>	<b>28,439</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	(2,237)	(1,499)	(1,491)	(1,491)
Accumulated profits/(losses)	49,272	17,885	(3,414)	(1,512)
Equity attributable to owners of the Company	109,891	79,242	152,575	154,477
Non-controlling interests	13,776	(585)	-	-
Total equity	123,667	78,657	152,575	154,477
<b>Total liabilities and equity</b>	<b>483,352</b>	<b>568,355</b>	<b>181,014</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 31 Dec 2014		As at 30 June 2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
37,988	16,920	159,303	16,920

**Amount repayable after one year**

As at 31 Dec 2014		As at 30 June 2014	
Secured	Unsecured	Secured	Unsecured
S\$'000	S\$'000	S\$'000	S\$'000
145,137	11,163	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**

	Group		Group	
	3 months ended 31-Dec-14 S\$'000	3 months ended 31-Dec-13 S\$'000	6 months ended 31-Dec-14 S\$'000	6 months ended 31-Dec-13 S\$'000
	Unaudited	Unaudited	Unaudited	Unaudited
<b>Cash flows from operating activities</b>				
Net profit/(loss) after tax	49,163	(480)	45,748	(6,506)
Adjustments for:				
Income tax expenses/(credit)	10,600	552	10,057	508
Reversal of doubtful debts	-	(120)	-	(87)
Depreciation of property, plant and equipment	623	1,990	1,233	2,654
Loss/(gain) on disposal of property, plant and equipment	-	52	-	(4)
Interest expenses	1,753	503	3,275	851
Interest income	(26)	(50)	(59)	(77)
Property, plant and equipment written off	-	(122)	-	-
Under/(over) provision for liquidated damages	12	(1,456)	12	(1,456)
Under provision for warranty	-	82	-	78
Share of (profit)/loss of an associate	(1,853)	457	(2,808)	457
<b>Operating cash flows before changes in working capital</b>	<b>60,272</b>	<b>1,408</b>	<b>57,458</b>	<b>(3,582)</b>
Investment properties	-	(2,727)	-	(4,280)
Properties under development	99,016	(24,119)	103,397	(136,056)
Trade and other receivables	(2,951)	522	(9,902)	9,570
Inventories	-	4,181	-	784
Trade and other payables	(85,239)	2,157	(51,511)	14,578
<b>Cash generated from/(used in) operations</b>	<b>71,098</b>	<b>(18,578)</b>	<b>99,442</b>	<b>(118,986)</b>
Income tax (paid)/refunded	(2,061)	-	(1,517)	5
Interest paid	(2,959)	(2,056)	(5,295)	(3,581)
<b>Net cash generated from/(used in) operating activities</b>	<b>66,078</b>	<b>(20,634)</b>	<b>92,630</b>	<b>(122,562)</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-14	3 months ended 31-Dec-13	6 months ended 31-Dec-14	6 months ended 31-Dec-13
	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	(142)	(723)	(180)	(733)
Additions to investment properties	(281)	-	(834)	-
Proceeds from disposal of property, plant and equipment	-	-	-	82
Interest received	26	50	59	77
Investment in an associate	-	(30,000)	-	(30,000)
Investment in unquoted securities	(6,300)	-	(12,300)	-
<b>Net cash used in investing activities</b>	<b>(6,697)</b>	<b>(30,673)</b>	<b>(13,255)</b>	<b>(30,574)</b>
<b>Cash flow from financing activities</b>				
Proceeds from bank loans	32,419	31,003	58,219	142,447
Repayment of bank loans	(102,951)	(11,916)	(170,574)	(24,038)
Repayment of obligations under finance lease	(315)	(109)	(409)	(255)
Net proceeds from issuance of share placement	-	39,490	-	39,490
Proceeds from issuance of redeemable exchangeable preference shares	-	10,000	-	10,000
Proceeds from issuance of redeemable convertible preference shares	8,000	-	8,000	-
<b>Net cash (used in)/generated from financing activities</b>	<b>(62,847)</b>	<b>68,468</b>	<b>(104,764)</b>	<b>167,644</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>	<b>(3,466)</b>	<b>17,161</b>	<b>(25,389)</b>	<b>14,508</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>60,733</b>	<b>58,155</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>577</b>	<b>-</b>	<b>519</b>
<b>Cash and cash equivalents at end of period</b>	<b>57,267</b>	<b>75,893</b>	<b>57,267</b>	<b>75,893</b>
			<b>31-Dec-14</b>	<b>31-Dec-13</b>
			<b>S\$'000</b>	<b>S\$'000</b>
Cash and bank balances			58,362	52,434
Cash held by disposal group			-	25,303
			58,362	77,737
Less: Bank overdrafts			(1,095)	(1,814)
Fixed deposits pledged			-	(30)
<b>Cash and cash equivalents</b>			<b>57,267</b>	<b>75,893</b>

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

The cash and cash equivalents as at 31 December 2014 comprises bank balance of S\$12.7 million (31 December 2013: S\$47.7 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	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
Total comprehensive (loss)/profit for the period	-	-	(323)	34,776	34,453	14,387	48,840
<b>Balance at 31 Dec 2014</b>	59,283	3,573	(2,237)	49,272	109,891	13,776	123,667
<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
Total comprehensive profit/(loss) for the period	-	-	671	(423)	248	(57)	191
Share placement, net off expense	39,490	-	-	-	39,490	-	39,490
<b>Balance at 31 Dec 2013</b>	59,283	-	1,440	14,148	74,871	(1,169)	73,702



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

**Statements of Changes in Equity (Cont'd)**

	Share capital	Share premium	Translation reserves	Accumulated losses	Total
Company	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<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
Total comprehensive loss for the period	-	-	-	(1,054)	(1,054)
<b>Balance at 31 Dec 2014</b>	154,629	2,851	(1,491)	(3,414)	152,575
<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
Share placement, net off expense	39,490	-	-	-	39,490
Total comprehensive loss for the period	-	-	-	(623)	(623)
<b>Balance at 31 Dec 2013</b>	170,334	17,394	(1,491)	(9,728)	176,509

**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 2QFY2015.

	<b>Number of ordinary shares</b>	<b>Share Capital S\$'000</b>
<b>As at 31 December 2014:</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 2014, there were 100 REPS of which 50% or 50 REPS were available for exchange into 11,111,111 OKH Shares. The other 50 REPS would only be available for exchange into 11,111,111 OKH Shares starting from 18 November 2015.

On 4 November 2014, the Group issued 80 Redeemable Convertible Preference Shares ("RCPS") for a total of S\$8 million. Holders of the RCPS 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 2014, there were 80 RCPS available for conversion into 11,174,433 OKH Shares but conversion could only take place on or after 10 September 2015.

There were no treasury shares as at 31 December 2014 and 31 December 2013.

**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 2014 and 30 June 2014 were 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 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, 2014, 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**

	3 months ended 31-Dec-14	3 months ended 31-Dec-13	Change %	6 months ended 31-Dec-14	6 months ended 31-Dec-13	Change %
<b>Basic profit/(loss) per share (cents)</b>						
Earnings per ordinary share based on the weighted average number of ordinary shares on issue (cents)	5.53	(0.07)	8002.6	4.99	(0.93)	592.3
Weighted average number of ordinary shares on issue	<u>628,657,445</u>	<u>623,440,054</u>		<u>628,657,445</u>	<u>596,048,749</u>	
<b>Diluted profit/(loss) per share (cents)</b>						
Earnings per ordinary share based on a fully diluted basis (cents)	5.48	(0.07)	7933.7	4.99	(0.93)	592.3
Adjusted weighted average number of ordinary shares	<u>657,924,418</u>	<u>623,440,054</u>		<u>654,402,043</u>	<u>596,048,749</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.

**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-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) (excluding non-controlling interests)	17.48	12.60	38.7
Total number of issued ordinary shares	628,657,445	628,657,445	
	<b>Company</b>		
	<b>31-Dec-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) (excluding non-controlling interests)	24.27	24.57	-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**

### **CONTINUING OPERATIONS**

#### **2QFY2015 vs 2QFY2014**

	Revenue			COGS			Gross Profit			Gross Profit Margin		
	2QFY2015 S\$'000	2QFY2014 S\$'000	change %	2QFY2015 S\$'000	2QFY2014 S\$'000	change %	2QFY2015 S\$'000	2QFY2014 S\$'000	change %	2QFY2015 %	2QFY2014 %	change %points
Construction Services	8,982	2,866	213.4	7,284	1,443	404.8	1,698	1,423	19.3	18.9	49.7	(30.8)
Property Development	219,325	-	n.m.	154,917	-	n.m.	64,408	-	n.m.	-	-	n.m.
Property Investment	1,925	460	318.5	1,666	-	n.m.	259	460	-43.7	13.5	100.0	(86.5)
<b>Total</b>	<b>230,232</b>	<b>3,326</b>	<b>6822.2</b>	<b>163,867</b>	<b>1,443</b>	<b>11256.0</b>	<b>66,365</b>	<b>1,883</b>	<b>3424.4</b>	<b>28.8</b>	<b>56.6</b>	<b>(27.8)</b>

#### **HYFY2015 vs HYFY2014**

	Revenue			COGS			Gross Profit			Gross Profit Margin		
	HYFY2015 S\$'000	HYFY2014 S\$'000	change %	HYFY2015 S\$'000	HYFY2014 S\$'000	change %	HYFY2015 S\$'000	HYFY2014 S\$'000	change %	HYFY2015 %	HYFY2014 %	change %points
Construction Services	20,175	3,298	511.7	16,435	1,844	791.3	3,740	1,454	157.2	18.50	44.1	(25.6)
Property Development	219,325	-	n.m.	154,917	-	n.m.	64,408	-	n.m.	-	-	n.m.
Property Investment	3,545	804	340.9	3,163	-	n.m.	382	804	-52.5	10.8	100.0	(89.2)
<b>Total</b>	<b>243,045</b>	<b>4,102</b>	<b>5825.0</b>	<b>174,515</b>	<b>1,844</b>	<b>9363.9</b>	<b>68,530</b>	<b>2,258</b>	<b>2935.0</b>	<b>28.2</b>	<b>55.0</b>	<b>(26.8)</b>

## **Revenue**

### **Overall**

#### **2QFY2015 vs 2QFY2014 / HYFY2015 vs HYFY2014**

The Group's revenue increased to approximately S\$230.23 million in 2QFY2015 as compared to S\$3.33 million in the previous corresponding period. For HYFY2015, revenue was also higher at approximately S\$243.05 million as compared to approximately S\$4.10 million in HYFY2014. The increment for the periods was mainly attributed to higher contribution coming from the property development segment, construction services segment and income from property investment.

### **Construction Services**

#### **2QFY2015 vs 2QFY2014 / HYFY2015 vs HYFY2014**

Construction revenue was higher in 2QFY2015 at S\$8.98 million as compared to S\$2.87 million in 2QFY2014. For HYFY2015, revenue was also higher at approximately S\$20.18 million as compared to approximately S\$3.29 million in HYFY2014. The increment was due largely to an increase in the revenue recognised from the provision of construction services to third parties during the period.

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

### **Property Development**

#### **2QFY2015 vs 2QFY2014 / HYFY2015 vs HYFY2014**

With the Temporary Occupation Permit ("TOP") obtained for the Woodlands Horizon project in November 2014, the Group was able to recognise revenue of S\$219.33 million from our property development in 2QFY2015 and HY2015 as compared to zero revenue recognition in the previous corresponding periods.

### **Property Investment**

#### **2QFY2015 vs 2QFY2014 / HYFY2015 vs HYFY2014**

Revenue from property investment for the period increased from approximately S\$0.46 million in 2QFY2014 to approximately S\$1.93 million in 2QFY2015. For the HYFY2015, revenue from property investment was also higher at approximately S\$3.55 million as compared to approximately S\$0.80 million in HYFY2014. The higher revenue for the periods concerned was mainly attributed mainly to rental income received from its investment property, The Herencia at Kim Yam Road, which received its TOP only in late FY2014.

### **Gross Profit ("GP")**

#### **1QFY2015 vs 1QFY2014 / HYFY2015 vs HYFY2014**

The Group recorded an increase in GP from approximately S\$1.88 million in 2QFY2014 to approximately S\$66.37 million in 2QFY2015. For HYFY2015, GP was also higher at approximately S\$68.53 million as compared to approximately S\$2.26 million in HYFY2014. The increment in the GP was due mainly to higher revenue contribution from both the Property Development and Construction Services segments.

### **Other income**

#### **2QFY2015 vs 2QFY2014 / HYFY2015 vs HYFY2014**

Other income increased from approximately S\$0.05 million in 2QFY2014 to approximately S\$0.10 million in 2QFY2015. Other income in HYFY2015 was also higher at approximately S\$0.19 million as compared to approximately S\$0.12 million in HYFY2014. The increase in other income came largely from management fees and interest income.

### **General and Administrative Expenses**

#### **2QFY2015 vs 2QFY2014/ HYFY2015 vs HYFY2014**

General and administrative expenses rose by 37.5% from approximately S\$4.95 million in 2QFY2014 to approximately S\$6.80 million in 2QFY2015. For HYFY2015, general and administrative expenses were also higher at approximately S\$12.45 million as compared to approximately S\$10.52 million in HYFY2014. The increase in these expenses was largely due to the following factors:

- a) Sales commission recognised upon TOP received for our Woodlands Horizon project;
- b) Higher property tax for completed projects;
- c) Staff and related costs;
- d) Professional fees;
- e) Donations to charitable organisations;
- f) Repair and maintenance charges for its completed development projects.



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

### **Finance Expense**

#### **2QFY2015 vs 2QFY2014 / HYFY2015 vs HYFY2014**

Finance expenses increased from approximately S\$0.50 million in 2QFY2014 to S\$1.75 million in 2QFY2015. For HYFY2015, finance expenses were also higher at approximately S\$3.28 million as compared to approximately S\$0.85 million in HYFY2014. The increase was due to higher level of bank loans to finance the increase in our business activities and the amortisation of loss for the redeemable exchangeable preference shares.

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

#### **2QFY2015 vs 2QFY2014 / HYFY2015 vs HYFY2014**

For the period 2QFY2015, the share of profits of an associate amounted to approximately S\$1.85 million as compared to a loss of approximately S\$0.46 million in the previous corresponding period. For HYFY2015, share of profits of an associate amounted to approximately S\$2.81 million as compared to a loss of approximately S\$0.46 million in HYFY2014.

### **Income Tax Expense**

#### **2QFY2015 vs 2QFY2014 / HYFY2015 vs HYFY2014**

With higher operating profits generated during the periods under review, income tax expense for 2QFY2015 and HYFY2015 were significantly higher at approximately S\$10.60 million and S\$10.06 million respectively.

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

#### **2QFY2015 vs 2QFY2014 / HYFY2015 vs HYFY2014**

As a result of the above, the Group registered a higher profit from operations of approximately S\$49.16 million for 2QFY2015 and approximately S\$45.75 million for HYFY2015 as compared to a loss of approximately S\$3.97 million and S\$9.45 million in the previous corresponding periods respectively.

## **STATEMENT OF FINANCIAL POSITION**

Total current assets was lower at approximately S\$353.29 million as at 31 December 2014 as compared to approximately S\$462.61 million as at 30 June 2014. This was due to the reduction in the total value of properties under development by approximately S\$100.11 million to S\$186.95 million as one of our projects has achieved TOP. Cash and cash equivalents was also lower at approximately S\$58.36 million as at end December 2014, down from approximately S\$84.23 million as at 30 June 2014 as the Group pared down its bank loans. Trade and other receivables, which comprises of prepayments and work-in-progress, increased by approximately S\$16.69 million to S\$95.98 million as at 31 December 2014, partially offsetting the reduction in total current assets. Total non-current assets as at 31 December 2014 increased by approximately S\$24.31 million from S\$105.74 million to S\$130.05 million. This was attributed largely to increases in investment properties, investment in an associate and investment in unquoted securities of S\$21.50 million which relates to the Group's 15% equity investment in Pan Asia Logistics Holdings Singapore Pte Ltd.

Total current liabilities was lower at approximately S\$203.39 million as at 31 December 2014 as compared to S\$342.18 million as at 30 June 2014. This was due to lower trade and other payables which reduced from S\$159.21 million to S\$133.51 million and a substantial reduction of approximately S\$121.42 million in the bank loans and overdrafts to approximately S\$37.53 million as at 31 December 2014.

Total non-current liabilities as at 31 December 2014 increased by approximately S\$8.78 million from approximately S\$147.52 million as at 30 June 2014 to approximately S\$156.30 million. This was largely due to an increase in bank loans outstanding.

## **STATEMENT OF CASH FLOWS**

### **Net cash flow from operating activities**

For the half year financial period ended 31 December 2014, the Group recorded net cash inflow of approximately S\$92.63 million from operating activities as compared to net cash outflow of approximately S\$122.56 million for the previous corresponding period.

The net cash inflow was primarily due to cash inflow from properties under development amounting to approximately S\$103.39 million. The inflow was partially offset by outflows of approximately S\$9.90 million in trade and other receivables, approximately S\$51.51 million in trade and other payables, approximately S\$5.29 million in interest paid and approximately S\$1.52 million in income tax paid.

### **Net cash flow in investing activities**

The Group recorded a lower net cash outflow for HYFY2015 of approximately S\$13.26 million from investing activities as compared to an outflow of approximately S\$30.57 million in the previous corresponding period. The outflow relates mainly to an investment in unquoted securities, namely the Group's 15% equity stake in Pan Asia Logistics Holdings Singapore Pte Ltd.

### **Net cash flow in financing activities**

The Group recorded net cash outflow for HYFY2015 of approximately S\$104.76 million from financing activities as compared to net cash inflow of approximately S\$167.64 million in the corresponding period last year. The net cash outflow was due to higher net repayment in bank loans.

As a result of the above, the Group recorded a net cash outflow of approximately S\$25.39 million. Cash and cash equivalents as at 31 December 2014 stood at approximately S\$57.27 million (including bank overdraft S\$1.10 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.**

Generally linked to the economic growth of Singapore, Singapore's property development and construction industries form an integral part of the domestic economy. On 25 November 2014, the Ministry of Trade and Industry (MTI) announced that it expects the Singapore economy to grow by around 3.0 per cent in 2014, and by 2.0 to 4.0 per cent in 2015.

**Property Development Business**

The cooling measures introduced by the Singapore government and the release of more government land for developments continue to slow down the overall property market. However, industrial property projects with strong attributes, such as higher building specifications and convenient location, as well as industrial projects catering to niche industries will likely to be in demand.

The Group will continue to focus on the marketing and completion of its current projects and exercise prudence in exploring and evaluating any opportunities in both the property market in Singapore and other countries in Asia.

**Construction Services Business**

As at 31 December 2014, the Group's construction order book stood at approximately S\$65.41 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 31 December 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 half year financial period ended 31 December 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 February 2015