ANNUAL REPORT
2016

LOYANG ENTERPRISE TAI SENG LINK ACE @ BUROH

OKH GLOBAL LTD.

Loyang Enterprise

Artist's Impression

CONTENTS

INTEGRATED PROPERTY **DEVELOPER IN ASIA**

Established in 1998 and headquartered in Singapore, OKH Global Ltd. ("OKH Global" or "the Company") and its subsidiaries (collectively, the "Group") is an integrated property developer with a strategic focus on logistics and industrial properties.

Interlinking strategic investments with our capabilities in property development, the Group aims to further strengthen our business presence in Asia and beyond.

OUR VALUES

TEAMWORK Every employee plays an essential role in our company. We achieve success by promoting a collaborative work environment in which everyone is committed to achieve our corporate goals based on open and honest communications while showing care and support for each other.

PROFESSIONALISM Our professionalism is the foundation of our corporate performance. We apply both our extensive industry knowledge and technical competence to competitive advantage and conduct ourselves at all times in a manner which we strive for excellence in our work and add value to what we do.

INTEGRITY We remain accountable at all times to all our stakeholders, both internal and external. Through unquestionable honesty, openness and fairness, we take pride in conducting ourselves morally, legally and ethically while delivering excellence to our customers.

INNOVATION In every aspect of our business, we embrace innovation and creativity by challenging conventional practices and inspiring continuous improvement to stay at the forefront of sustainable solutions.

EFFICIENCY We incorporate effective use of technology, develop performance measures, communicate outcomes and results and implement necessary changes to provide fast and high quality services at low transactional costs.

RESPECT We take pride in the diversity of our workplace and address our disparities professionally. We view differences of opinion as opportunities that can be used to improve our businesses and acknowledge the contributions of each individual regardless of their background and treat people as we would like to be treated ourselves.

MESSAGE TO SHAREHOLDERS BY **EXECUTIVE DIRECTOR & CHIEF EXECUTIVE OFFICER**

MR. LOCK WAI HAN
Executive Director & Chief Executive Officer

DEAR SHAREHOLDERS,

FY2016 has been a tumultuous year for OKH Global and I would like to thank all our stakeholders for standing by us during this challenging period. In light of the sudden downward spiral of our share price during FY2016, the Board rapidly put in place a plan to strengthen our balance sheet and restore confidence, culminating in the issuance of 500 million new ordinary shares in the capital of the Company to Haiyi Holdings Pte. Ltd. ("Haiyi") for an aggregate amount of S$50 million of funds, which was announced in April 2016.

Haiyi is an investment holding company incorporated in Singapore and it is the controlling shareholder of SingHaiyi Group Ltd, a company listed on the Catalist Board of SGX-ST. With Haiyi's real estate development business in Singapore, we believe that there are synergistic benefits to be harnessed from this strategic equity investment.

In addition, Haiyi's strong business links in Asia will be complementary to our efforts to further diversify OKH Global's business presence geographically.

Haiyi's strong business networks in China will be a strategic fit with the Group's earlier pipeline plan to expand into logistic-related properties within China.

Notwithstanding the above, we completed one of our property development projects, Loyang Enterprise, in FY2016 and achieved its temporary occupation permit ("TOP") in January 2016. The Group's registered sales of 42.2% for Loyang Enterprise in FY2016 and we are continuing our efforts to market or lease out the remaining units.

In addition, our investment property, 12 Tai Seng Link, located at Tai Seng Link, was completed in FY2016 and we have embarked on the leasing activities of this building space.

WELCOMING OUR NEW NON-EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

After the conclusion of our financial year end, our Board underwent some changes on 2 August 2016:

- Mrs. Celine Tang was appointed as the Executive Chairman and Chief Executive Officer
- Ms. Ng Kheng Choo was appointed as the Non-Executive Director
- Mr Bon Ween Foong was re-designated as Executive Director and Deputy Chief Executive Officer of the Company.

On 5 October 2016, I was appointed as the Executive Director and Chief Executive Officer of the Company and Mrs. Tang was re-designated as the Non-Executive Chairman of the Company.

THANK YOU

FY2016 has been a challenging year for the Group as our property development business activities continue to experience headwinds with the overall slowing property market in Singapore.

However, at the same time, it was also a watershed period with Haiyi's investment in the Company. We believe that a strong, experienced investor like Haiyi, with its commitment, business interest and long-term investment horizon is a strategic fit to our business model.

As the Group takes another important step forward, I am confident that the new Board will enhance OKH Global's abilities to pursue new growth ahead.

MR. LOCK WAI HAN
Executive Director & Chief Executive Officer

MESSAGE BY NON-EXECUTIVE CHAIRMAN

MRS. CELINE TANG
Non-Executive Chairman

DEAR SHAREHOLDERS,

Since my appointment to the Board of OKH Global after the financial year end, this marks the first time that I am delivering a message to shareholders.

On 29 July 2016, at a Special General Meeting ("SGM"), shareholders have given the approval, among others, for the Company to enter into the subscription agreement dated 5 April 2016 with Haiyi Holdings Pte. Ltd. ("Haiyi") in connection with the allotment and issue of 500 million new ordinary shares in the capital of the Company at an issue price of S$0.10 per subscription Share, to raise approximately S$50 million.

Following the SGM, on 2 August 2016, the Company completed the capital reorganisation and proposed subscription. With the completion of the proposed subscription, OKH Global has emerged with a larger capital base and strengthened balance sheet.

OUR ROADMAP AHEAD

The property market is cyclical in nature but we remain confident about the longer term prospects of the property sector in Singapore. With a view to create a stronger position of financial strength for the Company, we will prioritise our efforts on the sale and leasing activities of our properties in Singapore.

While continuing to restore confidence for the Company, we remain positive about the opportunities to grow our business model and geographic expansion remains a key focus of our growth strategy in building a sustainable business.

In particular, Haiyi has strong business networks in China with extensive business links in Asia, in the area of international trade, and financial and corporate investments.

Haiyi also has a strong track record as a committed and long-term investor and as the largest shareholder in the Company, there are significant opportunities for the Company to explore new growth initiatives with long-term value creation potential in Singapore and beyond.

ACKNOWLEDGEMENT AND APPRECIATION

We all share a common goal to create an even brighter future for OKH Global and to those joining the board, those currently serving, and those who have concluded service, we would like to express our heartfelt appreciation.

On behalf of the Board of Directors, we would like to thank all our employees for their combined efforts and dedication in achieving key corporate milestones in FY2016.

In closing, we would like to express our deepest appreciation to our shareholders and stakeholders for your ongoing support and confidence as OKH Global pursues new growth ambitions for the future.

MRS. CELINE TANG
Non-Executive Chairman

BOARD OF DIRECTORS

From L-R
- Mrs. Celine Tang
- Mr. Lock Wai Han
- Mr. Bon Ween Foong
- Ms. Ng Kheng Choo

MRS. CELINE TANG

NON-EXECUTIVE CHAIRMAN

Mrs. Tang was appointed as the Executive Chairman and Chief Executive Officer of the Company on 2 August 2016 and ceased to be the Chief Executive Officer of the Company upon appointment of Mr. Lock Wai Han as the Chief Executive Officer of the Company with effect from 5 October 2016.

Mrs. Tang is currently the Group Managing Director of SGX-listed company, SingHaiyi Group Ltd. From 1990 to 1994, Mrs. Tang was the Assistant Judicial Officer of Shantou Longhu District Court, China and was also the General Manager of Centaur International LLC, US from 2001 to 2003. She is a keen supporter of youth education and has been a member of the Advisory Committee of West Spring Secondary School since 2003, providing donor support and advice to the school's activities.

Mrs. Tang graduated with a Bachelor's Degree in Literature from China People's University for Police Officers (now known as People's Public Security University of China).

MR. LOCK WAI HAN

EXECUTIVE DIRECTOR & CHIEF EXECUTIVE OFFICER

Mr. Lock was appointed as the Executive Director and Chief Executive Officer of the Company on 5 October 2016.

Mr. Lock is responsible for the strategic development of the Group's business activities, where he will oversee all key aspects of the Group's business functions and is responsible for the business development and investment opportunities of the Group.

Mr. Lock brings with him extensive knowledge and experience in international investment, design, development, leasing, marketing, operation and financing of integrated real estate, international government relations and the management, development, expansion, branding and governance of talents and organisations.

Prior to joining the Company, Mr. Lock was the Executive Director and Group CEO of Rowsley Ltd between 1 November 2013 and 31 December 2015. Between June 2011 and August 2013, he was based in Beijing as the China CEO of CapitaMalls Asia ("CMA"), where he had oversight of a retail mall portfolio that included Raffles City projects and CMA mixed developments. Up until he joined CMA in March 2010, he had served in the Singapore public sector for more than 20 years during which he held various leadership roles including Commissioner of the Immigration & Checkpoints Authority; Director of the Criminal Investigations Department and Deputy Secretary of the Ministry of Information, Communications & the Arts, as well as directorships in various statutory boards.

Mr. Lock holds a Bachelor and Master of Arts (Engineering) from the University of Cambridge, UK, and a Master of Science (Management) from Leland Stanford Junior University, USA.

MR. BON WEEN FOONG

EXECUTIVE DIRECTOR & DEPUTY CHIEF EXECUTIVE OFFICER

With more than 14 years in the building construction and property development business, Mr. Bon oversees the operating activities of the Group. Under his leadership, the Group has won various business awards, such as the ASEAN Business Awards 2013, Innovation 40 Award (by London-based The New Economy), Enterprise 50 Award in 2012 and 2011, Prominent Award of the Year (SME1 Asia Awards Singapore) in 2011. Personally, Mr. Bon has been awarded the Entrepreneur of the Year Award 2012 (by Rotary Singapore-ASME) and Asia Pacific Entrepreneurship Awards Singapore 2011 (by Enterprise Asia).

Mr. Bon has been the Patron of Geylang Serai CCC since 1 July 2013; Patron of Renci Hospital since 19 September 2013; Patron of Boon Lay CCC since 13 August 2014; Patron of Bedok CCC since 22 September 2014; Honorable Chairman of Sian Chay Medical Institution since 1 August 2015. Mr. Bon was last re-elected as Director of the Company on 29 October 2015.

MS. NG KHENG CHOO

NON-EXECUTIVE DIRECTOR

Ms. Ng, with more than 17 years of experience in investment, finance and accounting fields, was appointed to the Board on 2 August 2016 as the Non-Executive Director of the Company. Ms. Ng established VIT Consultancy Private Limited that provides advisory services on mergers and acquisitions, investments and accounting matters. She was the chief financial officer of SingHaiyi Group Ltd ("SHG") since July 2013 and became the group chief operating officer of SHG overseeing the overall business operations and strategic development for the period from July 2014 to September 2016.

Previously, Ms. Ng was the general manager of investment (Singapore) for Sichuan Chuan Wei Group Co., Ltd ("Chuan Wei") a company with related businesses in real estate development, mining of mineral resources, cement, manufacturing of vanadium and steel products and logistics. She was also in charge of investor relations for Hong Kong listed China Vanadium Titano-Magnetite Mining Company Limited, a related corporation of Chuan Wei from 2012 to March 2013. Prior to this, Ms. Ng was the chief financial officer of SGX-ST Mainboard listed company, Sapphire Corporation Limited since 2007 and a financial controller with Unigold International Pte Ltd from 2004 to 2006. She started her career with Deloitte & Touche LLP and held the position of audit manager when she left in 2003. Ms. Ng holds a Bachelor of Accountancy from Nanyang Technology University and is a member of the Institute of Singapore Chartered Accountants. Ms. Ng is currently also an Independent Director of Catalist listed company, ISOteam Ltd.

From L-R
- Mr. Ong Soon Teik
- Mr. Lim Eng Hoe

MR. ONG SOON TEIK

LEAD INDEPENDENT DIRECTOR

- CHAIRMAN OF AUDIT COMMITTEE
- MEMBER OF NOMINATING COMMITTEE
- MEMBER OF REMUNERATION COMMITTEE

Mr. Ong was appointed as an Independent Director of our Company on 29 March 2010. He was an Executive Director of a mining and resource company from 2011 to 2013 and was responsible for the financial and administration matters of the company. Prior to this position, he was Chief Operating Officer of Chinese Global Investors Group Ltd and prior to that, the Senior Vice President of Corporate Finance of Hong Leong Finance from 2005 to 2008. He was the Director of Corporate Finance of Deloitte & Touche LLP from 2000 to 2005. He has worked with BMB Consultants NV as a merchant banking specialist attached to the Bangladesh Minister of State of Privatisation under an Asian Development sponsored programme in 1999. Prior to that, Mr. Ong had worked in Corporate Finance and banking positions in DBS Bank, Standard Chartered Merchant Bank, Nomura International (Hong Kong) and Peregrine Capital/Banco Santander Securities from 1984 to 1999. Mr. Ong graduated with degrees in Bachelor of Social Science (2nd Class Upper Honours) from the National University of Singapore, Master of Applied Finance from Macquarie University and Master of Accounting from Curtin University. Mr. Ong is a Chartered Accountant in Singapore and CPA of Australia and also qualified as a Chartered Financial Analyst.

Mr. Ong was last re-elected as Director of the Company on 29 October 2014.

MR. LIM ENG HOE

INDEPENDENT DIRECTOR

- CHAIRMAN OF REMUNERATION COMMITTEE
- MEMBER OF AUDIT COMMITTEE
- MEMBER OF NOMINATING COMMITTEE

Mr. Lim is a professional corporate adviser with strong background and good knowledge in capital and financial markets, and well-versed in corporate affairs management in South Asia and Australia.

Mr Lim has been involved in a number of corporate exercises of both public and private companies in the region. Previously, Mr Lim was a Group Finance Director of a public listed company in Singapore and also served on the board of listed companies in Australia, Malaysia and Singapore. Mr Lim holds a Bachelor of Science in Economics (Honours) from University of London.

Mr. Lim was last re-elected as Director of the Company on 29 October 2015.

SENIOR MANAGEMENT

MR. FRANCIS LEE FOOK WAH

CHIEF FINANCIAL OFFICER

Mr. Lee was appointed as the Chief Financial Officer of our Group on 2 March 2015 and he is responsible for the overall finance function of our Group, including matters relating to accounting, financial reporting, taxation and compliance with listing rules.

Previously, between 2005 and 2011, Mr. Lee served as an executive director, finance director and chief financial officer of Man Wah Holdings Ltd, a company listed on the Hong Kong Stock Exchange, where he was responsible for the overall accounting functions of the company and matters relating to its corporate regulatory compliance and reporting.

Mr. Lee began his career in 1990 in the Commercial Crime Division of the Criminal Investigation Department, where he served as a senior investigation officer. In 1993, he joined OCBC Bank as an assistant manager conducting credit analyses. Between 1994 and 2001, he worked at Deutsche Morgan Grenfell Securities as a dealer's representative managing clients' investment portfolios. Mr. Lee served at the Singapore branch of the Bank of China between 2001 and 2004 as an assistant manager overseeing a team of credit officers. Between 2004 and 2005, he worked at AP Oil International Ltd as an investment and project manager, where he was involved in mergers and acquisitions and was also tasked with overseeing its overall credit policy.

Mr. Lee graduated from The National University of Singapore with a Bachelor's degree in Accountancy in 1990 and obtained a Master's degree in Business Administration (Investment and Finance) from The University of Hull in 1993. Mr. Lee is a Chartered Accountant and a non-practising member of the Institute of Singapore Chartered Accountants (ISCA). He is also a member of the Singapore Institute of Directors. Mr. Lee also serves as an independent director of four other SGX listed companies.

MR. TAN GEOK CHYE

HEAD OF CONSTRUCTION SERVICES

With more than 40 years of experience in the construction industry, Mr. Tan is the Head of Construction Services division of the Group and he oversees the key construction aspects of the property and construction projects undertaken by the Group. Mr. Tan is responsible for manpower planning, compliance with workplace and on-site safety rules and regulations as well as ensuring timely completion of projects.

Mr. Tan has been instrumental in the completion of the Group's property projects, Loyang Enterprise, Primz BizHub, Woodlands Horizon and The Herencia and he is spearheading the construction for the rest of the Group's property and construction projects. Working in various property development and construction companies, he started his career as a Site Foreman before progressing to Senior Foreman, Assistant Manager and Project Manager. Prior to joining the Group in 2012, he was a Director of Tech Décor Pte Ltd. Mr. Tan holds a Certificate in Construction Supervision issued by BCA and is a qualified Resident Technical Officer.

FINANCIAL AND **OPERATIONS REVIEW**

The Group adheres to the accounting requirement known as the completion of contract ("COC") method used for commercial and industrial properties, hence revenue recognised from the property development segment is expected to be volatile from year to year.

OUR FINANCIAL PERFORMANCE

During FY2016, only one of our property development projects, Loyang Enterprise, achieved its temporary occupation permit ("TOP") and with registered sales of 42.2% for this property development project, the Group registered lower revenue contribution from our property development business activities as compared to the preceding financial year. In addition, the Group registered lower revenue from our construction services business activities as most of our third parties construction contracts have been completed in FY2015.

As a result, the Group's revenue dipped 70.0% to approximately S$75.78 million in FY2016 as compared to approximately S$252.66 million in FY2015. On a brighter note, the Group's property investment business activities registered higher revenue growth of 28.2% to approximately S$10.58 million in FY2016.

With lower revenue contribution from property development and construction services business activities, the Group recorded a gross profit of approximately S$11.06 million in FY2016, down from S$65.89 million in FY2015. And as a result, the Group's gross profit margin was also lower at 14.6% for FY2016 as compared to 26.1% in FY2015.

And in FY2016, the Group recorded a net other expenses of approximately S$3.97 million as compared to other income of approximately S$27.22 million in FY2015, as there was a gain on revaluation of investment properties amounting to approximately S$26.22 million back in FY2015 as compared to a S$4.84 million loss on revaluation of the Group's investment properties in FY2016.

The Group's general and administrative expenses reduced by 22.4% to approximately S$17.01 million in FY2016 as compared to S$21.91 million in FY2015. The decrease was due to among others, lower professional fees, directors' remunerations, donations, and staff and related expenses.

For FY2016, the Group's finance costs increased by 42.7% to approximately S$10.09 million as compared to S$7.07 million in FY2015. This was due to an overall higher level of outstanding bank loans and interest on the Redeemable Convertible Preference Shares ("RCPS").

The share of profits of the Group's associate, Pan Asia Logistics Investments Holdings Pte. Ltd., declined by 30.2% to approximately S$3.40 million in FY2016 as compared to S$4.87 million in FY2015. The Group's share of profit for FY2016 was much lower as a result of a lower valuation gain, higher repair and maintenance costs and translational loss incurred by the subsidiary of the associate in Malaysia.

As a result of the above, the Group recorded a net loss of approximately S$16.89 million in FY2016 as compared to a net profit position in FY2015.

OUR FINANCIAL POSITION

As at 30 June 2016, the Group's total current assets stood at approximately S$300.84 million as compared to S$323.59 million as at 30 June 2015. The decrease in the Group's total current assets was attributed mainly to lower trade and other receivables from approximately S$56.16 million to S$37.83 million and properties under development from approximately S$235.83 million to S$140.03 million. The reduction was partially offset by the increase in cash and cash equivalents from approximately S$19.34 million to S$44.95 million and completed properties held for sale of approximately S$75.33 million.

On the other hand, the Group's total non-current assets increased to approximately S$213.55 million as at 30 June 2016 as compared to S$167.98 million as at 30 June 2015. The increment was attributed largely to an increase in the investment properties from approximately S$98.31 million to S$127.48 million, investment in associate from approximately S$35.62 million to S$38.70 million as well as property, plant and equipment from approximately S$12.55 million to S$31.12 million.

And as at 30 June 2016, the Group's total current liabilities increased to approximately S$386.58 million as compared to S$174.57 million as at 30 June 2015. The increment was largely attributed to an increase in bank loans and overdraft from approximately S$57.63 million to S$207.66 million as some of the loans were reclassified from non-current liabilities to current liabilities; trade and other payables from S$82.07 million to S$127.11 million; loan from third party of S$20.00 million and a reclassification of the Redeemable Exchangeable Preference Shares ("REPS") of approximately S$13.97 million from non-current liabilities to current liabilities.

Due to the reclassification of REPS and some bank loans from non-current liabilities to current liabilities, the Group's total non-current liabilities declined to approximately S$19.54 million as at 30 June 2016 as compared to S$177.92 million as at 30 June 2015.

OUR CASH FLOW HIGHLIGHTS

Net cash inflow from operating activities

For the financial year ended 30 June 2016, the Group generated positive net cash inflow of approximately S$30.19 million from operating activities as compared to the net cash inflow of approximately S$40.78 million for the corresponding period last year.

The net cash inflow was primarily due to the cash inflow from trade and other receivables amounting to approximately S$17.23 million and trade and other payables of approximately S$32.65 million. The inflow was partially offset by an outflow of approximately S$4.66 million in income tax paid and interest paid of approximately S$10.70 million.

Net cash outflow in investing activities

The Group recorded net cash outflow of approximately S$16.88 million from investing activities in FY2016 as compared to a net cash outflow of approximately S$32.12 million in the corresponding period last year. The net cash outflow in FY2016 relates mainly to purchase of property, plant and equipment of approximately S$19.17 million. The outflow was partially offset by an inflow from the proceeds from capital reduction in available for sale investments of approximately S$3.72 million.

Net cash inflow from financing activities

The Group recorded net cash inflow of approximately S$8.56 million from financing activities in FY2016 as compared to the net cash outflow of S$77.16 million in the corresponding period last year. The net cash inflow was largely due to a loan from third party of approximately S$20.00 million, which was partially offset by an outflow from net repayment in bank loans, payment of profit distribution to non-controlling interests and redemption of RCPS.

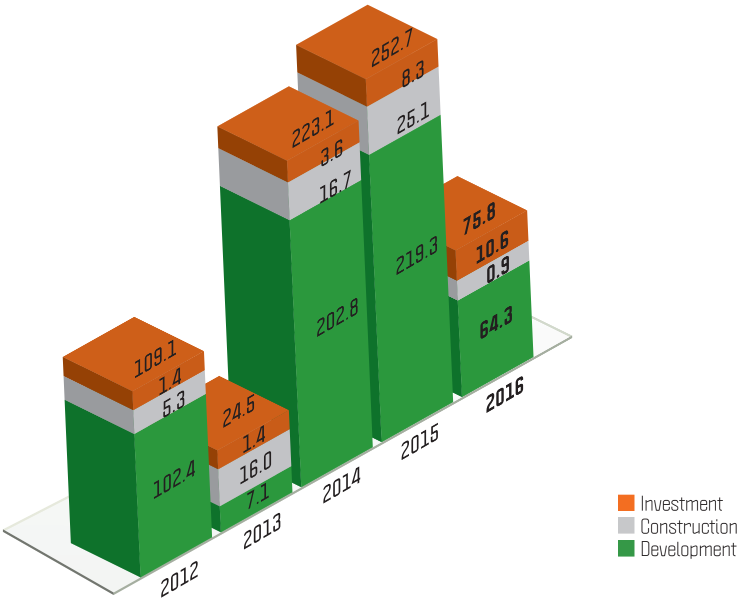
Further details of the Group's financial statements in FY2016 can be found in the next few sections of this annual report.

FINANCIAL HIGHLIGHTS

With OKH Global's core business model in property development, the Group is required to adopt the new Financial Reporting Standards. As a result, the financial performance of the Group in each reporting period may be significantly different depending on the timing of sales and completions of our industrial property development projects in Singapore.

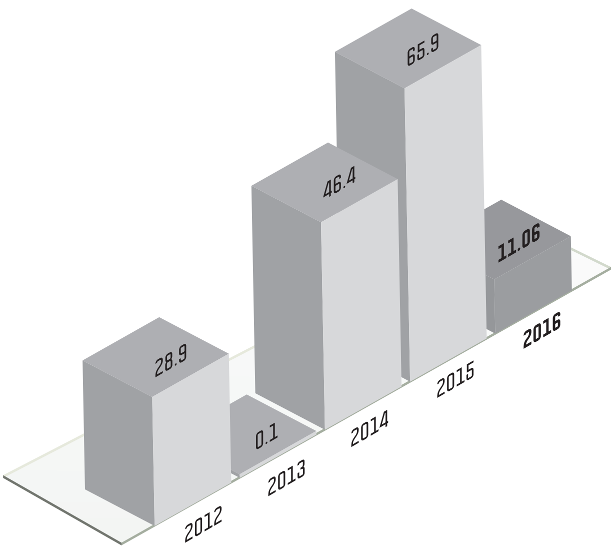
REVENUE

(S$'MILLION)



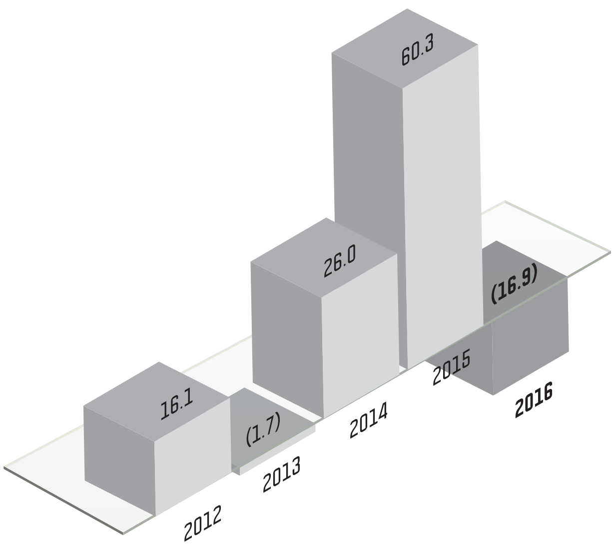
GROSS PROFIT

(S$'MILLION)



NET PROFIT

(S$'MILLION)



PROPERTY **PORTFOLIO**

DEVELOPMENT PROPERTIES

NAME OF PROPERTY	LOCATION	DESCRIPTION	TENURE	LAND AREA (SQ.FT.)	ESTIMATED GROSS FLOOR AREA (SQ.FT.)	GROUP'S EFFECTIVE EQUITY INTEREST (%)
Under Construction						
Ace @ Buroh	2 Buroh Crescent, Singapore 627546	A 8-storey B2 industrial building for strata sale	30 years leasehold from 2013	190,317	475,780	100
Completed						
Loyang Entreprise	56 Loyang Way, Singapore 508775	A 6-storey B2 industrial building for strata sale	30 years leasehold from 2013	222,092	555,000	100

INVESTMENT PROPERTIES

NAME OF PROPERTY	LOCATION	DESCRIPTION	TENURE	ESTIMATED GROSS FLOOR AREA (SQ.FT.)	GROUP'S EFFECTIVE EQUITY INTEREST (%)
Completed					
12 Tai Seng Link	12 Tai Seng Link, Singapore 534233	A 10-storey B2 industrial building for rental	30 years leasehold from 2012	116,681	100
The Herencia	46 & 58 Kim Yam Road, Singapore 239351	A two-part commercial building for offices and education institution for rental	3+3+3 years leasehold from 2013	220,186	100
LHK Building	#02-04 & #02-05, 701, Sims Drive, Singapore 387383	2 strata units of a B1 industrial building for rental	Freehold	5,425	100
Seatown Industrial Centre	69H, Tuas South Avenue 1, Singapore 637509	A 3-storey ancillary dormitory, within the industrial estate of 23 units of terrace factories and one canteen, for rental	60 years leasehold from 2000	274,352	100

FIXED ASSETS

NAME OF PROPERTY	LOCATION	DESCRIPTION	TENURE	ESTIMATED GROSS FLOOR AREA (SQ.FT.)	GROUP'S EFFECTIVE EQUITY INTEREST (%)
Under Construction					
5 Pioneer*	5 Pioneer Sector Lane Singapore 628323	4-storey single user ramp up factory for own use	30 years leasehold from 2008	137,542	100
Completed					
LHK Building	#02-02 , #02-06 & #02-07, 701 Sims Drive, Singapore 387383	3 strata units of a B1 industrial building for own office use	Freehold	9,311	100

* Barring unforeseen circumstances, the construction of this property is expected to be completed by 2017.

CORPORATE SOCIAL RESPONSIBILITY

MAKING A POSITIVE DIFFERENCE IN THE COMMUNITY

OKH Global embraces the philosophy of giving back to the community by encouraging proactive involvement in the Group's various corporate social responsibility (CSR) initiatives and environmental conservation programs.

Contributing time and resources, OKH Global is committed to aid the development and improvement of the society in which we live and work.

LIST OF PAST BENEFICIARIES (Monetary Contribution):

- Admiralty Citizens' Consultative Committee
- Amalgamated Union of Public Employees (AUPE) Foundation
- Asian Women's Welfare Association
- Autism Association (Singapore)
- Bedok Citizens' Consultative Committee
- Bone Marrow Donor Programme
- Bizlink Centre Singapore Ltd – Philanthropic Workfare Fund
- Bukit Gombak Community Centre
- Boon Lay Citizens' Consultative Committee
- BW Monastery
- Down Syndrome Association (Singapore)
- Geylang Serai Citizens' Consultative Committee
- Jurong Spring Community Club Building Fund
- Kwong Wai Shiu Hospital
- Lions Befrienders Service Association (Singapore)
- Marsiling Citizens' Consultative Committee
- Nanyang Technological University
- PAP Charity Foundation
- PAP Community Foundation
- POSB Run for Kids 2010
- Ren Ci Hospital
- RHT Rajan Menon Foundation Ltd
- Sian Chay Medical Institution
- Singfund 50
- Singapore Exchange The Bull Charge
- Shared Services for Charities Ltd
- Singapore Amalgamated Services Co-operative Organisation (SASCO)
- Singapore Badminton Association
- Singapore Chinese Chamber of Commerce Foundation
- Singapore Chung Hwa Medical Institution
- Singapore Red Cross Society
- Singapore University of Technology and Design
- Singapore Vehicle Traders Association
- SMRT Silver Tribute Fund
- South West Community Development Council
- SASCO Community Project Fund
- Singapore Inspiration Youth Entreneurship And Value Education Society Singapore
- Teochew Poit Ip Huay Kuan
- The National University of Singapore Society
- The Salvation Army
- The Singapore Statutory Boards
- The UOB Heartbeat Run/Walk 2010 & 2012
- Thye Hua Kwan Charity Show
- Tzu Chi Foundation
- Very Special Arts Singapore Ltd

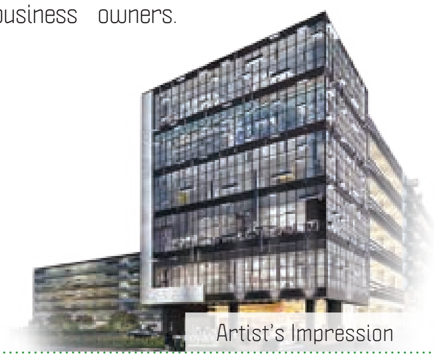
FEATURED **PROJECTS**

PROJECT FOR SALE/LEASE

LOYANG ENTERPRISE

Conveniently accessible with close proximity to Changi Airport and major expressways, this industrial property is the only industrial land site released by the government in the past few years. To provide greater adaptability for businesses, this 6-storey B2 industrial property comprises of 102 factory units of varying sizes to suit various B2 industrial activities.

A key differentiating factor from the surrounding industrial developments, all units come with a dual-key mechanism as well as vehicular ramp-up facilities at the doorstep of every unit, creating more versatility and functionality for business owners.



Artist's Impression

PROJECT FOR SALE

ACE @ BUROH

Well-connected to major expressways and proximity to Tuas Second Link, this 8-Storey B2 industrial property comprises of 100 factory units and 1 canteen. With a floor plate spanning over 35,000 square feet and direct vehicular access into each unit, this strata-titled industrial property can cater to the requirements of various business functions and operations.

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PROJECT FOR LEASE

12 TAI SENG LINK

Strategically located near Tai Seng MRT station and major roads such as Upper Paya Lebar Road and Airport Road, this property site is located within the Paya Lebar iPark, which will be developed into a lifestyle park. This 10-storey B2 industrial property will be ideal for aspiring entrepreneurs involved in "clean and light" business activities.

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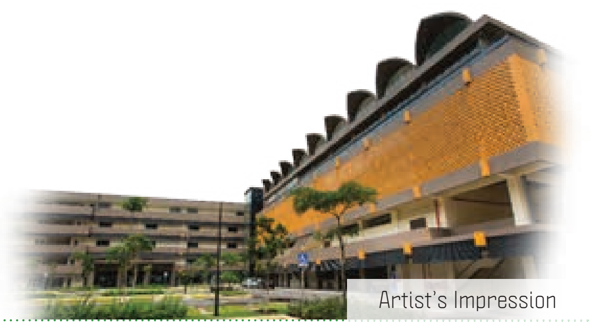
PROJECT FOR LEASE

THE HERENCIA

Located at 46 & 58 Kim Yam Road, The Herencia is situated in the vicinity of the popular Mohammad Sultan and Robertson Quay enclave. Preserving the rich history and heritage of the site, while fronting itself as a sleek and modern building befitting contemporary comfort, The Herencia is ideal for rental as an office space or education institution.



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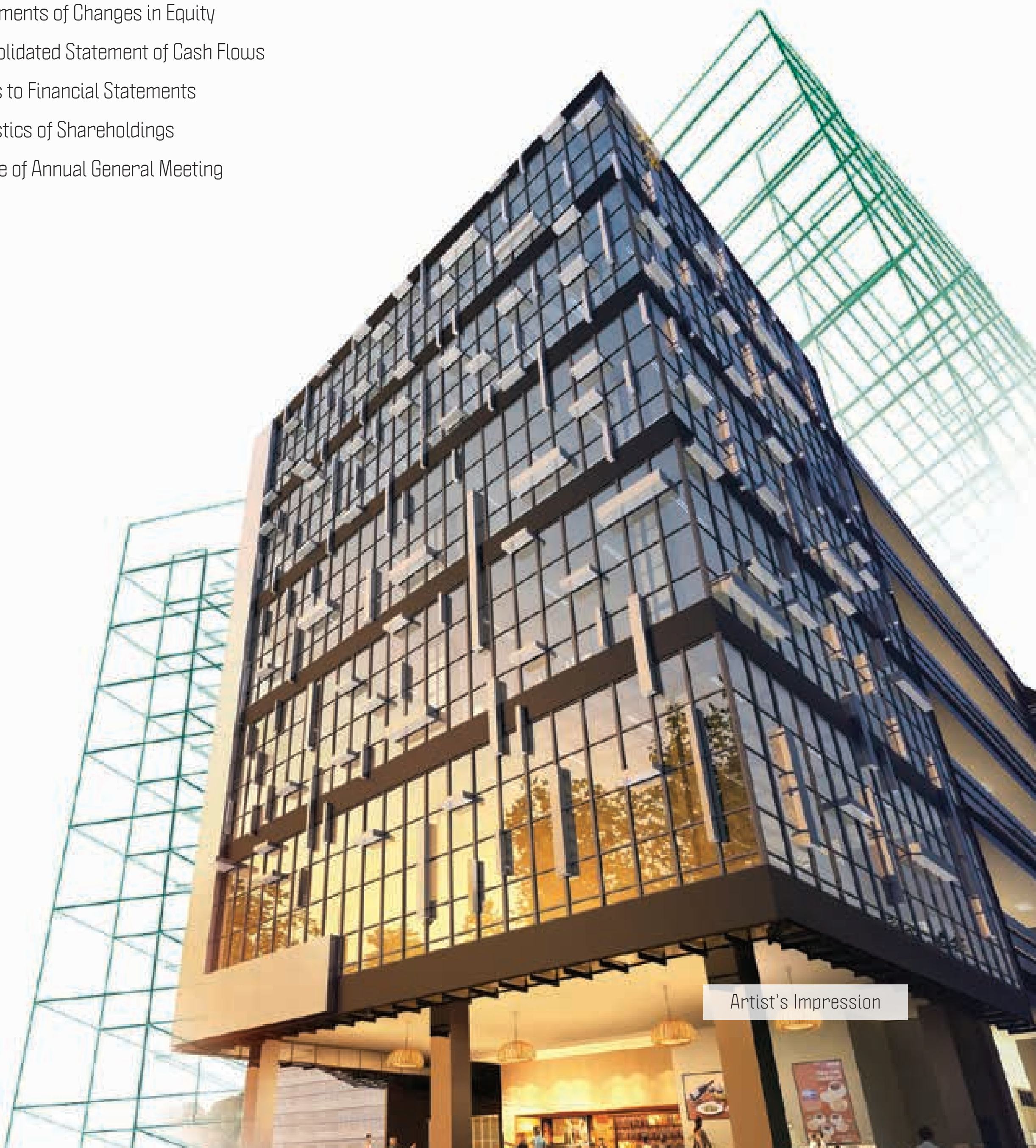
FINANCIAL CONTENTS



Artist's Impression

STATEMENT ON
CORPORATE GOVERNANCE

INTRODUCTION

The Directors and Management of OKH Global Ltd. ("the Company") and its subsidiaries (collectively "the Group") are committed to uphold good corporate governance. This commitment and continuous support of the Code of Corporate Governance 2012 ("the Code") can be seen from the Directors' and Management's effort to observe high standards of transparency, accountability and integrity in managing the Group's business in order to create value for its stakeholders and safeguard the Group's assets.

This Statement describes the practices the Company has undertaken with respect to each of the principles and guidelines and the extent of its compliance with the Code.

BOARD MATTERS

The Board's Conduct of Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

The Company is headed by an effective Board, comprising individuals with diversified backgrounds and who collectively brings with them a wide range of experience, to lead and control the Group. The Board is responsible for the overall management and success of the Group.

The principal functions of the Board are, *inter alia*, to:-

(i) provide entrepreneurial leadership, set strategic objectives, and ensure that the necessary financial and human resources are in place for the Group to meet its objectives;

(ii) establish a framework of prudent and effective controls which enables risk to be assessed and managed, including safeguarding of shareholders' interests and the Company's assets;

(iii) review management performance;

(v) identify the key stakeholder groups and recognise that their perceptions affect the Company's reputation;

(vi) set the Group's values and standards (including ethical standards), and ensure that obligations to the shareholders and other stakeholders are understood and met; and

(vii) consider sustainability issues, e.g. environmental and social factors, as part of its strategic formulation.

All Directors objectively discharge their duties and responsibilities at all times as fiduciaries in the interests of the Company.

To assist in the execution of its responsibilities, the Board has established Board Committees, namely Audit Committee ("AC"), Nominating Committee ("NC") and Remuneration Committee ("RC"). These Board Committees function within clearly defined terms of references and operating procedures, which are reviewed by the Board on a regular basis to enhance the effectiveness of these Board Committees. The roles and responsibilities of these Board Committees are provided for in the latter sections of this Statement on Corporate Governance.

The Board meets on a regular basis as and when necessary, to address any specific significant matters that may arise.

The incoming Directors were also provided with information relating to corporate conduct and governance including continuing disclosure requirements as required by the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST"), disclosure of interests in securities, restrictions on disclosure of confidential or price sensitive information and etc. All Directors are also encouraged to receive regular training such as professional development on new laws, regulations and changing commercial risks, so as to enable them to contribute effectively to the Board or Board Committees.

Pursuant to Bye-Law 125 of the Company's Bye-Laws, the Directors of the Company may participate in any meeting of the Board or any Board Committees, which may be held by means of such telephonic, electronic or other communication facilities, allowing all persons participating in the meeting to communicate with each other simultaneously and instantaneously.

STATEMENT ON CORPORATE GOVERNANCE

The number of Board and Board Committees meetings held during the financial year ended 30 June 2016 ("FY2016") and the attendance of each Director where relevant is as follows:-

Type of meetings	Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of meetings	5	4	1	1
Attendance				
Mrs Celine Tang[1]	N/A	N/A	N/A	N/A
Mr Lock Wai Han[2]	N/A	N/A	N/A	N/A
Mr Bon Ween Foong	5/5	N/A	N/A	N/A
Mr Tan Geok Chye[3]	5/5	N/A	N/A	N/A
Ms Ng Kheng Choo[4]	N/A	N/A	N/A	N/A
Mr Ong Soon Teik	5/5	4/4	1/1	1/1
Mr Lim Eng Hoe	5/5	4/4	1/1	1/1
Mr Lee Teck Leng Robson[5]	4/5	4/4	1/1	1/1

Notes:

1 Mrs Celine Tang was appointed on 2 August 2016

2 Mr Lock Wai Han was appointed on 5 October 2016

3 Mr Tan Geok Chye stepped down as an Executive Director with effect from 26 August 2016

4 Ms Ng Kheng Choo was appointed on 2 August 2016

5 Mr Lee Teck Leng Robson resigned on 7 October 2016

The Board has identified the following areas for which the Board has direct responsibility for decision making within the Group:-

- Approval of the Group's major investments/divestment and funding decisions;
- Approval of the Group's interim and full-year financial result announcements for release to the SGX-ST;
- Approval of any agreement which is not in the ordinary course of business;
- Approval of any major borrowings or corporate guarantees in relation to borrowings;
- Entering into any profit-sharing arrangement;
- Entering into any foreign exchange hedging transactions;
- Appointment or removal of any key executive and legal representative;
- Incorporation or dissolution of any subsidiary;
- Issuance of shares or declaration of dividends;
- Approval of the annual report and audited financial statements;
- Convening of general meetings;
- Approval of corporate strategies;
- Approval of material acquisitions and disposal of assets; and
- Approval of announcements or press releases concerning the Group for release to the SGX-ST.

STATEMENT ON **CORPORATE GOVERNANCE**

A new director will upon appointment be given opportunities to receive appropriate briefing or material to ensure that he/she is aware of the roles and responsibilities of a director of a public listed company in Singapore and training to familiarise with the Group's business and governance practices.

In addition, the Board of Directors of the Company is encouraged to attend appropriate or relevant courses, conferences and seminars and the costs would be borne by the Company. The Board has received updates on changes in listing rules, regulatory requirements, corporate governance guidelines and best practices on regular basis.

Board Composition and Guidance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The current Board consists of six (6) members comprising the Non-Executive Chairman, one (1) Executive Director, who is also the Chief Executive Officer ("CEO") of the Company, one (1) Executive Director, who is also the Deputy CEO, one (1) Non-Executive and Non-Independent Director, and two (2) Non-Executive and Independent Directors:–

Non-Executive Chairman
Mrs Celine Tang

Executive Director and CEO
Mr Lock Wai Han

Executive Director and Deputy CEO
Mr Bon Ween Foong

Non-Executive and Non-Independent Director
Ms Ng Kheng Choo

Non-Executive and Independent Directors
Mr Ong Soon Teik
Mr Lim Eng Hoe

The profile of each Director is presented on pages 4 to 5 of this Annual Report.

On an annual basis, each Director is required to complete a 'Confirmation of Independence' form to confirm his/her independence. The said form, which was drawn up based on the definitions and guidelines set forth in Guideline 2.3 of the Code and the Guidebook for Audit Committees in Singapore issued by Audit Committee Guidance Committee ("Guidebook"), requires each Director to assess whether he/she considers himself/herself independent despite not having any of the relationships identified in the Code.

The NC noted that the Company complies with Guideline 2.1 of the Code where there is a strong and independent element on the Board with independent directors making up at least one-third of the Board. The Board is making effort to bring in additional Independent Directors so that the Independent Directors will make up at least half of the Board at the annual general meeting ("AGM") following the end of financial year commenced on or after 1 May 2016, pursuant to Guideline 2.2 of the Code where the Chairman of the Board is not an Independent Director.

The Board regularly examines its size and after taking into account the scope and nature of the Group's operations, the diversified background and experience of the Directors that provide core competencies in areas such as finance or accounting, legal, business or management experience, industry knowledge, strategic planning experience and customer-based experience or knowledge. The Board is satisfied that it is of an appropriate size to facilitate effective decision making.

Although all the Directors have an equal responsibility for the Group's operations, the role of the Independent Directors is particularly important in ensuring that the strategies proposed by Management are constructively challenged, taking into account the long-term interests of shareholders. The Independent Directors participate actively during Board meetings and would constructively challenge and help to develop proposals on short term and long term business strategy and review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.

STATEMENT ON
CORPORATE GOVERNANCE

The Independent Directors are encouraged to meet, without the presence of Management so as to facilitate a more effective check on Management.

None of the Independent Directors has served on the Board beyond nine years from the date of his appointment.

Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The Chairman of the Company is Mrs Celine Tang. Mrs Tang assumed the roles of both Chairman and CEO with effect from 2 August 2016 upon the completion of the Proposed Subscription pursuant to the Subscription Agreement dated 5 April 2016 and has stepped down as the CEO of the Company upon the appointment of Mr Lock Wai Han as the CEO of the Company with effect from 5 October 2016. Mrs Tang has extensive experience in the property development industry and will play an instrumental role in establishing the strategic direction of the Group.

The Chairman of the Company will ensure that Board meetings will be held in each quarter of financial year and as and when necessary, sets Board meeting agenda, promotes a culture of openness and debate at the Board and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues. The Chairman of the Company ensures that Board members are provided with complete, adequate and timely information on a regular basis to enable them to be fully cognizant of the affairs of the Group as well as effective communication with shareholders. She encourages constructive relations and effective contribution within the Board and between the Board and the Management. She also takes a leading role in ensuring that the Company strives to achieve and maintain high standards of corporate governance.

As the highest ranking executive officer, Mr Lock Wai Han, the CEO would be responsible for the effective management and supervision of daily business operations of the Group in accordance with the strategies, policies, budget and business plans as approved by the Board. In view that the major decisions are made in consultation with the Board, where one-third of which comprises Independent Directors. The Board is of the opinion that the process of decision making by the Board has been independent and has been based on collective decisions without any individual or small group of individuals dominating the Board's decision making.

The Company is in compliance with Guideline 3.3 of the Code, where Mr Ong Soon Teik is appointed as the Lead Independent Director. In order to promote high standards of corporate governance and effective communication between the shareholders and the Company, Mr Ong Soon Teik is available to shareholders who may have concerns with regards to the Group and for which contacts through the normal channels of the Non-Executive Chairman, Executive Director and CEO, Executive Director and Deputy CEO or Chief Financial Officer has failed to resolve issues or for which such contact is inappropriate. Such concerns may be sent to his e-mail address at ongst100@gmail.com.

The Independent Directors are encouraged to meet periodically without the presence of the other Directors and led by the Lead Independent Director. The Lead Independent Director should provide feedback to the Chairman after such meetings.

Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The Company has established a NC to make recommendations to the Board on all board appointments and re-appointments. The NC comprises the following two (2) Directors, all of whom are Non-Executive and Independent Directors:–

Mr Ong Soon Teik (Member)
Mr Lim Eng Hoe (Member)

Following the resignation of Mr Lee Teck Leng Robson on 7 October 2016, the Company endeavours to fill the vacancy within two (2) months, but in any case, not later than three (3) months.

The Company is in compliance with Guideline 4.1 of the Code, where Mr Ong Soon Teik, the Lead Independent Director of the Company, is also a member of NC.

STATEMENT ON **CORPORATE GOVERNANCE**

The NC is governed by the NC's Terms of Reference which describes the duties and functions of the NC.

The duties and functions of the NC are as follows:–

(a) to make recommendations to the Board on all board appointments, including re-election and re-appointment by taking into account the composition and progressive renewal of the Board and each Director's contribution and performance (e.g. attendance, preparedness, participation, candour and any other salient points);

(b) to determine annually whether a Director is independent;

(c) to review the Board succession plans for directors, in particular, for the Chairman and the CEO;

(d) to review the training and professional development programmes for the Board;

(e) where a Director has multiple board representations and other principal commitments, to decide whether the Director is able to and has adequately carried out his/her duties as Director, taking into account the competing time commitments that he/she faces when serving on multiple boards and other principal commitments, and to decide the maximum number of listed company board representations which any director may hold; and

(f) to decide on the process for evaluation of the performance of the Board, the Board Committees and Directors.

The Company's Bye-Laws further provides that at each AGM one-third of the Directors for the time being, or if their number is not three or multiple of three, then the number nearest to one-third but not less than one-third shall retire by rotation and that all Directors shall retire at least once every three years and such retiring Director shall be eligible for re-election. Each member of the NC shall abstain from voting on any resolutions in respect to his/her re-nomination as a Director.

The details of Mr Ong Soon Teik, Mrs Celine Tang, Ms Ng Kheng Choo and Mr Lock Wai Han, who will retire by rotation at the forthcoming AGM to be held on 21 December 2016 are disclosed in the Directors' Profile on pages 4 to 5 of this Annual Report.

The NC has recommended and the Board has approved the re-election of Mr Ong Soon Teik, Mrs Celine Tang, Ms Ng Kheng Choo and Mr Lock Wai Han, who are retiring at the forthcoming AGM as Directors of the Company. Mr Ong Soon Teik, Mrs Celine Tang, Ms Ng Kheng Choo and Mr Lock Wai Han has abstained from voting on any resolution related to their appointment.

Despite some of the Directors having other Board representations, the NC is satisfied that these Directors are able to and have adequately carried out their duties as Directors of the Company. There is no alternate Director on the Board.

Where a vacancy arises, the NC will consider each candidate for directorship based on the selection criteria determined after consultation with the Board and after taking into consideration the qualification and experience of such candidate, his/her ability to increase the effectiveness of the Board and to add value to the Group's business in line with its strategic objectives. The NC will recommend the suitable candidate to the Board for approval.

STATEMENT ON
CORPORATE GOVERNANCE

Key information regarding the Directors is set out below:

Name of Director	Date of First Appointment	Date of Last Re-election	Present Directorships or Chairmanships in Other Listed Companies and Major Appointments	Past Directorships or Chairmanships in Other Listed Companies and Major Appointments over the preceding three years
Celine Tang	2 August 2016	(to be re-elected at the forthcoming AGM)	• Singhaiyi Group Ltd.	–
Lock Wai Han	5 October 2016	(to be re-elected at the forthcoming AGM)	• Secura Group Ltd • Media Literacy Council	• Rowsley Ltd.
Bon Ween Foong	22 April 2013	29 October 2015	–	–
Ng Kheng Choo	2 August 2016	(to be re-elected at the forthcoming AGM)	• ISOTeam Ltd	–
Lim Eng Hoe	31 October 2013	29 October 2015	–	• Lincoln Minerals Limited
Ong Soon Teik	29 March 2010	29 October 2014 (to be re-elected at the forthcoming AGM)	–	• Adventus Holdings Limited

Board Performance

Principle 5: There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

On an annual basis, the NC in consultation with the Chairman of the Board, will review and evaluate the performance of the Board as a whole, its Board Committees and each Director taking into consideration the attendance record and participation at the meetings of the Board and Board Committees and the contribution of the Board.

Each Director is requested to complete an evaluation form to assess the effectiveness of the Board as a whole. The performance criteria for the Board evaluation includes an evaluation of the size and composition of the Board, the Board's access to information, the Board processes and accountability, Board performance in relation to discharging its principal responsibilities, communication with key management personnel and the Directors' standards of conduct.

In line with the Code, the Board had implemented a process to be carried out by the NC to assess the effectiveness of the Board Committees and the contribution of each individual Director to the effectiveness of the Board including the commitment of time for meetings of the Board and Board Committees. The members of the respective Board Committees were requested to complete the evaluation forms to assess the effectiveness of the Board Committees.

Access to Information

Principle 6: In order to fulfil their responsibilities, directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

The Board has separate and independent access to the key management personnel of the Group at all times. Request for information is dealt promptly by the Management. In addition, the Board is kept informed of all material events and transactions as and when they occur to enable the Board to function effectively and to fulfil its responsibilities. The information made available to the Directors is in various forms such as interim and full-year financial results, progress reports of the Group's operations, budgets and forecasts, corporate development, regulatory updates, business developments and audit reports. The Management also consults Board members regularly whenever necessary and appropriate. The Board is issued with Board papers timely prior to Board meetings to enable Directors to consider the issues and to obtain additional information or explanation from the Management, if necessary.

The calendar of Board and Board Committees meetings are planned a year in advance. Draft agendas for meetings of the Board and Board Committees are also circulated in advance to the respective Chairman of the Board and Board Committees, in order for them to suggest items for the agenda and/or review the usefulness of the items in the proposed agendas.

STATEMENT ON
CORPORATE GOVERNANCE

The Directors also have separate and independent access to the Company Secretary. The role of the Company Secretary and/or his representatives is to administer, attend and prepare minutes of Board and Board Committees' meetings, assist the Chairman in ensuring that Board procedures are followed and that the Company's Bye-Laws, the Listing Manual of the SGX-ST and other relevant rules and regulations applicable to the Company are complied with. The Company Secretary and/or his representatives attend all Board and Board Committees' meetings. The decision in appointment and removal of the Company Secretary is decided by the Board as a whole.

The Board in fulfilling its responsibilities could as a group or as individuals, when deemed fit, direct the Company to appoint independent professional advisers or seek professional advice and the costs will be borne by the Company.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The RC comprises the following two (2) Directors, all of whom including the Chairman of the RC, are Non-Executive and Independent Directors:–

Mr Lim Eng Hoe (Chairman)
Mr Ong Soon Teik (Member)

Following the resignation of Mr Lee Teck Leng Robson on 7 October 2016, the Company endeavours to fill the vacancy within two (2) months, but in any case, not later than three (3) months.

The RC is governed by the RC's Terms of Reference which describes the duties and powers of the RC.

The RC is responsible:

(a) to recommend to the Board a general framework of remuneration for Directors and key management personnel (including the CEO and other persons having authority and responsibility for planning, directing and controlling activities of the Company and Group), and to determine specific remuneration packages for each Executive Director as well as key management personnel. The RC's recommendations should cover all aspects of remuneration including but not limited to directors' fees, salaries, allowances, bonuses, options, share-based incentives and awards, and benefits in kind;

(b) in the case of service contracts of Executive Directors and key management personnel, to review and to recommend to the Board, the terms of renewal of service contracts and to ensure the service contracts contain fair and reasonable termination clauses which are not overly generous in the event of termination. The RC aims to be fair and avoid rewarding poor performance;

(c) to administer OKH Performance Share Plan; and

(d) to appoint such professional consultancy firm deemed necessary to enable the RC to discharge its duties satisfactorily.

The RC's recommendations are made in consultation with the Chairman of the Board and submitted to the entire Board for endorsement.

The respective Directors of the Company will not be involved in the discussion in deciding their own remuneration.

The RC has full authority to engage any external independent professional advice on matters relating to remuneration as and when the need arises. The expense of such services shall be borne by the Company.

STATEMENT ON CORPORATE GOVERNANCE

Level and Mix of Remuneration

Principle 8: The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

In setting remuneration packages for Executive Directors and key management personnel, the performance related elements of remuneration form a portion of the total remuneration package to link rewards to corporate and individual performance. This is to align the Executive Directors' interests with those of shareholders of the Company and to promote the long-term success of the Group and the Company. The RC will also take into consideration the risk policies of the Company, as well as the pay and employment conditions within the industry and in comparable companies.

The Non-Executive Directors including Independent Directors are paid Directors' fees taking into account factors including but not limited to contribution, effort and time spent, and the responsibilities of the Non-Executive and Independent Directors. Non-Executive Directors are not over-compensated to the extent that their independence may be compromised. The Directors' fees payable to the Non-Executive Directors of the Company each year are subject to the approval of the Company's shareholders at the AGM.

The Executive Directors do not receive Directors' fees. The remuneration packages of the Executive Directors and the key management personnel comprise primarily a basic salary component and a variable component which is the bonuses and other benefits.

The service agreements entered into with the two Executive Directors, namely Mr Lock Wai Han and Mr Bon Ween Foong are for an initial period of three years. These service agreements are subject to review by the RC and provide for termination by either party giving to the other not less than 6 months' prior written notice.

The RC may recommend the Company to consider the use of contractual provisions to allow the Company to reclaim incentive components of remuneration from Executive Directors and key management personnel in exceptional circumstances of misstatement of financial results or misconduct resulting in financial loss to the Company.

Disclosure of Remuneration

Principle 9: Every company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the company's Annual Report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

The remuneration of the Directors and the key management personnel of the Group, who are not Directors of the Company, for the financial year ended 30 June 2016, are disclosed below.

The breakdown of each Directors' and key management personnel's remuneration of the Group for the financial year ended 30 June 2016 is as follows:

Board of Directors	Salary	Bonus/ Commissions	Benefits in Kind	Directors' Fees	Total
	$	$	$	$	$
Bon Ween Foong	600,000	50,000	271,892	12,000[3]	933,892
Tan Geok Chye[1]	242,400	20,000	64,407	–	326,807
Ong Soon Teik	–	–	–	67,000	67,000
Lim Eng Hoe	–	–	–	52,000	52,000
Lee Teck Leng Robson[2]	–	–	–	52,000	52,000

Note:

1 Mr Tan Geok Chye stepped down as an Executive Director with effect from 26 August 2016.
2 Mr Lee Teck Leng Robson resigned on 7 October 2016.
3 Directors' fees of S$12,000 is paid by a subsidiary of the Company.

STATEMENT ON CORPORATE GOVERNANCE

Key Management Personnel	Salary %	Bonus/ Commissions %	Benefits in Kind %	Total %
Below S$250,000				
Francis Lee Fook Wah	83	7	10	100
Ang E-May	78	6	16	100
Ong Sau Kang	73	6	21	100
Julian Yeap Chiaw Gam	74	6	20	100

The aggregate total remuneration paid to the top four key management personnel (who are not Directors or the CEO) for the financial year ended 30 June 2016 is approximately S$624,690. Due to the highly competitive market, the Company believes it is unwise to disclose the breakdown of the remuneration of the key management personnel.

None of the Directors (including the CEO) and the top four key management personnel (who are not Directors or the CEO) had received any termination, retirement and post-employment benefits for the financial year ended 30 June 2016.

There is no employee who is immediate family member of a Director, CEO or substantial shareholder whose remuneration exceeds S$50,000 for the financial year ended 30 June 2016.

The RC has reviewed and approved the remuneration packages of the Directors and key management personnel, having regard to their contributions as well as the financial performance and commercial needs of the Group and has ensured that the Directors and key management personnel are adequate but not excessively remunerated. The RC will consider and deliberate on the performance conditions to which entitlement to short term and long term incentive schemes are subject and make the necessary disclosures, if any.

The shareholders of the Company had during the Special General Meeting held on 23 January 2013 approved and adopted the employee share scheme known as the OKH Performance Share Plan. The principal terms of the OKH Performance Share Plan is set out in the Circular to Shareholders dated 31 December 2012 on pages F-1 to F-18. As at the date of the annual report, the Company had not granted share awards to any employees under the OKH Performance Share Plan.

ACCOUNTABILITY AND AUDIT

Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board is responsible for providing a balanced and understandable assessment of the Group's performance, position and prospects, to the public, the regulators and the shareholders of the Company.

The Board is accountable to the shareholders of the Company and is mindful of its obligations to furnish timely information and to ensure full disclosure of material information in compliance with the statutory requirements and the Listing Manual of the SGX-ST. For interim financial statements, the Board provides a negative assurance confirmation to shareholders, in line with Rule 705(5) of the Listing Manual of SGX-ST. For the financial year under review, the Executive Directors and the Chief Financial Officer have provided assurance to the Board on the integrity of the Group's financial statements.

Any price sensitive information will be publicly released either before the Company meets with any group of investors or analysts or simultaneously with such meetings. Financial results and annual reports are announced and issued within the statutory prescribed periods.

The Management understands its role to provide all members of the Board with management accounts and such explanation and information in a balanced and informed assessment of the Company's performance, position and prospects.

STATEMENT ON
CORPORATE GOVERNANCE

Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board regularly reviews and improves its business and operational activities to identify areas of significant business risks as well as take appropriate measures to control, manage and mitigate these risks. The Management reviews the risk management and internal control systems and highlights all significant matters to the AC and Board from time to time.

The Board acknowledges that it is responsible for the Company to maintain an adequate system of risk management and internal controls to safeguard the assets of the Group. In addition, it is essential to maintain adequate accounting records, develop and maintain an effective control environment within the Group. The Board recognizes that all internal control systems contain inherent limitations and no system of internal controls could provide absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities. Nevertheless, the Board strives to identify key risk areas in every aspect of the Group and improve internal controls to mitigate such risks in order to achieve the overall business objective of the Group and enhance long term shareholders' value.

The Board and the AC have made reference to the internal audit reports submitted by the internal auditors for the financial year ended 30 June 2016 and management confirmations to assess the effectiveness of the Group's internal control systems.

The Company has appointed KPMG Services Pte. Ltd as the Group's internal auditors for the Group's operations in Singapore, to review the effectiveness of the Group's internal controls in light of the key business and financial risks affecting its business.

The AC also reviews the effectiveness of the actions taken by the Management on the recommendations made by the external auditors in this respect. The AC, with the participation of the Board, has reviewed the adequacy of the Group's internal controls that address financial, operational, compliance and information technology risks and risk management systems for the type and volume of business that the Group currently operates.

The Board would ensure that there is an on-going process for identifying, evaluating and managing significant risks covering financial aspects, compliance risks and other operational areas of the Group.

For FY2016, the Board has received assurances from the Executive Directors (including Deputy CEO) and the Chief Financial Officer of the Company that (a) the financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances; and (b) the Group's risk management and internal control systems are sufficiently effective.

Based on the internal control weaknesses noted during the course of audit by the external auditors and their recommendations, the various management controls put in place, and reports from the internal auditors, the Board, with concurrence from the AC, are satisfied with the Group's internal controls and are of the opinion that the internal controls maintained by the Group in addressing critical and significant risks relating to financial, operational, compliance and information technology risks and risk management systems are adequate and effective as at 30 June 2016. The Board will also continue to enhance and improve the existing internal controls framework to identify and mitigate these risks. The AC will also commission an annual internal audit to satisfy itself that the Group's internal controls are robust and effective to address any significant internal control weaknesses that may arise.

The Board will consider the necessity of establishing a separate Board risk committee when the need arises.

STATEMENT ON
CORPORATE GOVERNANCE

Audit Committee

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The AC comprises the following two (2) Directors, all of whom are Non-Executive and Independent Directors:-

Mr Ong Soon Teik (Chairman)
Mr Lim Eng Hoe (Member)

Following the resignation of Mr Lee Teck Leng Robson on 7 October 2016, the Company endeavours to fill the vacancy within two (2) months, but in any case, not later than three (3) months.

The Board ensures that the members of the AC are appropriately qualified to discharge their responsibilities. The Chairman of the AC, Mr Ong Soon Teik and member of the AC, Mr Lim Eng Hoe possesses requisite accounting and financial management expertise and experience.

The AC is governed by its Terms of Reference which highlights its duties and functions as follows:

(a) to review with the external and internal auditors, the audit plan, their audit report, management letter and the Management's response;

(b) to review the scope and results of audit and its cost effectiveness and the independence and objectivity of the external auditors. Where the external auditors also provide a substantial volume of non-audit services to the Group, to review the nature and extent of such services to maintain the balance of objectivity and value for money;

(c) to review the interim and full-year financial results of the Company and the consolidated financial statements of the Group before submission to the Board for approval, focusing in particular on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual of the SGX-ST and any other relevant statutory or regulatory requirements;

(d) to review annually the risk profile of the Company and the adequacy and effectiveness of the Company's internal controls including financial, operational, compliance and information technology controls and risk management systems;

(e) to review the scope and results of the internal audit procedures as well as risk management policy covering risk frameworks, models and limits to the Board for approval;

(f) to consider and make recommendations to the Board on the appointment, re-appointment and removal of external auditors and internal auditors, their remuneration and terms of engagement;

(g) to review the adequacy of the internal audit function annually and ensure that a clear reporting structure is in place between the AC and the internal auditors;

(h) to meet with the external and internal auditors without the presence of the Management annually to review the assistance given by the Management to the external and internal auditors and any matters which the external and internal auditors would like to draw to the AC's attention;

(i) to review interested persons transactions ("IPTs") to comply with the rules of the Listing Manual of the SGX-ST and other relevant statutory requirements and any potential conflicts of interest; and

(j) to commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law within or outside the jurisdiction of Singapore, rules or regulations which has or is likely to have a material impact on the operating results and financial position of the Group.

The AC has the power to conduct and authorise investigations into matters within the AC's scope of responsibility. The AC also has full access to and co-operation of the Company's Management and has full discretion to invite any Director or executive officer to attend the AC meetings, and has been given reasonable resources to enable it to discharge its functions.

STATEMENT ON CORPORATE GOVERNANCE

The AC has direct access to the internal and external auditors and has met with them without the presence of the Management annually.

In July 2010, the Singapore Exchange Limited and Accounting and Corporate Regulatory Authority launched the "Guidance to Audit Committees on Evaluation of Quality of Work performed by External Auditors" which aims to facilitate the AC in evaluating the external auditors. Accordingly, the AC had evaluated the performance of the external auditors based on the key indicators of audit quality set out in the Guidance such as performance, adequacy of resources and experience of their audit engagement partner and auditing team assigned to the Group's audit, the size and complexity of the Group.

The Company has paid the following aggregate amount of fees to Deloitte & Touche LLP, the external auditors, for services rendered in for the financial year ended 30 June 2016:–

Services	Amount (SGD)
Audit service	255,000
Non-audit service – Tax Compliance	38,000
Total	293,000

The AC had reviewed all audit and non-audit fee paid to Deloitte & Touche LLP, the scope of services, the qualification, the independence and the objectivity of the external auditors in the meeting held in 2016. Deloitte & Touche LLP has confirmed that they are public accounting firm registered with the Accounting and Corporate Regulatory Authority and provided a confirmation on their independence to the AC.

The AC is satisfied that Deloitte & Touche LLP is able to meet the audit requirements and statutory obligation of the Company. In view of their requisite qualification and independence status, the AC is satisfied that Rule 712 of the Listing Manual of the SGX-ST is complied with. Accordingly, Deloitte & Touche LLP is recommended for re-appointment at the forthcoming AGM.

The Company has complied with Rule 715 of the Listing Manual of the SGX-ST as Deloitte & Touche LLP was engaged as the external auditors for the Company and its subsidiaries in Singapore.

The Group has in place a Whistle Blowing Policy to enable persons employed by the Group to report any suspicion of non-compliance with regulations, policies and fraud, etc, to the appropriate authority for resolution, without any prejudicial implications for these employees. The Whistle Blowing Policy also serves to ensure that any issues or complaints raised will be dealt with swiftly and effectively. The AC has been vested with the power and authority to receive, investigate and enforce appropriate action whenever any such non-compliance matter is brought to the AC's attention.

As of to-date, there were no reports received through the whistle blowing mechanism.

The AC has reviewed all IPTs during FY2016 and is of the opinion that Chapter 9 of the Listing Manual of SGX-ST has been complied with.

In the event that a member of the AC is interested in any matter being considered by the AC, he will abstain from participating in the proceedings in relation to that particular transaction and will not vote on that particular resolution.

To keep abreast of the changes in accounting standards and issues which have a direct impact on financial statements, advice is sought from the external auditors when they attend the AC meetings quarterly.

INTERNAL AUDIT

Principle 13: The company should establish an internal audit function that is adequately resourced and independent of the activities it audits.

The Group outsources its internal audit function to KPMG Services Pte. Ltd. ("Internal Auditors"). The AC reviews the scope of work and deliverables by the Internal Auditors who in turn ensures adequate staffing to fulfil the scope of internal audit work agreed upon. The AC is further satisfied that the Internal Auditors has unfettered access to all the Company's documents, records, properties and personnel, including the access to the AC. The Internal Auditors will report directly to the AC on audit findings and the Management of the Group on administrative matters.

The objective of the internal audit function is to determine whether the Group's risk management, control and governance processes, as designed by the Group, are adequate and observed in the manner acceptable by the Group.

STATEMENT ON
CORPORATE GOVERNANCE

The AC reviews the adequacy of the internal audit function annually and ensures that the internal audit function is adequately resourced by examining the scope of internal audit work and its independence, the qualification and experiences of internal audit team assigned and has appropriate standing within the Company.

SHAREHOLDER RIGHTS AND RESPONSIBILITIES – SHAREHOLDER RIGHTS, COMMUNICATION WITH SHAREHOLDERS AND CONDUCT OF SHAREHOLDER MEETINGS

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

Principle 15: Companies should actively engage their shareholders and put in place an investor relation policy to promote regular, effective and fair communication with shareholders.

Principle 16: Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

In line with the continuous disclosure obligations of the Company pursuant to the Listing Manual of SGX-ST, the Company is committed that all shareholders should be equally informed of all major developments of the Group which would likely materially affect the price or value of the Company's shares.

The Company does not practice selective disclosure as all material and price-sensitive information is released through SGXNET.

The information is disseminated to shareholders of the Company on a timely basis through:

- announcements and/or press release released through SGXNET;
- annual reports and circulars prepared and issued to all shareholders of the Company; and
- the official website of the Company (http://www.okh.com.sg).

To keep shareholders and investors of the Company updated on the latest announcements, press releases and stock details of the Company, the shareholders and potential investors have 24-hour access to the Company's website. In addition, the shareholders and potential investors may subscribe for automated email alerts services from the Company's website to receive email alerts on the latest announcements and press releases disclosed over SGXNET. Enquiries may also be posed to the Company's investor relations by email.

All shareholders of the Company are given the opportunity to participate, voice their views or opinions and ask Directors or the Management questions regarding the Company and the Group in every AGM and Special General Meeting of the Company. The Board of Directors of the Company, including the Chairpersons of AC, RC and NC will be present at general meetings to address any questions or concerns of shareholders at general meetings. The external auditors will also be present at the AGM to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report.

The Company prepares minutes of general meetings that include substantial and relevant comments or queries from shareholders relating to the agenda of the meeting, and responses from the Board and Management. These minutes are available to shareholders upon their request.

There are separate resolutions at the general meetings to address each distinct issue. Each item of special business included in the notice of the general meetings will be accompanied by full explanation of the effects of a proposed resolution. The Company's Bye-Laws allow a shareholder or a depositor to appoint not more than two (2) proxies to attend and vote in his/her stead. Where the member is a Central Depository (Pte) Ltd (or its nominee as notified in writing to the Company), it can appoint more than 2 proxies. Proxies need not be a shareholder of the Company.

The Board will put all resolutions to vote by poll and make an announcement of the detailed results showing the numbers of votes cast for and against each resolution and the respective percentages.

STATEMENT ON CORPORATE GOVERNANCE

The Company does not have a policy on payment of dividends. The issue of payment of dividend is deliberated by the Board annually having regard to various factors.

MATERIAL CONTRACTS

Save as disclosed under Material Contracts in the Company's Circular dated 31 December 2012, Company's Circular dated 4 July 2016 and announcements released over SGXNET, there were no material contracts including loans subsisting at the end of FY2016, involving the interests of any Director, the CEO or the controlling shareholders of the Group.

INTERESTED PERSON TRANSACTIONS

Save as disclosed under Interested Persons Transactions in the Company's Circular dated 31 December 2012 and announcement on the unaudited full year financial results dated 29 August 2016, there were no interested person transactions equal to or exceeding S$100,000 in aggregate between the Company or its subsidiaries with any of its interested persons (as defined in Chapter 9 of the Listing Manual of the SGX-ST) during FY2016.

DEALING IN SECURITIES

The Company has complied with Rule 1207(19) of the Listing Manual of the SGX-ST in relation to the best practices on dealings in the securities:–

(a) The Company had devised and adopted its own internal compliance code to provide guidance to its officers with regards to dealings by the Company and its officers in its securities;

(b) Officers of the Company did not deal in the Company's securities on short-term considerations; and

(c) The Company and its officers did not deal in the Company's shares (i) during the periods commencing one month before the announcement of the Company's financial results for each of the first three quarters of its financial year and the announcement of the Company's full year financial statements, ending on the date of the announcement of the relevant results, and (ii) if they are in possession of unpublished price-sensitive information of the Group.

In addition, the Directors and Management are expected to observe the insider trading laws at all times even when dealing in securities within permitted trading period.

STATEMENT ON CORPORATE GOVERNANCE

UPDATE ON USE OF PROCEEDS

As of to-date, the Group had fully utilised net proceeds of S$49,750,000 from the placement (after deducting estimated expenses pertaining to the placement of S$250,000) ("Net Proceeds") as follows:–

Use of Net Proceeds	Allocation of Net Proceeds (S$'000)	Amount Utilised (S$'000)	Balance of Net Proceeds (S$'000)
Repayment of loan granted by Haiyi Holdings Pte Ltd and the interest accrued	10,643	10,643	–
Repayment of existing loans	35,800	35,800	–
Working capital requirements of the Group	3,307	3,307	–
Total	**49,750**	**49,750**	**–**

		Amount Utilised (S$'000)
(A)	**Amount utilised for repayment of loan granted by Haiyi Holdings Pte Ltd and the interest accrued**	
	Repayment of loan granted by Haiyi Holdings Pte Ltd	10,000
	Interest accrued	643
(B)	**Amount utilised for repayment of existing loans**	
	Chronoz RCPS	6,300
	Transhub REPS	15,000
	Bank loan from United Overseas Bank	14,500
(C)	**Working capital requirements of the Group**	
	General working capital of the Company	3,307
Total		**49,750**

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

DIRECTORS' **STATEMENT**

The directors present their statement together with the audited consolidated financial statements of OKH Global Ltd. (the "Company") and its subsidiaries (collectively, the "Group") and the statement of financial position and statement of changes in equity of the Company for the financial year ended June 30, 2016.

In the opinion of the directors, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company as set out on pages 32 to 88 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at June 30, 2016, and of the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts when they fall due.

1 DIRECTORS

The directors of the Company in office at the date of this report are:

Celine Tang @ Chen Huaidan	(Appointed on August 2, 2016)
Lock Wai Han	(Appointed on October 5, 2016)
Bon Ween Foong	
Ong Soon Teik	
Lim Eng Hoe	
Ng Kheng Choo	(Appointed on August 2, 2016)

2 ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object is to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate, except for the options mentioned in paragraph 5 of the directors' statement.

3 DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors of the Company holding office at the end of the financial year had no interests in the share capital and debentures of the Company and related corporations as recorded in the register of directors' shareholdings kept by the Company except as follows:

	Shareholdings registered in name of director			
	At beginning of year		**At end of year**	
Name of director and company in which interests are held	**Direct interest**	**Indirect interest**	**Direct interest**	**Indirect interest**
OKH Global Ltd. (Ordinary shares)				
Bon Ween Foong	216,078,412	175,000,000	216,078,412	16,960,900

Mr Bon Ween Foong who by virtue of his interest of not less than 20% the issued capital of the Company, is deemed to have an interest in the other related corporations of the Company.

There were no changes in the above director's interests from end of year to July 21, 2016.

4 DIRECTORS' RECEIPT AND ENTITLEMENT TO CONTRACTUAL BENEFITS

Since the beginning of the financial year, no director has received or become entitled to receive a benefit, by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except for salaries, bonuses and other benefits as disclosed in the financial statements. Certain directors received remuneration from related corporations in their capacity as directors and/or executives of those related corporations.

DIRECTORS' STATEMENT

5 SHARE OPTIONS AND PERFORMANCE SHARES

The Company has a performance share plan, known as the OKH Performance Share Plan (the "Plan"), which was approved by the shareholders at a Special General Meeting held on January 23, 2013.

The Plan shall continue to be in force, subject to a maximum period of ten years commencing on the date on which the Plan comes into effect, provided always that the Plan may continue beyond the above stipulated period with the approval of the Company's shareholders by an ordinary resolution in the general meeting and of any relevant authorities which may then be required.

For the financial years ended June 30, 2015 and 2016, no performance shares have been allotted and issued to any employees or directors of the Company.

(a) Options to take up unissued shares

During the financial year, no options to take up unissued shares of the Company or any corporation in the Group was granted.

(b) Options exercised

During the financial year, there were no shares of the Company or any corporation in the Group issued by virtue of the exercise of an option to take up unissued shares.

(c) Unissued shares under options

At the end of the financial year, there were no unissued shares of the Company or any corporation in the Group under options.

6 AUDIT COMMITTEE

The members of the Audit Committee ("AC") at the end of the financial year were as follows:

Ong Soon Teik (Chairman)
Lim Eng Hoe
Lee Teck Leng Robson (Resigned on October 7, 2016)

All members of the AC are non-executive directors and independent.

The AC performs the function specified in the Listing Manual of SGX-ST and the Code of Corporate Governance.

The AC met 4 times in the financial year under review and carried out its functions as follows:

- to review with the external and internal auditors, the audit plan, their audit report, management letter and the management's response; and also to review the assistance given by the Company's officers to the independent auditor;
- to review the scope and results of audit and its cost effectiveness and the independence and objectivity of the external and internal auditors. Where the independent auditor also supplies a substantial volume of non-audit services to the Company, to review the nature and extent of such services to maintain the balance of objectivity and value for money;
- to review the interim and full-year financial results of the Company and the consolidated financial statements of the Group before submission to the Board of Directors (the "Board") for approval;
- to review annually the effectiveness of the Company's material internal controls including financial, operational and compliance and information technology control and risk management systems;
- to meet with the external and internal auditors without the presence of the management annually;

DIRECTORS' STATEMENT

- to consider and make recommendations to the Board on the appointment, re-appointment and removal of the external and internal auditors, their remuneration and terms of engagement;

- to ensure that the internal audit function is adequately resourced and has appropriate standing within the Company and to review the adequacy of the function annually;

- to review the scope and results of the internal audit procedures;

- to review interested persons transactions to comply with the rules of the Listing Manual of SGX-ST and other relevant statutory requirements and any potential conflicts of interest; and

- to commission and review the findings of internal investigations into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any Singapore law, rules or regulations which has or is likely to have a material impact on the operating results and financial position of the Group.

The Audit Committee has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the Audit Committee.

The Audit Committee has recommended to the Board of Directors that external auditors Deloitte &Touche LLP be recommended for re-appointment at the forthcoming Annual General Meeting of the Company.

7 AUDITORS

The auditors, Deloitte &Touche LLP, have expressed their willingness to accept re-appointment.

ON BEHALF OF THE DIRECTORS

Lock Wai Han

Ong Soon Teik

November 29, 2016

INDEPENDENT AUDITORS' REPORT

To the Members of OKH Global Ltd.

Report on the Financial Statements

We have audited the accompanying financial statements of OKH Global Ltd. (the "Company") and its subsidiaries (collectively, the "Group") which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at June 30, 2016, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group and statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 32 to 88.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements that give a true and fair view in accordance with the International Financial Reporting Standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with International Financial Reporting Standards so as to give a true and fair view of the financial position of the Group and of the Company as at June 30, 2016 and the financial performance, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

November 29, 2016

STATEMENTS OF FINANCIAL POSITION

June 30, 2016

	Note	Group 2016 S$'000	Group 2015 S$'000	Company 2016 S$'000	Company 2015 S$'000
ASSETS					
Current assets					
Cash and bank balances	6	**44,948**	19,340	**712**	10
Trade and other receivables	7	**37,830**	56,164	**34,272**	50,797
Loan due from non-controlling interests	5	**1,430**	12,257	**-**	-
Properties under development	9	**140,032**	235,831	**-**	-
Completed property held for sale	9	**75,327**	-	**-**	-
Derivative financial instrument	10	**1,268**	-	**-**	-
Total current assets		**300,835**	323,592	**34,984**	50,807
Non-current assets					
Property, plant and equipment	11	**31,118**	12,554	**-**	-
Investment properties	12	**127,480**	98,307	**-**	-
Investments in subsidiaries	13	**-**	-	**126,180**	129,185
Investment in a joint venture	14	**-**	-	**-**	-
Investment in an associate	15	**38,699**	35,622	**-**	-
Available-for-sale investment	16	**16,257**	21,500	**-**	-
Total non-current assets		**213,554**	167,983	**126,180**	129,185
Total assets		**514,389**	491,575	**161,164**	179,992
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	17	**127,107**	82,070	**29,706**	32,778
Obligations under finance leases	18	**515**	448	**-**	-
Loan due to a third party	19	**20,000**	-	**20,000**	-
Loan due to an associate	5	**6,000**	8,000	**-**	-
Amount due to non-controlling interests	5	**-**	8,920	**-**	-
Bank loans and overdrafts	20	**207,664**	57,630	**-**	-
Redeemable convertible preference shares	21	**6,000**	7,807	**-**	-
Redeemable exchangeable preference shares	23	**13,970**	-	**-**	-
Provisions	22	**1,368**	1,368	**-**	-
Income tax payable		**3,958**	8,329	**-**	-
Total current liabilities		**386,582**	174,572	**49,706**	32,778
Non-current liabilities					
Obligations under finance leases	18	**1,085**	1,309	**-**	-
Bank loans	20	**18,451**	164,558	**-**	-
Redeemable exchangeable preference shares	23	**-**	12,051	**-**	-
Total non-current liabilities		**19,536**	177,918	**-**	-
Capital, reserves and non-controlling interests					
Share capital	24	**33,278**	33,278	**128,624**	128,624
Share premium		**26,005**	26,005	**28,856**	28,856
Equity reserve		**3,974**	3,974	**-**	-
Translation reserve		**(2,132)**	(1,809)	**(1,491)**	(1,491)
Accumulated profits (losses)		**46,846**	64,128	**(44,531)**	(8,775)
Equity attributable to owners of the Company		**107,971**	125,576	**111,458**	147,214
Non-controlling interests		**300**	13,509	**-**	-
Total equity		**108,271**	139,085	**111,458**	147,214
Total liabilities and equity		**514,389**	491,575	**161,164**	179,992

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Financial year ended June 30, 2016

	Note	Group 2016 S$'000	Group 2015 S$'000
Revenue	25	**75,777**	252,660
Cost of sales		**(64,714)**	(186,772)
Gross profit		**11,063**	65,888
Other income	26	**2,394**	27,215
Other expenses	28	**(6,363)**	–
General and administrative expenses		**(17,007)**	(21,910)
Finance costs	27	**(10,086)**	(7,070)
Share of loss of a joint venture	14	**–**	(260)
Share of profit of an associate	15	**3,400**	4,873
(Loss) Profit before income tax	28	**(16,599)**	68,736
Income tax	29	**(292)**	(8,399)
(Loss) Profit for the year		**(16,891)**	60,337
Other comprehensive income			
Item that may be reclassified subsequently to profit or loss			
Exchange difference arising on translation		**(323)**	(310)
Other comprehensive loss for the year, net of tax		**(323)**	(310)
Total comprehensive (loss) income for the year		**(17,214)**	60,027
(Loss) Profit for the year attributable to:			
Owners of the Company		**(17,282)**	46,243
Non-controlling interests		**391**	14,094
		(16,891)	60,337
Total comprehensive (loss) income for the year attributable to:			
Owners of the Company		**(17,605)**	45,933
Non-controlling interests		**391**	14,094
		(17,214)	60,027
(Loss) Earnings per share in Singapore cents			
– Basic and diluted	30	**(2.75)**	7.36

See accompanying notes to financial statements.

STATEMENTS OF **CHANGES IN EQUITY**

Financial year ended June 30, 2016

	Attributable to owners of the Company							
	Share capital (Note 24) S$'000	**Share premium (Note i) S$'000**	**Equity reserve (Note ii) S$'000**	**Translation reserve (Note iii) S$'000**	**Accumulated profits (losses) S$'000**	**Total S$'000**	**Non-controlling interests S$'000**	**Total equity S$'000**
Group								
Balance at July 1, 2014	33,278	26,005	3,573	(1,499)	17,885	79,242	(585)	78,657
Total comprehensive income for the year								
Profit for the year	–	–	–	–	46,243	46,243	14,094	60,337
Other comprehensive loss for the year	–	–	–	(310)	–	(310)	–	(310)
Total	–	–	–	(310)	46,243	45,933	14,094	60,027
Transactions with owners, recognised directly in equity								
Recognition of equity component of redeemable convertible preference shares (Note 21)	–	–	401	–	–	401	–	401
Total	–	–	401	–	–	401	–	401
Balance at June 30, 2015	33,278	26,005	3,974	(1,809)	64,128	125,576	13,509	139,085
Total comprehensive loss for the year								
Loss for the year	–	–	–	–	(17,282)	(17,282)	391	(16,891)
Other comprehensive loss for the year	–	–	–	(323)	–	(323)	–	(323)
Total	–	–	–	(323)	(17,282)	(17,605)	391	(17,214)
Transactions with owners, recognised directly in equity								
Profit sharing declared to non-controlling interests (Note 13[(2)])	–	–	–	–	–	–	(13,600)	(13,600)
Balance at June 30, 2016	33,278	26,005	3,974	(2,132)	46,846	107,971	300	108,271

STATEMENTS OF **CHANGES IN EQUITY**

Financial year ended June 30, 2016

	Share capital (Note 24) S$'000	Share premium (Note i) S$'000	Translation reserve (Note iii) S$'000	Accumulated losses S$'000	Total S$'000
Company					
Balance at July 1, 2014	128,624	28,856	(1,491)	(1,512)	154,477
Loss for the year, representing total comprehensive loss for the year	–	–	–	(7,263)	(7,263)
Balance at June 30, 2015	128,624	28,856	(1,491)	(8,775)	147,214
Loss for the year, representing total comprehensive loss for the year	–	–	–	(35,756)	(35,756)
Balance at June 30, 2016	128,624	28,856	(1,491)	(44,531)	111,458

Notes:

(i) The Bermuda Companies Act provides that where a company issues shares at a premium whether for cash or otherwise, a sum equal to the aggregate amount or value of the premium on those shares shall be transferred to an account, to be called "the share premium account" and the provisions of The Bermuda Companies Act relating to a reduction of share capital shall, except as provided in Section 40 of The Bermuda Companies Act, apply as if the share premium account were paid up share capital for the Company. The share premium account may be applied by the Company in paying for issue of bonus shares, paying for expenses on issue of shares or debentures of the Company and paying premium on redemption of shares and debentures of the Company.

(ii) Equity reserve represents equity components recognised for redeemable exchangeable preference shares and redeemable convertible preference shares.

(iii) Translation reserve represents exchange differences relating to the translation from the functional currency of the Group's foreign associate into S$; and in 2013, the Company changed its functional currency and presentation currency from RMB to S$. Accordingly, the exchange differences resulting from translation of assets, liabilities and equity at applicable rate are recognised under the translation reserve.

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended June 30, 2016

	Group	
	2016 S$'000	2015 S$'000
Operating activities		
(Loss) Profit for the year	**(16,891)**	60,337
Adjustments for:		
Income tax expense	**292**	8,399
Bad debt expense	**102**	21
Waiver of interest receivable	**7**	–
Impairment loss on available-for-sale investment	**1,521**	–
Gain on change in fair value of derivative financial instrument	**(1,268)**	–
Payable written-back	**(425)**	–
Depreciation of property, plant and equipment	**1,027**	2,404
Unrealised foreign currency exchange gain	**6**	–
Share of profit of an associate	**(3,400)**	(4,873)
Share of loss of a joint venture	**–**	260
Interest expense	**10,086**	7,070
Loss (Gain) on change in fair value of investment properties	**4,842**	(26,221)
Interest income	**(51)**	(80)
Increase in provisions	**–**	12
Operating cash flows before movement in working capital	**(4,152)**	47,329
Trade and other receivables	**17,225**	18,186
Construction contracts	**(2,503)**	5,884
Properties under development	**2,336**	55,608
Trade and other payables	**32,651**	(72,239)
Cash generated from operations	**45,557**	54,768
Interest paid	**(10,703)**	(8,863)
Income tax paid	**(4,663)**	(5,129)
Net cash from operating activities	**30,191**	40,776
Investing activities		
Purchase of property, plant and equipment (Note A)	**(19,174)**	(1,471)
Additions to investment properties (Note B)	**(1,476)**	(9,224)
Purchase of available-for-sale investment (Note 16)	**–**	(21,500)
Proceeds from share buyback of available-for-sale investment (Note 16)	**3,722**	–
Interest received	**51**	80
Net cash used in investing activities	**(16,877)**	(32,115)

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended June 30, 2016

	Group	
	2016 S$'000	2015 S$'000
Financing activities		
Repayment of bank loans	**(127,913)**	(217,682)
Proceeds from bank loans	**125,827**	134,265
Repayment of obligations under finance leases	**(526)**	(418)
Increase in fixed deposits pledged	**(1,000)**	(1,500)
(Repayment to) Advance from a director	**(33)**	177
Repayment of a loan to an associate	**(2,000)**	–
Loan from a third party	**20,000**	–
Repayment of loan by non-controlling interests	**1,900**	–
Profit sharing paid to non-controlling interests	**(5,700)**	–
Redemption of redeemable convertible preference shares	**(2,000)**	–
Issuance of redeemable convertible preference shares	**–**	8,000
Net cash from (used in) financing activities	**8,555**	(77,158)
Net increase (decrease) in cash and cash equivalents	**21,869**	(68,497)
Cash and cash equivalents at beginning of year	**14,159**	82,656
Cash and cash equivalents at end of year (Note 6)	**36,028**	14,159

Note A:

During the financial year, the Group purchased property, plant and equipment with aggregate cost of S$19,591,000 (2015 : S$2,312,000), which were funded as follows:

	Group	
	2016 S$'000	2015 S$'000
Cash	**19,174**	1,471
Finance leases	**369**	513
Trade and other payables	**48**	328
	19,591	2,312

Note B:

During the financial year, there were additional costs incurred on investment properties amounting of S$7,041,000 (2015 : S$10,050,000), of which S$273,000 (2015 : S$826,000) is the interest capitalised during the financial year and S$5,292,000 (2015 : S$Nil) remains unpaid at the end of the financial year.

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

1 GENERAL

The Company is incorporated in Bermuda with its principal place of business and registered office at 701 Sims Drive, #02-06, LHK Building, Singapore 387383 and Clarendon House, 2 Church Street, Hamilton HM 11 Bermuda respectively. The Company is listed on the Singapore Exchange Securities Trading Limited. The financial statements are expressed in Singapore Dollars ("S$").

The principal activity of the Company is that of an investing holding company. The principal activities of the subsidiaries, joint venture and associate are disclosed in Notes 13, 14 and 15 to the financial statements.

The consolidated financial statements of the Group for the financial year ended June 30, 2016 and the statement of financial position and statement of changes in equity of the Company for the financial year ended June 30, 2016 were authorised for issue by the Board of Directors on November 29, 2016.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements are prepared in accordance with the historical cost basis, except for certain properties and financial instruments that are measured at revalued amounts or fair values at the end of each reporting period as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the International Financial Reporting Standards ("IFRS").

The Group incurred net loss of S$16.9 million for the year ended June 30, 2016 and the Group's current liabilities exceed its current assets by S$85.7 million as at June 30, 2016 as disclosed in Note 4(c)(iv). The accompanying financial statements for the year ended June 30, 2016 have been prepared using the going concern assumption as the directors are confident that the Group is able to generate adequate cash flows and obtain sufficient funding so as to discharge liabilities in the normal course of business for the foreseeable future.

The appropriateness of the use of the going concern assumption is dependent on the continuous support from the suppliers, sub-contractors, creditors and financial institutions in relation to the credit/loan facilities made available to the Group and the additional funding and support from Haiyi Holdings Pte. Ltd. ("Haiyi") (Note 34) to the Group and the Company.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of IFRS 2 *Share-based Payment*, leasing transactions that are within the scope of IAS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in IAS 2 *Inventories* or value in use in IAS 36 *Impairment of Assets*.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ADOPTION OF NEW AND REVISED STANDARDS – In the current financial year, the Group has adopted all the new and revised International Accounting Standards ("IAS"), IFRSs and amendments to IFRS issued by the International Accounting Standards Board and the Interpretations thereof issued by the International Financial Reporting Standards Interpretations Committee ("IFRS IC") that are relevant to its operations and effective for annual periods beginning on or after July 1, 2015. The adoption of these new/revised IAS, IFRS and amendments to IFRS does not result in changes to the Group and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years.

At the date of authorisation of these financial statements, the following new and revised standards and interpretations that are relevant to the Group and Company were issued but are not yet effective:

IFRS 9	Financial Instruments[3]
IFRS 15	Revenue from Contracts with Customers[3]
IFRS 16	Leases[4]
Amendments to IAS 1	Disclosure Initiative[1]
Amendments to IAS 7	Disclosure Initiative[2]
Amendments to IAS 12	Clarification of deferred tax assets for unrealized losses[2]
Amendments to IAS 16 and IAS 38	Clarification of Acceptable Methods of Depreciation and Amortisation[1]
Amendments to IFRS 15	Amendment to IFRS 15 Revenue from Contracts with Customers[3]

1 Effective for annual periods beginning on or after January 1, 2016, with earlier application permitted.

2 Effective for annual periods beginning on or after January 1, 2017, with earlier application permitted

3 Effective for annual periods beginning on or after January 1, 2018, with earlier application permitted.

4 Effective for annual periods beginning on or after January 1, 2019, with earlier application permitted.

The management anticipates that the application of the above new and revised standards and interpretations in future will not have material impact on the financial statements of the Group and the Company in the period of their initial adoption except for the following:

IFRS 9 *Financial Instruments*

IFRS 9 issued in November 2009 introduced new requirements for the classification and measurement of financial assets.

IFRS 9 was subsequently amended in October 2010 to include requirements for the classification and measurement of financial liabilities and for derecognition, and in November 2013 to include the new requirements for general hedge accounting. Another revised version of IFRS 9 was issued in July 2014 mainly to include a) impairment requirements for financial assets and b) limited amendments to the classification and measurement requirements by introducing a "fair value through other comprehensive income" ("FVTOCI") measurement category for certain simple debt instruments.

Key requirements of IFRS 9 are described as below:

- all recognised financial assets that are within the scope of IAS 39 *Financial Instruments: Recognition and Measurement* are required to be subsequently measured at amortised cost of fair value. Specifically, debt investment that are held within a business model whose objective is to collect the contractual cash flows, and that have contractual cash flows that are solely payments of principal and interest on the principal outstanding are generally measured at amortised cost at the end of subsequent accounting periods. Debt instruments that are held within a business model whose objective is achieved both by collecting contracting cash flows and selling financial assets, and that have contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding, are measured at FVTOCI. All other debt investments and equity investments are measured at their fair value at the end of subsequent accounting periods. In addition, under IFRS 9, entities may make an irrevocable election to present subsequent changes in fair value of an equity investment (that is not held for trading) in other comprehensive income, with only dividend income generally recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- with regard to the measurement of financial liabilities designated as at fair value through profit or loss, IFRS 9 requires that the amount of change in fair value of the financial liability that is attributable to changes in credit risk of that liability is presented in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss. Changes in fair value attributable to a financial liability' s credit risk are not subsequently reclassified to profit or loss. Under IAS 39, the entire amount of the change in the fair value of the financial liability designated as fair value through profit or loss is presented in profit or loss.

- in relation to the impairment of financial assets, IFRS 9 requires an expected credit loss model, as opposed to an incurred credit loss model under IAS 39. The expected credit loss model requires an entity to account for expected credit losses and changes in those expected credit losses at each reporting date to reflect changes in credit risk since initial recognition. In other words, it is no longer necessary for a credit event to have occurred before credit losses are recognised.

- the new general hedge accounting requirements retain the three types of hedge accounting mechanisms currently available in IAS 39. Under IFRS 9, greater flexibility has been introduced to the types of transactions eligible for hedge accounting, specifically broadening the types of instruments that qualify for hedging instruments and the types of risk components of non-financial items that are eligible for hedge accounting. In addition, the effectiveness test has been overhauled and replaced with the principle of an "economic relationship". Retrospective assessment of hedge effectiveness is also no longer required. Enhanced disclosure requirements about an entity's risk management activities have also been introduced.

The management anticipates that the application of IFRS 9 in the future may have a material impact on amounts reported in respect of the Group's financial assets and financial liabilities. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 9 until the Group undertakes a detailed review.

IFRS 15 *Revenue from Contracts with Customers*

In May 2014, IFRS 15 was issued which establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. IFRS 15 will supersede the current revenue recognition guidance including IAS 18 *Revenue*, IAS 11 *Construction Contracts* and the related interpretations when it becomes effective.

The core principle of IFRS 15 is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the standard introduces a 5-step approach to revenue recognition:

- Step 1: Identify the contract(s) with a customer.

- Step 2: Identify the performance obligations in the contract.

- Step 3: Determine the transaction price.

- Step 4: Allocate the transaction price to the performance obligations in the contract.

- Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Under IFRS 15, an entity recognises revenue when (or as) a performance obligation is satisfied, i.e. when "control" of the goods or services underlying the particular performance obligation is transferred to the customer. Far more prescriptive guidance has been added in IFRS 15 to deal with specific scenarios. Furthermore, extensive disclosures are required by IFRS 15.

In June 2016, amendments to FRS 115 was issued to provide clarifications on (i) identifying performance obligations (ii) principal versus agent considerations and (iii) licensing application guidance. The amendments also included two additional transition reliefs on contract modifications and completed contracts.

The management anticipates that the application of IFRS 15 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 15 until the Group performs a detailed review.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

IFRS 16 *Leases*

IFRS 16 was issued in June 2016 and it will supersede IAS 17 Leases and its associated interpretative guidance. The Standard provides a comprehensive model for the identification of lease arrangements and their treatment in the financial statements of both lessees and lessors. The identification of leases, distinguishing between leases and service contracts are determined on the basis of whether there is an identified asset controlled by the customer.

Significant changes to lessee accounting are introduced, with the distinction between operating and finance leases removed and assets and liabilities recognised in respect of all leases (subject to limited exceptions for short-term leases and leases of low value assets). The Standard maintains substantially the lessor accounting approach under the predecessor IAS 17.

The management anticipates that the application of IFRS 16 in the future may have a material impact on the amounts reported and disclosures made in the Group's consolidated financial statements. However, it is not practicable to provide a reasonable estimate of the effect of IFRS 16 until the Group performs a detailed review.

BASIS OF CONSOLIDATION – The consolidated financial statements incorporate the financial statements of the Company and entities (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company gains control until the date when the company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

In the Company's financial information, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss.

BUSINESS COMBINATIONS – Acquisitions of subsidiaries and businesses are accounted for using the acquisition method. The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the IFRS are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with IAS 12 *Income Taxes* and IAS 19 *Employee Benefits* respectively;

- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in IFRS 2 *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with IFRS 5 *Non-current Assets Held For Sale and Discontinued Operations* are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another IFRS.

GOODWILL – Goodwill arising in a business combination is recognised as an asset at the date that control is acquired (the acquisition date). Goodwill is measured as the excess of the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest (if any) in the acquiree over net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed.

If, after reassessment, the Group's interest in the fair value of the acquiree's identifiable net assets exceeds the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the fair value of the acquirer's previously held equity interest in the acquiree (if any), the excess is recognised immediately in profit or loss as a bargain purchase gain.

Goodwill is not amortised but is reviewed for impairment at least annually. For the purpose of impairment testing, goodwill is allocated to each of the Group's cash-generating units expected to benefit from the synergies of the combination. Cash-generating units to which goodwill has been allocated are tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash-generating unit is less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

On disposal of a subsidiary or the relevant cash generating unit, the attributable amount of goodwill is included in the determination of the profit or loss on disposal.

FINANCIAL INSTRUMENTS – Financial assets and financial liabilities are recognised when a group entity becomes a party to the contractual provisions of the instruments.

Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and of allocating interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period. Income or expense is recognised on an effective interest basis for debt instruments.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial assets

Financial assets are classified into the following specified categories: available-for-sale ("AFS") financial assets and loans and receivables. The classification depends on the nature and purpose of the financial assets and is determined at the time of initial recognition.

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

Available-for-sale ("AFS") financial assets

AFS financial assets are non-derivatives that are either designated as AFS or are not classified as (a) loans and receivables, (b) held-to-maturity investments or (c) financial assets at fair value through profit or loss.

Certain unquoted shares held by the Group are classified as AFS and are stated at fair value. Fair value is determined in the manner described in Note 4. Gains and losses arising from changes in fair value are recognised in other comprehensive income with the exception of impairment losses, interest calculated using the effective interest method and foreign exchange gains and losses on monetary assets which are recognised directly in profit or loss. Where the investment is disposed of or is determined to be impaired, the cumulative gain or loss previously recognised in other comprehensive income and accumulated in revaluation reserve is reclassified to profit or loss.

Dividends on available-for-sale equity instruments are recognised in profit or loss when the Group's right to receive payments is established.

The fair value of available-for-sale monetary assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at end of the reporting period. The change in fair value attributable to translation differences that result from a change in amortised cost of the available-for-sale monetary asset is recognised in profit or loss, and other changes are recognised in other comprehensive income.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Loans and receivables (including cash and cash equivalents, trade and other receivables (exclude prepayments) and loan due from non-controlling interests) are initially measured at fair value and are subsequently measured at amortised cost using the effective interest method, less any impairment.

Interest income is recognised by applying the effective interest method, except for short-term receivables when the effect of discounting is immaterial.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at the end of each reporting period. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial assets, the estimated future cash flows of the asset have been impacted.

For available-for-sale equity instruments, a significant or prolonged decline in the fair value of the investment below its cost is considered to be objective evidence of impairment.

For all financial assets, objective evidence of impairment could include:

- significant financial difficulty of the issuer or counterparty; or
- default or delinquency in interest or principal payments; or
- it becoming probable that the borrower will enter bankruptcy or financial re-organisation.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

For certain categories of financial asset, such as trade receivables, assets that are assessed not to be impaired individually are, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable change in national or local economic conditions that correlate with default on receivables.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

For financial assets that are carried at cost, the amount of the impairment loss is measured as the difference between t he asset's carrying amount and the present value of the estimated future cash flows discounted at the current market rate of return for a similar financial asset. Such impairment loss will not be reversed in subsequent periods.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables where the carrying amount is reduced through the use of an allowance account. When a receivable is uncollectible, it is written off against the allowance account.

Subsequent recoveries of amounts previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

When an available-for-sale financial asset is considered to be impaired, cumulative gains or losses previously recognised in other comprehensive income are reclassified to profit or loss.

In respect of available-for-sale equity instruments, impairment losses previously recognised in profit or loss are not reversed through profit or loss. Any subsequent increase in fair value after an impairment loss is recognised in other comprehensive income and accumulated under the heading of investments revaluation reserves. In respect of available-for-sale debt securities, impairment losses are subsequently reversed through profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss.

Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownerships of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss.

Financial liabilities and equity instruments

Classification as debt or equity

Debts and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade and other payables are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, using the effective interest method, except for short-term payables where the recognition of interest would be immaterial.

Interest-bearing bank loans and overdrafts are initially measured at fair values, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (see below).

Financial guarantee contract liabilities are measured initially at their fair value and, if not designated as at fair value through profit or loss, subsequently at the higher of the amount of obligation under the contract recognised as a provision in accordance with IAS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation in accordance with IAS 18 *Revenue*.

Compound instruments

The Group enters into redeemable exchangeable preference shares and redeemable convertible preference shares which are regarded as compound instruments, consisting of a liability component and an equity component. The component parts of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement and the definitions of a financial liability and an equity instrument. Conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-redeemable instrument. This amount is recorded as a liability on an amortised cost basis until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to share premium. When the conversion option remains unexercised at the maturity date of the compound instruments, the balance recognised in equity will be transferred to accumulated profits. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the compound instruments are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the compound instruments using the effective interest method.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Derivative financial instruments

The Group holds a put option with the ability to sell shares in the available-for-sale investment back to the vendor. This option is a derivative financial instrument (Note 10).

Derivatives are initially recognised at fair value at the date a derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in profit or loss immediately unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in profit or loss depends on the nature of the hedge relationship. A derivative is presented as a non-current asset or a non-current liability if the remaining maturity of the instrument is more than 12 months and it is not expected to be realised or settled within 12 months. Other derivatives are presented as current assets or current liabilities.

CONSTRUCTION CONTRACTS – Where the outcome of a construction contract can be estimated reliably, revenue and costs are recognised by reference to the stage of completion of the contract activity at the end of the reporting period.

The stage of completion is measured by the proportion of certified contract value of work performed to date relative to the estimated total contract value.

Variations in contract work, claims and incentive payments are included to the extent that the amount can be measured reliably and its receipt is considered probable.

Where the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that are probably recoverable. Contract costs are recognised as expense in the period in which they are incurred.

When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

Costs of construction contracts include costs that relate directly to the specific contract and costs that are attributable to contract activity and can be allocated to the contract. Such costs include but are not limited to material, labour, depreciation and hire of equipment, interest expense, subcontract cost and estimated costs of rectification and guarantee work, including expected warranty costs.

When contract costs incurred to date plus recognised profits less recognised losses exceed progress billings, the surplus is shown as amounts due from customers for contract work. For contracts where progress billings exceed contract costs incurred to date plus recognised profits less recognised losses, the surplus is shown as the amounts due to customers for contract work. Amounts received before the related work is performed are included in the consolidated statement of financial position, as a liability, as advances received. Amounts billed for work performed but not yet paid by the customer are included in the consolidated statement of financial position under trade and other receivables.

PROPERTIES UNDER DEVELOPMENT – Properties under development are stated at the lower of cost or net realisable value. Net realisable value takes into account the price ultimately expected to be realised and the anticipated costs to completion.

Cost of property under development comprises land cost, development costs and borrowing costs capitalised during the development period. When completed, the units held for sale are classified as completed properties held for sale.

Revenue and costs are recognised based on the completion of construction method when the transfer of significant risks and rewards of ownership coincides with the time when the property is completed and ready for hand over.

Properties under development are classified as current when they are expected to be realised in, or are intended for sale in, the Group's normal operating cycle.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

COMPLETED PROPERTY FOR SALE – Completed properties for sale are stated at lower of cost or net realisable value. Cost is determined by apportionment of the total land cost, development costs and capitalised borrowing costs based on floor area of the unsold properties. Net realisable value is determined by reference to sale proceeds of properties sold in the ordinary course of business less all estimated selling expenses; or is estimated by management in the absence of comparable transactions after taking into consideration prevailing market conditions.

LEASES – Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Group as lessor

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised as an expense over the lease term on the same basis as the lease income.

The Group as lessee

Assets held under finance leases are recognised as assets of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as a finance lease obligation. Lease payments are apportioned between finance expenses and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance expenses are recognised immediately to profit or loss, unless they are directly attributable to qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (see below). Contingent rentals are recognised as expenses in the period in which they are incurred.

Rentals payable under operating leases are charged to profit or loss on a straight-line basis over the relevant lease term unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

In the event that lease incentives are received to enter into operating leases, such incentives are recognised as a liability. The aggregate benefit of incentives is recognised as a reduction of rental expense on a straight-line basis, except where another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

PROPERTY, PLANT AND EQUIPMENT – Property, plant and equipment are stated at cost less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Depreciation is charged so as to write off the cost of assets, other than properties under construction, over their estimated useful lives, using the straight-line method, on the following bases:

Freehold properties	–	100 years
Leasehold land and building	–	Over the lease term
Computer equipment	–	3 to 5 years
Machinery	–	5 years
Motor vehicles	–	4 to 5 years
Office furniture and fittings	–	3 to 5 years
Renovation	–	3 to 5 years

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimates accounted for on a prospective basis.

Properties in the course of construction for production, supply or administrative purposes, or for purposes not yet determined, are carried at cost, less any recognised impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalised in accordance with the Group's accounting policy. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

NOTES TO FINANCIAL STATEMENTS
June 30, 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

Fully depreciated assets are retained in the book of accounts until they are no longer in use.

INVESTMENT PROPERTIES – Investment properties are properties held to earn rentals and/or for capital appreciation, (including properties under construction for such purposes). Investment properties are measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment properties are measured at fair value. All of the Group's property interests held under operating leases to earn rentals or for capital appreciation purposes are accounted for as investment properties and are measured using the fair value model. Gains and losses arising from changes in the fair value of investment properties are included in profit or loss in the period in which they arise.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal. Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

INVESTMENT IN ASSOCIATE AND JOINT VENTURE – An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with IFRS 5. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated statement of financial position at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised immediately in profit or loss in the period in which the investment is acquired.

The requirements of IAS 39 are applied to determine whether it is necessary to recognise any impairment loss with respect to the Group's investment in an associate or a joint venture. When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with IAS 36 *Impairment of Assets* as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with IAS 36 to the extent that the recoverable amount of the investment subsequently increases.

NOTES TO
FINANCIAL STATEMENTS
June 30, 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

When a group entity transacts with an associate or a joint venture of the Group, profits and losses resulting from the transactions with the associate or joint venture are recognised in the Group's consolidated financial statements only to the extent of interests in the associate or joint venture that are not related to the Group.

IMPAIRMENT OF TANGIBLE ASSETS – At the end of each reporting period, the Group reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

PROVISIONS – Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

REVENUE RECOGNITION – Revenue is measured at the fair value of the consideration received or receivable. Revenue is reduced for discount and sales related taxes.

(i) Revenue from construction contracts is recognised in accordance with the Group's accounting policy on construction contracts (see above).

(ii) Revenue from property development for sales is recognised when the respective properties have been completed and the risks and rewards of ownership have been transferred to the purchaser either through the transfer of legal title or equitable interest in a property.

(iii) Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

(iv) Rental income from investment properties is recognised on a straight-line basis over the term of the relevant lease.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

BORROWING COSTS – Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

RETIREMENT BENEFIT COSTS – Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

EMPLOYEE LEAVE ENTITLEMENT – Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

INCOME TAX – Income tax expense represents the sum of the tax currently payable and deferred tax.

Current tax – The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before income tax as reported in the statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax – Deferred tax is recognised on the temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences associated with investments in subsidiaries, associate and joint venture, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. Except for investment properties measured using the fair value model, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The directors of the Company reviewed the Group's investment property portfolios and concluded that none of the Group's investment properties are held under a business model whose objective is to consume substantially all of the economic benefits embodied in the investment properties over time, rather than through sale. Therefore, the directors have determined that the 'sale' presumption set out in the amendments to IAS 12 is not rebutted. The Group has not recognised any deferred taxes on changes in fair value of the investment properties as the Group is not subject to any income taxes on the fair value changes of the investment properties on disposal.

NOTES TO
FINANCIAL STATEMENTS

June 30, 2016

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax for the year – Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

FOREIGN CURRENCY TRANSACTIONS AND TRANSLATION – The individual financial statements of each entity within the Group are measured and presented in the currency of the primary economic environment in which the respective entities operate (its functional currency). The consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are presented in Singapore dollars, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on retranslation of monetary items are included in profit or loss for the period in which they arise.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are translated into Singapore dollars using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in equity under the header of translation reserve.

On the disposal of a foreign operation (i.e. a disposal of the Group's entire interest in a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

Goodwill and fair value adjustments assumed through acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the rate of exchange prevailing at the end of each reporting period. Exchange difference arising are recognised in other comprehensive income.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS – Cash and cash equivalents in the consolidated statement of cash flows comprise cash on hand and demand deposits, bank overdrafts, and other short-term highly liquid investments that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value.

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2, management is required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Critical judgements in applying the Group's accounting policies

The following is the critical judgement, apart from those involving estimations (see below), that management has made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in the financial statements.

Revenue recognition – properties under development

The Group recognises revenue and cost of properties under development based on the completion of construction method when the transfer of significant risks and rewards of ownership coincides with the time when the property is completed and ready for hand over.

With respect to the commercial property developments of the Group, the management determines that significant risks and rewards of ownership were transferred upon receipt of temporary occupation permit, indicating that the development is completed with key regulatory requirements met and fit for occupation and handover.

Accounting for redeemable convertible preference shares ("RCPS")

Chronoz Investment Holding Pte. Ltd. ("Chronoz"), a subsidiary of the Company, issued S$8 million RCPS in November 2014 and the holder of the RCPS shall have the option to exchange part of or its entire holdings of the RCPS into the Company's shares at a fixed price. In addition, in the event Chronoz undertakes an initial public offering ("IPO") before the maturity date, the holder of the RCPS shall have the option to convert all the RCPS into ordinary shares of Chronoz at a price equals to 50% discount to the IPO price. The management of the Company considered that the rights to the conversion option are in their hands as initiating an IPO exercise via Chronoz is within management control and management does not intend, and is not required to, put forth such exercise within the outstanding period of the RCPS. Accordingly, the management of the Company considered that the aforesaid conversion option is not substantive and recognised the RCPS as a compound instrument with both the liability and equity elements in accordance with IAS 32 *Financial Instruments: Presentation* ("IAS 32"). The carrying amounts of the liability and equity components of the RCPS are disclosed in Note 21.

Accounting for deferred loss on redeemable exchangeable preference shares ("REPS")

OKH Transhub Pte. Ltd., a subsidiary of the Company, issued S$10 million REPS and measured the compound instrument in accordance with IAS 39 *Financial Instruments: Recognition and Measurement*. Due to the prolonged process in fulfilling the conditions precedent to the subscription agreement and the surge in the share price of the Company during the intervening period, management has assessed that the aggregate fair value of the liability and equity components of the REPS is in excess of its nominal value at initial recognition and concluded that such differences should be deferred and amortised over the period up to the maturity date. The fair value of the liability and equity component of the REPS is based on a valuation performed by an independent professional valuer. The carrying amounts of the deferred loss and REPS are disclosed in Notes 7 and 23 respectively.

Key sources of estimation uncertainty

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

NOTES TO
FINANCIAL STATEMENTS
June 30, 2016

3 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Construction contracts

The Group recognises contract revenue and contract costs using the percentage of completion method. The percentage of completion is measured by reference to the stage of completion of the contract activity at the end of the reporting period. The stage of completion is measured by the proportion of certified contract value of work performed to date relative to the estimated total contract value of the construction contractor segment.

Significant assumptions are required in estimating the total contract costs which affect the contract cost recognised to-date based on the percentage of completion. Total contract revenue also includes estimation for variation works that are recoverable from customers. In making these estimates, the Group relies on past experience and the work of specialists.

In addition, the valuation of construction contracts can be subject to uncertainty in respect of variation works and estimation of future costs. The carrying amounts of assets and liabilities arising from construction contracts are disclosed in Notes 7 and 17, respectively.

Carrying amounts of properties under development and completed property held for sale

The aggregate carrying amount of properties under development and completed property held for sale is approximately S$140.0 million and S$75.3 million as at June 30, 2016 (2015: S$235.8 million and S$Nil) respectively, and details of which are disclosed in Note 9. They are stated at cost less allowance for impairment in value or at the lower of cost and estimated net realisable values, assessed on an individual project basis.

When it is probable that the total project costs will exceed the total projected revenue net of selling expenses, i.e. net realisable value, the amount in excess of net realisable value is recognised as an expense immediately.

The process of evaluating the net realisable value for each property is subject to management's judgement and the effect of assumptions in respect of development plans, timing of sale, selling prices for comparable development and the prevailing market conditions. Management performs cost studies for each project, taking into account the costs incurred to date, the development status and costs to complete each development project. Any future variation in plans, assumptions and estimates can potentially impact the carrying amounts of the respective properties.

Fair value measurements and valuation processes

Some of the Group's assets and liabilities are measured at fair value for financial reporting purposes. The finance team, which reports to the board of directors of the Company, determines the appropriate valuation techniques and inputs for fair value measurements.

In estimating the fair value of an asset or a liability, the Group uses market-observable data to the extent it is available. Where Level 1 inputs are not available, the Group engages third party qualified valuers to perform the valuation on a yearly basis. The finance team works closely with the qualified external valuers to establish the appropriate valuation techniques and inputs to the model. The finance team reports the findings to the board of directors of the Company to explain the cause of fluctuations in the fair value of the assets and liabilities.

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Notes 4(c)(v), 10, 12, 16, 21 and 23.

Provision for warranty costs

Determining the provision for contract costs in respect of cost of work required to be carried out for the rectification of construction defects requires an assessment of the potential defects that could arise, the estimation of the timing of incurring such costs and of the future costs of carrying out such rectification works. Management of the Company is of view that the carrying amount of the provision for warranty costs is immaterial.

NOTES TO
FINANCIAL STATEMENTS
June 30, 2016

4 FINANCIAL INSTRUMENT, FINANCIAL RISK AND CAPITAL RISKS MANAGEMENT

(a) Categories of financial instruments

The following table sets out the financial instruments as at the end of each reporting period:

	Group		Company	
	2016	**2015**	**2016**	**2015**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Financial assets				
Loans and receivables (including cash and cash equivalents)	**71,846**	70,143	**34,949**	50,605
Derivative financial instrument	**1,268**	–	**–**	–
Available-for-sale investment	**16,257**	21,500	**–**	–
Financial liability				
Amortised costs	**349,081**	315,758	**49,706**	32,778

(b) Financial instruments subject to offsetting, enforceable master netting arrangements and similar agreements

Group

2016

Financial assets	**(a)**	**(b)**	**(c) = (a) – (b)**
Type of financial asset	**Gross amounts of recognised financial asset S$'000**	**Gross amounts of recognised financial liabilities set off in the statement of financial position S$'000**	**Net amounts of financial assets presented in the statement of financial position S$'000**
Loan due from non-controlling interests	10,350	(8,920)	1,430

In reconciling the 'Net amounts of financial assets and financial liabilities presented in the statement of financial position' to the line item amounts presented in the statement of financial position, the above amounts represent only those which are subject to offsetting, enforceable master netting arrangements and similar agreements. The residual amounts relate to those that are not in scope of the offsetting disclosures.

The Group does not have any financial instruments which are subject to offsetting, enforceable master netting arrangements or similar netting agreements in 2015.

Company

The Company does not have any financial instruments which are subject to offsetting, enforceable master netting arrangements or similar netting agreements in 2016 and 2015.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

4 FINANCIAL INSTRUMENT, FINANCIAL RISK AND CAPITAL RISKS MANAGEMENT (Continued)

(c) Financial risk management policies and objectives

The management of the Group monitors and manages the financial risks relating to the operations of the Group to ensure appropriate measures are implemented in a timely and effective manner. These risks include market risk (foreign exchange risk and interest rate risk), credit risk and liquidity risk.

The Group does not hold or issue derivative financial instruments for speculative purposes.

There has been no change to the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

(i) Foreign exchange risk management

The Group is exposed to minimal foreign exchange rate risk as the financial assets and liabilities are mainly denominated in respective functional currency of the Group entity. Any movement in foreign exchange rate is unlikely to have a significant impact in the results of the Group. Accordingly, no sensitivity analysis is prepared.

(ii) Interest rate risk management

The Group's exposure to interest rate risk relates primarily to fixed deposits and debt obligations. The interest rates for fixed deposits, obligations under finance leases, loan due to a third party, bank loans and overdrafts, RCPS and REPS are indicated in Notes 6, 18, 19, 20, 21 and 23, respectively. The Group manages interest cost by using a mixture of fixed and variable rate debts.

The borrowing costs related to property development projects and construction of investment properties are capitalised as cost of property development (Note 9) and investment properties (Note 12). All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

Interest rate sensitivity analysis

The sensitivity analysis below have been determined based on the exposure to interest rates for non-derivative instruments at the end of the reporting period and on the assumption that the change took place at the beginning of the reporting period and is held constant throughout the reporting period. The magnitude represents management's assessment of the likely movement in interest rates under normal economic conditions.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the amount of interest capitalised as part of the Group's development properties and investment properties as at June 30, 2016 would have increased/decreased by S$571,000 (2015: S$672,000) and S$199,000 (2015: S$146,000) respectively.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's loss for year ended June 30, 2016 would have increased/decreased by S$354,000 (2015: S$279,000).

(iii) Credit risk management

At the end of the reporting period, the Group's maximum exposure to credit risk which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties represents the carrying amount of the respective recognised financial assets as stated in the consolidated statements of financial position.

The Group's exposure to credit risk on receivables arising from the sale of industrial property units is not significant as such payments are usually arranged through loans taken up by customers with reputable financial institutions.

The Group carries out construction work for both public and private sectors. Credit risks are taken into consideration in the decision to participate in tenders for construction contracts.

NOTES TO FINANCIAL STATEMENTS
June 30, 2016

4 FINANCIAL INSTRUMENT, FINANCIAL RISK AND CAPITAL RISKS MANAGEMENT (Continued)

(c) Financial risk management policies and objectives (Continued)

(iii) Credit risk management (Continued)

In addition, rental deposits are received as security from tenants of its investment properties.

The Group monitors its potential losses on credit extended. An allowance for impairment on the receivables is made where there is an identified loss event which, based on previous experience, is evidence of a reduction in the recoverability of the cash flows. Trade receivables amounts presented in the statement of financial position are net of allowances for doubtful receivables.

The carrying amount of financial assets recorded in the financial statements, grossed up for any allowances for losses, represents the Group's maximum exposure to credit risk without taking account of the value of any collateral obtained.

Further details of credit risks on trade and other receivables are disclosed in Note 7.

The Group also has concentration of credit risk by geographical location as all of the customers are located in Singapore.

The credit risk on bank balances and fixed deposits are limited because the counterparties are banks with good reputation and good credit rating.

(iv) Liquidity risk management

As at June 30, 2016, the Group's current liabilities exceed its current assets by S$85.7 million of which the financial liabilities due on demand or within 1 year from the end of the reporting period amounted to S$341.1 million. In managing its liquidity risk, management has prepared a one-year cash flow forecast of the Group for the year ending June 30, 2017 based on the following significant input assumptions:

(i) S$50 million gross proceeds raised by the Company through shares placement.

Subsequent to year end, Haiyi subscribed to 500 million new shares allotted and issued by the Company for a consideration of S$50 million. Following the completion of the subscription, Haiyi's interest in the Company is approximately 44.3% of the share capital of the Company (Note 34);

(ii) S$18 million loan facility granted by Haiyi to the Group.

Subsequent to year end, Haiyi granted a shareholder's loan facility of S$18 million through a loan agreement entered into with the Company, of which S$10 million had been utilised by the Group;

(iii) The cash collection from the expected sales as well as expected leasing arrangements of the Group's properties under development and completed property held for sale (Note 9) to generate additional cash flows to meet its obligations.

The Group had obtained the temporary occupancy permit for the completed property held for sale and expects to obtain the certificate of statutory completion within the next financial year, upon which the Group may bill and collect the remaining 10% of the purchase price from its buyers.

The Group expects to obtain the temporary occupancy permit for the property under development within the next financial year, upon which the Group may bill and collect up to 90% of the purchase price from its buyer.

Subsequent to year end, the Group sold certain units within completed property held for sale and generated incremental cash flow to meet its obligations;

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

4 FINANCIAL INSTRUMENT, FINANCIAL RISK AND CAPITAL RISKS MANAGEMENT (Continued)

(c) Financial risk management policies and objectives (Continued)

(iv) Liquidity risk management (Continued)

(iv) The plan to sell its equity interest in the available-for-sale investment and associated company. The management is currently seeking potential buyer for this sale;

(v) The plan and discussion between management and a third party for a loan of S$20 million with an interest rate of 8% per annum repayable within a year;

(vi) The plan and discussions between management and financial institutions on refinancing of existing land and construction loans after obtaining the temporary occupancy permit of its development property by using the title and ownership of the property to pledge as security. Subsequent to the year end, the Group successfully obtained refinancing arrangement on the completed property held for sale from financial institution on loans that were originally due within financial year ending June 30, 2017. As a result, the repayment of S$44 million loans is extended to financial year ending June 30, 2018. Management is confident of obtaining similar refinancing arrangement for bank loans amounting to S$73.7 million upon obtaining the temporary occupancy permit for the property under development in financial year ending June 30, 2017;

(vii) The waiver of a financial covenant for a long-term bank loan. Such waiver has been obtained subsequent to the end of the reporting period (Note 4 (d)); and

(viii) Management is confident that they can continue to obtain additional funding and support from Haiyi if required.

After reviewing the cash flow forecasts of the Group for the financial year ending June 30, 2017 prepared on the above basis, and taking account of reasonably possible changes in business performance, management is of the view that the Group will be able to have sufficient resources to meet its financial liabilities as they fall due.

The Group minimises liquidity risk by keeping committed credit lines available.

As at June 30, 2016, the Group has S$902,000 (2015: S$3,600,000) of available and undrawn committed bank credit facilities.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

4 FINANCIAL INSTRUMENT, FINANCIAL RISK AND CAPITAL RISKS MANAGEMENT (Continued)

(c) Financial risk management policies and objectives (Continued)

(iv) Liquidity risk management (Continued)

Liquidity risk analysis

Non-derivative financial liabilities

The following tables detail the remaining contractual maturity for non-derivative financial liabilities. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay which includes both interest and principal cash flows. The adjustment column represents the difference between the discounted cash flows and the carrying amount of the financial liability on the statements of financial position. The undiscounted cash flow for variable interest rate instruments are subject to change if changes in variable interest rates differs to those estimates of interest rates determined at the end of the reporting period.

	Weighted average effective interest rate %	On demand or within 1 year S$'000	Within 2 to 5 years S$'000	After 5 years S$'000	Adjustment S$'000	Total S$'000
Group						
June 30, 2016						
Non-interest bearing	**N/A**	**71,450**	**–**	**–**	**–**	**71,450**
Bank overdrafts	**4.2**	**6,687**	**–**	**–**	**(267)**	**6,420**
Obligations under finance leases	**3.9**	**582**	**1,181**	**85**	**(248)**	**1,600**
Other fixed rate instruments	**5.3 – 14.8**	**53,927**	**396**	**–**	**(2,808)**	**51,515**
Other variable interest rate instruments	**2.9**	**208,468**	**9,058**	**12,575**	**(12,005)**	**218,096**
		341,114	**10,635**	**12,660**	**(15,328)**	**349,081**
June 30, 2015						
Non-interest bearing	N/A	58,968	–	–	–	58,968
Bank overdrafts	6.6	3,924	–	–	(243)	3,681
Obligations under finance leases	4.0	507	1,400	116	(266)	1,757
Other fixed rate instruments	5.3 – 15.9	25,328	15,000	–	(4,739)	35,589
Other variable interest rate instruments	3.1	57,920	153,840	19,011	(15,008)	215,763
		146,647	170,240	19,127	(20,256)	315,758

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

4 FINANCIAL INSTRUMENT, FINANCIAL RISK AND CAPITAL RISKS MANAGEMENT (Continued)

(c) Financial risk management policies and objectives (Continued)

(iv) Liquidity risk management (Continued)

As at June 30, 2015, bank borrowings with a repayment on demand clause is included in the "on demand or within 1 year" time band in the above maturity analysis. There is no bank borrowing with repayment on demand clause as at June 30, 2016.

All non-derivative financial liabilities of the Company in 2016 and 2015 are repayable on demand or current and the undiscounted cash flow approximates its carrying amount.

Non-derivative financial assets

All financial assets of the Group and the Company in 2016 and 2015 are non-interest bearing and repayable on demand or current except for loan due from non-controlling interests and fixed deposit as disclosed on Notes 5 and 6, respectively.

Derivative financial instrument

As at June 30, 2016, the fair value of the put option given to the Group (Note 16) amounted to S$1,268,000. Further information of the derivative financial instrument is disclosed in Note 10. The Group had no derivative financial instrument recognised in 2015.

The Company has no derivative financial instrument in 2016 and 2015.

(v) Fair value measurement

Fair value of the Group's financial assets and financial liabilities that are measured at fair value on a recurring basis.

The Group is granted a put option (Note 10) under a Sales and Purchase Agreement for the acquisition of unquoted equity shares recorded as available-for-sale investment (Note 16).

The fair value of the put option, with fair value hierarchy categorised as level 3, is determined based on a pre-agreed formula as stipulated in its Sales and Purchase Agreement, adjusted for fair values of the available-for-sale investment.

The fair value of the available-for-sale investment is determined based on an aggregate of income approach and net asset value approach for its respective business segments, with fair value hierarchy categorised as level 3.

In the income approach, the discounted cash flow method was used to capture the present value of the expected future economic benefits to be derived from the ownership of the investee, with significant unobservable inputs being the terminal growth rate of 2%[1] and weighted average cost of capital of 10%[2].

1 A slight increase will result in a significant increase in the fair value.
2 A slight increase will result in a significant decrease in the fair value.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

4 FINANCIAL INSTRUMENT, FINANCIAL RISK AND CAPITAL RISKS MANAGEMENT (Continued)

(c) Financial risk management policies and objectives (Continued)

(v) Fair value measurement (Continued)

Fair value of the Group's financial assets and financial liabilities that are not measured at fair value on a recurring basis (but fair value disclosures are required).

Except as detailed in the following table, the directors consider that the carrying amounts of financial assets and financial liabilities recognised in the financial statements approximate their respective fair values.

	2016		2015	
	Carrying amount S$'000	**Fair value S$'000**	**Carrying amount S$'000**	**Fair value S$'000**
Group				
Financial liabilities				
REPS (Note)	**13,970**	**13,970**	12,051	13,746
RCPS (Note)	**6,000**	**6,000**	7,807	8,516

Note: The carrying amounts of REPS and RCPS approximate their fair values due to the relatively short-term maturity of these financial instruments. Subsequent to the year end, the REPS and RCPS were fully settled. In 2015, the fair value of REPS and RCPS are estimated based on the interest rate of Group's borrowing for similar terms of borrowings.

The fair value of the REPS and RCPS are categorised within level 3 of the fair value hierarchy which has been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

Company

The Company has no financial assets and liabilities carried at fair value in 2016 and 2015.

(d) Capital risk management policies and objectives

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance. The capital structure of the Group consists of bank borrowings and equity attributable to owners of the Group, comprising issued capital, reserves and accumulated profits.

In addition, the Group also specifically monitors the financial ratio of its debt covenants stated in the agreement with the financial institutions providing the facilities to the Group. The Group is in compliance with externally imposed capital requirements for the financial year ended June 30, 2016 for the facilities that has been utilised by the Group except for a financial covenant which was not met. As a result, the balance of loan amounting to S$17.7 million was reclassified to current liabilities as at June 30, 2016 (Note 20).

Subsequent to the end of the reporting period, the Group had obtained waiver from the lender of the long-term bank loan in respect of the financial covenant which was not met. Accordingly, this loan will be reclassified to non-current liabilities subsequent to the year end.

The Group reviews the capital structure on an annual basis. The Group's overall strategy remains unchanged from 2015.

NOTES TO
FINANCIAL STATEMENTS
June 30, 2016

5 HOLDING COMPANY AND OTHER RELATED PARTIES TRANSACTIONS

Related companies in this financial statements refer to members of the Company's group of companies, non-controlling shareholders, associate, and joint venture. Related parties are companies which directors have a beneficial interest in it.

Some of the Group's transactions and arrangements are with related parties and related companies and the effect of these on the basis determined between the parties is reflected in these financial statements.

Loan due from non-controlling interests is unsecured and bears an interest of S$257,000 charged for the period from July 1, 2014 to December 10, 2014. The Group has received a repayment of S$1,900,000 during the year and S$1,100,000 subsequent to year end. Accordingly, management has waived the interest receivable amounting to S$7,000 as at June 30, 2016. The remaining loan amount is expected to be repaid by the financial year ending June 30, 2017.

Loan due to associate is interest-free, unsecured and is repayable within 30 days from the date of request in writing by associate.

Other receivables or payables with intercompany balances, including subsidiaries, joint venture and related parties are unsecured, interest free and repayable on demand. Details of the balances are set out in Notes 7 and 17.

In addition to the related party transactions disclosed elsewhere in the financial statements, the following are significant related party transactions entered into by the Group with related parties:

	Group	
	2016	**2015**
	S$'000	**S$'000**
A company owned by a director		
Rental income	**–**	(11)
Subcontracting services expense	**7**	19
A company owned by close family member of a director		
Purchase of materials	**2**	17
Associate		
Management fee income	**–**	(168)

Compensation of directors and key management personnel

The remuneration of directors and other members of key management during the years were as follows:

	Group	
	2016	**2015**
	S$'000	**S$'000**
Short-term benefits	**1,899**	5,598
Post-employment benefit	**73**	70
	1,972	5,668

The remunerations of directors and other members of key management is determined by the remuneration committee having regard to the performance of the individuals and market trends.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

6 CASH AND CASH EQUIVALENTS

	Group		Company	
	2016 S$'000	2015 S$'000	2016 S$'000	2015 S$'000
Cash at bank	**37,448**	17,840	**712**	10
Fixed deposits	**7,500**	1,500	**–**	–
Total	**44,948**	19,340	**712**	10
Less: Bank overdrafts (Note 20)	**(6,420)**	(3,681)	**–**	–
Fixed deposits (pledged)	**(2,500)**	(1,500)	**–**	–
Cash and cash equivalents in the statements of cash flows	**36,028**	14,159	**712**	10

Cash and cash equivalents comprise cash at bank and short-term bank deposits with an original maturity of three months or less.

The fixed deposits are pledged for the bank loan facilities for working capital purposes (Note 20). They bear effective interest rates of 0.8% (2015: 1.0%) per annum and for tenure from three months to one year (2015: one year).

Included in the cash at bank of the Group is i) amount of approximately S$15.3 million (2015: S$6.1 million), withdrawals from which are restricted to payments for expenditure incurred on the properties under development (Note 9) and, ii) amount of approximately S$16.5 million (2015: S$Nil), withdrawals from which are restricted to repayment of certain bank loans.

7 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2016 S$'000	2015 S$'000	2016 S$'000	2015 S$'000
Trade receivables from outside parties	**13,433**	25,820	**–**	–
Due from customer for contract work (Note 8)	**1,400**	1,341	**–**	–
Other deposits	**256**	768	**3**	–
Advance payments to suppliers	**9,421**	13,607	**35**	33
Deferred expenses	**1,008**	1,070	**–**	169
Deferred loss on REPS	**533**	1,600	**–**	–
Other receivables from:				
– Third parties	**11,619**	11,914	**27**	64
– Subsidiaries (Note 5)	**–**	–	**34,207**	50,531
– Joint venture (Note 5)	**160**	44	**–**	–
	37,830	56,164	**34,272**	50,797

In determining the recoverability of other receivables due from third parties at the end of the reporting period, the Group considers any change in the credit quality of the other receivables from the date credit was initially granted up to the end of the reporting period. Management has assessed the credit worthiness of the other receivables. Other receivables are not past due and not impaired.

Trade receivables arise from sales of properties, rental income derived from investment properties, and revenue from construction activities.

Considerations in respect of properties sold are received in accordance with the terms of the related sales and purchase agreements, certain portions are received on or before the date of delivery of the properties to customers which are recorded as advance payments from customers (Note 17).

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

7 TRADE AND OTHER RECEIVABLES (Continued)

The average credit period is approximately 14 to 60 days (2015: 14 to 60 days). No interest is charged on the outstanding trade receivables. Allowance for doubtful debts are recognised against trade receivables based on estimated irrecoverable amounts from the sale of goods, determined by reference to past default experience. In determining the recoverability of trade receivables, the Group considers any change in the credit quality of the trade receivable from the date credit was initially granted up to the end of the reporting period. There are no other customers who represent more than 5% of the total balance of trade receivables.

Aging of trade receivables presented based on payment due date:

	Group	
	2016 S$'000	2015 S$'000
Not past due and not impaired[(i)]	**8,417**	23,020
Past due but not impaired[(ii)]	**5,016**	2,800
Total trade receivable, net	**13,433**	25,820

(i) There has not been a significant change in credit quality of these trade receivables that are not past due and not impaired.

(ii) Aging of receivables that are past due but not impaired:

	Group	
	2016 S$'000	2015 S$'000
<3 months	**1,460**	2,606
3 months to 6 months	**2,628**	40
6 months to 12 months	**850**	140
>12 months	**78**	14
	5,016	2,800

The Group has not provided impairment loss as there has not been a significant change in credit quality and amounts are still considered recoverable based on historical experience.

Movements in the allowance for doubtful receivables:

	Group	
	2016 S$'000	2015 S$'000
Balance at beginning of year	**–**	177
Amount written off during the year	**–**	(177)
Balance at end of year	**–**	–

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

8 CONSTRUCTION CONTRACTS

	Group	
	2016 S$'000	2015 S$'000
Contract costs incurred plus recognised profit	**17,475**	58,426
Less: Progress billings	**(16,075)**	(59,529)
	1,400	(1,103)

	Group	
	2016 S$'000	2015 S$'000
Analysis for reporting purposes as:		
Amounts due from customers for contract work included in trade and other receivables (Note 7)	**1,400**	1,341
Amounts due to customers for contract work included in trade and other payables (Note 17)	**–**	(2,444)

Retention monies held by customers for construction work amounted to S$1,090,000 (2015: S$2,029,000) are included within the Group's "trade receivables" (Note 7) and are classified as current as they are expected to be received within the Group's normal operating cycle.

9 PROPERTIES UNDER DEVELOPMENT/COMPLETED PROPERTY HELD FOR SALE

	Group	
	2016 S$'000	2015 S$'000
Properties under development for sale	**140,032**	235,831
Completed property held for sale	**75,327**	–

All of the Group's development properties are mortgaged to banks as security for credit facilities obtained by the Group (Note 20).

The cost of development properties include the following interest capitalised:

	Group	
	2016 S$'000	2015 S$'000
Interest on bank loans	**7,865**	6,528

The weighted average rate of capitalisation of the interest expense for the financial year ended June 30, 2016 is 3.7% (2015: 2.8%) per annum.

10 DERIVATIVE FINANCIAL INSTRUMENT

	Group	
	2016 S$'000	2015 S$'000
Value of put option	**1,268**	–

As at June 30, 2016, derivative financial instrument amounting to S$1,268,000 pertained to fair value of the put option granted to the Group by the shareholder of the Group's available-for-sale investment at the point of acquisition of the available-for-sale investment (Note 16). The derivative financial instrument is classified as current as the management expects the put option to be exercised within the next 12 months.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

11 PROPERTY, PLANT AND EQUIPMENT

	Freehold properties S$'000	Leasehold land and building S$'000	Computer equipment S$'000	Machinery S$'000	Motor vehicles S$'000	Office equipment and fittings S$'000	Renovation S$'000	Construction in progress S$'000	Total S$'000
Group									
Cost:									
At July 1, 2014	3,798	8,632	339	1,004	3,578	271	220	–	17,842
Additions	–	–	11	541	596	–	–	1,164	2,312
Transfers[(1)]	–	(5,025)	–	–	–	–	–	5,025	–
Write-off[(1)]	–	(3,607)	–	–	–	–	–	–	(3,607)
Disposals	–	–	(10)	–	–	–	–	–	(10)
At June 30, 2015	3,798	–	340	1,545	4,174	271	220	6,189	16,537
Additions	–	–	6	47	25	–	–	19,513	19,591
At June 30, 2016	**3,798**	**–**	**346**	**1,592**	**4,199**	**271**	**220**	**25,702**	**36,128**
Accumulated depreciation:									
At July 1, 2014	133	2,190	247	600	1,715	167	144	–	5,196
Depreciation for the year	37	1,417	62	207	605	32	44	–	2,404
Write-off[(1)]	–	(3,607)	–	–	–	–	–	–	(3,607)
Disposals	–	–	(10)	–	–	–	–	–	(10)
At June 30, 2015	170	–	299	807	2,320	199	188	–	3,983
Depreciation for the year	37	–	30	246	658	31	25	–	1,027
At June 30, 2016	**207**	**–**	**329**	**1,053**	**2,978**	**230**	**213**	**–**	**5,010**

Note:

(1) In 2015, the Group commenced redevelopment works on a leasehold land. Accordingly, the leasehold building was written off and derecognised while the carrying amount of the leasehold land was transferred to construction in progress at S$5,025,000.

	Freehold properties S$'000	Leasehold land and building S$'000	Computer equipment S$'000	Machinery S$'000	Motor vehicles S$'000	Office equipment and fittings S$'000	Renovation S$'000	Construction in progress S$'000	Total S$'000
Group									
Carrying amount:									
At June 30, 2015	3,628	–	41	738	1,854	72	32	6,189	12,554
At June 30, 2016	**3,591**	**–**	**17**	**539**	**1,221**	**41**	**7**	**25,702**	**31,118**

The carrying amount of property, plant and equipment that are held under finance leases (Note 18) are as follows:

	Group 2016 S$'000	Group 2015 S$'000
Motor vehicles	**1,092**	1,492
Machinery	**388**	262

The Group has pledged freehold properties to secure banking facilities (Note 20) granted to the Group.

The Group's leasehold land and building is located in Singapore with a lease term of 5.5 years beginning from February 2013. Subsequently, the Group obtained approval-in-principle to extend the lease term approximately for an additional 19 years, subject to fulfilling certain conditions, including capital investment over the land with an amount of at least approximately S$22 million within 3 years from November 2013. In August 2016, management has requested for time extension to defer the completion date from November 2016 to June 2017.

NOTES TO
FINANCIAL STATEMENTS
June 30, 2016

12 INVESTMENT PROPERTIES

	Completed investment properties S$'000	Investment properties under construction S$'000	Total S$'000
Group			
At July 1, 2014	31,619	30,417	62,036
Additions during the year	–	10,050	10,050
Change in fair value included in profit or loss (Note 26)	8,381	17,840	26,221
At June 30, 2015	40,000	58,307	98,307
Additions during the year	–	7,041	7,041
Transfer from completed properties held for sale	26,974	–	26,974
Change in fair value included in profit or loss (Note 28)	(4,842)	–	(4,842)
Transfer upon completion	65,348	(65,348)	–
At June 30, 2016	127,480	–	127,480

All of the Group's property interests held under operating leases to earn rentals are classified and accounted for as investment properties and are measured using the fair value model.

As at June 30, 2016, the fair value of the Group's completed investment properties of S$127,480,000 (2015: completed investment properties of S$40,000,000 and investment properties under construction of S$58,307,000) have been arrived at on the basis of a valuation carried out by United Valuers Pte. Ltd., independent qualified professional valuers not connected with the Group, which has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

The valuations of completed investment properties are determined by:

- market comparable approach that reflects recent sales transaction prices for similar properties; and
- income capitalisation approach, which is arrived at by reference to net rental income allowing for reversionary income potential and market evidence of transaction prices for similar properties in the same locations and conditions, where appropriate. The capitalisation rate adopted is made by reference to the yield rates observed by the valuers for similar properties in the locality and adjusted based on the valuers' knowledge of the factors specific to the respective properties.

In 2015, the valuations of investment properties under construction were arrived at by residual method, which was based on market observable transactions of similar properties and taken into account the construction costs that will be expanded to complete the development.

There has been no change from the valuation technique used in prior years. In estimating the fair value of the properties, highest and best use of the properties is their current use.

NOTES TO FINANCIAL STATEMENTS
June 30, 2016

12 INVESTMENT PROPERTIES (Continued)

Fair value measurement of the Group's investment properties

Details of the Group's investment properties and information about the fair value hierarchy as at June 30, 2016 and 2015 are as follows:

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Fair value as at June 30, 2016 S$'000
Group				
Completed investment properties	–	–	**127,480**	**127,480**

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Fair value as at June 30, 2015 S$'000
Group				
Completed investment properties	–	–	40,000	40,000
Investment properties under construction	–	–	58,307	58,307

There were no transfers between the respective levels during the year.

The following table gives information about how the fair values of these investment properties are determined (in particular, the valuation techniques and inputs used).

2016

Location and name of properties	Type of properties	Valuation technique(s)	Significant unobservable input(s)	Range
Completed investment properties				
701 Sims Drive #02-04 LHK Building Singapore 387383	Freehold office	Market comparison	price per square foot[1]	S$735 – S$776
701 Sims Drive #02-05 LHK Building Singapore 387383	Freehold office	Market comparison	price per square foot[1]	S$696 – S$750
46 & 58 Kim Yam Road The Herencia Singapore 239351	Commercial leasehold office	Income capitalisation method	market rent per square foot per month[1]	S$3.74
			capitalisation rate[2]	7.5%
69H Tuas South Avenue 1 Seatown Industrial Centre Singapore 637509	Dormitory	Income capitalisation method	market rent per bed space per month[1]	S$188 – S$220
			capitalisation rate[2]	6.5%
12 Tai Seng Link Singapore 534233	Industrial leasehold property	Market comparison	price per square foot[1]	S$501 – S$558
56 Loyang Way Singapore 508775[a]	Industrial leasehold property	Market comparison	price per square foot[1]	S$158 – S$301

[a] The units leased out are #01-09/10/11/14/15, #02-03/22/23/24, #03-14, #04-01, #05-03/06/07, and #06-01.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

12 INVESTMENT PROPERTIES (Continued)

2015

Location and name of properties	Type of properties	Valuation technique(s)	Significant unobservable input(s)	Range
Completed investment properties				
701 Sims Drive #02-04 LHK Building Singapore 387383	Freehold office	Market comparison	price per square foot[1]	S$700 – S$772
701 Sims Drive #02-05 LHK Building Singapore 387383	Freehold office	Market comparison	price per square foot[1]	S$700 – S$772
46 & 58 Kim Yam Road The Herencia Singapore 239351	Commercial leasehold office	Income capitalisation method	market rent per square foot per month[1]	S$3.50 – S$5.50
			capitalisation rate[2]	7.5% – 8%
69H Tuas South Avenue 1 Seatown Industrial Centre Singapore 637509	Dormitory	Income capitalisation method	market rent per bed space per month[1]	S$225 – S$248
			capitalisation rate[2]	6.5% – 7.25%
Investment property under construction				
12 Tai Seng Link Singapore 534233	Industrial leasehold property	Residual approach	price per square foot[1]	S$390 – S$479

(1) Any significant isolated increases (decreases) in these inputs would result in a significantly higher (lower) fair value measurement.

(2) Any significant isolated increases (decreases) in these inputs would result in a significantly lower (higher) fair value measurement.

Certain of the Group's investment properties are mortgaged to banks as security for credit facilities obtained by the Group (Note 20).

The carrying amounts of investment properties shown above comprise properties situated on land in Singapore:

	Group 2016 S$'000	Group 2015 S$'000
Freehold	**4,000**	4,000
Lease term more than 50 years	**33,000**	33,500
Lease term within 10 to 50 years	**88,280**	58,307
Lease term less than 10 years	**2,200**	2,500
	127,480	98,307

The gross rental income and direct operating expenses (including repairs and maintenance) arising from rental-generating investment properties are as follows:

	Group 2016 S$'000	Group 2015 S$'000
Gross rental income (Note 25)	**10,582**	8,252
Direct operating expenses	**6,546**	7,403

NOTES TO FINANCIAL STATEMENTS
June 30, 2016

13 INVESTMENTS IN SUBSIDIARIES

	Company 2016 S$'000	Company 2015 S$'000
Unquoted equity shares, at cost	**126,180**	129,185

Details of the subsidiaries at the end of each financial year are as follows:

Name	Country of incorporation and operations	Company's proportion of ownership interest and voting power held 2016 %	2015 %	Principal activities
OKH Holdings Pte. Ltd.[(1)]	Singapore	**100**	100	Construction activities
OKH Management Pte. Ltd.[(1)]	Singapore	**100**	100	Property development
OKH Development Pte. Ltd.[(1)(2)]	Singapore	**85**	85	Property development
Foxx Media Pte. Ltd.[(1)]	Singapore	**100**	100	Advertising and related activities
Green Synergy Pte. Ltd.[(1)]	Singapore	**100**	100	Building construction activities
OKH (Woodlands) Pte. Ltd.[(1)]	Singapore	**100**	100	Property development and investment properties
Galaxia Development Pte. Ltd.[(1)]	Singapore	**100**	100	Investment properties
OKH Loyang Pte. Ltd.[(1)]	Singapore	**100**	100	Property development
OKH Buroh Pte. Ltd.[(1)]	Singapore	**100**	100	Property development
OKH Transhub Pte. Ltd.[(1)]	Singapore	**100**	100	Investment holding
OKH Spaze Pte. Ltd.[(1)]	Singapore	**100**	100	Property development
Chronoz Investment Holding Pte. Ltd.[(1)]	Singapore	**100**	100	Investment holding
OKH Capital Pte. Ltd.[(1)]	Singapore	**100**	100	Treasury management
OKH China Pte. Ltd.[(1)]	Singapore	**100**	100	Investment holding

Notes:

(1) Audited by Deloitte & Touche LLP, Singapore.

(2) Pursuant to the shareholders' transfer agreement signed between OKH Holdings Pte. Ltd. ("OKHH") and a third party, ZACD (Woodlands) Pte. Ltd. ("ZACD") on April 5, 2013 (as superseded and varied by a further shareholders' agreement dated October 11, 2013), ZACD agreed to acquire a 15% equity interest in OKH Development Pte. Ltd. ("OKHD") at a total consideration of S$300,000. Based on the terms of the agreement, ZACD would only limit its participation in OKHD only to the business relating to the development and sale of the units in a certain development project of OKHD (the "Business"). The agreement between OKHH and ZACD entitled each party to 70% and 30% of the assets and liabilities of the Business respectively. 30% of the profits arising from the Business amounting to S$13.6 million was declared to ZACD in 2016. Of which, S$5.7 million has been paid during the year and remaining balance of S$7.9 million remains outstanding as at year end.

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13 INVESTMENTS IN SUBSIDIARIES (Continued)

The Group only has significant non-controlling interests at June 30, 2016 and accordingly, details of non-controlling interests are presented as below:

Name of subsidiary	Place of incorporation and principal place of business	Proportion of ownership interest and voting rights held by non-controlling interests	Profit allocated to non-controlling interests		Accumulated non-controlling interests	
			2016 S$'000	2015 S$'000	2016 S$'000	2015 S$'000
OKHD	Singapore	15%	**391**	14,094	**300**	13,509

Summarised financial information in respect of the Group's subsidiary that has material non-controlling interests is set out below. The summarised financial information below represents amounts before intra Group eliminations.

	OKHD	
	2016 S$'000	2015 S$'000
Current assets	**74,464**	95,801
Current liabilities	**(12,434)**	(19,409)
Equity attributable to owner of the Company	**61,730**	62,883
Non-controlling interests	**300**	13,509
Revenue	**–**	219,325
Expenses	**(14,363)**	(165,825)
(Loss) Profit for the year	**(14,363)**	53,500
(Loss) Profit for the year and total comprehensive income attributable to:		
Owners of the Company	**(14,754)**	39,406
Non-controlling interests	**391**	14,094
	(14,363)	53,500
Net cash inflow from operating activities	**11,620**	109,864
Net cash outflow from investing activities	**(9,907)**	(43,850)
Net cash outflow from financing activities[1]	**(5,700)**	(136,855)
Net cash outflow	**(3,987)**	(70,841)

[1] Net cash outflow from financing activities for the year ended June 30, 2016 relates to a profit sharing of S$5.7 million paid to non-controlling interests.

14 INVESTMENT IN A JOINT VENTURE

	Group	
	2016 S$'000	2015 S$'000
Unquoted equity shares, at cost	**265**	265
Share of post-acquisition losses and other comprehensive expenses	**(265)**	(265)
	–	–

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14 INVESTMENT IN A JOINT VENTURE (Continued)

Name	Country of incorporation and operation	Proportion of ownership interest and voting power 2016 %	2015 %	Principal activities
OKH DLRE JV Pte. Ltd.[1]	Singapore	**50**	50	Generation, transmission, distribution and sale of electricity

Note:

[1] Audited by Deloitte & Touche LLP, Singapore.

Summarised financial information in respect of the Group's joint venture is set out below.The summarised financial information below represents amounts shown in the joint venture's financial statements prepared in accordance with Singapore Financial Reporting Standards, which does not differ significantly from IFRS.

The joint venture is accounted for using the equity method in the consolidated financial statements.

OKH DLRE JV Pte. Ltd.

	2016 S$'000	2015 S$'000
Current assets	**99**	94
Current liabilities	**(997)**	(536)
Net liabilities	**(898)**	(442)
Revenue	**245**	247
Loss for the year	**(449)**	(453)
Share of joint venture's loss for the year	**–**	(260)
Unrecognised share of loss for the year	**(225)**	–
Cumulative unrecognised share of loss of a joint venture	**(449)**	(224)

Reconciliation of the above summarised financial information to the carrying amount of the interest in OKH DLRE JV Pte. Ltd. recognised in the consolidated financial statements is as follows:

	2016 S$'000	2015 S$'000
Net liabilities of OKH DLRE JV Pte. Ltd.	**(898)**	(458)
Proportion of the Group's ownership in OKH DLRE JV Pte. Ltd.	**50%**	50%
Share of net liabilities	**(449)**	(229)
Cumulative unrecognised share of loss of a joint venture	**(449)**	(229)
Carrying amount of the Group's interest in OKH DLRE JV Pte. Ltd.	**–**	–

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15 INVESTMENT IN AN ASSOCIATE

	Group	
	2016 S$'000	2015 S$'000
Unquoted equity shares, at cost	**30,000**	30,000
Share of post-acquisition reserves and other comprehensive income	**8,699**	5,622
	38,699	35,622

Details of the associates held by the Group are as follows:

Name	Country of incorporation and operation	Proportion of ownership interest 2016 %	Proportion of ownership interest 2015 %	Proportion of voting power held 2016 %	Proportion of voting power held 2015 %	Principal activities
Held by OKH Transhub Pte. Ltd.						
Pan Asia Logistics Investments Holdings Pte. Ltd. ("PALIH")[1]	Singapore	**40**	40	**40**	40	Investment holding
Held by PALIH						
Pan Asia Logistics Investments Pte. Ltd. ("PALI")[1]	Singapore	**40**	40	**40**	40	Rental of property warehouse
Pali Senai Sdn. Bhd[1]	Malaysia	**40**	40	**40**	40	Rental of property warehouse
Held by PALI						
Pan Asia Logistics PTP Malaysia Sdn. Bhd.[1]	Malaysia	**40**	40	**40**	40	Rental of property warehouse
Pan Asia Logistics (Korea) Ltd. ("PAL Korea")[1]	Korea	–[2]	–[2]	**40**	40	Rental of property warehouse

Notes:

(1) Audited by Deloitte &Touche LLP, for consolidation purpose.

(2) Pursuant to the sale and purchase agreement between a third party, Pan Asia Logistics Singapore Pte. Ltd. ("PAL Singapore") and PALIH dated October 29, 2013, PAL Singapore is required to transfer PAL Korea to PALI no later than September 12, 2015, which was further extended to December 31, 2016. Based on the terms of agreement, PALI has effective control over the financial and operating policies of the property business of PAL Korea despite the legal ownership of the entity has yet to be transferred to PALI as at June 30, 2015 and 2016. Hence, the Group, with significant influence in PALIH, regards this entity as an associate. On September 12, 2015, PAL Singapore proposed a revised structure to facilitate the transfer of the property business of PAL Korea to PALI. During the financial year, the freight forwarding business of PAL Korea has been transferred to a newly incorporated entity held by the PAL Singapore. The Group continues to be entitled to 40% economic interest of the property business of PAL Korea.

Summarised financial information in respect of the Group's associate is set out below. The summarised financial information below represents amounts shown in the associate's financial statements prepared in accordance with Singapore Financial Reporting Standards, which does not differ significantly from IFRS.

The associate is accounted for using the equity method in the consolidated financial statements.

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15 INVESTMENT IN AN ASSOCIATE (Continued)

PALIH and its subsidiaries

	2016 S$'000	2015 S$'000
Current assets	**25,549**	39,808
Non-current assets	**182,124**	152,337
Total assets	**207,673**	192,145
Current liabilities	**(23,388)**	(34,912)
Non-current liabilities	**(97,507)**	(78,148)
Total liabilities	**(120,895)**	(113,060)
Net assets	**86,778**	79,085
Revenue	**13,961**	14,759
Profit for the year	**8,501**	12,182
Other comprehensive loss for the year	**(808)**	(776)
Total comprehensive income for the year	**7,693**	11,406
Share of associate's profit for the year	**3,400**	4,873

Reconciliation of the above summarised financial information to the carrying amount of the interest in associate recognised in the consolidated financial statements is as follows:

	2016 S$'000	2015 S$'000
Net assets of the associate	**86,778**	79,085
Proportion of the Group's ownership in PALIH	**40%**	40%
Share of net assets	**34,711**	31,634
Goodwill	**3,988**	3,988
Carrying amount of the Group's interest in PALIH	**38,699**	35,622

16 AVAILABLE-FOR-SALE INVESTMENT

	Group	
	2016 S$'000	2015 S$'000
Unquoted equity shares, at fair value	**16,257**	21,500

The investment in unquoted equity investment represents a 12% equity interest of Pan Asia Logistics Holdings Singapore Pte. Ltd. ("PAL Holdings") at an aggregate subscription price of S$17.2 million under a Subscription and Shareholder's Agreement ("SSA") and a 3% equity interest of PAL Holdings at an aggregate purchase consideration of S$4.3 million under a Sale and Purchase Agreement ("SPA"). Under the SPA, the Group is granted a put option which may be exercised once and in full, anytime during the period of 36 months commencing from July 1, 2015, to require the vendor to acquire the 3% equity interest from the Group. The put option price shall be 1.12 times to 1.36 times depending on the date of exercise.

In 2016, the Group received an amount of S$3,722,000 arising from a share buyback exercised by PAL Holdings from all its shareholders. The equity interest held by the Group remains unchanged as at the end of the reporting period.

The unquoted equity investment is engaged in the provision of logistics and supply chain services. The above acquisitions through SSA and SPA were completed in September 2014 and are accounted for as available-for-sale investment and measured at fair value at the end of the reporting period. The fair value includes an impairment loss of S$1,521,000 (2015: S$Nil) included in other expenses for the year ended June 30, 2016.

In addition, the Company has recorded a fair value change of the put option (Note 10) at the end of the reporting period.

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17 TRADE AND OTHER PAYABLES

	Group		Company	
	2016 S$'000	2015 S$'000	2016 S$'000	2015 S$'000
Trade payables from third parties	**34,939**	28,535	**18**	38
Due to customer for contract work (Note 8)	**–**	2,444	**–**	–
Advance payments from customers	**53,079**	25,636	**–**	–
Other payables:				
– Third parties	**10,671**	4,509	**188**	224
– Subsidiaries (Note 5)	**–**	–	**28,678**	28,737
– Non-controlling interests (Note 13)	**7,900**	–	**–**	–
Advance from a director (Note 5)	**145**	177	**129**	–
Deferred rental income	**–**	323	**–**	–
Accrued project costs	**13,714**	12,313	**–**	–
Accrued operating expenses	**6,659**	8,133	**693**	3,779
	127,107	82,070	**29,706**	32,778

Trade payables from third parties comprise of amounts outstanding from trade purchases and sub-contractor costs. The average credit period granted by suppliers is 30 days (2015: 30 days). No interest is charged on the outstanding balance.

As at June 30, 2016, the trade payables under trade financing amounted to S$9,946,000 (2015: S$12,987,000). The trade financing are repayable within one year and carried interest at 5.8% (2015: 6.3%) per annum, and are secured by the following:

(a) legal mortgage over the Group's properties (see Notes 9 and 11);

(b) corporate guarantee by the Company;

(c) assignment of rental proceeds;

(d) charge over the receivables and project proceeds in respect of certain projects;

(d) a personal guarantee from a director; and

(e) charge over the cash deposit from a director.

No material adjustment was required in the separate financial statements of the Company to recognise financial guarantee liability.

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18 OBLIGATIONS UNDER FINANCE LEASES

	Group			
	Minimum lease payments		Present values of minimum lease payments	
	2016	**2015**	**2016**	**2015**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Amounts payable under finance leases:				
Not later than one year	**582**	507	**515**	448
Later than one year and not later than five years	**1,181**	1,400	**1,019**	1,217
Later than five years	**85**	116	**66**	92
	1,848	2,023	**1,600**	1,757
Less: Future finance charges	**(248)**	(266)	**–**	–
Present values of lease obligations	**1,600**	1,757	**1,600**	1,757
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(515)**	(448)
Amount due for settlement after 12 months			**1,085**	1,309

The Group leased certain of its motor vehicles and machinery under finance leases and the lease terms range from 3 to 9 years as at June 30, 2016 and 2015.

Interest rates underlying all obligations under finance lease are fixed at respective contract dates at 1.3% to 3.3% as at June 30, 2016 (2015:1.3% to 3.3%).

The Group's obligations under finance leases are secured by the lessor's title to the leased assets disclosed in Note 11.

19 LOAN DUE TO A THIRD PARTY

On April 5, 2016, the Group obtained a S$10 million loan from Haiyi Holdings Pte. Ltd. ("Haiyi"). The interest rate is 1.5% per month during the first three months following the loan disbursement date, and 2.0% per month for the fourth month following disbursement date. The loan is due for repayment immediately after the completion of the subscription of 500 million new shares issued by the Company to Haiyi or 6 months after the loan disbursement date. The Company subsequently issued 500 million new shares to Haiyi who became interested in approximately 44.3% of the Company on August 2, 2016 (Note 34).

On May 20, 2016, the Group obtained an additional S$10 million loan from Haiyi. The interest rate is 0.8% per month following the second loan disbursement date and the loan is due for repayment six months after the second loan disbursement date.

The interest arising from the total loan of S$20 million is disclosed in Note 27.

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20 BANK LOANS AND OVERDRAFTS

	Group	
	2016 S$'000	2015 S$'000
Bank overdrafts (Note 6)	**6,420**	3,681
Short-term bank loans	**40,110**	36,500
Current portion of long-term bank loans(1)(2)	**161,134**	17,449
Amount due for settlement within 12 months (shown under current liabilities)	**207,664**	57,630
Long-term bank loans repayable as follows:		
More than one year, but not exceeding two years	**2,433**	54,412
More than two years, but not more than five years	**4,375**	92,186
More than five years	**11,643**	17,960
Amount due for settlement after 12 months	**18,451**	164,558
Total	**226,115**	222,188

(1) In 2015, the balance of loan amounting to S$1.6 million was reclassified to current liabilities due to callable clauses in the loan agreement.

(2) In 2016, the balance of loan amounting to S$17.7 million was reclassified to current liabilities due to loan covenants not met.

	Group	
	2016 S$'000	2015 S$'000
Secured		
Current bank loans and overdrafts	**202,941**	39,486
Non-current bank loans	**18,061**	164,558
	221,002	204,044
Unsecured		
Current bank loans and overdrafts	**4,723**	18,144
Non-current bank loans	**390**	–
	5,113	18,144
Total	**226,115**	222,188

The weighted average effective interest rates at the end of the reporting period were as follows:

	Group	
	2016	2015
Bank overdrafts (floating rate)	**4.2%**	6.6%
Bank loans (fixed rate)	**5.3%**	5.3%
Bank loans (floating rate)	**2.9%**	3.1%

The interest rates for the long-term bank loans are reset for periods ranging from 1 month to 6 months based on changes to swap offer rate or the bank's cost of funds.

The following assets are pledged for the above secured bank facilities:

	Group	
	2016 S$'000	2015 S$'000
Fixed deposits (Note 6)	**2,500**	1,500
Properties under development (Note 9)	**140,032**	235,831
Completed property held for sale (Note 9)	**75,327**	–
Freehold properties (Note 11)	**3,591**	3,628
Investment properties (Note 12)	**125,280**	95,807

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

20 BANK LOANS AND OVERDRAFTS (Continued)

In addition, the bank facilities are supported by the following:

(a) corporate guarantees issued by the Company;

(b) personal guarantee from a director of the Company;

(c) charge over the cash deposit from a director;

(d) assignment of rental proceeds; and

(e) charge over the receivables and project proceeds in respect of certain projects.

No material adjustment was required in the separate financial statements of the Company to recognise financial guarantee liability.

21 REDEEMABLE CONVERTIBLE PREFERENCE SHARES

On November 4, 2014, 80 RCPS were issued by a subsidiary of the Company, Chronoz Investment Holding Pte. Ltd. ("Chronoz"), at an issue price of S$100,000 per share for cash with an option to exchange up to a total number of 11,174,433 ordinary shares of the Company (the "OKH Shares"). All issued RCPS are fully paid. RCPS was secured by the pledge of the interest in 1 ordinary share in the issued and paid-up share capital of Chronoz held by the Company.

The main terms and conditions of the RCPS are as follows:

(a) The coupon rate of the RCPS is 11% per annum, payable semi-annually accruable from issued date.

(b) The RCPS maturity date being 18 months after September 5, 2014.

(c) In the event Chronoz undertakes an initial public offering ("IPO") exercise before the maturity date, the holders of the RCPS (the "Holders") shall have the right to convert all the RCPS into ordinary shares of Chronoz at 50% discount to the IPO price of Chronoz.

(d) The Holder shall have the right to exchange part of or its entire holdings of the RCPS into OKH Shares based on the exchange price of S$0.71592, at any time starting from the first anniversary of the issuance date and up to the maturity date. In the event that there is any sub-division, consolidation or reclassification of shares, reorganisations or any other activities that may alter their capital structure, then the exchange price shall be adjusted.

(e) All outstanding RCPS shall be redeemed by Chronoz in cash within 14 business days from the maturity date (both dates inclusive).

Although the RCPS contain settlement provision to the holder to convert all of its RCPS into ordinary shares of Chronoz at a discount to the IPO price, the management of the Company considered that the above said conversion option are in their hands as initiating an IPO exercise via Chronoz is within management control and management does not intend, and is not required, to put forth such exercise within the outstanding period of the RCPS. Accordingly, the management of the Company considered that the aforesaid conversion option is not substantive and recognised the RCPS as a compound instrument with both the liability and equity elements in accordance with IAS 32.

The initial fair value of the liability component and the equity conversion component was determined based on the net proceeds at issuance. The initial fair value of the liability component and the equity conversion component was valued by the directors with reference to valuation report carried out by an independent qualified professional valuer, AVA Associates Ltd, on November 4, 2014. AVA Associates Ltd. has appropriate qualifications and recent experiences in the valuation of similar instruments. The residual amount, representing the value of the equity conversion component, was included in equity as "equity reserve" in the statement of changes in equity. The liability component was subsequently measured at amortised cost using the effective interest method. The effective interest rate of the liability component on initial recognition is 14.9% per annum.

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21 REDEEMABLE CONVERTIBLE PREFERENCE SHARES (Continued)

On March 29, 2016, a supplemental agreement was signed with the Holders to extend the maturity date of RCPS into 2 tranches due in April and July 2016. A repayment of S$2 million was made during the year upon maturity in April 2016. Subsequent to the year end, the RCPS was fully settled.

	Group	
	2016 S$'000	2015 S$'000
Nominal value of RCPS issued on November 4, 2014	8,000	8,000
Equity component	(401)	(401)
Liability component at date of issue	7,599	7,599
Cumulative interest charged	2,043	921
Cumulative interest paid	(1,494)	(440)
Redemption during the year	(2,000)	–
Total	6,148	8,080
Interest payable within one year included in other payable (Note 17)	(148)	(273)
Liability component at end of year	6,000	7,807

22 PROVISIONS

	Provision for liquidated damages S$'000
Group	
Balance at July 1, 2014	1,680
Utilised during the year	(324)
Underprovision in prior year	12
Balance at June 30, 2015 and June 30, 2016	1,368

The provision for liquidated damages represents the estimated costs of compensation required for not completing certain construction contracts in accordance with the stipulated schedule.

The provision for foreseeable losses represents the estimated additional costs required to complete certain construction contracts which are in excess of the contract revenue.

These above amounts have not been discounted as the effect is not expected to be material.

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23 REDEEMABLE EXCHANGEABLE PREFERENCE SHARES

On November 18, 2013, 100 REPS were issued by a subsidiary of the Company, OKH Transhub Pte. Ltd. ("OKH Transhub") at an issue price of S$100,000 per share with an option to exchange up to a total number of 22,222,222 ordinary shares of the Company (the "OKH Shares"). All issued REPS are fully paid.REPS was secured by the pledge of the interest in 5,000,000 ordinary shares in the issued and paid-up share capital of OKH Transhub held by the Company.

The main terms and conditions of the REPS are as follows:

(a) Holders of the REPS (the "Holders") shall have the right to exchange 50% of their holdings of REPS into the OKH Shares at the exchange price of S$0.45 at any time starting from the first anniversary from the payment date and up to the maturity date.

(b) The REPS maturity date falls on the third anniversary of the date on which the payment of REPS are made.

(c) The Holders shall have the right to exchange the remaining 50% of their holdings of REPS into OKH Shares at any time starting from the second anniversary from the payment date and up to the maturity date.

(d) In the event that there is any sub-division, consolidation or reclassification of shares, reorganisations or any other activities that may alter their capital structure, then the exchange price shall be adjusted.

(e) All outstanding REPS shall be redeemed by OKH Transhub within 5 business days after 36 months from the date of payment of the REPS, at the rate of 1.5 times of the issue price in cash.

The REPS contained two components, liability and equity elements. The initial fair value of the liability component and the equity conversion component was valued by the directors with reference to valuation report carried out by an independent qualified professional valuer, AVA Associates Ltd, on November 18, 2013. AVA Associates Ltd. has appropriate qualifications and recent experiences in the valuation of similar instruments.

The effective interest rate of the liability component on initial recognition is 15.9% per annum.The conversion component is measured at fair value and determined by Binomial Model with key inputs as follows:

	November 18, 2013
Share prices of the Company (S$)	0.545
Exchange price (S$)	0.450
Time to expiration	3 years
Risk-free Rate	0.39%
Expected dividend yield	0%
Expected volatility	35.922%

Expected volatility was determined by using the historical share price movement of comparable companies over a 3-year period. The risk-free rate used was by reference to yield of 3-year Singapore sovereign debt.

	Group S$'000
Nominal value of REPS issued on November 18, 2013	10,000
Add: Fair value loss on REPS at date of issue (Note i)	3,199
Fair value of REPS at date of issue	13,199

Note i: As the transaction price differs from fair value at initial recognition, the difference is accounted for as deferred loss on REPS as the valuation technique involves significant unobservable inputs. The deferred loss is amortised over the maturity period of the REPS and presented under other receivables (Note 7).

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23 REDEEMABLE EXCHANGEABLE PREFERENCE SHARES (Continued)

The movement of the liability component and equity component is set out as below:

	Group	
	2016 S$'000	2015 S$'000
Fair value of REPS issued on November 18, 2013	13,199	13,199
Equity component (Note ii)	(3,573)	(3,573)
Liability component at date of issue	9,626	9,626
Cumulative interest accrued	4,344	2,425
Liability component at end of year (Note iii)	13,970	12,051

Note ii: The equity element is included in "equity reserve" in the statements of changes in equity.

Note iii: Subsequent to the year end, the REPS was fully settled.

24 SHARE CAPITAL

	Company	
	2016 '000	2015 '000
Number of shares		
At beginning of year and at end of year	**628,657**	628,657

Fully paid ordinary shares, which have a par value of US$0.16, carry one vote per share and carry a right to dividend as and when declared by the Company.

25 REVENUE

	Group	
	2016 S$'000	2015 S$'000
Revenue from construction contracts	**940**	25,083
Revenue from development properties	**64,255**	219,325
Rental income	**10,582**	8,252
	75,777	252,660

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26 OTHER INCOME

	Group	
	2016	**2015**
	S$'000	**S$'000**
Gain on change in fair value of derivative financial instrument (Note 10)	**1,268**	–
Gain on change in fair value of investment properties (Note 12)	**–**	26,221
Write-back of long outstanding payable	**425**	–
Compensation from insurance claim	**83**	–
Management fee (Note 5)	**–**	168
Interest income	**51**	80
Grant income	**217**	71
Forfeiture of deposit from sales cancellation[i]	**147**	5
Backcharges to contractor	**–**	581
Others	**203**	89
	2,394	27,215

Note:

[i] The forfeiture is recognised as other income as management had determined that there is no further performance obligation from the Group.

27 FINANCE COSTS

	Group	
	2016	**2015**
	S$'000	**S$'000**
Interest on bank loans and overdrafts	**8,677**	6,841
Interest on loan from third party	**533**	–
Interest on trade financing	**658**	995
Loan facility fee	**443**	735
Interest on obligations under finance leases	**69**	55
Interest on RCPS	**1,122**	921
Interest on REPS	**2,985**	2,723
Total borrowing costs	**14,487**	12,270
Less: Amounts capitalised as cost of development properties (Note 9)	**(4,128)**	(4,374)
Less: Amounts capitalised as cost of investment properties (Note 12)	**(273)**	(826)
	10,086	7,070

The borrowing costs capitalised as cost of development properties related to borrowings taken up specifically to finance each specific development.

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28 (LOSS) PROFIT BEFORE INCOME TAX

(Loss) Profit before income tax has been arrived at after charging (crediting):

	Group	
	2016	**2015**
	S$'000	**S$'000**
Cost of properties recognised as cost of sales	**58,170**	152,320
Contract cost recognised as cost of sales	**312**	28,155
Depreciation of property, plant and equipment		
– Included in cost of sales	**4**	4
– Included in administrative expense	**1,023**	2,400
Total depreciation of property, plant and equipment	**1,027**	2,404
Bad debt expense	**102**	21
Waiver of interest receivable	**7**	–
Impairment loss on available-for-sale investment (Note 16)	**1,521**	–
Loss (Gain) on change in fair value of investment properties (Note 12)	**4,842**	(26,221)
Employee benefits		
– Directors' remuneration	**1,435**	5,149
– Other than directors	**4,244**	5,366
Total employee benefits	**5,679**	10,515
Cost of defined contribution plans included in employee benefits	**287**	274
Audit fees		
– paid to auditors of the Company[i]	**255**	384
– paid to other auditors	**–**	47
Total audit fees	**255**	431
Non-audit fees		
– paid to auditors of the Company	**38**	36
– paid to other auditors	**83**	133
Total non-audit fees	**121**	169

Notes:

[i] In 2015, included in the audit fees are other assurance fees of S$85,000 paid to auditors of the Company.

29 INCOME TAX

	Group	
	2016	**2015**
	S$'000	**S$'000**
Current tax	**287**	8,972
Under (Over) provision of current tax in prior year	**5**	(573)
	292	8,399

The income tax expense for the Group is calculated at 17% (2015: 17%) of the estimated assessable profit for the financial year, which is Singapore Corporate Income Tax ("CIT") rate where the operation of the Group is substantially based. Income taxes for overseas subsidiaries are calculated at the rates prevailing for the respective jurisdictions.

NOTES TO
FINANCIAL STATEMENTS
June 30, 2016

29 INCOME TAX (Continued)

The total charge for the year can be reconciled to the accounting profits as follows:

	Group	
	2016	2015
	S$'000	S$'000
(Loss) Profit before income tax	**(16,599)**	68,736
Tax at Singapore CIT rate of 17% (2015: 17%)	**(2,822)**	11,685
Tax effect of share of results of an associate	**(578)**	(828)
Tax effect of share of results of a joint venture	**–**	44
Effect of expense/income that is not deductible (taxable)	**1,523**	(2,218)
Effect of tax exemption	**(26)**	(46)
Effect of deferred tax assets not recognised	**2,507**	–
Under (Over) provision of current tax in prior year	**5**	(573)
Utilisation of tax losses previously unrecognised as deferred tax	**(264)**	(7)
Others	**(53)**	342
	292	8,399

The Group has unused tax losses for which no deferred tax assets have been recognised are as follow:

	2016	2015
	S$'000	S$'000
Tax losses at end of year	**16,939**	3,739
Deferred tax assets not recognised	**2,879**	636

The realisation of the future tax benefit from tax loss carryforwards is available for an unlimited future period subject to the agreement by the tax authorities and certain conditions imposed by law including the retention of majority shareholders as defined.

30 (LOSS) EARNINGS PER SHARE

The calculation of the basic and diluted (loss) earnings per share attributable to owners of the Company is based on the following data:

	Group	
	2016	2015
	S$'000	S$'000
(Loss) Earnings for the purposes of basic (loss) earnings per share ((Loss) Profit for the year attributable to owners of the Company)	**(17,282)**	46,243
Effect of dilutive potential ordinary shares:		
Interest on RCPS, net of tax	**931**	764
Interest on REPS, net of tax	**2,477**	2,260
(Loss) Earnings for the purposes of diluted (loss) earnings per share	**(13,874)**	49,267

NOTES TO
FINANCIAL STATEMENTS
June 30, 2016

30 (LOSS) EARNINGS PER SHARE (Continued)

	Group	
	2016	2015
	'000	'000
Number of shares		
Weighted average number of ordinary shares for the purposes of basic (loss) earnings per share	**628,657**	628,657
Effect of dilutive potential ordinary shares due to RCPS	**8,381**	7,317
Effect of dilutive potential ordinary shares due to REPS	**22,222**	22,222
Weighted average number of ordinary shares for the purposes of diluted (loss) earnings per share	**659,260**	658,196

The diluted (loss) earnings per share is the same as the basic (loss) earnings per share in 2016 and 2015 as the effects of the REPS and RCPS are anti-dilutive.

31 OPERATING LEASE ARRANGEMENTS

The Group as lessee

	Group	
	2016	2015
	S$'000	S$'000
Minimum lease payments under operating leases (net of rebates) recognised as an expense in the financial year	**5,610**	5,841

At the end of the reporting period, the Group has outstanding commitments under non-cancellable operating leases, which fall due as follows:

	Group	
	2016	2015
	S$'000	S$'000
Within one year	**5,160**	4,243
In the second to fifth year inclusive	**8,996**	889
After five years	**3,283**	3,693
	17,439	8,825

Operating lease payments represent rentals payable by the Group for land, office, warehouse premises and certain office equipment. The leases are negotiated for terms between 2 to 10 years and rentals are fixed during the term of the lease.

The Group as lessor

	Group	
	2016	2015
	S$'000	S$'000
Rental income (Note 25)	**10,582**	8,252

NOTES TO
FINANCIAL STATEMENTS
June 30, 2016

31 OPERATING LEASE ARRANGEMENTS (Continued)

At the end of the reporting period, the Group had contracted with tenants for the following future minimum lease receipts:

	Group	
	2016	**2015**
	S$'000	**S$'000**
Within one year	**10,259**	9,206
In the second to fifth year inclusive	**14,047**	8,895
	24,306	18,101

The leases are negotiated for terms between 2 to 5 years and 1 to 5 years in 2015 and 2016 respectively, and rentals are fixed during the term of the lease.

32 SEGMENT INFORMATION

For the purpose of the resource allocation and assessment of segment performance, the Group's chief operating decision makers have focused on the business operating units which in turn, are segregated based on their services. This forms the basis of identifying the segments of the Group under IFRS 8 *Operating Segments*.

Operating segments are aggregated into a single operating segment if they have similar economic characteristics. The Group's reportable operating segments under IFRS 8 are as follows:

(i) Construction contractor: General builders and construction contractors, general engineering and sale of construction materials.

(ii) Property development: Development of industrial properties.

(iii) Property investment: Leasing of investment properties to generate rental income and to gain from the appreciation in the value of the properties in the long term.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 2. Segment profit represents the profit earned by each segment without allocation of central administrative costs, share of profit of a joint venture, finance costs, and income tax expense or credit. Share of profits of an associate are included in property investment segment in accordance with its business activities. This is the measure reported to Mr. Bon Ween Foong, the director and deputy chief executive of the Company, being the chief operating decision maker for the purposes of resource allocation and assessment of segment performance.

For the purposes of monitoring segment performance and allocating resources between segments, the chief operating decision maker monitors the tangible and financial assets attributable to each segment. All assets are allocated to reportable segments other than assets held under the Company, interests in joint venture, deferred tax assets and available-for-sale investment. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments. Segment liabilities include all operating liabilities and consist primarily of financial liabilities other than liabilities held under the Company and income tax payable.

The Group's main operations are located in the Singapore, hence no analysis by geographical area of operation is provided.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

32 SEGMENT INFORMATION (Continued)

Segment revenues and results

The following is an analysis of the Group's revenue and results by reportable segment:

	Construction contractor S$'000	Property development S$'000	Property investment S$'000	Eliminations S$'000	Total S$'000
2016					
Revenue:					
External customers	**940**	**64,255**	**10,582**	**–**	**75,777**
Inter-segment	**66,495**	**–**	**–**	**(66,495)**	**–**
Total revenue	**67,435**	**64,255**	**10,582**	**(66,495)**	**75,777**
Results	**(13,735)**	**1,725**	**6,494**	**4,956**	**(560)**
Unallocated expenses					**(5,953)**
Finance costs					**(10,086)**
Loss before income tax					**(16,599)**
Income tax					**(292)**
Loss for the year					**(16,891)**

	Construction contractor S$'000	Property development S$'000	Property investment S$'000	Eliminations S$'000	Total S$'000
2015					
Revenue:					
External customers	25,083	219,325	8,252	–	252,660
Inter-segment	88,543	–	–	(88,543)	–
Total revenue	113,626	219,325	8,252	(88,543)	252,660
Results	2,525	62,072	16,592	4,020	85,209
Unallocated expenses					(9,143)
Share of loss of a joint venture					(260)
Finance costs					(7,070)
Profit before income tax					68,736
Income tax					(8,399)
Profit for the year					60,337

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

32 SEGMENT INFORMATION (Continued)

Segment assets and liabilities and other segment information

	Construction contractor S$'000	Property development S$'000	Property investment S$'000	Total S$'000
2016				
Segment assets:				
Total segment assets	**54,485**	**268,808**	**168,986**	**492,279**
Unallocated assets	**–**	**–**	**–**	**22,110**
Total consolidated assets				**514,389**
Segment liabilities:				
Total segment liabilities	**100,237***	**211,109**	**63,579**	**374,925**
Unallocated liabilities	**–**	**–**	**–**	**31,193**
Total consolidated liabilities				**406,118**
Other segment information:				
Depreciation	**1,021**	**–**	**6**	**1,027**
Capital expenditure	**19,591**	**–**	**–**	**19,591**
Changes in fair value of investment properties	**–**	**–**	**(4,842)**	**(4,842)**

* Segment liabilities include payables relating to the Group's development projects for which the construction services division is the main contractor for the projects.

	Construction contractor S$'000	Property development S$'000	Property investment S$'000	Total S$'000
2015				
Segment assets:				
Total segment assets	48,529	283,349	137,856	469,734
Unallocated assets	–	–	–	21,841
Total consolidated assets				491,575
Segment liabilities:				
Total segment liabilities	108,370*	170,857	52,603	331,830
Unallocated liabilities	–	–	–	20,660
Total consolidated liabilities				352,490
Other segment information:				
Depreciation	2,400	–	4	2,404
Capital expenditure	2,312	–	–	2,312
Changes in fair value of investment properties	–	–	26,221	26,221

* Segment liabilities include payables relating to the Group's development projects for which the construction services division is the main contractor for the projects.

Major customer information

In 2016 and 2015, there are no customers who individually account for 10% or more of the Group's revenue.

NOTES TO FINANCIAL STATEMENTS

June 30, 2016

33 CAPITAL EXPENDITURE COMMITMENTS

Estimated amounts committed for future capital expenditure but not provided for in the financial statements at the end of the reporting period:

	Group	
	2016	**2015**
	S$'000	**S$'000**
Construction of properties	**5,813**	50,868
Construction of property, plant and equipment	**15,153**	1,307

34 EVENTS AFTER REPORTING THE PERIOD

Subsequent to the end of the financial year:

(a) The Company allotted and issued 500,000,000 new Shares ("Subscription Shares") to Haiyi Holdings Pte. Ltd. (the "Subscriber") and completed a capital reorganisation exercise to reduce the par value of its Shares from US$0.16 to US$0.01. Following the completion of the subscription and capital reorganisation exercise, the Subscriber is interested in approximately 44.3% of the share capital of the Company and the issued and paid-up share capital of the Company is US$11,286,574.45 divided into 1,128,657,445 Shares.

(b) The Company's wholly-owned subsidiary, OKHD was in the midst of negotiating with ZACD on the settlement of the outstanding amount arising from a profit sharing arrangement in relation to the Business as referred in Note 13 to the financial statements, pursuant to a settlement agreement entered into between OKHD and ZACD on May 27, 2016 ("Settlement Agreement"). During the course of negotiations with ZACD, OKHD has been served a writ of summons (the "Writ") on October 28, 2016 filed by ZACD in the High Court of the Republic of Singapore on October 27, 2016.

Pursuant to the Writ, ZACD has claimed a total sum of S$7.7 million (excluding damages, costs and interest) in respect of the outstanding amount on the profit sharing from the Business in accordance with the Settlement Agreement.

The Company has recognised this amount classified in other payables due to non-controlling interest (Note 17) and intends to seek legal advice on this matter.

STATISTICS OF SHAREHOLDINGS

As at 15 November 2016

Authorised share capital	:	US$500,000,000
Issued and fully paid-up capital	:	US$11,286,574.45
Class of shares	:	Ordinary share of US$0.01 each
Voting rights	:	One vote per share
Number of issued shares	:	1,128,657,445
Number of treasury shares	:	Nil

Distribution of Shareholdings as at 15 November 2016

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1 – 99	4	0.37	139	0.00
100 – 1,000	157	14.36	98,100	0.01
1,001 – 10,000	152	13.91	1,091,883	0.10
10,001 – 1,000,000	731	66.88	111,102,900	9.84
1,000,001 and above	49	4.48	1,016,364,423	90.05
Total	**1,093**	**100.00**	**1,128,657,445**	**100.00**

Substantial Shareholders according to Register of Substantial Shareholders as at 15 November 2016

	Direct Interest		Indirect Interest	
Name of Substantial Shareholders	Number of Shares	%	Number of Shares	%
Haiyi Holdings Pte Ltd	500,000,000	44.3	–	–
Gordon Tang[1]	–	–	500,000,000	44.3
Celine Tang[2]	–	–	500,000,000	44.3
Singhaiyi Group Ltd.[3]	–	–	500,000,000	44.3
Fong Yau Lam Calvin	125,732,000	11.14	–	–
Bon Ween Foong[4]	90,346,412	8	16,960,900	1.5

1 Pursuant to Section 7 of the Companies Act, Mr Gordon Tang is deemed to be interested in the 500,000,000 shares of the Company held by Haiyi Holdings Pte Ltd.
2 Pursuant to Section 7 of the Companies Act, Mrs Celine Tang is deemed to be interested in the 500,000,000 shares of the Company held by Haiyi Holdings Pte Ltd.
3 Pursuant to Section 7 of the Companies Act, Singhaiyi Group Ltd. is deemed to have an interest in 500,000,000 shares held by Haiyi Holdings Pte Ltd in the Company by virtue of the conditional right of first refusal granted by Haiyi Holdings Pte. Ltd. on 5 April 2016.
4 Mr Bon Ween Foong is deemed to be interested in the 2,850,000 shares pledged to UBS AG Singapore, 3,220,000 shares pledged to Bank Julius Baer and 10,890,900 shares pledged to Credit Agricole (Suisse) SA, which are registered under his name.

STATISTICS OF **SHAREHOLDINGS**

As at 15 November 2016

Twenty Largest Shareholders as at 15 November 2016

	Name of Holders	No. of Shares	%
1	CITIBANK NOMINEES SINGAPORE PTE LTD	517,720,400	45.87
2	UOB KAY HIAN PRIVATE LIMITED	219,157,716	19.42
3	BON WEEN FOONG	93,196,412	8.26
4	PHILLIP SECURITIES PTE LTD	27,666,600	2.45
5	RAFFLES NOMINEES (PTE) LIMITED	21,423,300	1.90
6	NOVA FURNISHING HOLDINGS PTE LTD	8,500,000	0.75
7	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	7,625,300	0.68
8	TAN SEOW LENG	7,472,700	0.66
9	SEM ANG NGI	7,457,600	0.66
10	YAP HUI MENG @ SIN HUI MENG	7,400,000	0.66
11	LIM CHYE HUAT @ BOBBY LIM CHYE HUAT	6,325,000	0.56
12	OCBC SECURITIES PRIVATE LIMITED	6,180,000	0.55
13	DBS NOMINEES (PRIVATE) LIMITED	5,465,500	0.48
14	AW CHI-KEN BENJAMIN (HU ZHIQING)	4,800,000	0.43
15	MAYBANK KIM ENG SECURITIES PTE LTD	4,518,895	0.40
16	YEO KHEE YEOW ANTHONY	4,200,000	0.37
17	KGI SECURITIES (SINGAPORE) PTE. LTD.	3,930,300	0.35
18	HSBC (SINGAPORE) NOMINEES PTE LTD	3,910,000	0.35
19	WONG SIONG SWEE RONSON	3,500,000	0.31
20	YEO ADELINE	3,070,800	0.27
	Total	**963,520,523**	**85.38**

Note: The percentages are computed based on the Company's total number of issued shares of 1,128,657,445.

Based on information available to the Company as at 15 November 2016, approximately 35.05% of the total number of issued shares listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") was held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of SGX-ST which requires at least 10% of the total number of issued shares of the Company to be held in the hands of the public.

NOTICE OF
ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Annual General Meeting of OKH Global Ltd. (the "Company") will be held at Marquis room at Level 2, Copthorne King's Hotel Singapore, 403 Havelock Road, Singapore 169632 on Wednesday, 21 December 2016 at 2.00 p.m., to transact the following businesses:

AS ORDINARY BUSINESSES

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 30 June 2016 together with the Directors' Statement and Independent Auditors' Report thereon. *Resolution 1*

2. To approve the payment of Directors' fees of S$238,000 for the financial year ending 30 June 2017, to be paid quarterly in arrears. [2016: S$171,000] *Resolution 2*

3. To re-elect Mr Ong Soon Teik, a Director retiring by rotation pursuant to Bye-Law 104 of the Company's Bye-Laws. *Resolution 3*

   Mr Ong Soon Teik is considered independent for the purpose of Rule 704(8) of the Listing Manual of Singapore Exchange Securities Trading Limited ("SGX-ST").

   Mr Ong will, upon re-election as a Director of the Company, remain as the Lead Independent Director, Chairman of the Audit Committee and a member of the Remuneration Committee and Nominating Committee.

4. To re-elect the following Directors retiring by rotation pursuant to Bye-Law 107(B) of the Company's Bye-Laws:

   (a) Mrs Celine Tang *Resolution 4*
   (b) Ms Ng Kheng Choo *Resolution 5*
   (c) Mr Lock Wai Han *Resolution 6*

5. To re-appoint Deloitte & Touche LLP as auditors of the Company until the conclusion of next annual general meeting and to authorise the Directors to fix their remuneration. *Resolution 7*

AS SPECIAL BUSINESSES

To consider and, if thought fit, to pass the following ordinary resolutions with or without modifications:

6. **Authority to Allot and Issue Shares** *Resolution 8*

   That pursuant to Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST") and Bye-laws of the Company, the Directors of the Company be authorised and empowered to:–

   (a) issue shares in the capital of the Company ("shares") whether by way of bonus issue, rights issue or otherwise; and/or

   (b) make or grant offers, agreements or options (collectively "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

   (c) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force,

   (the "Share Issue Mandate"),

NOTICE OF
ANNUAL GENERAL MEETING

provided that:

(I) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution:–

(a) shall not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (II) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (II) below);

(II) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under paragraph (I) above, the total number of issued shares and Instruments shall be based on the number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:–

(a) new shares arising from the conversion or exercise of any Instruments or any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards which are outstanding or subsisting at the time of the passing of this Resolution; and

(c) any subsequent bonus issue, consolidation or subdivision of shares;

(III) in exercising the Share Issue Mandate conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Bye-laws for the time being of the Company; and

(IV) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

(See Explanatory Note 1)

7. **Authority to grant options and to issue shares under the OKH Performance Share Plan** *Resolution 9*

That pursuant to the listing rules of the SGX-ST and Bye-laws of the Company, the Directors of the Company be authorised and empowered to offer and grant options under the OKH Performance Share Plan (the "OKH Share Plan"), and to issue from time to time such number of shares in the capital of the Company as may be required to be issued pursuant to the exercise of options granted by the Company under the OKH Share Plan, whether granted during the subsistence of this authority or otherwise, provided always that the aggregate number of additional ordinary shares to be issued pursuant to the OKH Share Plan shall not exceed 15% of the total number of issued shares (excluding treasury shares) of the Company from time to time, and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier.

(See Explanatory Note 2)

8. To transact any other business which may properly be transacted at Annual General Meeting of the Company.

BY ORDER OF THE BOARD

Chew Kok Liang
Company Secretary
5 December 2016

NOTICE OF
ANNUAL GENERAL MEETING

Explanatory Notes:

1. Resolution No. 8, if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to issue shares, make or grant instruments convertible into shares, and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares), of which up to 20% may be issued other than on a pro-rata basis to existing shareholders of the Company.

   For determining the aggregate number of shares that may be issued, the percentage of issued shares in the capital of the Company will be calculated based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed, and any subsequent consolidation or subdivision of shares.

2. Resolution No. 9, if passed, will empower the Directors of the Company, from the date of this Annual General Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is earlier, to issue shares in the Company pursuant to the exercise of options granted or to be granted under the OKH Share Plan up to a number not exceeding in total (for the entire duration of the OKH Share Plan) 15% of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.

Notes:

(a) A registered shareholder entitled to attend and vote at the Annual General Meeting ("AGM") is entitled to appoint not more than 2 proxies to attend and vote in his stead. A proxy needs not be a member of the Company.

(b) If a registered shareholder is unable to attend the AGM and wishes to appoint proxy/proxies to attend and vote at the AGM in his stead, then he should complete and sign the relevant Shareholder Proxy Form and deposit the duly completed Shareholder Proxy Form at the office of the Company's Singapore Share Transfer Agent, RHT Corporate Advisory Pte. Ltd. at 9 Raffles Place #29-01 Republic Plaza Tower 1 Singapore 048619 not less than 48 hours before the time appointed for holding the AGM.

(c) A depositor registered and holding shares through The Central Depository (Pte) Limited who/which is (i) an individual but is unable to attend the AGM personally and wishes to appoint nominee/nominees to attend and vote; or (ii) a corporation, must complete, sign and return the Depository Proxy Form and deposit the duly completed Depositor Proxy Form at the office of the Company's Singapore Share Transfer Agent, RHT Corporate Advisory Pte. Ltd. at 9 Raffles Place #29-01 Republic Plaza Tower 1 Singapore 048619 not less than 48 hours before the time appointed for holding the AGM.

(d) If a shareholder who has shares entered against his name in the Depository Register and shares registered in his name in the Register of Members is unable to attend the AGM and wishes to appoint proxy/proxies, he should complete and sign the Depositor Proxy Form and the Shareholder Proxy Form, respectively, for the shares entered against his name in the Depository Register and shares registered in his name in the Register of Members.

(e) A shareholder or depositor who is an individual and wishes to attend the AGM in person need not take any further action and can attend and vote at the AGM without the lodgement of any Shareholder Proxy Form or Depository Proxy Form.

PERSONAL DATA PRIVACY

Where a member of the Company submits an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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CORPORATE INFORMATION

BOARD OF DIRECTORS
Mrs. Celine Tang
Mr. Lock Wai Han
Mr. Bon Ween Foong
Mr. Ong Soon Teik
Mr. Lim Eng Hoe
Ms. Ng Kheng Choo

AUDIT COMMITTEE
Mr. Ong Soon Teik (Chairman)
Mr. Lim Eng Hoe

NOMINATING COMMITTEE
Mr. Ong Soon Teik
Mr. Lim Eng Hoe

REMUNERATION COMMITTEE
Mr. Lim Eng Hoe (Chairman)
Mr. Ong Soon Teik

COMPANY SECRETARY
Mr. Chew Kok Liang

AUDITORS
Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
6 Shenton Way
OUE Downtown 2 #33-00
Singapore 068809

Partner-in-charge: Dr. Ernest Kan
Yaw Kiong
a member of the Institute of
Singapore Chartered Accountants
Date of appointment: 29 April 2013

SINGAPORE SHARE TRANSFER AGENT
RHT Corporate Advisory Pte. Ltd.
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Republic Plaza Tower 1,
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