MAPPING FUTURE GROWTH

OKH GLOBAL LTD.
2013 ANNUAL REPORT

CONTENTS

Upcoming Industrial Property Project at Tai Seng Link
(Artist Impression)

CORPORATE PROFILE

INTEGRATED PROPERTY DEVELOPER IN ASIA

Established in 1998 and headquartered in Singapore, OKH Global Ltd. ("OKH" or "the Group") is a niche property developer with a growing presence in Singapore and Asia.

With its market-oriented business model that comprises of property development and integrated construction services, the Group has been actively involved in large-scale industrial property development projects and various iconic infrastructure projects.

Building on its strong track record in property development, OKH is poised to harness the business opportunities 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.

LETTER TO SHAREHOLDERS

On behalf of the Board of Directors, it is my pleasure and privilege to present the inaugural annual report and audited financial statements of OKH Global Ltd. (formerly known as Sinobest Technology Holdings Ltd.) for the financial year ended 30 June 2013 ("FY2013").

We would like to welcome you as our shareholders and in the following pages, we will share with you the corporate developments, financial performance in FY2013 and our plans ahead for OKH Global Ltd. ("OKH" or the "Company") and its subsidiaries (the "Group").

Primarily involved in the business of property development, provision of construction services and large-scale alteration and addition ("A&A") works in Singapore, OKH has established a growing track record in developing visually-appealing and functional industrial properties.

The beginning of 2013 has been a momentous milestone as Sinobest Technology Holdings Ltd. ("Sinobest") successfully completed the acquisition of the entire issued share capital of OKH Holdings Pte. Ltd. ("OKH Holdings") for a purchase consideration of approximately S$123.2 million satisfied via the allotment and issuance of approximately 1.03 billion new ordinary shares ("Consideration Shares") at S$0.12 per Consideration Share by Sinobest ("OKH Acquisition") on 28 January 2013.

The OKH Acquisition resulted in a reverse takeover of Sinobest, with OKH Holdings assuming the listing status of Sinobest, renamed as OKH Global Ltd.

Pursuant to the OKH Acquisition, the shares of OKH Global Ltd. resumed trading on the official list of the Singapore Exchange Securities Trading Limited ("SGX-ST") Main Board on 7 May 2013. Subsequently on 28 May 2013, the Company was removed from SGX-ST's watch-list.

To complete its transformation, the Company will continue to explore alternatives for the divestment of its entire legal and beneficial interests in Guangzhou Sinobest Information Technology Ltd. ("Guangzhou Sinobest") and Sinobest Technologies (H.K.) Limited. Guangzhou Sinobest Information Technology Ltd. and Sinobest Technologies (H.K.) Limited are principally engaged in the provision of IT services with two business segments, (a) system integration for computer information systems and intelligent buildings systems and (b) software development and technical services.

OUR BUSINESS TRANSFORMATION TO A PROPERTY DEVELOPER

OKH started as a local contractor undertaking renovation projects and minor Alteration & Addition works and over time, OKH acquired valuable experience, knowledge and capabilities in construction and project management which enabled the Group to subsequently venture into building construction and large-scale Alteration & Addition works projects for private and public sector clients such as the Singapore Turf Club, SMRT, Singapore Budget Terminal and Singapore Grand Prix Pte Ltd.

As part of our business strategy to reduce reliance as a contractor carrying out projects for third parties, OKH decided to diversify our business by venturing into property development in Singapore.

In March 2008, OKH acquired its first industrial and commercial property development project which was located in Tuas, that comprised 23 units of terrace factories, one canteen and a three-storey ancillary dormitory, and was known as "Seatown Industrial Centre". OKH successfully sold all the units in this development project (except for the dormitory which was retained for the purpose of investment and rental income) in December 2009 despite the global economic downturn.

Building on this momentum, OKH won a tender for an industrial property site at Yishun Avenue 6 located near Yishun MRT station, with a bid of S$27.20 million. Incorporating aesthetic and eco-friendly features, the industrial property development project, known as "A'Posh BizHub", which comprises of a total of 220 flatted factory units and a staff canteen. A'Posh Bizhub has been fully sold and the project received its Temporary Occupation Permit ("TOP") in June 2012.

In June 2011, OKH won a tender for an industrial property site at Woodlands Avenue 12, Singapore with a bid of S$84.24 million. Named as "Primz BizHub", the project was very well received and was fully sold within a short period of time. Primz BizHub is expected to receive its TOP by June 2014.

Subsequently in September 2011, OKH won a tender for another industrial property site at Woodlands Avenue 12 (adjacent to Primz BizHub) with a bid of S$71.84 million. Named as "Woodlands Horizon", approximately 70% of the project's total saleable area has been sold and the development is expected to receive its TOP by December 2014.

Situated near Admiralty MRT station, both land parcels (of 60-year lease) at Woodlands Avenue 12, which are adjacent to each other, can be developed into a maximum Gross Floor Area ("GFA") of up to 1.06 million square feet ("sq ft") of "Business 1 Zoning" development, to be used mainly for clean and light industries.

In July 2012, OKH won a tender for an industrial property site at Tai Seng Link with a bid of S$23.3 million. Strategically located near Tai Seng MRT station with a permissible gross plot ratio of 2.5, the site can be developed into a maximum GFA of up to 116,680 sq ft of "Business 2 Zoning" development. In line with the terms and conditions of the lease agreement with Jurong Town Corporation ("JTC"), this project will primarily be an investment property for the first ten years upon its TOP. Construction works has commenced in July 2013 and the project is expected to TOP by December 2014.

As a testament to OKH's growth and performance, the Group was a recipient of the Singapore SME 500 Company in 2007, 2008, 2009 and 2010, 50 Fastest Growing (Singapore 1000/ SME 500 Company) in Singapore in 2008, the 2011 Enterprise 50 Awards, Singapore SME 1000 Company and the Prominent Award of the Year (SME1 Asia Awards Singapore) in 2011 and the 2012 Enterprise 50 Awards and Singapore SME 1000 Company in 2012 and Innovation 40 Award and Asia Pacific Brands Award 2013.

CORPORATE HIGHLIGHTS IN FY2013

In early 2013, the Group was awarded a commercial lease, located at 46 and 58 Kim Yam Road, by the Singapore Land Authority for a period of 9 years (which comprises of an option to renew the lease at the end of every three years) for the property site. Serving as an investment property, this development is expected to have an estimated total net lettable area of 150,000 sq ft for rental as office or commercial school. Concurrently with the marketing of this business space leasing, the development is undergoing refurbishment works and it is expected to complete by November 2013.

BALANCING VISION AND FOCUS AS A PROGRESSIVE PROPERTY DEVELOPER, WE ARE COMMITTED TO DELIVER SUSTAINABLE VALUES TO SHAREHOLDERS, STAKEHOLDERS AND COMMUNITIES WHERE WE LIVE AND WORK

LETTER TO SHAREHOLDERS

In April 2013, the Group was awarded a 30-year leasehold industrial land parcel located at Buroh Crescent by JTC. Listed as "Business 2 Zoning", this industrial land has a permissible gross plot ratio of 2.5 and it can be developed into a maximum GFA of up to 475,780 sq ft. Plans are underway for the development and construction is expected to commence in January 2014, barring unforeseen circumstances.

And subsequently in June 2013, the Group was awarded the tender by JTC for a 30-year leasehold land parcel located at Loyang Way. Listed as "Business 2 Zoning", this industrial land has a permissible gross plot ratio of 2.5 and it can be developed into a maximum GFA of up to 555,000 sq ft.

The construction of the property development projects secured in calendar year 2013 will be undertaken by OKH's in-house construction team.

In July 2013, the Company entered into an agreement with two funds managed by Evia Capital Partners Pte Ltd to subscribe S$10 million redeemable exchangeable preference shares by a wholly-owned subsidiary of the Company. The proceeds are to be used to fund the acquisition of a 40% stake of a proposed joint venture company with Pan Asia Logistics Singapore Pte. Ltd. ("PAL").

Subsequently in October 2013, the Group announced that it has entered into a joint venture agreement with PAL to establish a joint venture to develop, own and manage modern logistic properties across Asia. An Enterprise 50 winner in 2012, PAL has grown rapidly across the world with a business presence in 12 countries, with new subsidiaries to be established in other emerging countries.

With this proposed joint venture, both OKH and PAL will be able to draw on its joint resources and capabilities to create integrated logistics solutions for customers that require access to the growing markets around the world.

In October 2013, the Company also successfully completed a private share placement of 60 million new ordinary shares at a price of S$0.68 per share. With net proceeds of approximately S$39.5 million, the Company intends to utilise up to 80% of the net proceeds to fund potential acquisitions, investments and business expansion plans in connection with the Group's business and the balance to be used for the working capital requirements of the Group.

And more recently, the Group was a recipient of the prestigious ASEAN Business Awards 2013 for the category of Growth (Large Company). The ASEAN Business Awards was launched in 2007 to recognise enterprises that have contributed to the growth and prosperity of the ASEAN economy and since then, the annual Awards have recognised more than 60 companies throughout the region which are considered as the 'Most Admired ASEAN Enterprises' excelling in the categories of: Growth, Employment, Innovation and Corporate Social Responsibility.

OUR FOUR-PRONGED BUSINESS STRATEGY

OKH's track record in Singapore's property development market has placed us in a good position to broaden our business presence through our integrated business model.

Building on this growth momentum, we believe the following business strategy will be pivotal in creating long-term sustainable value to our shareholders and stakeholders:

Acquisition of new development sites for OKH land bank

We intend to acquire new land parcels to build up its land bank sufficient to support a development pipeline of about three to five years on a continual basis. OKH will also continue to monitor the property market closely to assess the new preferences among potential property buyers or emerging trends in the property market to adjust its land acquisition strategy accordingly to capitalise on suitable opportunities during favourable market conditions.

Expansion through acquisitions, joint ventures and/or strategic alliances

In addition to organic growth, we will also actively explore local and overseas acquisitions, joint ventures or strategic alliances with parties who create synergistic values with our existing business. This will strengthen our market position, expand our network, as well as expand into new businesses complementary to our current business activities.

Sourcing for opportunities to develop, manage and rent commercial and industrial property developments

Due to the high costs of property ownership and construction in Singapore, both large and small corporations may need commercial or industrial space for their business, but may not wish to own or develop them. As such, OKH has the ability to undertake such business opportunities to develop such properties for rental to the interested users on a long-term lease basis, and to manage and maintain such properties, thereby generating recurring income.

Continue to grow the construction business

While focusing on the construction of our internal property development projects, we intend to continue to grow our construction business in the private and public sector. Leveraging on our track record in handling building construction and large-scale A&A works projects, we will target and pitch for suitable projects aligned with our future growth.

ACKNOWLEDGEMENT

We have marked a new corporate milestone with the acquisition of OKH Holdings, but more importantly, the Group has successfully transformed itself into a fast-growing property development company with a niche in industrial properties. Equipped with the necessary capital resources, we will continue to remain prudent in our organic and inorganic growth plans.

On behalf of the Board, I would like to thank our shareholders for their patience and trust while the Group underwent trying and triumphant times.

In addition, I would like to express sincere appreciation to our management team and staff, of which OKH's progressive growth would not have been possible without their invaluable support and commitment. I would also like to take this opportunity to thank our business partners, suppliers and bankers for their unwavering support throughout the years.

Together, we look forward to an even better future ahead.

MR. BON WEEN FOONG

EXECUTIVE CHAIRMAN & CEO

1. WOODLANDS HORIZON
2. ACE@BUROH
3. A'POSH BIZHUB
4. PRIMZ BIZHUB
5. THE HERENCIA

– Note: Images illustrated are artist impressions

BOARD OF DIRECTORS

MR. BON WEEN FOONG EXECUTIVE CHAIRMAN & CEO

Mr. Bon is responsible for the strategic development of the Group's business activities. In addition, he oversees all key aspects of the Group's business functions, including the tendering process of its property development and construction projects. He is responsible for identifying and securing new projects and business development opportunities for the Group. Mr. Bon has been in the building construction business for more than 12 years. 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. LAM WEE YEOW EXECUTIVE DIRECTOR

Mr. Lam is responsible for the day-to-day project supervision, safety and coordination of the Group's projects to ensure timely progress and delivery. He is also involved in the feasibility studies of new projects which includes due diligence, budgeting, timeline estimates, review and evaluate contract documents and other related work. Prior to joining the Group, he was working in various construction-related companies and was involved in various roles such as internal process redesign, cash flow management, project and workflow management. In all, Mr. Lam has been in the building construction industry for about 11 years. Mr. Lam obtained a Diploma in Mechanical Engineering from Singapore Polytechnic in 1996 and subsequently graduated with a Bachelor of Applied Science (Construction Management) from RMIT University in 2010.

MR. YU ZENGPING EXECUTIVE DIRECTOR

Mr. Yu oversees the technical developments of our Group, responsible for the development and maintenance of our Group's quality management systems, risk management and information management. Mr. Yu has 30 years' experience in the IT industry. In July 1982, he joined a mini-computer plant of Huanan Computer Corporation as an engineer. He was promoted as Deputy General Manager of a branch office of Huanan Computer Corporation in May 1996. Between August 1997 and June 2000, Mr. Yu joined GHNISI as the Deputy General Manager. He was in charge of system integration operations, quality management and held the position of the Chief Information Officer. In June 2000, Mr. Yu joined Guangzhou Sinobest as the Deputy General Manager and undertook the same duties when he was in GHNISI. Mr. Yu was also in charge of the development of industry-specific software applications for Guangzhou Sinobest from the years 2001 to 2002. He was also in charge of human resource management and the administration of Guangzhou Sinobest for the year 2003. Mr. Yu graduated from Nanjing Institute of Technology (now known as South Eastern University) in July 1982 with a Bachelor's Degree in Computer Science. Mr. Yu is also a member of the 10th Guangzhou Committee of the China People's Political Consultative Conference (CPCC).

Mr. Yu was last re-elected as a Director of the Company on 29 April 2013.

MR. ONG SOON TEIK LEAD INDEPENDENT DIRECTOR

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

Mr. Ong was appointed as an Independent Director of our Company on 29 March 2010. He is currently the Executive Director of Asiamine Holding Pte Ltd and is responsible for the financial and administration matters of the company. Prior to his current 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 from 2000 to 2005. He 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 Australia and also qualified as a Chartered Financial Analyst.

Mr. Ong was last re-elected as Director of the Company on 29 April 2013.

MR. TAN SOO KIAT INDEPENDENT DIRECTOR

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

Mr. Tan was appointed as an Independent Director of our Company on 27 September 2004. He is currently a Director of Intergate Pte Ltd, a company engaged in the provision of corporate advisory services. Mr. Tan was formerly the Chief Operating Officer and Executive Director of Goodpack Limited from July 1999 to November 2000 and was responsible for the financial functions of the company. He also assisted the managing director of the company in its day-to-day business operations. Mr. Tan was formerly a General Manager and Executive Director of Progen Holdings Ltd (from July 1997 to April 1999), Vice-President (Finance) of Pacific Century Regional Developments Limited (from March 1996 to July 1997), a Treasurer with the investment banking arm of DBS Bank (from April 1994 to March 1996) and a Senior Internal Auditor and Marketing/Loans Manager for Bank of Western Australia from June 1990 to April 1994. Mr. Tan has more than 18 years of experience in banking and finance industry. Mr. Tan obtained a Bachelor Degree in Commerce (Accounting) from University of Otago, New Zealand in 1983. He is a Chartered Accountant with the Institute of Chartered Accountants of New Zealand.

Mr. Tan was last re-elected as a Director of the Company on 29 April 2011.

MS. TAN SWEE LING INDEPENDENT DIRECTOR

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

Ms. Tan Swee Ling is our Independent Director and was appointed to our Board on 8 May 2009. Ms. Tan was appointed as an Independent Director of ES Group (Holdings) Limited (a company listed on Catalist of the SGX-ST) in 2010. She is also currently a director of Want Want Holdings Ltd (a company listed on the Main Board of the SGX-ST from 1996 to 2007) as well as its subsidiary, Want Want Food Pte Ltd. Prior to joining Want Want Holdings Ltd, she was a treasurer at the investment banking arm of DBS Bank Ltd from 1994 to 1996. In 2000, she was also the group financial controller for JK Yaming International Holdings Ltd (a company listed on the Main Board of SGX-ST), a position she held until 2002 while remaining as a non-executive director of Want Want Holdings Ltd and Want Want Food Pte Ltd. Ms. Tan obtained a Bachelor of Business Administration with Honours from the National University of Singapore in 1991 and is a Fellow of the Association of Chartered Certified Accountants.

Ms. Tan was last re-elected as a Director of the Company on 27 April 2012.

SENIOR MANAGEMENT

MR. PATRICK LEE

(Chief Financial Officer "CFO")

Mr. Lee has over 23 years of experience in accounting and auditing. He started his career in auditing with PricewaterhouseCoopers in 1989. After about three years of service in auditing, he joined a number of commercial organisations, taking up positions as finance manager, financial controller, and chief financial officer. Mr. Lee also has prior experience with companies listed in Hong Kong, USA and Malaysia. He joined Sinobest as the Chief Financial Officer in September 2008. Mr. Lee was the group financial controller of Asian Information Resources Holdings Ltd from 2002 to 2004. From 2005 to 2008, he was the chief accountant of Sime Darby Management Services Limited (South China Motor Group). Mr. Lee holds a Bachelor of Accountancy from the Polytechnic University in Hong Kong in 1989 and is an associate member of the Hong Kong Institute of Certified Public Accountants since 1994.

MR. PANG SHI KANG

(Financial Controller)

Mr. Pang assists the CFO to oversee the overall financial operations of the Group as well as corporate secretarial matters. Mr. Pang joined OKH in September 2011 and is currently responsible for the financial accounting and financial reporting of OKH. He is also responsible for managing the financial policies, processes, systems and personnel to ensure OKH's compliance and adherence to the regulatory and financial guidelines applicable to OKH. Prior to joining OKH, he was an audit senior II with Ernst & Young Singapore (now known as Ernst & Young LLP) from 2004 to 2007. From January 2008 to April 2008, he worked as a senior internal auditor with National Trades Union Congress. He joined Asia Water Technology Ltd in 2008 as a finance supervisor and was subsequently promoted to the position of a finance manager and company secretary from 2009 to 2010. From 2010 to 2011, he was a senior group accountant with Popular Holdings Limited. Mr. Pang holds a Bachelor of Accountancy (Merit) from the Nanyang Technological University Nanyang Business School in 2004. He also attained the CA (Singapore) from the Institute of Singapore Chartered Accountants in 2008.

MR. TAN GEOK CHYE

(Head of Construction Services Division)

Mr. Tan is the Group's Head of Construction Services Division, where he is extensively involved in the construction aspect of the Group's business. He oversees the entire execution of the Group's construction projects and his responsibilities include liaising with suppliers, working professionals in relation to project matters, attending site meetings, liaising with relevant authorities, ensuring that each project is timely completed and that project costs are kept within budget.

Mr. Tan is a veteran in the construction industry with more than 30 years of experience. 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 the Director of Tech Decor Pte Ltd. Mr. Tan holds a Certificate in Construction Supervision issued by BCA and is a qualified Resident Technical Officer.

MR. JASON HO

(Senior Business Development Manager)

Mr. Ho joined the Group in July 2012 and he is responsible for developing and executing the Group's strategic business plan in existing and new markets. Maintaining broad industry network of high level contacts, Mr. Ho works closely with the project management team to assess new market opportunities. Having worked in various industries in different countries as a consultant, Mr. Ho has an extensive experience and market knowledge of Asian markets.

MR. ONG SAU KANG

(Property Development Manager)

Mr. Ong joined the Group in August 2004 as a contracts manager and subsequently rose to the position of property development manager, where he is responsible for identifying, securing and marketing new property development projects for our Group. From 2000 to 2001, he was the assistant quantity surveyor with Hiap Tian Soon Construction Pte Ltd and was a quantity surveyor from 2001 to 2004 with MA Builders Pte Ltd where he was responsible for bidding of tenders, managing variation orders and preparing sub-contracts. From July 2004 to August 2004, he was the property manager of Grange Tower managed by Empire City Consultant Pte Ltd, where he was responsible for the management of the premises. Mr. Ong graduated from Ngee Ann Polytechnic with a Diploma in Building and Real Estate Management in 2000.

MS. DIANA DAUD

(Human Resource Manager)

Ms. Diana joined the Group in June 2012 and is responsible for both strategic and transactional human resource functions. With more than 5 years of working experience in various organisations, notably the Shangri-La Hotel Singapore and the KK Women's and Children's Hospital, she is also responsible for formulating the Group's HR policies and procedures and total rewards system. Ms. Diana holds a Bachelor of Science in Marketing (Honours) from the University College Dublin (National University of Ireland, Dublin) in 2010 and a Postgraduate Diploma in HR and Talent Management from the Singapore Human Resources Institute in 2011. She also received her HR practitioner accreditation awarded by the Singapore Human Resources Institute in 2011.

ACE @ Buroh (Artist Impression)

FINANCIAL AND OPERATIONS REVIEW

With OKH Global Ltd.'s transformed business model to property development, the Group is required to adopt the new Financial Reporting Standards ("FRS"), INT FRS 115. On July 1, 2012, the Group adopted all the new and revised FRSs and Interpretations of FRS that are effective from that date and are relevant to its operations. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs.

As a result, the financial performance of the Group as reported from year to year may vary depending on the timing of sales and completions of our property development projects in Singapore. The variation of reported accounting results from each period of review may be more pronounced to the extent that a loss may be reported in a certain review period to a very lumpy recognition of substantial profits in subsequent periods of review.

In FY2013, the Group's revenue decreased by S$84.6 million or 77.5%, from S$109.1 million in FY2012 to S$24.5 million in FY2013. As there were no new development projects from the Group that received their Temporary Occupation Permit ("TOP") in FY2013, the property development division registered a significant decrease in revenue.

However, revenue recognised from the provision of construction services increased by S$10.7 million or 201.9%, from S$5.3 million in FY2012 to S$16.0 million in FY2013, mainly due to higher revenue recognised from existing projects undertaken during the year. In addition, there was a lower provision of liquidated damages amounting to S$3.1 million in FY2013, as compared to S$6.8 million in FY2012.

Gross profit decreased by S$28.9 million or 99.7%, from S$29.0 million in FY2012 to S$0.07 million in FY2013, as there were no new development projects from the Group that received their TOP in FY2013. Furthermore, there was higher gross profit registered in FY2012 mainly due to contribution from the Group's development project, A'Posh BizHub, which obtained its TOP in FY2012.

Correspondingly, gross profit margin decreased by 26.2 percentage points, from 26.5% in FY2012 to 0.3% in FY2013.

Other income increased by S$15.4 million or 314.3%, from S$4.9 million in FY2012 to S$20.3 million in FY2013, mainly due to the recognition of bargain purchase amounting to S$15.5 million upon the acquisition of the entire share capital of OKH Group. Increase in the gain on change in fair value of investment properties by S$1.7 million in FY2013 also contributed to the increase, but the increase was partially offset by the decrease in deposits forfeited from the cancellation of property sales from unrelated third parties amounting to S$2.0 million.

General and administrative expenses increased by S$6.2 million or 48.8%, from S$12.7 million in FY2012 to S$18.9 million in FY2013, mainly due to the increase in depreciation of fixed assets, staff costs, professional fees and reverse-takeover related expenses as well as the rental fee paid for the leased land parcel at Kim Yam Road.

Finance expenses increased by 1.8% to S$1.7 million as a result of a higher quantum of loans in relation to our property development and construction activities.

A loss of S$2.0 million was also recognised from the discontinued operations by the Operating Subsidiaries in the PRC as a result of pending divestments.

Overall, the Group registered a net loss of approximately S$1.7 million as there were no new development projects from the Group that received their TOP in FY2013.

BALANCE SHEET HIGHLIGHTS

Property development is a capital intensive business and the Group maintains a prudent financial management approach with a simple financial structure, mainly utilizing bank financing for our capital requirements.

Even though the Group has grown progressively, we continue to manage our cash flow prudently, while keeping the costs of capital relatively low.

As at 30 June 2013, the Group's balance sheet continued to strengthen as total assets increased by 46.7% to S$475.8 million, of which current assets increased by 37.6% to S$406.0 million and non-current assets increased by 137.8% to S$69.9 million.

Corresponding to the larger scale of property development projects undertaken, the Group's total liabilities increased by 46.7% to S$435.7 million. At the end of Jun 2013, total equity increased by 46.4% to S$40.1 million.

Further details of the Group's financial statements in FY2013 can be found in the next few sections of this annual report.

CASH FLOW HIGHLIGHTS

Net cash inflow from operating activities

For the financial year ended 30 June 2013, the Group generated net cash inflow of S$78.4 million from operating activities as compared to net cash used in operating activities of S$164.3 million for the same period last year.

The net cash inflow generated from operating activities was primarily due to net cash inflow from trade and other payables of S$94.1 million, trade and other receivables of S$44.3 million, properties available for sale of S$3.4 million. This was partially offset by net cash outflow from properties under development of S$48.7 million, and inventory of S$4.2 million as well as payments of interest and income tax expenses of S$5.9 million and S$4.0 million respectively.

Net cash inflow from investing activities

The Group recorded net cash inflow of S$12.2 million from investing activities as compared to net cash used in investing activities of S$2.8 million for the same period last year. The net cash inflow was primarily due to net cash acquired from the acquisition of subsidiaries of approximately S$24.5 million as well as proceeds from disposal of fixed assets amounting to S$0.4 million. The net cash inflow was partially offset by cash outflow attributable to the purchase of properties of S$10.1 million, plant and equipment of S$2.5 million and investment properties of S$24.6 million.

Net cash outflow from financing activities

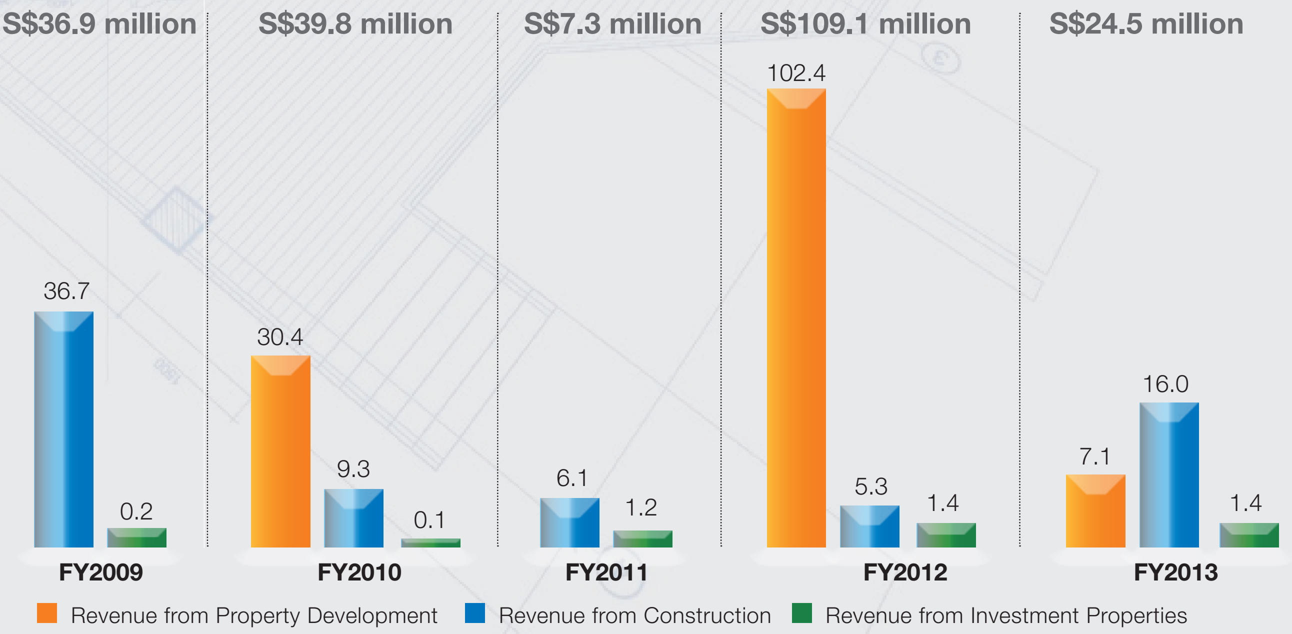
The Group recorded net cash outflow of S$22.0 million from financing activities as compared to net cash inflow of S$169.6 million in the same period last year. The net cash outflow was primarily due to repayment of bank loans of S$131.2 million. The net cash outflow was partially offset by cash inflow from bank loans drawn down of S$102.7 million to finance the construction and development of Primz BizHub and Woodlands Horizon, the acquisition of the land parcels at Tai Seng Link and 5 Pioneer Sector as well as the payment of deposits for Buroh Crescent, Loyang Way and Kim Yam Road and advance from a director of S$6.7 million.

FINANCIAL HIGHLIGHTS

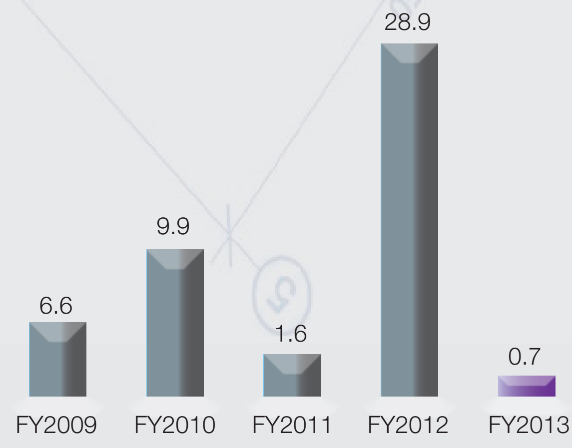
With OKH Global Ltd.'s transformed business model to property development, the Group is required to adopt the new Financial Reporting Standards.

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 its property development projects in Singapore.

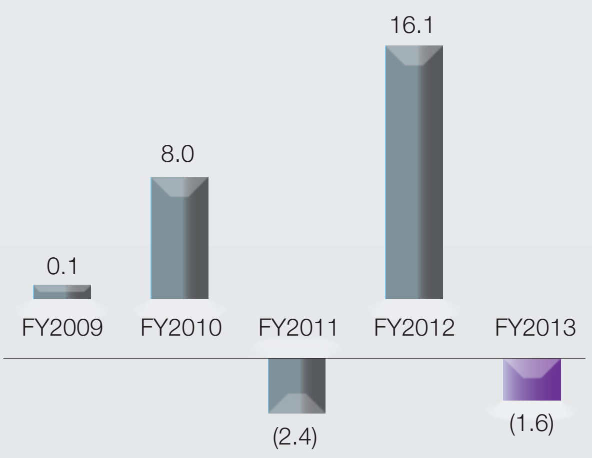
REVENUE (S$'MILLION)



GROSS PROFIT (S$'MILLION)



NET PROFIT (S$'MILLION)



MILESTONES

2013

- Compliance share placement of S$0.24 per share
- Resumption of Listing on 7 May 2013
- Watch-list removal on 28 May 2013
- Submitted top bid for a commercial site near to Mohammad Sultan road
- Submitted top bid for an industrial land site at Loyang Way
- Submitted top bid for an industrial land site at Buroh Crescent
- Received ASEAN Business Awards 2013
- Entered into business venture with Pan Asia Logistics to develop, own and manage modern logistic properties in Asia
- Successful share placement of 60 million new ordinary shares at a price of S$0.68 per share
- Funds managed by Evia Capital Partners Pte Ltd to subscribe S$10 million redeemable exchangeable preference shares (which can be exchangeable for OKH's shares at S$0.45 per share) by OKH's wholly-owned subsidiary
- Acquisition of OKH approved and completed, Company renamed as OKH Global Ltd.

2012

- Received 2012 Enterprise 50 award
- A'Posh BizHub received TOP and BCA Green Mark Gold Award
- Submitted top bid for an industrial land site at Tai Seng Link

2011

- Received inaugural 2011 "Prominent SMEs" award
- Submitted top bid for an industrial land site at Woodlands Ave 2 Parcel 2
- Received 2011 Enterprise 50 award
- Submitted top bid for an industrial land site at Woodlands Ave 2 Parcel 3

2010

- Green Synergy established to provide sustainable energy and environmental solutions
- Submitted top bid for an industrial land site at Yishun Ave 6

2009

Foxx Media established: To provide specialist contractor services (such as LED panels) to advertising sector

2008

- Changi Airport: Expansion of Budget Terminal
- Received "SME Top 50 Fastest Growing Companies in Singapore" Award
- Singapore Formula 1 Grand Prix: Awarded 3-year contract
- Hotel Conversion Project: A&A and Interior Fitting-Out works
- First Industrial Property Development Project in Tuas

2007

Singapore Turf Club: Stable blocks conversion and A&A works

2006

Obtained:

- ISO 9001 Quality Management System
- ISO 14001 Environmental Management
- OHSAS 18001 Occupational Health and System certification

2005

Biopolis Project: Interior Fitting-Out works

2000

First SMRT Project: Alterations & Additions (A&A) and Fitting-Out works

CORPORATE SOCIAL RESPONSIBILITY

MAKING A POSITIVE DIFFERENCE IN THE COMMUNITY

OKH Global Ltd. and our workforce embrace 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, we are committed to aid the development and improvement of the society in which we live and work.

List of Beneficiaries:

- People Association Club Building Fund
- Lions Club of Singapore
- POSB- Kids Run 2010
- UOB Heartbeat Run 2010. 2012
- SMRT Silver Tribute Fund
- Kwong Wai Shiu Hospital
- Bone Marrow Donor Programme
- Singapore Chung Hwa Medical Institution
- Singapore Chinese Chamber of Commerce Foundation
- Marsiling Gala Dinner 2013
- People Association (Community Development Council)
- Singapore Amalgamated Services Co-operative Organization (SASCO)
- NUSS Student Endowment Fund
- AUPE Foundation Cooperative Ltd.
- The Salvation Army
- Singapore Red Cross Society
- Down Syndrome Association (Singapore)
- Singapore University of Technology

- Our CSR efforts at Geylang Serai CCC

- Our visit to Ren Ci Hospital

- Our Zoo Trip with The Salvation Army (Gracehaven Children Home)

PROJECT FOR SALE

Woodlands Horizon

Located near to Admiralty MRT station, Woodlands Horizon is an 8-storey strata-titled ramp-up industrial building with a 60-year leasehold.

With a land area of 202,361 sq ft, Woodlands Horizon consists of 287 strata-titled units (and 1 canteen) with a wide range of convenient features such as direct vehicular access for up to 14-footer vehicle at every level, direct parking lots and loading facilities.

Zoned for “Business 1” development, Woodlands Horizon’s functionally-designed units are ideal for SMEs who has a growing business presence in Singapore and nearby Johor Bahru and require industrial spaces for light and clean industrial activities.

For further enquires, pls contact 9066 5555.

PROJECTS 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. With an estimated lettable area of 150,000 sq ft, The Herencia is ideal for rental as office or commercial school. The development is undergoing refurbishment works and it is expected to complete by November 2013.

For further enquires, pls contact 9066 5555.

Industrial Building at Tai Seng Link

Strategically located near Tai Seng MRT station and roads such as Upper Paya Lebar Road and Airport Road, Tai Seng Link is located within the Paya Lebar iPark, which will be developed into a lifestyle park. With a permissible gross plot ratio of 2.5, Tai Seng Link can be developed into a maximum GFA of up to 116,680 sq ft of “Business 2 Zoning” development, to be used only for clean and light industries. Tai Seng Link is expected to obtain its TOP by December 2014.

For further enquires, pls contact 9066 5555.

UPCOMING PROJECTS

ACE @ Buroh

Located at Buroh Crescent within the Tuas precinct, this industrial property, under “Business 2 Zoning”, has a permissible gross plot ratio of 2.5 with a maximum GFA of up to 475,780 square feet. Well-connected to major expressways and proximity to Tuas Second Link, ACE@Buroh will comprise of 100 factories and 1 canteen. Plans are underway for the development and construction is expected to commence in January 2014, barring unforeseen circumstances.

Industrial Building at Loyang Way

Located near to Changi logistic hub, this industrial property is the only industrial land site released by the government for the past few years. Listed as a “Business 2 Zoning” industrial property, this strata-titled project, located at Loyang Way, has a permissible gross plot ratio of 2.5 and it can be developed into a maximum GFA of up to 555,000 square feet. Plans are underway for the development and construction is expected to commence in first quarter of 2014.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Bon Ween Foong
Mr. Lam Wee Yeow
Mr. Yu Zengping
Mr. Ong Soon Teik
Mr. Tan Soo Kiat
Ms. Tan Swee Ling

AUDIT COMMITTEE

Mr. Tan Soo Kiat (Chairman)
Mr. Ong Soon Teik
Ms. Tan Swee Ling

NOMINATING COMMITTEE

Ms. Tan Swee Ling (Chairman)
Mr. Ong Soon Teik
Mr. Tan Soo Kiat

REMUNERATION COMMITTEE

Mr. Ong Soon Teik (Chairman)
Mr. Tan Soo Kiat
Ms. Tan Swee Ling

JOINT COMPANY SECRETARIES

Mr. Chew Kok Liang
Mr. Pang Shi Kang

AUDITORS

Deloitte & Touche LLP
Chartered Accountants
6 Shenton Way
OUE Downtown 2 #32-00
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

Tricor Barbinder Share Registration Services
(A division of Tricor Singapore Pte Ltd)
80 Robinson Road
#02-00
Singapore 068898

REGISTERED OFFICE

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22 Victoria Street
Hamilton HM12
Bermuda
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Fax: +1(441) 292 8666

HEAD OFFICE

701 Sims Drive
#02-06 LHK Building
Singapore 387383
Tel: +65 6345 0544
Fax: +65 6344 5811
Website: www.okh.com.sg

PRINCIPAL BANKERS

United Overseas Bank Limited
Malayan Banking Berhad
DBS Bank Limited

FINANCIAL CONTENTS

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 which was revised in May 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;

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

(v) 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

(vi) 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.

STATEMENT ON CORPORATE GOVERNANCE

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.

The number of Board and Board Committees meetings held during the financial year ended 30 June 2013 ("FY2013") and the attendance of each Director where relevant is as follows:–

Type of meetings	Board	Audit Committee	Nominating Committee	Remuneration Committee
No. of meetings	7	4	3	4
Attendance				
Bon Ween Foong[1]	4/7	N/A	N/A	N/A
Lam Wee Yeow[1]	4/7	N/A	N/A	N/A
Yu Zengping	7/7	N/A	N/A	N/A
Ong Soon Teik	7/7	4/4	3/3	4/4
Tan Soo Kiat	7/7	4/4	3/3	4/4
Tan Swee Ling	7/7	4/4	3/3	4/4

Note:

1 Mr. Bon Ween Foong and Mr. Lam Wee Yeow were first appointed on 22 April 2013 and retired at the Annual General Meeting ("AGM") held on 29 April 2013 due to insufficient period of notice of resolution given to shareholders to re-elect them at the same AGM held on 29 April 2013. The said Directors were subsequently appointed by the Board after the conclusion of the said AGM and to hold office until the forthcoming AGM for shareholders to re-elect them.

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/divestments and funding decisions;
- Approval of the Group's quarterly financial updates, quarterly 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;

STATEMENT ON CORPORATE GOVERNANCE

- 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.

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. 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 Executive Chairman, who is also the Chief Executive Officer ("CEO") of the Company, two (2) Executive Directors, and three (3) Non-Executive and Independent Directors:–

<u>Executive Chairman and CEO</u>
Mr. Bon Ween Foong

<u>Executive Directors</u>
Mr. Lam Wee Yeow
Mr. Yu Zengping

<u>Non-Executive and Independent Directors</u>
Mr. Ong Soon Teik
Mr. Tan Soo Kiat
Ms. Tan Swee Ling

The profile of each Director is presented in pages 6 to 7 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") in October 2008, requires each Director to assess whether he considers himself/herself independent despite not having any of the relationships identified in the Code.

The NC noted that the Independent Directors should make up at least half of the Board pursuant to Guideline 2.2 of the Code where the Chairman of the Board and the CEO is the same person. Accordingly, the NC has reviewed the forms completed by each Director and is satisfied that the Board complies with the Code's requirement that at least half (1/2) of the Board should be made up of Independent Directors.

STATEMENT ON CORPORATE GOVERNANCE

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, 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 help to develop proposals on strategy and review the performance of Management in meeting agreed goals and objectives and monitor the reporting of performance.

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

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 and CEO of the Company is Mr. Bon Ween Foong. Mr. Bon assumes the roles of both Chairman and CEO as he is the founder of OKH Group. He has extensive experience in the property development industry and has played an instrumental role in establishing the strategic direction of the Group and in the overall management of the Group's business. The Board is of the view that it is in the best interest of the Group to adopt a single leadership structure, and there are sufficient safeguards in place to ensure that the Management is accountable to the Board as a whole.

The Chairman and CEO of the Company leads the Board to ensure its effectiveness on all aspects of its role. He ensures that Board meetings are held in each quarter of financial year and as and when necessary, sets Board meeting agenda and ensures that adequate time is available for discussion of all agenda items, in particular strategic issues. The Chairman and CEO 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. He encourages constructive relations and effective contribution within the Board and between the Board and the Management. He also takes a leading role in ensuring the Company strives to achieve and maintain high standards of corporate governance.

The Company is in compliance with the Guideline 3.3 of the Code, where Mr. Ong Soon Teik, member of the NC, is the Lead Independent Director. In order to promote high standard 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 Chairman and CEO, Executive Directors or Chief Financial Officer have 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.

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 three (3) Directors, all of whom are Non-Executive and Independent Directors:–

Ms. Tan Swee Ling (Chairman)
Mr. Ong Soon Teik (Member)
Mr. Tan Soo Kiat (Member)

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 (1/3) of the Directors for the time being, or if their number is not three (3) or multiple of three (3), then the number nearest to one-third (1/3) but not less than one-third (1/3) shall retire by rotation and that all Directors shall retire at least once every three (3) 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 Directors, who will retire by rotation at the forthcoming AGM, Mr. Tan Soo Kiat and Ms. Tan Swee Ling, are disclosed in the Directors' Profile on pages 6 to 7 of this Annual Report.

Mr. Bon Ween Foong and Mr. Lam Wee Yeow were first appointed on 22 April 2013. Due to insufficient period of time to give notice of resolution to shareholders to re-elect Mr. Bon Ween Foong and Mr. Lam Wee Yeow as Directors of the Company at the AGM held on 29 April 2013, the said Directors retired at the AGM. The Board had, subsequent to the AGM, re-appointed both Mr. Bon and Mr. Lam as Directors of the Company and to hold office until the forthcoming AGM for shareholders to re-elect them. The details of Mr. Bon and Mr. Lam can be found in the Directors' Profile on pages 6 to 7 of this Annual Report.

The NC is also responsible for determining annually, the independence of Directors. The NC takes into account the circumstances set forth in Guidelines 2.3 and 2.4 the Code and any other salient factors. In considering the independence of an Independent Director who has served on the Board for 9 years, the Board has taken into consideration the following factors:–

(i) There was a change of the composition of the Executive Directors and Management and controlling shareholders after the completion of reverse takeover exercise earlier this year;

(ii) The extensive knowledge and experience contributed by the Independent Directors to the Company;

(iii) The attendance, preparedness, participation and contribution in the meetings of the Board and Board Committees;

(iv) Provision of continuity and stability to the new Management and Directors at the Board level by facilitating smooth communication between old and new Management;

(v) Provision of reasonable checks and balances for the Management;

STATEMENT ON CORPORATE GOVERNANCE

(vi) The Independent Director has devoted adequate attention and sufficient time to the affairs of the Group; and

(vii) The Independent Director provides overall guidance to Management and acts as safeguard for the protection of Company's assets and shareholders' interests.

In view of the above, the NC with the concurrence of the Board is satisfied that Mr. Tan Soo Kiat, being an Independent Director having served on the Board beyond 9 years is considered independent. The NC noted that both Mr. Tan Soo Kiat and Ms. Tan Swee Ling who are due for retirement at this forthcoming AGM, are not seeking for re-election. The Board is in the process of identifying two suitable and qualified independent directors to replace the retiring directors and such replacements shall be announced as soon as practicable.

The NC has recommended and the Board has approved the re-election of Mr. Bon Ween Foong and Mr. Lam Wee Yeow, who are retiring at the forthcoming AGM as Directors of the Company. Mr. Bon Ween Foong and Mr. Lam Wee Yeow will abstain 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.

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.

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
Bon Ween Foong[1]	22/04/2013	–	–	–
Lam Wee Yeow[1]	22/04/2013	–	–	–
Yu Zengping	27/09/2004	29/04/2013	–	–
Tan Soo Kiat	27/09/2004	29/04/2011	• Dyna-Mac Holdings Ltd. • Nam Lee Pressed Metal Industries Limited • Nico Steel Holdings Limited	• Asiasons WFG Financial Ltd. • Luye Pharma Group Ltd.
Tan Swee Ling	08/05/2009	27/04/2012	• ES Group (Holdings) Limited	• Teledata (Singapore) Limited
Ong Soon Teik	29/03/2010	29/04/2013	• Adventus Holdings Limited	• Chinese Global Investors Group Ltd.

Note:

1 Mr. Bon Ween Foong and Mr. Lam Wee Yeow were first appointed on 22 April 2013 and retired at the AGM held on 29 April 2013 due to insufficient period of notice of resolution given to shareholders to re-elect them at the same AGM held on 29 April 2013. The said Directors were subsequently appointed by the Board after the conclusion of the said AGM and to hold the office as Directors of the Company and to hold office until the forthcoming AGM for shareholders to re-elect them.

STATEMENT ON CORPORATE GOVERNANCE

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. The NC has recommended that the members of the respective Board Committees complete the evaluation form 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 quarterly financial updates, half-year and full-year financial results, progress reports of the Group's operations, 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 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.

STATEMENT ON CORPORATE GOVERNANCE

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 three (3) Directors, all of whom including the Chairman of the RC, are Non-Executive and Independent Directors:–

Mr. Ong Soon Teik (Chairman)
Mr. Tan Soo Kiat (Member)
Ms. Tan Swee Ling (Member)

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 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;

(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 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 package 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 pay and employment conditions within the industry and in comparable companies.

The 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. The Directors' fees payable to the Non-Executive and Independent 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 (2) Executive Directors, namely Mr. Bon Ween Foong and Mr. Lam Wee Yeow are for an initial period of three (3) years with effect from the date of completion of the acquisition of the entire issued share capital of OKH Holdings Pte. Ltd. by the Company. 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 period from 1 July 2012 to 30 June 2013, are disclosed below.

STATEMENT ON CORPORATE GOVERNANCE

The breakdown of each Directors' and key management personnel's remuneration for the period from 1 July 2012 to 30 June 2013 is as follows:

Board of Directors	Salary $	Bonus/ Commissions $	Benefits in Kind $	Directors' Fees $	Total $
S$500,001 to below S$750,000					
Current Director:					
Bon Ween Foong[1]	528,000	38,000	48,000	–	614,000
Below S$250,000					
Current Directors:					
Lam Wee Yeow[1]	140,000	7,000	11,000	–	158,000
Yu Zengping	206,000	15,000	–	–	221,000
Ong Soon Teik	–	–	–	33,000	33,000
Tan Soo Kiat	–	–	–	45,000	45,000
Tan Swee Ling	–	–	–	33,000	33,000
Past Directors:					
Zou Gefei[2]	188,000	14,000	–	–	202,000
Li Ziqiang[2]	169,000	14,000	–	–	183,000

Notes:

1 Appointed on 22 April 2013 and retired at the AGM 2013 due to insufficient period of notice of resolution given to shareholders to re-elect them at the AGM held on 29 April 2013. The said Directors were subsequently appointed by the Board after the conclusion of AGM.

2 Resigned as Directors with effect from 29 April 2013.

Key Management Personnel	Salary %	Bonus/ Commissions %	Benefits in Kind %	Total %
Below S$250,000				
Tan Geok Chye	96	–	4	100
Pang Shi Kang	92	7	1	100
Diana Daud	94	4	2	100
Angeline Ang	100	–	–	100
Patrick Lee	100	–	–	100

The aggregate total remuneration paid to the top five key management personnel (who are not Directors or the CEO) for the period from 1 July 2012 to 30 June 2013 is approximately S$423,000.

None of the Directors (including the CEO) and the top five key management personnel (who are not Directors or the CEO) has received any termination, retirement and post-employment benefits for the period from 1 July 2012 to 30 June 2013.

There is no employee who is immediate family member of a Director, CEO or substantial shareholder whose remuneration exceeds S$50,000 for the period from 1 July 2012 to 30 June 2013.

STATEMENT ON CORPORATE GOVERNANCE

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.

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.

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 recognises 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 recommendation in the risk assessment report and internal audit reports submitted by the internal auditors for the financial year ended 30 June 2013 and management confirmations to assess the effectiveness of the Group's internal control systems.

STATEMENT ON CORPORATE GOVERNANCE

The Company's external auditors during their course of their statutory audit, to the extent of their scope as laid out in their audit plan, would report on matters relating to internal controls over significant areas such as the Group's internal controls over cash and assets. Internal controls weaknesses identified may include areas of non-compliances and control weaknesses/ deficiencies. These control weaknesses, together with the auditors' recommendations for improvements, are reported to the AC. 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. 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 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.

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

For FY2013, the Board has received assurances from the 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 of the internal controls 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 risk and information technology are adequate as at 30 June 2013. 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 in 2014.

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 three (3) Directors, all of whom are Non-Executive and Independent Directors:–

Mr. Tan Soo Kiat (Chairman)
Mr. Ong Soon Teik (Member)
Ms. Tan Swee Ling (Member)

The Board ensures that the members of the AC are appropriately qualified to discharge their responsibilities. The Chairman of the AC, Mr. Tan Soo Kiat and members of the AC, Mr. Ong Soon Teik and Ms. Tan Swee Ling, possess 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;

STATEMENT ON CORPORATE GOVERNANCE

(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 quarterly financial updates, half-year 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 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;

(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 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.

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

STATEMENT ON CORPORATE GOVERNANCE

The Company has paid the following aggregate amount of fees to Messrs Deloitte & Touche LLP, the external auditors, for services rendered in for the period from 1 July 2012 to 30 June 2013:–

Services	Amount (SGD)
Audit service	234,000
Non-audit service	20,400
Total	254,400

The AC had reviewed all audit and non-audit fee paid to Messrs Deloitte & Touche LLP, the scope of services, the qualification, the independence and the objectivity of the external auditors in the meeting held in 2013. Messrs Deloitte & Touche LLP has confirmed that they are public accounting firms registered with the Accounting and Corporate Regulatory Authority and provided a confirmation on their independence to the AC.

The AC is satisfied that Messrs Deloitte & Touche LLP are 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, Messrs Deloitte & Touche LLP be recommended for re-appointment at the forthcoming AGM.

During FY2013, the AC had also noted that Messrs Deloitte & Touche LLP was engaged for the audit on the Company's accounts and its subsidiary in Singapore, while Nexia TS Public Accounting Corporation was engaged for the audit on the Company's subsidiary in The People's Republic of China, namely Guangzhou Sinobest Information Technology Ltd., and the subsidiary in Hong Kong, Sinobest Technologies (H.K.) Limited was audited by Nexia Fan, Chan & Co, an independent member firm of Nexia International. The Board and AC are satisfied that the appointment of auditors did not compromise the standard and effectiveness of the audit of the Group. The Group has therefore complied with Rule 715 and Rule 716 of the Listing Manual of the SGX-ST.

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.

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. and Shinnes Consulting and Advisory Pte. Ltd. for the Group's operations in Singapore and The People's Republic of China (including a subsidiary in Hong Kong) respectively. The AC reviews the scope of work and deliverables by the external independent professional firms who in turn ensure adequate staffing to fulfil the scope of internal audit work agreed upon. The AC is further satisfied that the internal audit teams have unfettered access to all the Company's documents, records, properties and personnel, including the access to the AC. The internal audit teams 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.

The AC reviews the adequacy of the internal audit function annually and ensures that the internal audit function is adequately resourced and has appropriate standing within the Company.

STATEMENT ON CORPORATE GOVERNANCE

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 be likely to 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 release 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. 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) Limited (or its nominee as notified in writing to the Company), it can appoint more than 2 proxies.

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.

STATEMENT ON CORPORATE GOVERNANCE

MATERIAL CONTRACTS

Save as disclosed under Material Contracts in the Company's prospectus dated 4 November 2004, Circular dated 31 December 2012 and announcements released over SGXNET, there were no material contracts including loans subsisting at the end of FY2013, 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 prospectus dated 4 November 2004, Circular dated 31 December 2012 and announcement on the unaudited full year financial results dated 29 August 2013, 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 FY2013.

DEALING IN SECURITIES

In compliance with Rule 1207(19) of the Listing Manual of the SGX-ST, the Company had adopted a Code of Best Practices to provide guidance to its officers on securities transactions by the Company and its officers.

The Company and its officers are not allowed to deal in the Company's shares during the period commencing two weeks before the announcement of the Company's financial results for each of the first three quarters of its financial year, and one month before the announcement of the Company's full-year financial results, and ending on the date of the announcement of the relevant results.

Directors and executives are also expected to observe insider-trading laws at all times even when dealing with securities within the permitted trading period or when they are in possession of unpublished price-sensitive information and they are not to deal in the Company's securities on short-term considerations.

The Company had adopted its Internal Compliance Code on Dealings in Securities and Rule 1207(19) of the Listing Manual, the Company and its officers are reminded not to trade in the Company's securities one month before the quarterly and full financial year results announcement.

REPORT OF THE DIRECTORS

The directors present their report together with the audited consolidated financial statements of OKH Global Ltd. (formerly known as Sinobest Technology Holdings Ltd.) (the "Company") and its subsidiaries (collectively the "Group") for the financial year from July 1, 2012 to June 30, 2013 and the statement of financial position and statement of changes in equity of the Company for the financial period from January 1, 2013 to June 30, 2013.

On January 28, 2013, the Company completed the acquisition of the entire issued and paid up capital of OKH Holdings Pte. Ltd. ("OKHH"), which is accounted for as a reverse acquisition where OKHH is deemed to be the acquirer. Upon completion of the reverse acquisition, the Company changed its name to OKH Global Ltd. and its financial year end from December 31 to June 30 to be coterminous with the year end of OKHH.

1 DIRECTORS

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

Bon Ween Foong	(Appointed on April 22, 2013)
Lam Wee Yeow	(Appointed on April 22, 2013)
Yu Zhenping	
Ong Soon Teik	
Tan Soo Kiat	
Tan Swee Ling	

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.

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 the date of appointment	**At end of year**
Name of director and company in which interests are held		
OKH Global Ltd.		
(Ordinary shares)		
Bon Ween Foong	388,818,412	388,818,412

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 as at July 21, 2013.

REPORT OF THE DIRECTORS

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 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.

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 year ended June 30, 2013, 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 option 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 options to take up unissued shares.

(c) Unissued shares under option

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

6 AUDIT COMMITTEE

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

Tan Soo Kiat (Chairman)
Ong Soon Teik
Tan Swee Ling

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

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

REPORT OF THE DIRECTORS

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

- to review with the independent auditor, 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 independent auditor. 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 quarterly financial update, half-year 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 control and risk management;

- to consider and make recommendations to the Board on the appointment, re-appointment and removal of independent auditor, 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;

- meeting with the independent auditor and internal auditor without the presence of the management annually;

- 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 recommended to the Board that independent auditor Messrs Deloitte & Touche LLP be recommended for re-appointment at the forthcoming AGM of the Company.

7 AUDITORS

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

ON BEHALF OF THE DIRECTORS

Bon Ween Foong

Lam Wee Yeow

October 10, 2013

STATEMENT OF DIRECTORS

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 39 to 93 are drawn up so as to give a true and fair view of the state of affairs of the Group and of the Company as at June 30, 2013, and of the results, changes in equity and cash flows of the Group for the financial year then ended and the statement of changes in equity of the Company for the financial period from January 1, 2013 to June 30, 2013 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.

ON BEHALF OF THE DIRECTORS

Bon Ween Foong

Lam Wee Yeow

October 10, 2013

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF OKH GLOBAL LTD.
(Formerly known as Sinobest Technology Holdings Ltd.)

Report on the Financial Statements

We have audited the accompanying financial statements of OKH Global Ltd., formerly known as Sinobest Technology Holdings Ltd. (the "Company") and its subsidiaries (the "Group") which comprise the statements of financial position of the Group and the Company as at June 30, 2013, and the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year then ended and the statement of changes in equity of the Company for the financial period from January 1, 2013 to June 30, 2013, and a summary of significant accounting policies and other explanatory notes, as set out on pages 39 to 93.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Singapore Financial Reporting Standards and for devising and maintaining a system of internal accounting controls sufficient to provide reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore 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 of financial statements that give a true and fair view 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.

INDEPENDENT AUDITORS' REPORT

Opinion

In our opinion, the 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 Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at June 30, 2013 and of the results, changes in equity and cash flows of the Group for the financial year then ended and changes in equity of the Company for the financial period from January 1, 2013 to June 30, 2013.

Other Matters

The statement of financial position, statement of changes in equity and the relevant notes to accounts of the Company for the year ended December 31, 2012 were audited by another firm of auditors whose report dated March 30, 2013 expressed an unqualified opinion on those financial statements in accordance with International Financial Reporting Standards.

Public Accountants and
Chartered Accountants
Singapore

October 10, 2013

STATEMENTS OF FINANCIAL POSITION

June 30, 2013

	Note	Group 30-Jun-13 S$'000	30-Jun-12 S$'000 (Restated)	01-Jul-11 S$'000 (Restated)	Company 30-Jun-13 S$'000	31-Dec-12 S$'000 (Restated)	01-Jan-12 S$'000 (Restated)
ASSETS							
Current assets							
Cash and cash equivalents	7	**51,981**	22,477	17,340	**185**	53	35
Trade and other receivables	8	**45,028**	87,002	4,931	**290**	1,670	1,026
Completed properties held for sale	10	**–**	3,388	–	**–**	–	–
Properties under development	11	**235,669**	182,171	50,813	**–**	–	–
		332,678	295,038	73,084	**475**	1,723	1,061
Non-current assets held-for-sale	12	**–**	–	–	**20,099**	19,665	20,710
Assets directly associated with disposal group classified as held-for-sale	12	**73,286**	–	–	**–**	–	–
Total current assets		**405,964**	295,038	73,084	**20,574**	21,388	21,771
Non-current assets							
Property, plant and equipment	13	**14,627**	3,137	2,129	**–**	–	–
Deposit	14	**–**	1,165	–	**–**	–	–
Investment properties	15	**53,240**	23,640	21,500	**–**	–	–
Investments in subsidiaries	16	**–**	–	–	**123,184**	–	–
Investment in joint venture	17	**–**	–	–	**–**	–	–
Deferred tax assets	18	**1,994**	1,416	804	**–**	–	–
Total non-current assets		**69,861**	29,358	24,433	**123,184**	–	–
Total assets		**475,825**	324,396	97,517	**143,758**	21,388	21,771
LIABILITIES AND EQUITY							
Current liabilities							
Trade and other payables	19	**194,560**	70,641	36,536	**5,405**	2,928	2,495
Finance leases	20	**437**	160	228	**–**	–	–
Bank loans and overdrafts	21	**22,115**	85,979	17,492	**–**	–	–
Provisions	22	**10,188**	8,414	–	**–**	–	–
Income tax payable		**20**	2,362	–	**–**	–	–
		227,320	167,556	54,256	**5,405**	2,928	2,495
Liabilities directly associated with disposal group classified as held-for-sale	12	**44,765**	–	–	**–**	–	–
Total current liabilities		**272,085**	167,556	54,256	**5,405**	2,928	2,495

See accompanying notes to financial statements.

STATEMENTS OF FINANCIAL POSITION

June 30, 2013

	Note	Group 30-Jun-13 S$'000	Group 30-Jun-12 S$'000 (Restated)	Group 01-Jul-11 S$'000 (Restated)	Company 30-Jun-13 S$'000	Company 31-Dec-12 S$'000 (Restated)	Company 01-Jan-12 S$'000 (Restated)
Non-current liabilities							
Amount due to non-controlling interests	6	**8,665**	8,418	–	**–**	–	–
Finance leases	20	**1,362**	363	532	**–**	–	–
Bank loans	21	**153,596**	120,695	31,770	**–**	–	–
Total non-current liabilities		**163,623**	129,476	32,302	**–**	–	–
Capital, reserves and non-controlling interests							
Share capital	23	**19,793**	6,500	6,500	**130,844**	17,103	17,173
Share premium		**–**	–	–	**17,394**	8,934	8,890
Treasury shares	23	**–**	–	–	**–**	–	(28)
Translation reserve	24	**839**	–	–	**(1,491)**	(1,491)	(513)
Accumulated profits/(losses)		**19,719**	20,633	4,459	**(8,394)**	(6,086)	(6,246)
Equity attributable to owners of the Company		**40,351**	27,133	10,959	**138,353**	18,460	19,276
Non-controlling interests		**(234)**	231	–	**–**	–	–
Total equity		**40,117**	27,364	10,959	**138,353**	18,460	19,276
Total liabilities and equity		**475,825**	324,396	97,517	**143,758**	21,388	21,771

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Financial year ended June 30, 2013

	Note	Group 2013 S$'000	Group 2012 S$'000 (Restated)
Continuing operations			
Revenue	25	**24,479**	109,124
Cost of sales		**(24,410)**	(80,173)
Gross profit		**69**	28,951
Other income	26	**20,281**	4,859
General and administrative expenses		**(18,874)**	(12,652)
Finance costs	27	**(1,704)**	(1,674)
Share of losses of joint venture	17	**(5)**	–
(Loss) Profit before income tax	28	**(233)**	19,484
Income tax	29	**578**	(3,379)
Profit for the year from continuing operations		**345**	16,105
Discontinued operations			
Loss from discontinued operations, net of tax	12	**(2,043)**	–
(Loss) Profit for the year		**(1,698)**	16,105
Other comprehensive expense			
Currency translation difference arising from consolidation		**839**	–
Other comprehensive gain for the year, net of tax		**839**	–
Total comprehensive loss for the year		**(859)**	16,105
(Loss) Profit attributable to:			
Equity holder of the Company		**(914)**	16,174
Non-controlling interests		**(784)**	(69)
		(1,698)	16,105
Total comprehensive (loss) income attributable to:			
Equity holder of the Company		**(75)**	16,174
Non-controlling interests		**(784)**	(69)
		(859)	16,105
Basic and diluted (loss) earnings per share, from continuing and discontinued operations	30	**(0.17)**	3.15

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Financial year ended June 30, 2013

Group

	Attributable to owners of the Company					
	Share capital S$'000	**Translation reserves S$'000**	**Accumulated profits (losses) S$'000**	**Total S$'000**	**Non-controlling interests S$'000**	**Total equity S$'000**
Balance at July 1, 2011, as previously reported	6,500	–	3,089	9,589	–	9,589
Effect of adopting amendments to FRS 12 (Note 3)	–	–	1,370	1,370	–	1,370
Balance of July 1, 2011, as restated	6,500	–	4,459	10,959	–	10,959
Contribution from non-controlling interests	–	–	–	–	300	300
Total comprehensive income (loss) for the year, as previously reported	–	–	15,793	15,793	(69)	15,724
Effect of adopting amendments to FRS 12 (Note 3)	–	–	381	381	–	381
Total comprehensive income for the year, as restated	–	–	16,174	16,174	(69)	16,105
Balance at June 30, 2012, as restated	6,500	–	20,633	27,133	231	27,364
Adjustment arising from reverse acquisition (Note 31)	13,293	–	–	13,293	319	13,612
Total comprehensive loss for the year	–	839	(914)	(75)	(784)	(859)
Balance at June 30, 2013	**19,793**	**839**	**19,719**	**40,351**	**(234)**	**40,117**

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Financial year ended June 30, 2013

Company

	Share capital S$'000	Share premium S$'000	Treasury shares S$'000	Translation reserves S$'000	Accumulated profits (losses) S$'000	Total S$'000
Balance at January 1, 2012, as restated, with effect of change in presentation currency (Note 35)	17,173	8,890	(28)	(513)	(6,246)	19,276
Cancellation of treasury shares	(70)	44	28	(2)	–	–
Total comprehensive income for the year, with effect of change in presentation currency (Note 35)	–	–	–	(976)	160	(816)
Balance at December 31, 2012, as restated	17,103	8,934	–	(1,491)	(6,086)	18,460
Total comprehensive loss for the period	–	–	–	–	(2,308)	(2,308)
Capital reduction (Note 23)	–	(983)	–	–	–	(983)
Issuance of consideration shares pursuant to reverse acquisition	113,741	9,443	–	–	–	123,184
Balance at June 30, 2013	**130,844**	**17,394**	**–**	**(1,491)**	**(8,394)**	**138,353**

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended June 30, 2013

	Group	
	2013	**2012**
	S$'000	**S$'000**
		(Restated)
Operating activities		
(Loss) Profit after income tax	**(1,698)**	16,105
Adjustments for:		
Income tax (credit) expense	**(882)**	3,379
Depreciation of property, plant and equipment	**2,365**	420
Impairment of property, plant and equipment	**–**	300
Share of loss of joint venture	**5**	–
Interest expenses	**1,704**	1,674
Property, plant and equipment written off	**25**	–
Gain on change in fair value of investment properties	**(3,830)**	(2,140)
Interest income	**(64)**	(12)
Gain on disposal of property, plant and equipment	**(107)**	(45)
Increase in provisions	**1,900**	8,414
Bargain purchase on reverse acquisition	**(15,503)**	–
Operating cash flows before movement in working capital	**(16,085)**	28,095
Trade and other receivables	**44,328**	(70,900)
Construction contracts	**15,415**	(11,404)
Completed properties held for sale	**3,388**	(3,308)
Properties under development	**(48,667)**	(127,359)
Inventories	**(4,241)**	–
Trade and other payables	**94,058**	27,758
Cash from (used in) operations	**88,196**	(157,118)
Interest paid	**(5,873)**	(5,584)
Income tax paid	**(3,907)**	(1,628)
Net cash from (used in) operating activities	**78,416**	(164,330)
Investing activities		
Purchase of property, plant and equipment (Note A)	**(12,560)**	(1,804)
Additions to investment properties	**(24,581)**	–
Deposit paid for acquisition of land	**–**	(1,165)
Acquisition of subsidiaries (Note B)	**24,506**	–
Investment in a joint venture	**(5)**	–
Proceed from disposal of property, plant and equipment	**367**	119
Interest received	**64**	12
Net cash used in investing activities	**(12,209)**	(2,838)

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended June 30, 2013

	Group	
	2013	**2012**
	S$'000	**S$'000**
		(Restated)
Financing activities		
Repayment of bank loans	**(131,219)**	(19,713)
Proceeds from bank loan	**102,692**	174,249
Repayment of obligations under finance lease	**(525)**	(235)
Decrease in restricted cash*	**–**	203
Advance from a director	**6,732**	5,908
Loan from non-controlling interests	**–**	8,920
Capital contribution from non-controlling interests	**–**	300
Net cash (used in) from financing activities	**(22,320)**	169,632
Net increase in cash and cash equivalents	**43,887**	2,464
Effects of exchange rate changes on cash balances held in foreign currencies	**422**	–
Cash and cash equivalents at beginning of year	**16,557**	14,093
Cash and cash equivalents at end of year (Note 7)	**60,866**	16,557

* Amount is less than S$1,000.

Note A: During the financial year, the Group purchased property, plant and equipment with aggregate cost of S$14,361,000 (2012: S$1,804,000), which were funded as follows:

	2013	**2012**
	S$'000	**S$'000**
Cash	**12,560**	1,804
Finance leases	**1,801**	–
	14,361	1,804

Note B: Acquisition of subsidiaries is satisfied via issuance of shares. Further details on the acquisition is disclosed in Note 31 to the financial statements.

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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 Canon's Court, 22 Victoria Street, Hamilton HM 12 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 are disclosed in Note 16 to the financial statements.

The consolidated financial statements of the Group which comprise the statements of financial position of the Group and the Company as at June 30, 2013, the statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group for the financial year from July 1, 2012 to June 30, 2013, the statement of changes in equity of the Company for the financial period from January 1, 2013 to June 30, 2013 were authorised for issue by the Board of Director on October 10, 2013.

2 THE REVERSE TAKEOVER

On July 4, 2011, the Company has entered into a sale and purchase agreement (which has been amended and supplemented by the first, second and third supplementary agreement) with the then-shareholder of OKH Holdings Pte. Ltd. ("OKHH") to acquire the entire issued capital of OKHH (the "Acquisition"), a company incorporated in Singapore.

In connection with the Acquisition, on December 27, 2012, the Company entered into disposal agreement (the "Disposal") with Zou Gefei, Jin Changren and Profit Saver International Limited ("Undertaking Shareholders") for the disposal of the Company's interests in Guangzhou Sinobest Information Technology Ltd. and Sinobest Technologies (H.K.) Limited (collectively, the "Operating Subsidiaries") to the Undertaking Shareholders.

On January 23, 2012, the Company had obtained shareholders' approvals on resolutions relating to the Acquisition and the Disposal.

On January 28, 2013, the Company completed the Acquisition, for a consideration of S$123 million satisfied by the allotment and issuance of 1,026,538,825 new shares in the capital of the Company at the issue price of S$0.12 each to the then-shareholder of OKHH. The Acquisition resulted in Reverse Takeover ("RTO") of the Company.

In connection with the RTO, the Company underwent a share consolidation to consolidate every two shares into one consolidated share ("Share Consolidation"). The number of consolidated shares to which shareholders are entitled arising from the Share Consolidation were rounded down to the nearest whole consolidated share, and any fractions of consolidated shares arising from the Share Consolidation were disregarded.

On March 12, 2013, the Company announced that the Disposal involving the proposed selective share cancellation cannot be proceeded as regulatory approval was not obtained. The Board will continue to explore alternatives for the divestment of the Operating Subsidiaries.

Consequently, the enlarged group comprises:

(i) OKH Global Ltd. (formerly known as Sinobest Technology Holdings Ltd.) and the Operating Subsidiaries (hereinafter refer to as the "Sinobest Group"); and

(ii) OKHH and its subsidiaries ("OKHH Group").

(collectively, the "Enlarged Group")

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

2 THE REVERSE TAKEOVER (Continued)

In connection with the RTO, the Company has changed its financial year end from 31 December to 30 June to be coterminous with the financial year end of OKHH Group. Therefore, the financial statements of the Company for current financial year cover the six months period from January 1, 2013 to June 30, 2013. The financial statements of the Company for the previous financial year were for a twelve months period from January 1, 2012 to December 31, 2012 and were audited by another auditor (other than Deloitte & Touche LLP Singapore), who expressed an unqualified opinion on those financial statements in their report dated March 30, 2012.

At Group level

The Acquisition has been accounted as a RTO in accordance with FRS103 *Business Combinations*, and the legal subsidiary, OKHH, is regarded as the acquirer and the Company as the acquiree, for accounting purposes. As such, the Enlarged Group's consolidated financial statements have been prepared and presented as a continuation of OKHH Group's consolidated financial statements. The comparative figures presented in these consolidated financial statements are that of consolidated financial statements of the OKHH Group.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING – The financial statements are prepared in accordance with the historical cost basis, except as disclosed in the accounting policies below, and are drawn up in accordance with the provisions of the Singapore Financial Reporting Standards ("FRS").

CHANGE OF FUNCTIONAL AND PRESENTATION CURRENCY – Prior to January 28, 2013, the functional currency and the presentation currency of the Company was Chinese Yuan ("RMB"). Following the completion of the RTO, the Group's and the Company's results and operating cash flows are largely dependent on the OKHH Group where its primary economic environment in which they operate is in Singapore. Management has reassessed and determined that the functional currency of the Company to be S$ with effect from January 28, 2013.

Consequently, all balances as of January 28, 2013 were translated to S$ at the exchange rate on that date. This change in functional currency to S$ has been applied prospectively from January 28, 2013 in accordance with FRS 21 *The Effects of Changes in Foreign Exchange Rates*.

The presentation currency has also been changed to S$ with effect from January 28, 2013. The change in presentation currency has been applied retrospectively.

Comparative figures

The restated comparative figures from the Company for the financial year ended December 31, 2012, which were previously measured in RMB, have been translated to S$ for presentation purposes as reflected in this set of financial statements. In accordance with FRS 8 *Accounting Policies, Changes in Accounting Estimates and Errors*, the financial results previously presented in RMB were translated into S$ using the following rates:

(a) profit and loss items are translated into S$ at average rates of exchange for the financial year ended December 31, 2011 and 2012;

(b) assets and liabilities are translated into S$ at rates of exchange prevailing on December 31, 2011 and 2012;

(c) all equity items are translated into S$ at their respective historical rates of exchange; and

(d) all exchange differences resulting from translation arising from the above are recognised in equity.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

ADOPTION OF NEW AND REVISED STANDARDS

Group

On July 1, 2012, the Group adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs and INT FRSs does not result in changes to the Group's accounting policies and has no material effect on the amounts reported for the current or prior years, except as disclosed below.

Amendments to FRS 12 Income Taxes – Deferred Tax: Recovery of Underlying Assets

The Amendments to FRS 12 apply to the measurement of deferred tax liabilities and assets arising from investment properties measured using the fair value model under FRS 40 *Investment Property*, including investment property acquired in a business combination and subsequently measured using the fair value model. For the purposes of measuring deferred tax, the Amendments introduce a rebuttable presumption that the carrying amount of an investment property measured at fair value will be recovered entirely through sale. The presumption can be rebutted if the investment property is depreciable and is held within a business model whose objective is to consume substantially all of the economic benefits over time, rather than through sale.

The Group has previously provided for deferred tax liabilities for its investment properties on the basis that the carrying amount of the investment properties will be recovered through use. Upon adoption of the Amendments to FRS 12, there is a presumption that the carrying amount of an investment property measured at fair value will be recovered entirely through sale. Accordingly, there will be no deferred tax liability on investment properties in Singapore as there is no capital gains tax in Singapore.

The change in accounting policy has been applied retrospectively. The effects of adopting Amendments to FRS 12 are as follows:

		Group	
	30-Jun-13	**30-Jun-12**	**01-Jul-11**
	S$'000	**S$'000**	**S$'000**
Group statement of financial position			
(Decrease) Increase in deferred tax assets	**(2,402)**	1,751	1,370
(Decrease) Increase in accumulated profits	**(2,402)**	1,751	1,370

	Group	
	2013	**2012**
	S$'000	**S$'000**
Group statement of comprehensive income		
Continuing operations		
Increase (Decrease) in income tax expense	**651**	(381)
(Decrease) Increase in profit after income tax	**(651)**	381
(Decrease) Increase in basic and diluted earnings per share (cents)	**(0.12)**	0.07

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

3 **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Company

The financial statement of the Company has been prepared in accordance with FRS in connection with the RTO exercise. For all financial years up to and including the year ended December 31, 2012, the Company prepared its financial statements in accordance with International Financial Reporting Standards ("IFRS").

This being the first FRS financial statement of the Company prepared in accordance with FRS, are covered by FRS 101 *First-Time Adoption of FRS*. This financial statement has been prepared in accordance with the relevant FRS that are issued and effective as at January 1, 2013. The policies set out below have been consistently applied to all the period presented in the financial statements including the preparation of the FRS opening statement of financial position as at January 1, 2011 ('Transition date') for the purpose of the transition to FRS and as required by FRS 101. There are no material differences arising from the transition to FRS.

At the date of authorisation of these financial statements, the following FRSs, INT FRSs and amendments to FRS that are relevant to the Group and the Company were issued but not effective:

- FRS 28 *(Revised) Investments in Associates and Joint Ventures*
- FRS 110 *Consolidated Financial Statements*
- FRS 111 *Joint Arrangements*
- FRS 112 *Disclosures of Interests in Other Entities*
- FRS 113 *Fair Value Measurement*
- Amendments to FRS 32 *Financial Instruments: Presentation* and FRS 107 *Financial Instruments: Disclosure – Offsetting Financial Assets and Financial Liabilities*

The management anticipates that the adoption of the above FRSs, INT FRSs and amendments to FRS in future periods will not have a material impact on the financial statements of the Group and the Company in the period of their initial adoption except for the following:

FRS 113 Fair Value Measurement

FRS 113 is a single new Standard that applies to both financial and non-financial items. It replaces the guidance on fair value measurement and related disclosures in other Standards, with the exception of measurement dealt with under FRS 102 *Share-based Payment*, FRS 17 *Leases*, net realisable value in FRS 2 *Inventories* and value-in-use in FRS 36 *Impairment of Assets*.

FRS 113 provides a common fair value definition and hierarchy applicable to the fair value measurement of assets, liabilities, and an entity's own equity instruments within its scope, but does not change the requirements in other Standards regarding which items should be measured or disclosed at fair value.

The disclosure requirements in FRS 113 are more extensive than those required in the current standards. For example, quantitative and qualitative disclosures based on the three-level fair value hierarchy currently required for financial instruments only under FRS 107 *Financial Instruments: Disclosures* will be extended by FRS 113 to cover all assets and liabilities within its scope.

FRS 113 will be effective prospectively from annual periods beginning on or after January 1, 2013. Comparative information is not required for periods before initial application.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The management anticipates that the application of FRS 113 may affect certain amounts reported in the financial statements and result in more extensive disclosures in the financial statements.

BASIS OF CONSOLIDATION – The consolidated financial statements incorporate the financial statements of the Company and entities controlled by the Company (its subsidiaries). Control is achieved where the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of comprehensive income from the effective date of acquisition and up to the effective date of disposal, as appropriate.

All significant intra-group transactions, balances, income and expenses are eliminated in full on consolidation.

Non-controlling interests in subsidiary are identified separately from the Group's equity therein. The interest of non-controlling shareholder 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 (at date of original business combination) either at fair value or at the non-controlling interests' proportionate share of the fair value of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Other types of non-controlling interests are measured at fair value or, when applicable, on the basis specified in another FRS. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

In the Company's financial statements, 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.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments (see below). The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity.

Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates in accordance with FRS 39 *Financial Instruments: Recognition and Measurement*, or FRS 37 *Provisions, Contingent Liabilities and Contingent Assets*, as appropriate, with the corresponding gain or loss being recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under the FRS 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 FRS 12 *Income Taxes* and FRS 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 FRS 102 *Share-based Payment* at the acquisition date; and

- assets (or disposal groups) that are classified as held for sale in accordance with FRS 105 *Non-current Assets Held For Sale and Discontinued Operations* are measured in accordance with that Standard.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period (see below), or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

Reverse acquisition

As set out in Note 2, the Acquisition has been accounted for as a RTO and the legal subsidiary, OKHH Group, is regarded as the acquirer and the Sinobest Group as the acquiree for accounting purposes.

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

(a) the assets and liabilities of the OKHH Group are recognised and measured in the consolidated statement of financial position at their pre-combination carrying amounts;

(b) the assets and liabilities of the Sinobest Group are recognised and measured in accordance to FRS 103 *Business Combinations*;

(c) the retained earnings and other equity balances recognised in the consolidated financial statements are the retained earnings and other equity balances of the OKHH Group immediately before the business combination;

(d) the amount recognised as issued equity interest in the consolidated financial statements is determined by adding to the issued equity of OKHH Group immediately before the business combination to the fair value of Sinobest Group. However, the equity structure appearing in the consolidated financial statements (i.e. the number and type of equity instruments issued) shall reflect the equity structure of the legal parent (i.e. the Company), including the equity instruments issued by the legal parent (i.e. the Company) to effect the combination; and

(e) the comparative figures presented in these consolidated financial statements are that of consolidated financial statements of the OKHH Group.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 entity 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 on the Group's statement of financial position when the Group 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.

Loans and receivables

Trade receivables, loans and other receivables (excluding prepayments) that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method less impairment. Interest is recognised by applying the effective interest method, except for short-term receivables when the recognition of interest would be immaterial.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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.

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.

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.

Financial liabilities and equity instruments

Classification as debt or equity

Financial liabilities 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.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial liabilities (Continued)

Interest-bearing bank loans and overdrafts are initially measured at fair value, 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 FRS 37 *Provisions, Contingent Liabilities and Contingent Assets* and the amount initially recognised less cumulative amortisation in accordance with FRS 18 *Revenue*.

Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire.

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, depending on the type of projects, is measured by:

(a) the proportion of certified contract value of work performed to date relative to the estimated total contract value; and

(b) contract costs incurred to date to the estimated total costs for the contract.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

COMPLETED PROPERTIES HELD FOR SALE – Completed properties held 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 borrowing costs capitalised to the unsold properties with such apportionment based on floor area. 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 estimated by management in the absence of comparable transactions 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 unless another systematic basis is more representative of the time pattern in which use benefit derived from the leased asset is diminished. 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 charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly 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 term of the relevant lease 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD-FOR-SALE AND DISCONTINUED OPERATIONS – Non-current assets (or disposal groups) are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered principally through a sale transaction rather than through continuing use. This condition is regarded as met only when the sale is highly probable and the asset (or disposal group) is available for immediate sale in its present condition. Management must be committed to the sale, which should be expected to qualify for recognition as a completed sale within one year from the date of classification. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in profit or loss.

When the Group is committed to a sale plan involving loss of control of a subsidiary, all of the assets and liabilities of that subsidiary are classified as held for sale when the criteria described above are met, regardless of whether the Group will retain a non-controlling interest in its former subsidiary after the sale.

A discontinued operation is a component of an entity that either has been disposed of, or that is classified as held-for-sale and:

(a) represents a separate major line of business or geographical area of operations; or

(b) is part of a single co-ordinated plan to dispose of a separate major line of business or geographical area of operations; or

(c) is a subsidiary acquired exclusively with a view to resale.

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

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

Freehold Properties	–	100 years
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.

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.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amounts 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

INVESTMENT PROPERTIES – Investment property, which is property held to earn rentals and/or for capital appreciation, is measured initially at its cost, including transaction costs. Subsequent to initial recognition, investment property is measured at fair value. Gains or losses arising from changes in the fair value of investment property are included in profit or loss for the period in which they arise.

INVESTMENTS IN JOINT VENTURES – A joint venture is a contractual arrangement whereby the Group and other parties undertake an economic activity that is subject to joint control, that is when the strategic financial and operating policy decisions relating to the activities require the unanimous consent of the parties sharing control.

The results and assets and liabilities of the joint venture are incorporated in these financial statements using the equity method of accounting. Under the equity method, investment in joint venture is carried in the consolidated statement of financial position at cost as adjusted for post-acquisition changes in the Group's share of the net assets of the joint venture, less any impairment. Losses of a joint venture in excess of the Group's interest in that joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the joint venture) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture.

The consolidated financial statements include the Group's share of the profit or loss and other comprehensive income of the joint venture, from the date that joint control commences until the date that joint control ceases.

Where a Group entity transacts with the jointly controlled entity, profits or losses are eliminated to the extent of the Group's interest in the jointly controlled entity.

IMPAIRMENT OF ASSETS – At the end of each reporting period, the Group reviews the carrying amounts of its 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 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 recognised to the extent that it is probable that the economic benefit will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for goods and services provided in the normal course of business, net of discounts and sales related taxes.

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

(ii) Revenue from property development is recognised when 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 is accrued on a time apportionment basis, by reference to the principal outstanding and at the effective interest rate.

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

(v) Revenue from sale of goods pertains to the provision of system integration for computer information system and is recognised when the Group's entity has completed the commissioning of the system integration to the customer, the customer has accepted the products and the collectibility of the related receivables is reasonably assured.

(vi) Revenue from rendering of services pertains to a) the provision of system integration for intelligent building and software development and is recognised in accordance with the Group's accounting policy on construction contracts (see above); and b) provision of technical services recognised in straight-line basis over the contract period.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the statement of 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 Group and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on the 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, and is accounted for using the balance sheet liability method. 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 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 arising on investments in subsidiaries 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 is calculated 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. 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.

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 are recognised as an expense or income in profit or loss.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 entity within the Group operates (its functional currency). The consolidated financial statements of the Group are presented in Singapore dollars, which is the functional currency of the Company.

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. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in 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 a separate component of equity under the header of foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of foreign currency translation reserve. Such translation differences are recognised in profit or loss in the period in which the foreign operation is disposed of, except if the disposal is with shareholders, the translation differences will be reclassified within equity.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

CASH AND CASH EQUIVALENTS IN THE STATEMENT OF CASH FLOWS – Cash and cash equivalents in the 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

4 CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 3, 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.

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 – property under development

The Group recognises revenue and cost of property 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 is appropriate, indicating that the development is completed with key regulatory requirements met and fit for occupation and handover.

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.

Construction contracts

The Group recognises contract revenue and contract costs using the percentage of completion method. The stage 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, depending on the type of projects, is measured by:

(a) the proportion of certified contract value of work performed to date relative to the estimated total contract value; and

(b) contract costs incurred to date to the estimated total costs for the contract.

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 8 and 19 to the financial statements respectively.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

Allowance for impairment loss on trade and other receivables

Management assesses at the end of each reporting period whether there is any objective evidence that trade and other receivables are impaired. If there is objective evidence that an impairment loss on trade and other receivables has been incurred, the amount of loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows. The amount of the loss is recognised in the profit or loss. Where the loss subsequently reverses, the reversal is recognised in profit or loss. The carrying amount of the trade and other receivables is disclosed in Note 8 to the financial statements.

Carrying amounts of properties under development

The aggregate carrying amount of these properties totalled S$235.7 million as at June 30, 2013 (2012: S$182.2 million), details of which are disclosed in Note 11. 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 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.

Investment properties

As disclosed in Note 15 to the financial statements, investment properties are stated at fair value based on:

(a) the valuation performed by an independent professional valuer for completed investment properties. In determining the fair values, the valuer has made reference to both the comparable sales transactions as available in the relevant market of these properties and the capitalisation of the existing and reversionary rental income potential. In relying on the independent professional valuation report, management considered the method of valuation and the Group's marketing strategy and is of the view that the estimated values are reasonable; or

(b) management's judgement for investment properties under construction. In determining the fair values, the management takes into consideration the timing of land and/or building title transfer and the period of construction activity.

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. The management is of view that the carrying amount of the provision for warranty costs to be provided is immaterial.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

5 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 the reporting period:

	Group		Company	
	30-Jun-13	30-Jun-12	30-Jun-13	31-Dec-12
	S$'000	S$'000	S$'000	S$'000 (Restated)
Financial assets				
Trade and other receivables	**29,904**	64,478	**282**	1,668
Cash and cash equivalents	**51,951**	22,447	**185**	53
	81,855	86,925	**467**	1,721
Financial liability				
Amortised costs	**242,760**	260,084	**5,405**	2,928

(b) 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 its functional currency. 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 deposits and borrowings are indicated in Notes 7 and 21 to the financial statements. The Group manages interest cost by using a mixture of fixed and variable rate debts.

The borrowing costs related to property development projects are capitalised as cost of completed properties held for sale (Note 10) and property development (Note 11). All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

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

(ii) Interest rate risk management (Continued)

Interest rate sensitivity analysis

The sensitivity analyses 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 financial year 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, 2013 would have increased/decreased by S$631,455 (2012: S$834,956) and S$87,110 (2012: S$Nil) 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, 2013 would have increased/decreased by S$159,990 (2012: profit for the year decreased/increased by S$120,712).

(iii) Credit risk management

The Group has no significant concentration of credit risk. The Group's principal financial assets are cash and cash equivalents and trade and other receivables.

Bank balances and fixed deposits are held with reputable financial institutions.

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

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

The Group monitors its potential losses on credit extended. In addition, rental deposits are received as security from tenants of its investment properties. The amounts presented in the statement of financial position are net of allowances for doubtful receivables. 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.

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 8.

All financial assets in 2013 and 2012 are repayable on demand or current.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

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

(iv) Liquidity risk management

The Group maintains sufficient cash and cash equivalents, and internally generated cash flows to finance its activities. The Group finances its liquidity through internally generated cash flows, bank loan and advances from shareholder and minimises liquidity risk by keeping committed credit lines available.

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. The table includes both interest and principal cash flows. The adjustment column represents the possible future cash flows attributable to the instrument included in the maturity analysis which are not included in the carrying amount of the financial liability on the statements of financial position.

	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						
30-Jun-13						
Non-interest bearing	NA	65,250	–	–	–	65,250
Bank overdraft	NA	2,768	–	–	–	2,768
Finance lease (fixed rate)	2.67	479	1,267	274	(221)	1,799
Other fixed rate instruments	6.00	10,396	–	–	(103)	10,293
Other variable interest rate instruments	3.04	9,223	141,555	16,710	(4,838)	162,650
		88,116	142,822	16,984	(5,162)	242,760

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

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

(iv) Liquidity risk management (Continued)

Liquidity risk analysis (Continued)

Non-derivative financial liabilities (Continued)

	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						
30-Jun-12						
Non-interest bearing	NA	52,887	–	–	–	52,887
Bank overdraft	NA	5,890	–	–	–	5,890
Finance lease (fixed rate)	5.66	184	400	21	(82)	523
Other fixed rate instruments	6.00	15,406	–	–	(227)	15,179
Other variable interest rate instruments	1.48	65,306	112,066	13,547	(5,314)	185,605
		139,673	112,466	13,568	(5,623)	260,084

At the Company level, all non-derivative financial liabilities are repayable on demand or current.

Non-derivative financial assets

All financial assets in 2013 and 2012 are repayable on demand or current.

(v) Fair value of financial assets and liabilities

The carrying amounts of cash and cash equivalents, trade and other current receivables and payables, provisions and other liabilities approximate their respective fair values due to the relatively short-term maturity of these financial instruments. The fair values of other classes of financial assets and liabilities are disclosed in the respective notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

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

(c) 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 and accumulated profits.

As at June 30, 2012, the Group was required to:

(a) adhere to Project Account Rules to comply with the loan covenant imposed by the bank. The Group had not complied with such externally imposed requirement. However, all outstanding loans of S$19.6 million were already due for repayment in the following financial year. These outstanding loans are fully repaid in the current financial year; and

(b) maintain certain financial ratio to comply with the loan covenant imposed by the bank. The Group had not complied with such externally imposed requirement. Hence, the relevant long term portion of loans amounting to S$1.9 million has been reclassified as current liabilities and the Group has received notification from the bank in the current financial year to waive such requirements.

The Group reviews the capital structure on an annual basis. The Group's overall strategy remains unchanged from 2012.

6 RELATED PARTIES TRANSACTIONS

Some of the Group's transactions and arrangements are with related parties and the effect of these on the basis determined between the parties is reflected in these financial statements. The balances are unsecured, interest-free and repayable on demand unless otherwise stated. The related parties refer to the non-controlling interests, directors and companies of the directors.

Amount due to non-controlling interests are interest-free, unsecured and expected to be repaid by the financial year ended June 30, 2015 (2012: June 30, 2014).

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	
	2013	**2012**
	S$'000	**S$'000**
Company owned by a director		
Rental income	**(42)**	(42)
Sales	**–**	(883)
Purchases	**1,221**	506
A shareholder		
Amount due to non-controlling interests	**8,665**	8,418

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

6 RELATED PARTIES TRANSACTIONS Continued)

Compensation of directors and key management personnel

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

	Group	
	2013	2012
	S$'000	S$'000
Short-term benefits	**1,175**	1,857
Post-employment benefit	**378**	31
	1,553	1,888

7 CASH AND CASH EQUIVALENTS

	Group		Company	
	30-Jun-13	30-Jun-12	30-Jun-13	31-Dec-12
	S$'000	S$'000	S$'000	S$'000 (Restated)
Cash at bank	**51,951**	22,447	**185**	53
Fixed deposits (pledged)	**30**	30	**–**	–
	51,981	22,477	**185**	53
Add: Cash held by disposal group (Note 12)	**11,683**	–	**–**	–
Less: Bank overdrafts (Note 21)	**(2,768)**	(5,890)	**–**	–
Fixed deposits	**(30)**	(30)	**–**	–
Cash and cash equivalents in the statements of cash flows	**60,866**	16,557	**185**	53

Cash and cash equivalents comprise cash held by the Group and short-term bank deposits with an original maturity of three months or less. The carrying amounts of these assets approximate their fair values.

The fixed deposits are pledged for the bank loan facilities for the purchase of the Group's freehold properties (Note 13) and investment properties (Note 15). They bear effective interest rate ranging from 0.03 % to 0.05 % (2012: 0.03% to 0.15%) per annum and for tenure of three months to one year (2012: three months to one year).

Included in the cash at bank of the Group is amount of S$44.8 million (2012: S$14.4 million), withdrawals from which are restricted to payments for expenditure incurred on the properties under development (Note 11).

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

8 TRADE AND OTHER RECEIVABLES

	Group		Company	
	30-Jun-13	**30-Jun-12**	**30-Jun-13**	**31-Dec-12**
	S$'000	**S$'000**	**S$'000**	**S$'000 (Restated)**
Trade receivables from:				
– Outside parties	**7,249**	58,097	**–**	–
Due from customer for contract work (Note 9)	**8,749**	13,080	**–**	–
Deposits*	**16,387**	1,210	**–**	–
Advance payments to suppliers	**6,375**	9,444	**8**	2
Other receivables from:				
– Third parties	**6,142**	5,171	**–**	–
– Subsidiaries (Note 16)	**–**	–	**282**	1,668
– Joint venture (Note 17)	**126**	–	**–**	–
	45,028	87,002	**290**	1,670

* Included in deposits is S$15.9 million of amount paid for acquisition of land for development whereby the physical construction is expected to commence within the next twelve months after the end of the reporting period.

The carrying values of trade and other receivables approximate their fair values. The average credit period is approximately 30 to 60 days (2012: 30 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. The concentration of credit risk is limited.

The table below is analysis of trade receivables as at the end of each reporting period:

	Group	
	30-Jun-13	**30-Jun-12**
	S$'000	**S$'000**
Not past due and not impaired (i)	**4,528**	56,357
Past due but not impaired (ii)	**2,721**	1,740
Total trade receivable, net	**7,249**	58,097

(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	
	30-Jun-13	**30-Jun-12**
	S$'000	**S$'000**
<3 months	**2,490**	1,320
3 months to 6 months	**41**	108
6 months to 12 months	**–**	149
>12 months	**190**	163
	2,721	1,740

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

9 CONSTRUCTION CONTRACTS

	Group	
	30-Jun-13 S$'000	30-Jun-12 S$'000
Aggregate amount of contract costs incurred plus recognised profit	**37,983**	39,635
Less: Progress billings	**(35,955)**	(26,555)
	2,028	13,080
Presented as:		
Gross amounts due from customers for contract work included in trade and other receivables (Note 8)	**8,749**	13,080
Gross amounts due to customers for contract work included in trade and other payables (Note 19)	**(6,721)**	–

Retention monies held by customers for construction work amount to S$493,935 (2012: S$479,621).

10 COMPLETED PROPERTIES HELD FOR SALE

Location	Title	Description
A'Posh BizHub 1 Yishun Industrial Street 1	60 years	9 industrial property units

The Group's completed properties held for sale were mortgaged to banks as security for credit facilities obtained by the Group (Note 21) as at June 30, 2012. The above properties are fully sold during the financial year.

The costs of completed properties held for sale include the following:

	Group	
	2013 S$'000	2012 S$'000
Interest on bank loans (Note 27)	**–**	80

11 PROPERTIES UNDER DEVELOPMENT

	Group	
	30-Jun-13 S$'000	30-Jun-12 S$'000
At cost:		
Properties under development	**235,669**	182,171

Certain of the Group's development properties are mortgaged to banks as security for credit facilities obtained by the Group (Note 21).

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

11 PROPERTIES UNDER DEVELOPMENT (Continued)

The costs of development properties include the following:

	Group	
	30-Jun-13	30-Jun-12
	S$'000	S$'000
Interest on bank loans	**8,168**	3,999

The weighted average rate of capitalisation of the interest expense for the financial year ended June 30, 2013 is 3.91% (2012: 2.89%) per annum.

12 NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD-FOR-SALE AND DISCONTINUED OPERATIONS

Company

The non-current assets held-for-sale of the Company pertains to cost of investments in Operating Subsidiaries. The proceeds of disposal are not expected to be lower than the net carrying amount of cost of investments and, accordingly, no impairment loss has been recognised on the classification of these assets as held-for-sale.

Details of the Operating 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 2013 %	2012 %	Principal activities
Guangzhou Sinobest Information Technology Ltd.("GSITL")(1)	People's Republic of China	**99**	–	Provision of computer and network system integration, building integration, software development and technical services
Sinobest Technologies (H.K.) Limited(2)	Hong Kong	**100**	–	Trading and procurement of IT equipment

(1) Audited by Nexia TS Public Accounting Corporation. The independent auditor's report on the financial statements of GSITL issued by another firm of auditors dated October 4, 2013 included an Emphasis of Matter on the special purpose financial information of GSITL for the period from February 1, 2013 to June 30, 2013 (as shown in Note 31) which have been prepared for the purpose of the preparation of the Group's consolidated financial statements, as follows:

"We draw attention to Note 4 to the financial statements which state that the Company incurred a net loss of RMB10 million and net cash used in operating cash flows of approximately RMB59 million for the financial period from 1 February 2013 to 30 June 2013. The ability of the Company to continue as a going concern depends on its ability to generate sufficient cash from its operations to meet its obligations as and when they fall due. In the event that the Company is unable to generate sufficient operating cash flows, and as a result the Company is unable to continue in operational existence for the foreseeable future, adjustments may have to be made to reflect the situation that assets may need to be realised other than in the normal course of business and of amounts which could differ significantly from the amounts at which they are currently recorded in the balance sheet. In addition, the Company may have to provide for further liabilities that might arise, and to reclassify non-current assets as current assets and non-current liabilities as current liabilities. The financial statements do not include any adjustment which may arise from these uncertainties. In forming our opinion, we have considered the adequacy of the disclosure of these matters in the financial statements. Our opinion is not qualified in respect of this matter."

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

12 NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD-FOR-SALE AND DISCONTINUED OPERATIONS (Continued)

Group

As disclosed in Note 2, the Disposal cannot proceed as regulatory approval was not obtained. However, the Disposal was already approved by the shareholders in a special general meeting on January 23, 2013 and the management has acquired the Operating Subsidiaries with a view to resell, hence the management will continue to explore alternatives for the divestment of the Company's Operating Subsidiaries.

As such, the entire assets and liabilities related to the Operating Subsidiaries are classified as a disposal group held-for-sale on the statement of financial position, and the entire results from the Operating Subsidiaries are presented separately on the statement of comprehensive income as "Discontinued operations". The operations are included in the Group's Information Technology ("IT") business for segment reporting purposes (Note 33).

The proceeds of disposal are not expected to be lower than the net carrying amount of the relevant assets and liabilities and, accordingly, no impairment loss has been recognised on the classification of these operations as held-for-sale.

(a) The results of the discontinued operations and the re-measurement of the disposal group are as follows:

	Group 2013 S$'000
Revenue	**25,777**
Cost of sales	**(20,640)**
Gross profit	**5,137**
Other income	**21**
General and administrative expenses	**(7,505)**
Loss before income tax	**(2,347)**
Income tax	**304**
Net loss from discontinued operations	**(2,043)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

12 NON-CURRENT ASSETS (OR DISPOSAL GROUPS) HELD-FOR-SALE AND DISCONTINUED OPERATIONS (Continued)

Group (Continued)

(b) The impact of the discontinued operations on the cash flows of the Group is as follows:

	Group 2013 S$'000
Operating cash outflows	**(11,260)**
Investing cash outflows	**(1,235)**
Financing cash outflows	**(1,286)**
Total cash outflows	**(13,781)**

(c) The major classes of assets and liabilities comprising the disposal group classified as held-for-sale are as follows:

	Group 2013 S$'000
Cash and cash equivalents	**11,683**
Trade and other receivables	**42,992**
Inventories	**9,872**
Available-for-sales investment	**77**
Plant and equipment	**7,009**
Deferred tax assets	**1,653**
Total assets associated with disposal group classified as held-for-sale	**73,286**
Trade and other payables	**44,035**
Provision for warranty	**730**
Total liabilities associated with disposal group classified as held-for-sale	**44,765**
Net assets of disposal group	**28,521**

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

13 PROPERTY, PLANT AND EQUIPMENT

	Computer equipment S$'000	Freehold properties S$'000	Machinery S$'000	Motor vehicles S$'000	Office equipment and fittings S$'000	Renovation S$'000	Total S$'000
Group							
Cost:							
At July 1, 2011	128	1,013	405	1,855	122	73	3,596
Additions	61	1,653	20	31	29	10	1,804
Disposals	(1)	–	–	(170)	–	–	(171)
At June 30, 2012	188	2,666	425	1,716	151	83	5,229
Additions	114	10,064	498	2,138	99	134	13,047
Disposals	–	–	–	(448)	–	–	(448)
At June 30, 2013	**302**	**12,730**	**923**	**3,406**	**250**	**217**	**17,828**
Accumulated depreciation:							
At July 1, 2011	111	51	238	919	81	68	1,468
Depreciation for the year	23	13	70	290	20	4	420
Disposal	–	–	–	(96)	–	–	(96)
At June 30, 2012	134	64	308	1,113	101	72	1,792
Depreciation for the year	55	676	141	366	33	26	1,297
Disposals	–	–	–	(188)	–	–	(188)
At June 30, 2013	**189**	**740**	**449**	**1,291**	**134**	**98**	**2,901**
Allowance for impairment:							
Recognised in the year and balance at June 30, 2012 and balance at June 30, 2013	–	300	–	–	–	–	300
Carrying amount:							
At June 30, 2012	54	2,302	117	603	50	11	3,137
At June 30, 2013	113	11,690	474	2,115	116	119	14,627

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

13 PROPERTY, PLANT AND EQUIPMENT (Continued)

The carrying amount of property, plant and equipment that are held under finance leases (Note 20) are as follows:

	Group	
	30-Jun-13	**30-Jun-12**
	S$'000	**S$'000**
Motor vehicles	**1,896**	569
Machinery	**145**	65

The Group has pledged freehold properties (Note 21) to secure banking facilities granted to the Group. During the year ended June 30, 2012, the allowance for impairment is due to a drop in value of the freehold property based on valuation carried out by an independent valuer having an appropriate professional qualification and recent experience in the location and category of the properties valued. The valuation was arrived at on the basis of open market values and existing use, and were performed in accordance with International Valuation Standards.

14 DEPOSIT

The deposit pertained to money paid for vacant leasehold land for future development whereby the commencement of physical construction was not expected to commence within the next twelve months after the end of the previous reporting period. The amount is reclassed to investment property during the financial year.

15 INVESTMENT PROPERTIES

	Group	
	30-Jun-13	**30-Jun-12**
	S$'000	**S$'000**
At beginning of the year	**23,640**	21,500
Reclassified from deposit (Note 14)	**1,165**	–
Additions during the year	**24,605**	–
Change in fair value (Note 26)	**3,830**	2,140
At end of year	**53,240**	23,640

The fair value of the Group's investment property at June 30, 2013 and 2012 has been arrived at on the basis of valuation carried out by an independent valuer having an appropriate professional qualification and recent experience in the location and category of the properties valued. The valuations were arrived at on the basis of open market values and existing use, and were performed in accordance with International Valuation Standards.

Certain of the Group's investment properties are mortgaged to banks as security for credit facilities obtained by the Group (Note 21).

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

	Group	
	30-Jun-13	**30-Jun-12**
	S$'000	**S$'000**
Gross rental income (Note 25)	**1,381**	1,445
Gross rental expenses	**230**	669

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

16 INVESTMENTS IN SUBSIDIARIES

	Company	
	30-Jun-13	31-Dec-12
	S$'000	S$'000 (Restated)
Unquoted equity shares, at cost	**123,184**	–

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 2013 %	2012 %	Principal activities
OKH Holdings Pte. Ltd.[(1)]	Singapore	**100**	–	Construction activities
OKH Management Pte. Ltd.[(1)]	Singapore	**100**	–	Property development
OKH Development Pte. Ltd.[(1)(2)]	Singapore	**85**	–	Property development
Foxx Media Pte. Ltd.[(1)]	Singapore	**100**	–	Advertising and related activities
Green Synergy Pte. Ltd.[(1)]	Singapore	**100**	–	Building construction activities
OKH (Woodlands) Pte. Ltd.[(1)]	Singapore	**100**	–	Property development
Galaxia Development Pte. Ltd.[(1)]	Singapore	**100**	–	Investment properties
OKH Loyang Pte. Ltd.[(3)]	Singapore	**100**	–	Property development
OKH Buroh Pte. Ltd.[(3)]	Singapore	**100**	–	Property development

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

(2) Pursuant to the shareholders' transfer agreement signed between OKH GLOBAL 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 $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.

(3) Newly incorporated during the year.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

17 INVESTMENT IN JOINT VENTURE

	Group 30-Jun-13 S$'000	Group 30-Jun-12 S$'000
Unquoted equity shares, at cost	**5**	–*
Share of post-acquisition results	**(5)**	–
	–	–

* The Company, together with a third party, Daily Life Renewable Energy Pte. Ltd., incorporated a joint venture, OKH DLRE JV Pte. Ltd. on June 21, 2012. No share capital had been injected as at June 30, 2012. The share capital commitment of the Group is S$5,000.

Details of the joint venture held by the Group is as follows:

Name	Country of incorporation	Percentage of equity held 2013 %	Percentage of equity held 2012 %	Principal activities
OKH DLRE JV Pte. Ltd.	Singapore	**50**	50*	Generation, transmission, distribution and sale of electricity

Summarised financial information in respect of the Group's joint venture is set out below:

	30-Jun-13 S$'000	30-Jun-12 S$'000
Total assets	**17**	–
Total liabilities	**(157)**	–
Net assets	**(140)**	–
Share of joint venture's net asset	**–**	–

The Group's share of the results of the joint venture is as follows:

	30-Jun-13 S$'000	30-Jun-12 S$'000
Revenue	**–**	–
Loss for the financial year	**(150)**	–
Share of joint venture's loss	**(5)**	–

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

18 DEFERRED TAX ASSETS

The following are the major deferred tax liabilities and assets recognised by the Group and the movements thereon, during the current and prior reporting periods:

Group

	Accelerated tax depreciation S$'000	Tax losses S$'000	Provisions S$'000	Net S$'000
At July 1, 2010, as restated	13	–	–	13
(Charge) Credit to profit or loss	(17)	808	–	791
At June 30, 2011	(4)	808	–	804
Underprovision in prior year	(49)	–	–	(49)
Credit (Charge) to profit or loss (Note 29)	38	(808)	1,431	661
At June 30, 2012	(15)	–	1,431	1,416
Credit to profit or loss (Note 29)	–	578	–	578
At June 30, 2013	(15)	578	1,431	1,994

Certain deferred tax assets and liabilities have been offset in accordance with the Group's accounting policy. The following is the analysis of the deferred tax balances (after offset) for purposes of the statements of financial position purposes:

		Group	
	30-Jun-13 S$'000	30-Jun-12 S$'000 (Restated)	01-Jul-11 S$'000 (Restated)
Deferred tax assets	**1,994**	1,416	804

Deferred tax assets are recognised for unutilised tax benefits carried forward to the extent that realisation of the related tax benefits through future taxable profits is probable.

The Group has tax loss carry forwards available for offsetting against future taxable income as follows:

	30-Jun-13 S$'000	30-Jun-12 S$'000
Balance at beginning of year	**3,670**	2
Arising during the year (Net)	**3,980**	3,668
Balance at end of year	**7,650**	3,670
Deferred tax benefit on above recorded	**578**	–
Deferred tax benefit on above not recorded	**723**	624

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

19 TRADE AND OTHER PAYABLES

	Group		Company	
	30-Jun-13 S$'000	30-Jun-12 S$'000	30-Jun-13 S$'000	31-Dec-12 S$'000 (Restated)
Trade payables from third parties	**7,244**	5,007	**–**	–
Due to customer for contract work (Note 9)	**6,721**	–	**–**	–
Advance payments from customers	**141,442**	34,084	**–**	–
Other payables:				
– Subsidiaries (Note 12 and 16)	**–**	–	**5,033**	2,532
– Third parties	**6,978**	3,721	**–**	–
– Related parties (Note 6)	**18**	–	**18**	–
Advance from a director (Note 6)	**16,978**	10,246	**–**	–
Accrued expenses	**15,179**	17,583	**354**	396
	194,560	70,641	**5,405**	2,928

20 FINANCE LEASES

	Group			
	Minimum lease payments		Present values of minimum lease payments	
	30-Jun-13 S$'000	30-Jun-12 S$'000	30-Jun-13 S$'000	30-Jun-12 S$'000
Amounts payable under finance leases:				
Within 1 year	**479**	185	**437**	161
Within 2 to 5 years	**1,267**	400	**1,132**	345
More than 5 years	**274**	20	**230**	17
	2,020	605	**1,799**	523
Less: Future finance charges	**(221)**	(82)	**–**	–
Present values of lease obligations	**1,799**	523	**1,799**	523
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(437)**	(160)
Amount due for settlement after 12 months			**1,362**	363

The average effective interest rate is 4.25% (2012: 4.63%) per annum. Interest rates are fixed at the contract date, and thus expose the Group to fair value interest rate risk. The finance leases are on a fixed repayment basis and no arrangements have been entered into for contingent rental payments.

The fair values of the Group's lease obligations approximate their carrying amounts. The Group's obligations under finance lease are secured by the lessor's title to the leased assets.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

21 BANK LOANS AND OVERDRAFTS

	Group	
	30-Jun-13	30-Jun-12
	S$'000	S$'000
Secured		
Bank overdrafts (Note 7)	**2,768**	5,890
Short-term loans	**15,293**	57,584
Current portion of long-term bank loans	**4,054**	22,505
	22,115	85,979
Long-term bank loans	**153,596**	120,695
	175,711	206,674

Terms and debt repayment schedule

Terms and conditions of outstanding loans and borrowings are as follows:

	Currency	Nominal interest rate	Years of maturity	Carrying amount S$'000
30-Jun-13				
Bank overdrafts	S$	2.3% to 6.6%	–	2,768
Factoring loans	S$	6%	2013 to 2014	10,293
Other bank loans*	S$	1.1% to 4.5%	2013 to 2023	162,650
				175,711
30-Jun-12				
Bank overdrafts	S$	2.3% to 6.4%	–	5,890
Factoring loans	S$	6%	2013 to 2014	15,178
Other bank loans*	S$	1.1% to 4.5%	2013 to 2023	185,606
				206,674

* Included in the bank loans is loan amounting to S$2.7 million (2012: S$1.9 million) being reclassified to current liabilities due to callable clauses in the loan agreements (2012: non-compliance with loan covenant in maintaining certain financial ratio).

The bank overdrafts and bank loans, which are denominated in the functional currencies of the Group entities, are arranged at floating interest rates and therefore expose the Group to cash flow interest rate risk. The interest rates for the long-term bank loans are reset for periods ranging from 1 month to 1 year based on changes to SWAP offer rate or the bank's cost of funds. Management estimates that the carrying amounts of the bank loans and overdrafts approximate their fair values as market interest rates are charged on the bank loans and overdrafts.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

21 BANK LOANS AND OVERDRAFTS (Continued)

Bank overdrafts and bank loans are secured by the following:

(a) legal mortgage over the Group's properties (see Notes 10, 11, 13 and 15);

(b) charge over certain of the Group's cash deposits (see Note 7);

(c) fixed deposits of the Group (see Note 7); and

(d) a personal guarantee from a director.

The bank facilities are secured on assets with the following carrying amounts:

	Group	
	30-Jun-13	**30-Jun-12**
	S$'000	**S$'000**
Properties under development	**235,669**	182,171
Completed properties held for sale	**–**	3,388
Investment properties	**53,240**	23,640
Freehold properties	**11,690**	2,302
Fixed deposits	**30**	30

22 PROVISIONS

	Provision for liquidated damages S$'000	**Provision for foreseeable losses S$'000**	**Other S$'000**	**Total S$'000**
Arising during the year and balance at June 30, 2012	6,781	1,591	42	8,414
Arising (Utilised) during the year	3,144	(1,328)	(42)	1,774
Balance at June 30, 2013	**9,925**	**263**	**–**	**10,188**

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 addition 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

23 SHARE CAPITAL AND TREASURY SHARES

	Company	
	30-Jun-13	**31-Dec-12**
	S$'000	**S$'000**
		(Restated)
	Number of ordinary shares	
Issued and paid up:		
At beginning of year	**110,776**	111,248
Arising from reverse acquisition	**1,026,539**	–
Cancellation of treasury shares	**–**	(472)
	1,137,315	110,776
Share Consolidation[(a)]	**(568,658)**	–
At end of year	**568,657**	110,776

(a) In connection with the RTO, the Company underwent a share consolidation of two shares into one consolidated share.

In the consolidated financial statements, the cost of acquisition is determined using the fair value of the issued equity of the Company before the acquisition, being 110,776,067 shares at S$0.12 per share amounting to S$13,292,048 which represents the market value of the Company being the quoted and trade price of the shares as at January 28, 2013 (date of completion of acquisition). It is deemed to be incurred by the legal subsidiary (i.e. the acquirer for accounting purpose) in the form of equity issued to the owners of the legal parent (i.e. the acquiree for accounting purpose).

In the separate financial statements of the Company, the cost of acquisition is determined by reference to the issue of 1,026,538,825 consideration shares at US$0.09 (equivalent to S$0.12) amounting to S$123,184,659, pursuant to the reverse acquisition of which S$113,740,399 is issued from the share capital of the Company and S$9,444,260 is issued from share premium of the Company.

On January 9, 2013, there is a cash distribution of S$0.009 per ordinary share by way of the capital reduction totaling S$983,000.

Fully paid ordinary shares, which have no par value, carry one vote per share and carry a right to dividend as and when declared by the Company.

24 TRANSLATION RESERVE

This represents:

(a) exchange differences relating to the translation from the functional currencies of the Group's foreign subsidiaries into S$; and

(b) as discussed in Note 3, 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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

25 REVENUE

	Group 2013 S$'000	Group 2012 S$'000
Continuing operations		
Revenue from construction contracts	**15,951**	5,285
Revenue from development properties	**7,147**	102,393
Rental income	**1,381**	1,445
Others	**–**	1
	24,479	109,124
Discontinued operations		
Revenue from sale of goods	**14,659**	–
Revenue from rendering of services	**11,118**	–
	25,777	–
	50,256	109,124

26 OTHER INCOME

	Continuing operations 2013 S$'000	Continuing operations 2012 S$'000	Discontinued operations 2013 S$'000	Discontinued operations 2012 S$'000	Total 2013 S$'000	Total 2012 S$'000
Group						
Gain on change in fair value of investment properties	**3,830**	2,140	**–**	–	**3,830**	2,140
Gain (loss) on foreign exchange rate	**398**	–	**(1)**	–	**397**	–
Gain on disposal of property, plant and equipment	**107**	45	**–**	–	**107**	45
Property, plant and equipment written off	**–**	–	**(25)**	–	**(25)**	–
Interest income	**18**	12	**46**	–	**64**	12
Forfeiture of deposit from sales cancellation(i)	**313**	2,335	**–**	–	**313**	2,335
Office insurance claims(ii)	**16**	314	**–**	–	**16**	314
Bargain purchase arising from reverse acquisition (Note 31)	**15,503**	–	**–**	–	**15,503**	–
Others	**96**	13	**1**	–	**97**	13
	20,281	4,859	**21**	–	**20,302**	4,859

(i) The forfeiture is recognised as other income as the management determines that there is no further performance obligation from the Group.

(ii) Insurance claims are recognised as other income when it is virtually certain that the Group will receive the compensation.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

27 FINANCE COSTS

	Group	
	2013	**2012**
	S$'000	**S$'000**
Interest on bank loans and overdraft	**5,127**	5,062
Interest on factoring	**698**	661
Interest on obligations under finance leases	**48**	30
Total borrowing cost	**5,873**	5,753
Less: Amounts capitalised as cost of completed properties held for sale (Note 10)	**–**	(80)
Less: Amounts capitalised as cost of development properties (Note 11)	**(4,169)**	(3,999)
	1,704	1,674

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

28 (LOSS) PROFIT BEFORE INCOME TAX

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

	Continuing operations		Discontinued operations		Total	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Group						
Depreciation of property, plant and equipment	**1,297**	420	**1,068**	–	**2,365**	420
Gain on disposal of property, plant and equipment	**(107)**	(45)	**–**	–	**(107)**	(45)
Impairment loss on, property, plant and equipment	**–**	300	**–**	–	**–**	300
Property, plant and equipment written off	**–**	–	**25**	–	**25**	–
Employee benefits						
– directors' remuneration	**1,553**	1,525	**92**	–	**1,645**	1,525
– other than directors	**5,697**	5,426	**9,845**	–	**15,542**	5,426
Gain on change in fair value of investment properties	**(3,830)**	(2,140)	**–**	–	**(3,830)**	(2,140)
Audit fees						
– paid to auditors of the Company	**234**	68	**–**	–	**234**	68
– paid to other auditors	**–**	–	**80**	–	**80**	–
Total audit fees	**234**	68	**80**	–	**314**	68
Non-audit fees						
– paid to auditors of the Company	**20**	100	**–**	–	**20**	100
Bargain purchase arising from reverse acquisition (Note 31)	**(15,503)**	–	**–**	–	**(15,503)**	–

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

29 INCOME TAX

	Continuing operations		Discontinued operations		Total	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
	S$'000	**S$'000 (Restated)**	**S$'000**	**S$'000 (Restated)**	**S$'000**	**S$'000 (Restated)**
Group						
Current tax	**–**	3,991	**–**	–	**–**	3,991
Deferred tax (Note 12 and 18):						
Current	**(578)**	(661)	**(304)**	–	**(882)**	(661)
Underprovision in prior year	**–**	49	**–**	–	**–**	49
	(578)	3,379	**(304)**	–	**(882)**	3,379

Domestic income tax is calculated at 17% (2012: 17%) of the estimated assessable profit for the financial year.

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

	Continuing operations		Discontinued operations		Total	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
	S$'000	**S$'000 (Restated)**	**S$'000**	**S$'000 (Restated)**	**S$'000**	**S$'000 (Restated)**
Group						
(Loss) Profit before income tax	**(233)**	19,484	**(2,347)**	–	**(2,580)**	19,484
Tax at statutory rate (@17%)	**(40)**	3,312	**(399)**	–	**(439)**	3,312
Tax effect of income/expenses that are not (taxable) deductible for tax purposes	**(651)**	(21)	**44**	–	**(607)**	(21)
Effect of tax exemption	**–**	(26)	**–**	–	**–**	(26)
Effect of tax losses not recognised	**98**	–	**–**	–	**98**	–
Effect of different tax rates of subsidiaries operating in other jurisdictions	**–**	–	**47**	–	**47**	–
Underprovision of prior year tax	**–**	49	**–**	–	**–**	49
Others	**15**	65	**4**	–	**19**	65
	(578)	3,379	**(304)**	–	**(882)**	3,379

Subject to the satisfaction of the conditions for Group relief, tax losses of S$4.5 million arising in the financial year ended June 30, 2012 were transferred and utilised by one of the subsidiaries under the Group relief system. These tax losses were transferred from certain subsidiaries of the Group at no consideration.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

30 (LOSS) EARNINGS PER SHARE

Basic (loss) earnings per share is calculated by dividing the net (loss) profit attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Continuing operations		Discontinued operations		Total	
	2013	**2012**	**2013**	**2012**	**2013**	**2012**
	S$'000	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Net profit (loss) attributable equity holders of the Company	**1,114**	16,174	**(2,028)**	–	**(914)**	16,174
Number of ordinary shares outstanding for basic (loss) earnings per share	**536,639**	513,269	**536,639**	513,269	**536,639**	513,269
Basic earnings (loss) per share (cents)	**0.21**	3.15	**(0.38)**	–	**(0.17)**	3.15

There are no dilutive potential ordinary shares during the financial year.

31 ACQUISITION OF SUBSIDIARIES

As disclosed in Note 2, OKH Holdings Pte Ltd became the parent of the Group for accounting purpose, and the Company and its subsidiaries before the RTO became the accounting acquiree. The net assets acquired and the bargain purchase arising from the RTO are as follows:

Consideration transferred:

	Group
	2013
	S$'000
Equity instruments issued as settlement of purchase consideration (1)	**13,293**

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

31 ACQUISITION OF SUBSIDIARIES (Continued)

Assets acquired and liabilities assumed at the date of acquisition:

	Carrying amount and fair value S$'000
Cash and bank balances	24,506
Trade and other receivables	34,720
Inventories	5,631
Available-for-sale asset	74
Plant and equipment	6,539
Deferred tax assets	1,326
Trade and other payables	(42,794)
Provision for warranty	(604)
Income tax payable	(283)
Net assets acquired	29,115

Bargain purchase arising from reverse acquisition:

	Group 2013 S$'000
Fair value of net assets acquired	**29,115**
Less:	
Non-controlling interests	**(319)**
Consideration transferred	**(13,293)**
Bargain purchase arising from reverse acquisition[2]	**15,503**
Net cash inflow arising from reverse acquisition:	
Cash and bank balances of subsidiaries acquired	**24,506**

(1) The consideration was based on the Company's entire share capital of 110,776,067 shares before the reverse acquisition using fair value of S$0.12 per share, representing the fair value of the issued equity of the Company before the reverse acquisition.

(2) On reverse acquisition, the bargain purchase represents the excess of fair value of the net assets acquired over the purchase consideration. As disclosed in Note 2, the RTO exercise is supposed to acquire OKHH and dispose Operating Subsidiaries. The purchase consideration was determined based on issue price of the Company and the deemed issued equity to the shareholders of the Company before the RTO. However, the disposal of Operating Subsidiaries was not successful. As a result, the increase in net assets acquired due to the Operating Subsidiaries has resulted in the bargain purchase gain in profit and loss.

Impact of acquisition on the results of the Group:

From the date of acquisition, the acquiree acquired during the year contributed approximately S$26 million and S$2.3 million to the Group's revenue and loss before tax respectively. If the reverse acquisition had taken place at the beginning of the financial year, the Group's loss before tax would have been approximately S$0.4 million.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

32 OPERATING LEASE ARRANGEMENTS

	Group	
	30-Jun-13	30-Jun-12
	S$'000	S$'000
The Group as lessee		
Minimum lease payments under operating leases (net of rebates) recognised as an expense in the financial year	**2,683**	172

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

	Group	
	30-Jun-13	30-Jun-12
	S$'000	S$'000
Within one year	**3,405**	1,406
In the second to fifth year inclusive	**14,217**	333
After five years	**104**	–
	17,726	1,739

As at June 30, operating lease payments represent rentals payable by the Group for land, office and 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.

	Group	
	30-Jun-13	30-Jun-12
	S$'000	S$'000
The Group as lessor		
Rental income (Note 25)	**1,381**	1,445

For the respective financial year ended June 30, the Group had contracted with tenants for the following future minimum lease receipts:

	Group	
	30-Jun-13	30-Jun-12
	S$'000	S$'000
Within one year	**375**	1,406
In the second to fifth year inclusive	**39**	333
	414	1,739

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

33 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 FRS 108 *Operating Segments*.

Operating segments are aggregated into a single operating segment if they have similar economic characteristics. The Group's reportable operating segments under FRS 108 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.

(iv) IT business: Provision of system integration for computer information system and intelligent building, software development and technical services.

(v) Others: Provision of property management, trading and public utilities.

The IT business operation comes from the operating subsidiaries which was discontinued (See Note 12). For FRS 108 purposes, the IT business is included as one of the reportable segments.

The accounting policies of the reportable segments are the same as the Group's accounting policies described in Note 3. Segment profit represents the profit earned by each segment without allocation of share of profits of joint venture, finance income, finance costs, and income tax expense. This is the measure reported to 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, intangible and financial assets attributable to each segment.

The Group's main operations are located in the Singapore, except for IT business located in People's Republic of China that is already separately identified and disclosed in the operating segment below, hence no analysis by geographical area of operation is provided.

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

33 SEGMENT INFORMATION (Continued)

Segment revenues and results

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

	Continuing Operations (Singapore)						Discontinued Operations (PRC)	
	Construction contractor S$'000	Property development S$'000	Property investment S$'000	Others S$'000	Eliminations S$'000	Subtotal S$'000	IT Business S$'000	Total S$'000
2013								
Revenue:								
External customers	**15,951**	**7,147**	**1,381**	**–**	**–**	**24,479**	**25,777**	**50,256**
Inter-segment	**53,967**	**–**	**–**	**–**	**(53,967)**	**–**	**–**	**–**
Total revenue	**69,918**	**7,147**	**1,381**	**–**	**(53,967)**	**24,479**	**25,777**	**50,256**
Results	**(1,259)**	**(6,299)**	**(1,061)**	**11,879**	**(1,784)**	**1,476**	**(2,347)**	**(871)**
Share of losses of joint venture						**(5)**	**–**	**(5)**
Finance costs						**(1,704)**	**–**	**(1,704)**
Loss before tax						**(233)**	**(2,347)**	**(2,580)**
Income tax credit						**578**	**304**	**882**
Loss for the year						**345**	**(2,043)**	**(1,698)**
2012 (Restated)								
Revenue:								
External customers	5,285	102,393	1,445	1	–	109,124	–	109,124
Inter-segment	34,667	–	–	48	(34,715)	–	–	–
Total revenue	39,952	102,393	1,445	49	(34,715)	109,124	–	109,124
Results	(8,924)	28,682	2,916	(365)	(1,151)	21,158		21,158
Finance costs						(1,674)	–	(1,674)
Profit before tax						19,484	–	19,484
Income tax expense						(3,379)	–	(3,379)
Profit for the year						16,105	–	16,105

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

33 SEGMENT INFORMATION (Continued)

Segment assets and liabilities and other segment information

	Continuing Operations (Singapore)					Discontinued Operations (PRC)	
	Construction contractor S$'000	Property development S$'000	Property investment S$'000	Others S$'000	Subtotal S$'000	IT Business S$'000	Total S$'000
2013							
Segment assets							
Total segment assets	40,833	306,818	54,657	38	402,346	73,286	475,632
Unallocated assets					193	–	193
Total consolidated assets					402,539	73,286	475,825
Segment liabilities:							
Total segment liabilities	89,160*	282,273	19,120	18	390,571	44,765	435,336
Unallocated liabilities					372	–	372
Total consolidated liabilities					390,943	44,765	435,708
Other segment information:							
Depreciation	1,297	–	–	–	1,297	1,068	2,365
Capital expenditure	13,047	–	–	–	13,047	1,314	14,361
Changes in fair value of investment properties	–	–	3,830	–	3,830	–	3,830
2012 (Restated)							
Segment assets							
Total segment assets	34,586	266,126	23,640	44	324,396	–	324,396
Unallocated assets					–	–	–
Total consolidated assets					324,396	–	324,396
Segment liabilities:							
Total segment liabilities	78,323*	218,696	–	13	297,032	–	297,032
Unallocated liabilities					–	–	–
Total consolidated liabilities					297,032	–	297,032
Other segment information:							
Impairment loss on property plant and equipment	300	–	–	–	300	–	300
Depreciation	420	–	–	–	420	–	420
Capital expenditure	1,803	–	–	–	1,803	–	1,803
Changes in fair value of investment properties	–	–	2,140	–	2,140	–	2,140

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

33 SEGMENT INFORMATION (Continued)

Major customer information

The Group's revenue derived from customers who individually account for 10% or more of the Group's revenue is detailed below:

	Group	
	30-Jun-13	30-Jun-12
	S$'000	S$'000
Construction contract segment		
Customer A	**–**	807
Customer B	**–**	2,135
Customer C	**10,882**	–
Customer D	**4,593**	–
Property development segment		
Customer E	**–**	8,060
Customer F	**1,271**	–
Customer G	**1,221**	–

34 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	
	30-Jun-13	30-Jun-12
	S$'000	S$'000
Construction of properties	**49,791**	16,208
Purchase of properties	**–**	8,833
Purchase of land	**87,779**	22,135
Share contribution in a joint venture	**–**	5

NOTES TO FINANCIAL STATEMENTS

June 30, 2013

35 RESTATEMENT, RECLASSIFICATIONS AND COMPARATIVE FIGURES

(a) Change in presentation currency

The comparative statement of financial position of the Company for the financial year ended December 31, 2012 and 2011, as restated in S$, is presented for comparison. See Note 3 on Change of Functional and Presentation Currency.

(b) Reclassifications in the Company's statement of financial position

The Company's equity investments in the Operating Subsidiaries are reclassified to non-current assets held-for-sale for prior year's financial statements as these equity investments meet the criteria as set forth in FRS 105 *Non-Current Assets Held for Sale and Discontinued Operations* and to enhance comparability with the current year's financial statements.

36 EVENTS AFTER THE REPORTING PERIOD

Subsequent to the end of the financial year, the Group entered into the following transactions:

(a) Incorporation of a wholly-owned subsidiary, OKH Transhub Pte. Ltd. ("Transhub") on August 15, 2013 with a paid up capital of S$1,000. The principal activity of the subsidiary is that of an investment holding company for the purpose of acquiring a 40% equity interest in a joint venture company and the remaining equity interests will be owned by Pan Asia Logistics Singapore Pte. Ltd. ("JV Partner"). Transhub entered into a definitive joint venture agreement dated October 9, 2013 with JV Partner to jointly undertake to carry out the business of developing, owning and managing logistic buildings by Pan Asia Logistics Investments Holdings Pte. Ltd. ("JV Company"). The JV Company was incorporated on September 4, 2013 in Singapore with an initial issued and paid-up share capital of S$1.00 comprising of 1 share wholly-owned by the JV Partner. The JV Company has not commenced business since its incorporation;

(b) The Group issued an aggregate principal amount of S$10 million redeemable exchangeable preference shares ("REPS") via Transhub to fund the acquisition of the 40% equity interest in a joint venture as mentioned above. The REPS were fully subscribed by Evia Growth Opportunities II Ltd and Evia Growth Opportunities III Ltd.

(c) Incorporation of a wholly-owned subsidiary, OKH Spaze Pte. Ltd. on October 9, 2013 with a paid up capital of S$100. The principal activity of the subsidiary is that of real estate development; and

(d) The Company has issued an additional 60 million ordinary shares at S$0.68 per share with net proceeds of approximately S$39.5 million.

STATISTICS OF SHAREHOLDING

as at 19 September 2013

Authorised share capital	:	US$500,000,000
Issued and fully paid-up capital	:	US$102,358,340
Class of shares	:	Ordinary share of US$0.18 each
Voting rights	:	One vote per share
Number of issued shares	:	568,657,445
Number of treasury shares	:	Nil

Distribution of Holders of Shares as at 19 September 2013

Size of Shareholdings	Number of Holders of Shares	%	Number of Holders of Shares	%
1 – 999	119	13.71	58,048	0.01
1,000 – 10,000	300	34.56	1,754,218	0.31
10,001 – 1,000,000	423	48.73	50,031,000	8.80
1,000,001 and above	26	3.00	516,814,179	90.88
Total	**868**	**100.00**	**568,657,445**	**100.00**

Substantial Shareholders according to Register of Substantial Shareholders as at 19 September 2013

	Direct Interest		Indirect Interest	
Name of Substantial Shareholders	Number of Holders of Shares	%	Number of Holders of Shares	%
Bon Ween Foong	388,818,412	68.37	–	–

Twenty Largest Shareholders as at 19 September 2013

	Name of Holders	No. of Shares	%
1	BON WEEN FOONG	388,818,412	68.37
2	PROFIT SAVER INTERNATIONAL LIMITED	28,135,716	4.95
3	UOB KAY HIAN PTE LTD	20,700,500	3.64
4	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	12,359,800	2.17
5	JIN CHANGREN	9,250,000	1.63
6	VINCE CHEN @ TAN CHENG SONG	8,025,000	1.41
7	OCBC SECURITIES PRIVATE LTD	7,974,000	1.40
8	TAN MAY PING REGINA	6,000,000	1.06
9	DBS NOMINEES PTE LTD	3,767,777	0.66
10	WEN NANFEI	3,500,000	0.62
11	BANK OF SINGAPORE NOMINEES PTE LTD	3,000,000	0.53
12	RAFFLES NOMINEES (PTE) LTD	2,855,223	0.50
13	CHOW KOK SENG	2,720,000	0.48
14	LIM TECK MENG JOSHUA (LIN DEMING JOSHUA)	2,500,000	0.44
15	CIMB SECURITIES (SINGAPORE) PTE LTD	2,383,251	0.42
16	MAYBANK KIM ENG SECURITIES PTE LTD	2,280,000	0.40
17	PHILLIP SECURITIES PTE LTD	1,620,000	0.28
18	ANG KAH SING	1,600,000	0.28
19	SIM BENG HUAT HENRY	1,324,000	0.23
20	TAN BEE HONG	1,300,000	0.23
	Total	**510,113,679**	**89.70**

Note: The percentages are computed based on the Company's total number of issued shares of 568,657,445.

Based on information available to the Company as at 19 September 2013, approximately 31.63% 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 The Singapore Island Country Club, Ballroom 1, Level 3, 180 Island Club Road, Singapore 578774 on Thursday, 31 October 2013 at 10.00 a.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 2013 together with the Directors' Report and Independent Auditors' Report thereon. *Resolution 1*

2. To approve the payment of Directors' fees of S$135,000 for the financial year ending 30 June 2014, to be paid quarterly in arrears. [2013: S$135,000] *Resolution 2*

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

   (a) Mr. Bon Ween Foong *Resolution 3*

   (b) Mr. Lam Wee Yeow *Resolution 4*

   Mr. Bon and Mr. Lam were appointed by Directors on 22 April 2013 and retired at the last Annual General Meeting held on 29 April 2013 due to insufficient period of notice of resolution given to the shareholders to re-elect them. The said Directors were subsequently re-appointed by the Board after the conclusion of last Annual General Meeting held on 29 April 2013.

4. To note that Mr. Tan Soo Kiat and Ms. Tan Swee Ling will be retiring pursuant to Bye-Law 104 of the Company's Bye-Laws and they will not be seeking re-election at this Annual General Meeting.

5. To re-appoint Messrs 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 5*

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 6*

   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

NOTICE OF ANNUAL GENERAL MEETING

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

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)

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

   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
16 October 2013

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Explanatory Notes:

1. Resolution No. 6, 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. 7, 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, Tricor Barbinder Share Registration Services at 80 Robinson Road, #02-00 Singapore, 068898 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, Tricor Barbinder Share Registration Services at 80 Robinson Road, #02-00, Singapore 068898 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.*

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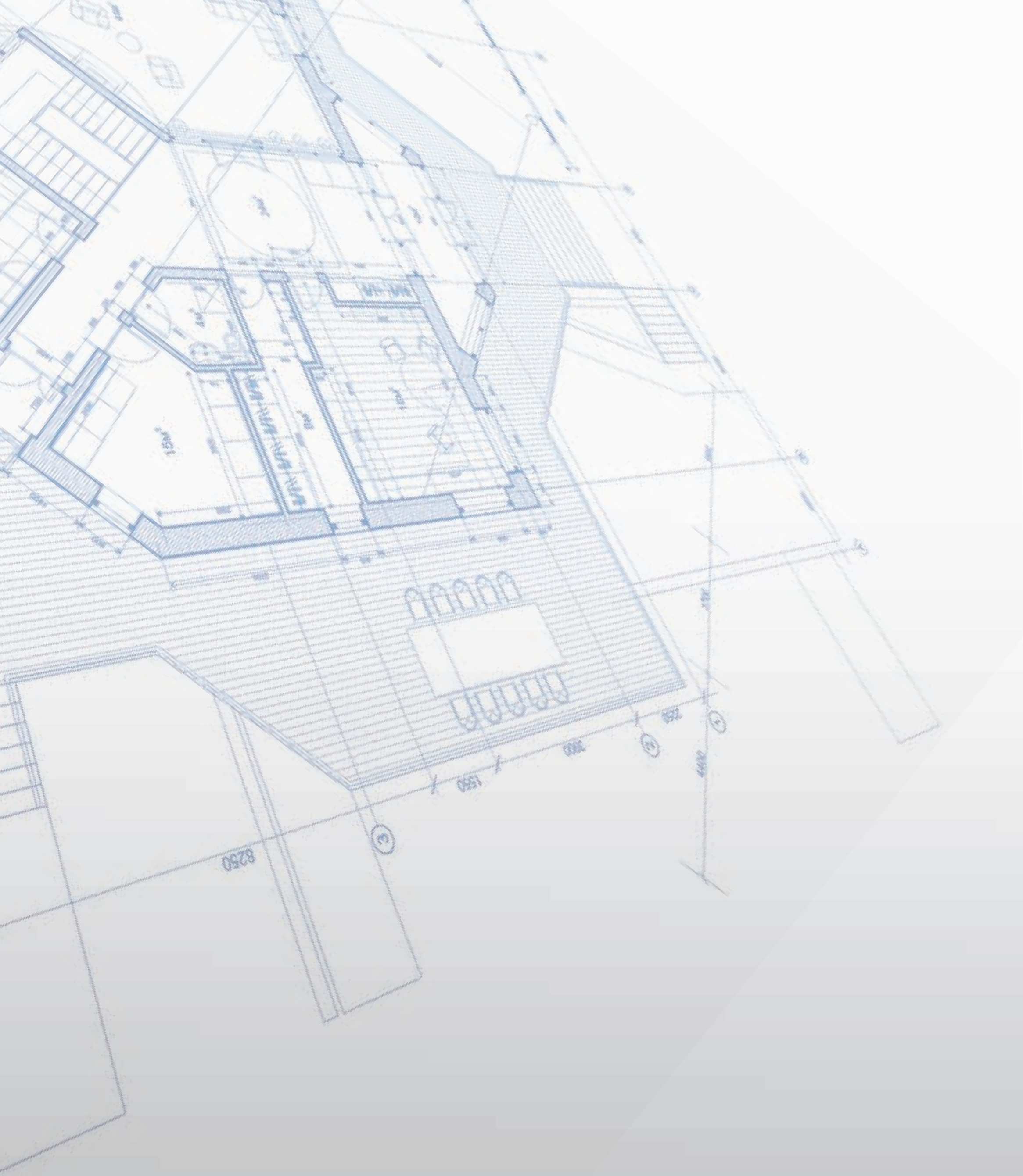

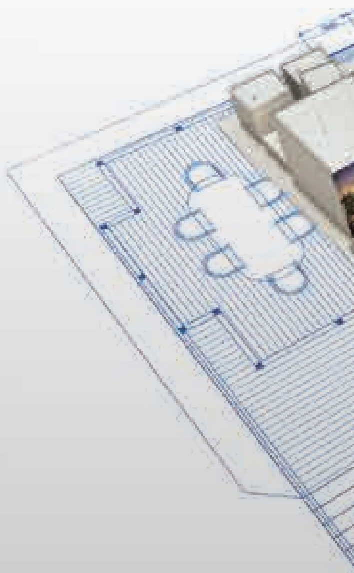

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