IMPORTANT NOTICE

NOT FOR DISTRIBUTION IN THE UNITED STATES OR TO U.S. PERSONS

IMPORTANT: You must read the following disclaimer before continuing. The following disclaimer applies to the attached information memorandum. You are advised to read this disclaimer carefully before accessing, reading or making any other use of the attached information memorandum. In accessing the attached information memorandum, you agree to be bound by the following terms and conditions, including any modifications to them from time to time, each time you receive any information from us as a result of such access.

Confirmation of Your Representation: In order to be eligible to view the attached information memorandum or make an investment decision with respect to the notes, investors must not be a U.S. person (within the meaning of Regulation S under the Securities Act (as defined below)). The attached information memorandum is being sent at your request and by accepting the e-mail and accessing the attached information memorandum, you shall be deemed to have represented to us (1) that you are not resident in the United States ("**U.S.**") nor a U.S. person, as defined in Regulation S under the U.S. Securities Act of 1933, as amended (the "**Securities Act**") nor are you acting on behalf of a U.S. person, the electronic mail address that you gave us and to which this email has been delivered is not located in the U.S. and, to the extent you purchase the notes described in the attached information memorandum, you will be doing so pursuant to Regulation S under the Securities Act, and (2) that you consent to delivery of the attached information memorandum and any amendments or supplements thereto by electronic transmission. By accepting this document, if you are an investor in Singapore, you (A) represent and warrant that you are either an institutional investor as defined under Section 4A(1) of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), a relevant person as defined under Section 275(2) of the SFA or persons to whom an offer may be made pursuant to in Section 275(1A) of the SFA, and (B) agree to be bound by the limitations and restrictions described herein.

The attached document has been made available to you in electronic form. You are reminded that documents or information transmitted via this medium may be altered or changed during the process of transmission and consequently none of OKH Global Ltd., OKH Capital Pte. Ltd., United Overseas Bank Limited or any person who controls any of them nor any of their respective directors, officers, employees, representatives or affiliates accepts any liability or responsibility whatsoever in respect of any discrepancies between the document distributed to you in electronic format and the hard copy version.

Restrictions: The attached document is being furnished in connection with an offering of notes exempt from registration under the Securities Act solely for the purpose of enabling a prospective investor to consider the purchase of the notes described therein.

NOTHING IN THIS ELECTRONIC TRANSMISSION CONSTITUTES AN OFFER OF NOTES FOR SALE IN THE UNITED STATES OR ANY OTHER JURISDICTION WHERE IT IS UNLAWFUL TO DO SO. THE NOTES HAVE NOT BEEN, AND WILL NOT BE, REGISTERED UNDER THE SECURITIES ACT, OR THE SECURITIES LAWS OF ANY STATE OF THE U.S. OR OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD OR DELIVERED WITHIN THE U.S. OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, U.S. PERSONS (AS DEFINED IN REGULATION S UNDER THE SECURITIES ACT), EXCEPT PURSUANT TO AN EXEMPTION FROM, OR IN A TRANSACTION NOT SUBJECT TO, THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND APPLICABLE STATE OR LOCAL SECURITIES LAWS.

Except with respect to eligible investors in jurisdictions where such offer is permitted by law, nothing in this electronic transmission constitutes an offer or an invitation by or on behalf of OKH Global Ltd., OKH Capital Pte. Ltd. or United Overseas Bank Limited to subscribe for or purchase any of the notes described therein, and access has been limited so that it shall not constitute in the United States or elsewhere a general solicitation or general advertising (as those terms are used in Regulation D under the Securities Act) or directed selling efforts (within the meaning of Regulation S under the Securities Act).

The attached information memorandum or any materials relating to the offering do not constitute, and may not be used in connection with, an offer or solicitation in any place where offers or solicitations are not permitted by law. If a jurisdiction requires that the offering be made by a licensed broker or dealer and the dealers or any affiliate of the dealers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by the dealers or such affiliate on behalf of OKH Global Ltd. or, as the case may be, OKH Capital Pte. Ltd. in such jurisdiction. The attached information memorandum may only be communicated to persons in the United Kingdom in circumstances where section 21(1) of the Financial Services and Markets Act 2000 does not apply.

You are reminded that you have accessed the attached information memorandum on the basis that you are a person into whose possession this information memorandum may be lawfully delivered in accordance with the laws of the jurisdiction in which you are located and you may not nor are you authorised to deliver this document, electronically or otherwise, to any other person. **If you have gained access to this transmission contrary to the foregoing restrictions, you will be unable to purchase any of the notes described therein.**

Actions that You May Not Take: If you receive this document by e-mail, you should not reply by e-mail, and you may not purchase any notes by doing so. Any reply e-mail communications, including those you generate by using the "Reply" function on your e-mail software, will be ignored or rejected.

YOU ARE NOT AUTHORISED AND YOU MAY NOT FORWARD OR DELIVER THE ATTACHED INFORMATION MEMORANDUM, ELECTRONICALLY OR OTHERWISE, TO ANY OTHER PERSON OR REPRODUCE SUCH INFORMATION MEMORANDUM IN ANY MANNER WHATSOEVER. ANY FORWARDING, DISTRIBUTION OR REPRODUCTION OF THIS DOCUMENT AND THE ATTACHED INFORMATION MEMORANDUM IN WHOLE OR IN PART IS UNAUTHORISED. FAILURE TO COMPLY WITH THIS DIRECTIVE MAY RESULT IN A VIOLATION OF THE SECURITIES ACT OR THE APPLICABLE LAWS OF OTHER JURISDICTIONS.

You are responsible for protecting against viruses and other destructive items. If you receive this document by e-mail, your use of this e-mail is at your own risk and it is your responsibility to take precautions to ensure that it is free from viruses and other items of a destructive nature.

INFORMATION MEMORANDUM DATED 20 JANUARY 2015

OKH GLOBAL LTD.

(Incorporated in Bermuda on 17 June 2004)
(Registration No. 35479)

and

OKH CAPITAL PTE. LTD.

(Incorporated in the Republic of Singapore on 18 November 2014)
(UEN/Company Registration No. 201434389C)

S$200,000,000
Multicurrency Medium Term Note Programme
(the "Programme")

(In the case of Notes issued by OKH Capital Pte. Ltd.) unconditionally and irrevocably guaranteed by OKH Global Ltd.

This Information Memorandum has not been and will not be registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this Information Memorandum and any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of notes (the "**Notes**") to be issued from time to time by OKH Global Ltd. and OKH Capital Pte. Ltd. (each an "**Issuer**" and together, the "**Issuers**") pursuant to the Programme may not be circulated or distributed, nor may the Notes be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the Securities and Futures Act, Chapter 289 of Singapore (the "**SFA**"), (ii) to a relevant person pursuant to Section 275(1), or any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where the Notes are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor,

securities (as defined in Section 239(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six months after that corporation or that trust has acquired the Notes pursuant to an offer made under Section 275 of the SFA except:

(1) to an institutional investor or to a relevant person defined in Section 275(2) of the SFA, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

(2) where no consideration is or will be given for the transfer;

(3) where the transfer is by operation of law;

(4) as specified in Section 276(7) of the SFA; or

(5) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore.

All sums payable in respect of the Notes issued from time to time by OKH Capital Pte. Ltd. are unconditionally and irrevocably guaranteed by OKH Global Ltd. (in such capacity, the "**Guarantor**").

Approval in-principle has been received from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") for the establishment of the Programme and application will be made for the listing and quotation of any Notes which are agreed at the time of issue thereof to be so listed on the SGX-ST. Such permission will be granted when such Notes have been admitted to the Official List of the SGX-ST. The SGX-ST assumes no responsibility for the correctness of any of the statements made or opinions expressed or reports contained herein. Approval in-principle from, admission to the Official List of, and the listing and quotation of any Notes on, the SGX-ST are not to be taken as an indication of the merits of the Issuers, the Guarantor, their respective subsidiaries (if any), their respective associated companies (if any), joint venture companies (if any), the Programme or such Notes.

Arranger

UOB 大華銀行

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NOTICE

United Overseas Bank Limited (the “**Arranger**”) has been authorised by OKH Global Ltd. and OKH Capital Pte. Ltd. (each an “**Issuer**” and together, the “**Issuers**”) to arrange the Programme described herein. Under the Programme, each of the Issuers may, subject to compliance with all relevant laws, regulations and directives, from time to time issue Notes denominated in Singapore dollars and/or any other currencies. The payment of all amounts payable in respect of the Notes issued by OKH Capital Pte. Ltd. will be unconditionally and irrevocably guaranteed by OKH Global Ltd. (in such capacity, the “**Guarantor**”).

This Information Memorandum contains information with regard to the Issuers, the Guarantor, their respective subsidiaries (if any), associated companies (if any) and joint venture companies (if any), the Programme, the Notes and the Guarantee (as defined herein). Each of the Issuers and the Guarantor confirms that this Information Memorandum contains all information which is material in the context of the Programme or the issue and offering of the Notes, that the information contained in this Information Memorandum is true and accurate in all material respects, that the opinions, expectations and intentions expressed in this Information Memorandum have been carefully considered, are based on all relevant considerations and facts existing at the date of this Information Memorandum and are fairly, reasonably and honestly held by the Issuers and the Guarantor, and that there are no other facts the omission of which in the context of the Programme or the issue and offering of the Notes would make any such information or expressions of opinion, expectation or intention misleading in any material respect.

Notes may be issued in series having one or more issue dates and the same maturity date, and on identical terms (including as to listing) except (in the case of Notes other than variable rate notes (as described under the section “Summary of the Programme”)) for the issue dates, issue prices and/or the dates of the first payment of interest, or (in the case of variable rate notes) for the issue prices and rates of interest. Each series may be issued in one or more tranches on the same or different issue dates. The Notes will be issued in bearer form and may be listed on a stock exchange. The Notes will initially be represented by either a Temporary Global Note (as defined herein) or a Permanent Global Note (as defined herein) which will be deposited on the issue date with either CDP (as defined herein) or a common depositary for Euroclear Bank S.A./N.V. (“**Euroclear**”) and Clearstream Banking, *société anonyme* (“**Clearstream, Luxembourg**”) or otherwise delivered as agreed between the Relevant Issuer (as defined herein) and the relevant Dealer(s) (as defined herein). Subject to compliance with all relevant laws, regulations and directives, the Notes may have maturities of such tenor as may be agreed between the Relevant Issuer and the relevant Dealer(s) and may be subject to redemption or purchase in whole or in part. The Notes will bear interest at a fixed, floating, variable or hybrid rate or may not bear interest or may be such other notes as may be agreed between the Relevant Issuer and the relevant Dealer(s). The Notes will be repayable at par, at a specified amount above or below par or at an amount determined by reference to a formula, in each case with terms as specified in the Pricing Supplement (as defined herein) issued in relation to each series or tranche of Notes. Details applicable to each series or tranche of Notes will be specified in the applicable Pricing Supplement which is to be read in conjunction with this Information Memorandum.

The maximum aggregate principal amount of the Notes to be issued, when added to the aggregate principal amount of all Notes outstanding (as defined in the Trust Deed referred to herein) shall be S$200,000,000 (or its equivalent in any other currencies) or such higher amount in accordance with the terms of the Programme Agreement.

No person has been authorised to give any information or to make any representation other than those contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorised by either of the Issuers, the Guarantor, the Arranger or any of the Dealers. Save as expressly stated in this Information Memorandum, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of either of the Issuers, the Guarantor or any of their respective subsidiaries (if any), associated companies (if any) or joint venture companies (if any). Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme may be used for the purpose of, and does not constitute an offer of, or solicitation or invitation by or on behalf of either of the Issuers, the Guarantor, the Arranger or any of the Dealers to subscribe for or purchase, the Notes in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful, or not authorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. The distribution and publication of this Information Memorandum or any such other document or information and the offer of the Notes in certain jurisdictions may be restricted by law. Persons who distribute or publish this Information Memorandum or any such other document or information or into whose possession this Information Memorandum or any such other document or information comes are required to inform themselves about and to observe any such restrictions and all applicable laws, orders, rules and regulations.

The Notes have not been, and will not be, registered under the Securities Act (as defined herein) or with any securities regulatory authority of any state or other jurisdiction of the United States and the Notes are subject to U.S. tax law requirements and restrictions. Subject to certain exceptions, the Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons (as defined in the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder).

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme shall be deemed to constitute an offer of, or an invitation by or on behalf of either of the Issuers, the Guarantor, the Arranger or any of the Dealers to subscribe for or purchase, any of the Notes.

This Information Memorandum and any other documents or materials in relation to the issue, offering or sale of the Notes have been prepared solely for the purpose of the initial sale by the relevant Dealer(s) of the Notes from time to time to be issued pursuant to the Programme. This Information Memorandum and such other documents or materials are made available to the recipients thereof solely on the basis that they are persons falling within the ambit of Section 274 and/or Section 275 of the SFA and may not be relied upon by any person other than persons to whom the Notes are sold or with whom they are placed by the relevant Dealer(s) as aforesaid or for any other purpose. Recipients of this Information Memorandum shall not reissue, circulate or distribute this Information Memorandum or any part thereof in any manner whatsoever.

Neither the delivery of this Information Memorandum (or any part thereof) nor the issue, offering, purchase or sale of the Notes shall, under any circumstances, constitute a representation, or give rise to any implication, that there has been no change in the prospects, results of operations or general affairs of either of the Issuers, the Guarantor or any of their respective subsidiaries (if any), associated companies (if any) or joint venture companies (if any) or in the information herein since the date hereof or the date on which this Information Memorandum has been most recently amended or supplemented.

The Arranger and the Dealers have not separately verified the information contained in this Information Memorandum. None of the Arranger, any of the Dealers or any of their respective officers, employees or agents is making any representation or warranty expressed or implied as to the merits of the Notes or the subscription for, purchase or acquisition thereof, or the creditworthiness or financial condition or otherwise of either of the Issuers, the Guarantor or their respective subsidiaries (if any), associated companies (if any) or joint venture companies (if any). Further, none of the Arranger or any of the Dealers makes any representation or warranty as to either of the Issuers, the Guarantor, their respective subsidiaries (if any), associated companies (if any) or joint venture companies (if any) or as to the accuracy, reliability or completeness of the information set out herein (including the legal and regulatory requirements pertaining to Sections 274, 275 and 276 or any other provisions of the SFA) and the documents which are incorporated by reference in, and form part of, this Information Memorandum.

Neither this Information Memorandum nor any other document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the issue of the Notes is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by either of the Issuers, the Guarantor, the Arranger or any of the Dealers that any recipient of this Information Memorandum or such other document or information (or such part thereof) should subscribe for or purchase any of the Notes. A prospective purchaser shall make its own assessment of the foregoing and other relevant matters including the financial condition and affairs and the creditworthiness of the Issuers, (where the Relevant Issuer is OCPL (as defined herein)) the Guarantor and their respective subsidiaries (if any), associated companies (if any) and joint venture companies (if any), and obtain its own independent legal or other advice thereon, and its investment shall be deemed to be based on its own independent investigation of the financial condition and affairs and its appraisal of the creditworthiness of the Issuers, (where the Relevant Issuer is OCPL) the Guarantor and their respective subsidiaries (if any), associated companies (if any) and joint venture companies (if any). Accordingly, notwithstanding anything herein, none of the Arranger, the Dealers or any of their respective officers, employees or agents shall be held responsible for any loss or damage suffered or incurred by the recipients of this Information Memorandum or such other document or information (or such part thereof) as a result of or arising from anything expressly or implicitly contained in or referred to in this Information Memorandum or such other document or information (or such part thereof) and the same shall not constitute a ground for rescission of any purchase or acquisition of any of the Notes by a recipient of this Information Memorandum or such other document or information (or such part thereof).

To the fullest extent permitted by law, none of the Arranger or any of the Dealers accepts any responsibility for the contents of this Information Memorandum or for any other statement, made or purported to be made by the Arranger or any of the Dealers or on its behalf in connection with either of the Issuers, the Guarantor or the issue and offering of the Notes. The Arranger and each Dealer accordingly disclaims all and any liability whether arising in tort or contract or otherwise (save as referred to above) which it might otherwise have in respect of this Information Memorandum or any such statement.

The following documents published or issued from time to time after the date hereof shall be deemed to be incorporated by reference in, and to form part of, this Information Memorandum: (a) any annual reports, audited consolidated accounts and/or unaudited financial statements of the Issuers, the Guarantor and their respective subsidiaries (if any), associated companies (if any) and joint venture companies (if any) and (b) any supplement or amendment to this Information Memorandum issued by the Issuers (including each relevant Pricing Supplement). This Information Memorandum is to be read in conjunction with all such documents which are incorporated by reference herein and, with respect to any series or tranche of Notes, any Pricing Supplement in respect of such series or tranche. Any statement contained in this Information Memorandum or in a document deemed to be incorporated by reference herein shall be deemed to be modified or superseded for the purpose of this Information Memorandum to the extent that a statement contained in this Information Memorandum or in such subsequent document that is also deemed to be incorporated by reference herein modifies or supersedes such earlier statement (whether expressly, by implication or otherwise). Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Information Memorandum. Copies of all documents deemed incorporated by reference herein are available for inspection at the respective specified office of the Principal Paying Agent (as defined herein) or, as the case may be, the Non-CDP Paying Agent (as defined herein).

Any purchase or acquisition of the Notes is in all respects conditional on the satisfaction of certain conditions set out in the Programme Agreement (as defined herein) and the issue of the Notes by the Relevant Issuer pursuant to the Programme Agreement. Any offer, invitation to offer or agreement made in connection with the purchase or acquisition of the Notes or pursuant to this Information Memorandum shall (without any liability or responsibility on the part of the Issuers, the Guarantor, the Arranger or any of the Dealers) lapse and cease to have any effect if (for any other reason whatsoever) the Notes are not issued by the Relevant Issuer pursuant to the Programme Agreement.

Any discrepancies in the tables included herein between the listed amounts and totals thereof are due to rounding.

The attention of recipients of this Information Memorandum is drawn to the restrictions on resale of the Notes set out under the section "Subscription, Purchase and Distribution" on pages 109 to 110 of this Information Memorandum.

Any person(s) who is/are invited to purchase or subscribe for the Notes or to whom this Information Memorandum is sent shall not make any offer or sale, directly or indirectly, of any Notes or distribute or cause to be distributed any document or other material in connection therewith in any country or jurisdiction except in such manner and in such circumstances as will result in compliance with any applicable laws and regulations.

It is recommended that persons proposing to purchase or subscribe for any of the Notes consult their own legal and other advisers before purchasing or acquiring the Notes.

FORWARD-LOOKING STATEMENTS

All statements contained in this Information Memorandum that are not statements of historical fact constitute "forward-looking statements". Some of these statements can be identified by forward-looking terms such as "expect", "believe", "plan", "intend", "estimate", "anticipate", "may", "will", "would" and "could" or similar words. However, these words are not the exclusive means of identifying forward-looking statements. All statements regarding the expected financial position, business strategy, plans and prospects of each Issuer, the Guarantor and/or the Group (as defined herein) (including statements as to each Issuer's, the Guarantor's and/or the Group's revenue and profitability, prospects, future plans and other matters discussed in this Information Memorandum regarding matters that are not historical facts and including the financial forecasts, profit projections, statements as to the expansion plans of each Issuer, the Guarantor and/or the Group, expected growth in each Issuer, the Guarantor and/or the Group and other related matters), if any, are forward-looking statements and accordingly, are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the actual results, performance or achievements of each Issuer, the Guarantor and/or the Group to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. These factors include, among others:

- changes in general political, social and economic conditions;
- changes in currency exchange and interest rates;
- demographic changes;
- changes in competitive conditions; and
- other factors beyond the control of each Issuer, the Guarantor and/or the Group.

Some of these factors are discussed in greater detail in this Information Memorandum, in particular, but not limited to, the discussion under the section "Investment Considerations" herein.

Given the risks and uncertainties that may cause the actual future results, performance or achievements of each Issuer, the Guarantor or the Group to be materially different from the results, performance or achievements expected, expressed or implied by the financial forecasts, profit projections and forward-looking statements in this Information Memorandum, undue reliance must not be placed on those forecasts, projections and statements. The Issuers, the Guarantor, the Arranger and the Dealers do not represent or warrant that the actual future results, performance or achievements of the Issuers, the Guarantor or the Group will be as discussed in those statements.

Neither the delivery of this Information Memorandum nor the issue of any Notes by the Issuers shall under any circumstances constitute a continuing representation or create any suggestion or implication that there has been no change in the affairs of the Issuers, the Guarantor, the Group or any statement of fact or information contained in this Information Memorandum since the date of this Information Memorandum or the date on which this Information Memorandum has been most recently amended or supplemented.

Further, the Issuers, the Guarantor, the Arranger and the Dealers disclaim any responsibility, and undertake no obligation, to update or revise any forward-looking statements contained herein to reflect any changes in the expectations with respect thereto after the date of this Information Memorandum or to reflect any change in events, conditions or circumstances on which any such statements are based.

DEFINITIONS

The following definitions have, where appropriate, been used in this Information Memorandum:

"**A&A works**"	:	Alteration and addition works.
"**Agency Agreement**"	:	The Agency Agreement dated 20 January 2015 between (1) the Issuers, as issuers, (2) the Guarantor, as guarantor, (3) the Principal Paying Agent, as principal paying agent, (4) the Non-CDP Paying Agent, as non-CDP paying agent, and (5) the Trustee, as trustee, as amended, varied or supplemented from time to time.
"**Arranger**"	:	United Overseas Bank Limited.
"**BCA**"	:	Building and Construction Authority.
"**business day**"	:	In respect of each Note, (a) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and/or the Depository, as applicable, are operating, (b) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the Principal Paying Agent's and (if applicable) the Non-CDP Paying Agent's specified office and (c) (if a payment is to be made on that day) (i) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore, (ii) (in the case of Notes denominated in Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which the TARGET System is open for settlement in Euros and (iii) (in the case of Notes denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency.
"**Calculation Agency Agreement**"	:	A calculation agency agreement between the Relevant Issuer, (in the case where the Relevant Issuer is OCPL) the Guarantor, the Trustee and the relevant Calculation Agent made pursuant to Clause 2.5 of the Programme Agreement, substantially in the form set out in Appendix 6 to the Programme Agreement.
"**Calculation Agent**"	:	In relation to any Series of Notes, the person appointed as calculation agent for that Series pursuant to the Agency Agreement or, as the case may be, the relevant Calculation Agency Agreement and as specified in the applicable Pricing Supplement, or its successor in such capacity.
"**CDP**" or the "**Depository**"	:	The Central Depository (Pte) Limited.
"**Companies Act**"	:	The Companies Act, Chapter 50 of Singapore, as amended or modified from time to time.
"**Conditions**"	:	In relation to the Notes of any Series, the terms and conditions applicable thereto, which shall be substantially in the form set out in Part II of Schedule 1 to the Trust Deed, as modified, with respect to any Notes represented by a Global Note, by the provisions of such Global Note, shall incorporate any additional

		provisions forming part of such terms and conditions set out in the Pricing Supplement(s) relating to the Notes of such Series and shall be endorsed on the Definitive Notes subject to amendment and completion as referred to in the first paragraph appearing after the heading "Terms and Conditions of the Notes" as set out in Part II of Schedule 1 to the Trust Deed, and any reference to a particularly numbered Condition shall be construed accordingly.
"**Coupon**"	:	An interest coupon appertaining to an interest bearing Definitive Note.
"**Couponholders**"	:	The holders of the Coupons.
"**Dealers**"	:	Persons appointed as dealers under the Programme.
"**Definitive Note**"	:	A definitive Note in bearer form, being substantially in the form set out in Part I of Schedule 1 to the Trust Deed and having, where appropriate, Coupons attached on issue.
"**Euro**"	:	The currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time.
"**FY**"	:	Financial year ended or ending 30 June.
"**Global Note**"	:	A global Note representing Notes of one or more Tranches of the same Series, being a Temporary Global Note and/or, as the context may require, a Permanent Global Note, in each case without Coupons.
"**GFA**"	:	Gross floor area.
"**Group**"	:	OKH (whether as issuer or guarantor) and its subsidiaries.
"**Guarantee**"	:	The guarantee and indemnity of the Guarantor set out in Clause 6 of the Trust Deed.
"**Guarantor**"	:	OKH, as guarantor in the case of Notes issued by OCPL.
"**Issuers**"	:	OKH and OCPL and "**Issuer**" means either of them.
"**ITA**"	:	The Income Tax Act, Chapter 134 of Singapore, as amended or modified from time to time.
"**Latest Practicable Date**"	:	12 January 2015.
"**MAS**"	:	The Monetary Authority of Singapore.
"**MRT**"	:	Mass rapid transit.
"**Non-CDP Paying Agent**"	:	Deutsche Bank AG, Hong Kong Branch.
"**Noteholders**"	:	The holders of the Notes.
"**Notes**"	:	The multicurrency medium term notes of the Relevant Issuer issued or to be issued pursuant to the Programme Agreement and constituted by the Trust Deed (and shall, where the context so admits, include the Global Notes and the Definitive Notes).
"**OCPL**"	:	OKH Capital Pte. Ltd.

"**OKH**"	:	OKH Global Ltd.
"**Paying Agents**"	:	The Principal Paying Agent and the Non-CDP Paying Agent, or such other or further institutions as may from time to time be appointed by the Issuers as paying agent for the Notes and Coupons.
"**Permanent Global Note**"	:	A Global Note representing Notes of one or more Tranches of the same Series, either on issue or upon exchange of interests in a Temporary Global Note, being substantially in the form set out in Schedule 3 to the Trust Deed.
"**Pricing Supplement**"	:	In relation to any Tranche or Series, a pricing supplement supplemental to this Information Memorandum, specifying the relevant issue details in relation to such Tranche or, as the case may be, Series, substantially in the form of Appendix 2 to the Programme Agreement.
"**Principal Paying Agent**"	:	Deutsche Bank AG, Singapore Branch.
"**Programme**"	:	The S$200,000,000 Multicurrency Medium Term Note Programme established by the Issuers pursuant to the Programme Agreement.
"**Programme Agreement**"	:	The Programme Agreement dated 20 January 2015 made between (1) the Issuers, as issuers, (2) the Guarantor, as guarantor, (3) the Arranger, as arranger, and (4) United Overseas Bank Limited, as dealer, as amended, varied or supplemented from time to time.
"**PUB**"	:	Public Utilities Board of Singapore.
"**Relevant Issuer**"	:	In relation to any Tranche or Series, the Issuer which has concluded an agreement with the relevant Dealer(s) to issue, or which has issued, the Notes of that Tranche or Series.
"**S$**" or "**SGD**"	:	Singapore dollars, the lawful currency of Singapore.
"**Securities Act**"	:	The U.S. Securities Act 1933, as amended or modified from time to time.
"**Series**"	:	(a) (in relation to Notes other than variable rate notes) a Tranche, together with any further Tranche or Tranches, which are (i) expressed to be consolidated and forming a single series and (ii) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (b) (in relation to variable rate notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest.
"**SFA**"	:	The Securities and Futures Act, Chapter 289 of Singapore, as amended or modified from time to time.
"**SGX-ST**"	:	Singapore Exchange Securities Trading Limited.
"**SMRT**"	:	SMRT Corporation Ltd.
"**subsidiary**"	:	Any company which is for the time being a subsidiary (within the meaning of Section 5 of the Companies Act.

"**TARGET System**"	:	The Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.
"**Temporary Global Note**"	:	A Global Note representing Notes of one or more Tranches of the same Series on issue, being substantially in the form set out in Schedule 2 to the Trust Deed.
"**TOP**"	:	Temporary occupation permit.
"**Tranche**"	:	Notes which are identical in all respects (including as to listing).
"**Trust Deed**"	:	The Trust Deed dated 20 January 2015 made between (1) the Issuers, as issuers, (2) the Guarantor, as guarantor, and (3) the Trustee, as trustee, as amended, varied or supplemented from time to time.
"**Trustee**"	:	DB International Trust (Singapore) Limited.
"**United States**" or "**U.S.**"	:	United States of America.
"**URA**"	:	Urban Redevelopment Authority of Singapore.
"**US$**" or "**USD**"	:	United States Dollars, the lawful currency of the United States of America.
"**%**"	:	Per cent.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders. References to persons shall, where applicable, include corporations. Any reference to a time of day in this Information Memorandum shall be a reference to Singapore time unless otherwise stated. Any reference in this Information Memorandum to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any word defined under the Companies Act or the SFA or any statutory modification thereof and used in this Information Memorandum shall, where applicable, have the meaning ascribed to it under the Companies Act or, as the case may be, the SFA.

CORPORATE INFORMATION

OKH Global Ltd.

Board of Directors	:	Mr Bon Ween Foong Mr Lam Wee Yeow Mr Tan Geok Chye Mr Ong Soon Teik Mr Lim Eng Hoe Mr Lee Teck Leng Robson
Company Secretary	:	Mr Chew Kok Liang
Registered Office	:	Canon's Court 22 Victoria Street Hamilton HM12 Bermuda
Auditors to OKH Global Ltd.	:	Deloitte & Touche LLP Chartered Accountants 6 Shenton Way OUE Downtown 2 #33-00 Singapore 068809

OKH Capital Pte. Ltd.

Board of Directors	:	Mr Bon Ween Foong
Company Secretary	:	Mr Julian Yeap Chiaw Gam
Registered Office	:	701 Sims Drive #02-06 LHK Building Singapore 387383
Arranger and Dealer of the Programme	:	United Overseas Bank Limited 80 Raffles Place #03-01 UOB Plaza 1 Singapore 048624
Legal Advisers to the Arranger as to Singapore law	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989
Legal Advisers to the Arranger as to the laws of Bermuda	:	Conyers Dill & Pearman Pte. Ltd. 9 Battery Road #20-01 Straits Trading Building Singapore 049910
Legal Advisers to the Issuers and the Guarantor	:	Shook Lin & Bok LLP 1 Robinson Road #18-00 AIA Tower Singapore 048542
Legal Advisers to the Principal Paying Agent and the Trustee	:	Allen & Gledhill LLP One Marina Boulevard #28-00 Singapore 018989

Principal Paying Agent	:	Deutsche Bank AG, Singapore Branch One Raffles Quay #16-00 South Tower Singapore 048583
Non-CDP Paying Agent	:	Deutsche Bank AG, Hong Kong Branch Level 52, International Commerce Centre 1 Austin Road West Kowloon, Hong Kong
Trustee for the Noteholders	:	DB International Trust (Singapore) Limited One Raffles Quay #16-00 South Tower Singapore 048583

SUMMARY OF THE PROGRAMME

The following summary is derived from, and should be read in conjunction with, the full text of this Information Memorandum (and any relevant supplement to this Information Memorandum), the Trust Deed, the Agency Agreement and the relevant Pricing Supplement.

Issuers	:	OKH Global Ltd. OKH Capital Pte. Ltd.
Guarantor (in the case of Notes issued by OKH Capital Pte. Ltd.)	:	OKH Global Ltd.
Arranger	:	United Overseas Bank Limited.
Dealers	:	United Overseas Bank Limited and/or such other Dealers as may be appointed by the Relevant Issuer in accordance with the Programme Agreement.
Trustee	:	DB International Trust (Singapore) Limited.
Principal Paying Agent	:	Deutsche Bank AG, Singapore Branch.
Non-CDP Paying Agent	:	Deutsche Bank AG, Hong Kong Branch.
Description	:	S$200,000,000 Multicurrency Medium Term Note Programme.
Programme Size	:	The maximum aggregate principal amount of the Notes outstanding at any time shall be S$200,000,000 (or its equivalent in other currencies) or such higher amount in accordance with the terms of the Programme Agreement.
Currency	:	Subject to compliance with all relevant laws, regulations and directives, Notes may be issued in Singapore dollars or any other currency agreed between the Relevant Issuer and the relevant Dealer(s).
Purpose	:	Net proceeds arising from the issue of the Notes under the Programme (after deducting issue expenses) will be used for general corporate purposes, including, but not limited to, financing investments, repayment of existing borrowings, general working capital and capital expenditure requirements of OKH and/or its subsidiaries or such other purposes as may be specified in the relevant Pricing Supplement.
Method of Issue	:	Notes may be issued from time to time under the Programme on a syndicated or non-syndicated basis. Each Series may be issued in one or more Tranches, on the same or different issue dates. The minimum issue size for each Series shall be agreed between the Relevant Issuer and the relevant Dealer(s). The specific terms of each Series or Tranche will be specified in the relevant Pricing Supplement.
Issue Price	:	Notes may be issued at par or at a discount, or premium, to par.
Tenor	:	Subject to compliance with all relevant laws, regulations and directives, Notes may have maturities of such tenor as may be agreed between the Relevant Issuer and the relevant Dealer(s).

Redemption upon Maturity	:	Unless previously redeemed or purchased and cancelled, each Note will be redeemed at its redemption amount on the maturity date shown on its face.
Interest Basis	:	Notes may bear interest at fixed, floating, variable or hybrid rates or such other rates as may be agreed between the Relevant Issuer and the relevant Dealer(s) or may not bear interest.
Fixed Rate Notes	:	Fixed Rate Notes will bear a fixed rate of interest which will be payable in arrear on specified dates and at maturity.
Floating Rate Notes	:	Floating Rate Notes which are denominated in Singapore dollars will bear interest to be determined separately for each Series by reference to S$ SIBOR or S$ SWAP RATE (or in any other case such other benchmark as may be agreed between the Relevant Issuer and the relevant Dealer(s)), as adjusted for any applicable margin. Interest periods in relation to the Floating Rate Notes will be agreed between the Relevant Issuer and the relevant Dealer(s) prior to their issue. Floating Rate Notes which are denominated in other currencies will bear interest to be determined separately for each Series by reference to such other benchmark as may be agreed between the Relevant Issuer and the relevant Dealer(s).
Variable Rate Notes	:	Variable Rate Notes will bear interest at a variable rate determined in accordance with the Conditions. Interest periods in relation to the Variable Rate Notes will be agreed between the Relevant Issuer and the relevant Dealer(s) prior to their issue.
Hybrid Notes	:	Hybrid Notes will bear interest, during the fixed rate period to be agreed between the Relevant Issuer and the relevant Dealer(s), at a fixed rate of interest which will be payable in arrear on specified dates and, during the floating rate period to be agreed between the Relevant Issuer and the relevant Dealer(s), at the rate of interest to be determined by reference to S$ SIBOR or S$ SWAP RATE (or such other benchmark as may be agreed between the Relevant Issuer and the relevant Dealer(s)), as adjusted for any applicable margin (provided that if the Hybrid Notes are denominated in a currency other than Singapore dollars, such Hybrid Notes will bear interest to be determined separately by reference to such relevant benchmark as may be agreed between the Relevant Issuer and the relevant Dealer(s)), in each case payable at the end of each interest period to be agreed between the Relevant Issuer and the relevant Dealer(s).
Zero Coupon Notes	:	Zero Coupon Notes may be issued at their nominal amount or at a discount to it and will not bear interest other than in the case of late payment.
Form and Denomination of Notes	:	The Notes will be issued in bearer form only and in such denominations as may be agreed between the Relevant Issuer and the relevant Dealer(s). Each Tranche or Series of Notes may initially be represented by a Temporary Global Note or a Permanent Global Note. Each Temporary Global Note may be deposited on the relevant issue date with CDP, a common depositary for Euroclear and Clearstream, Luxembourg and/or any other agreed clearing system and will be exchangeable, upon request as described therein, either for a Permanent Global Note or Definitive Notes (as indicated in the applicable Pricing

Supplement). Each Permanent Global Note may be exchanged, unless otherwise specified in the applicable Pricing Supplement, upon request as described therein, in whole (but not in part) for Definitive Notes upon the terms therein.

Custody of the Notes : Notes may be cleared through CDP, Euroclear and/or Clearstream, Luxembourg. Notes which are to be cleared through CDP are required to be kept with CDP as authorised depository. Notes which are to be cleared through Euroclear and/or Clearstream, Luxembourg are required to be kept with a common depositary on behalf of Euroclear and Clearstream, Luxembourg.

Status of the Notes and the Guarantee : The Notes and Coupons of all Series will constitute direct, unconditional, unsubordinated and unsecured obligations of the Relevant Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the Relevant Issuer.

The payment obligations of the Guarantor under the Guarantee and the Trust Deed constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall rank *pari passu* with all other unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor.

Optional Redemption and Purchase : If so provided on the face of the Note and the relevant Pricing Supplement, Notes may be redeemed (either in whole or in part) prior to their stated maturity at the option of the Relevant Issuer and/or the Noteholders. Further, if so provided on the face of the Note and the relevant Pricing Supplement, Notes may be purchased by the Relevant Issuer (either in whole or in part) prior to their stated maturity at the option of the Relevant Issuer and/or the Noteholders.

Redemption at the Option of Noteholders upon Cessation or Suspension of Trading of Shares : In the event that (i) the shares of OKH cease to be traded on the SGX-ST or (ii) trading in the shares of OKH on the SGX-ST is suspended for a continuous period of more than seven market days, the Relevant Issuer shall, at the option of the holder of any Note, redeem such Note at its redemption amount together with interest accrued to the date fixed for redemption on the later of (1) the immediately following date on which interest is due to be paid on such Notes and (2) the date falling 45 days after the Effective Date.

For the purposes of the paragraph above:

(A) "**Effective Date**" means (where the shares of OKH cease to be traded on the SGX-ST) the date of cessation of trading or (where trading in the shares of OKH on the SGX-ST is suspended for a continuous period of more than seven market days) the business day immediately following the expiry of such continuous period of seven market days; and

(B) "**market day**" means a day on which the SGX-ST is open for securities trading.

Redemption at the Option of Noteholders Pursuant to a Change of Control	:	If, for any reason, a Change of Control occurs, the Relevant Issuer will within seven days of such occurrence give notice to the Noteholders of the occurrence of such event (the "**Notice**") and shall, at the option of the holder of any Note, redeem such Note at its redemption amount, together with interest accrued to the date fixed for redemption, on the date falling 60 days from the date of the Notice (or if such date is not a business day, on the next day which is a business day). To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Principal Paying Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent or the Relevant Issuer (as applicable), no later than 30 days from the date of the Notice. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the Relevant Issuer. For the purposes of the paragraph above: (i) a "**Change of Control**" will occur when a person (or persons) (other than Mr Bon Ween Foong), directly or indirectly, acting together, acquires control, directly or indirectly, of OKH or OCPL; (ii) "**control**" means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of OKH or OCPL, whether through the ownership of securities or partnership or other ownership interests, by contract or otherwise; and (iii) "**person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the Board of Directors of OKH or OCPL or any other governing board and does not include OKH's wholly-owned direct or indirect subsidiaries.
Redemption for Taxation Reasons	:	If so provided on the face of the Note and the relevant Pricing Supplement, the Notes may be redeemed at the option of the relevant Issuer in whole, but not in part, on any Interest Payment Date or, if so specified on the face of the Note and the relevant Pricing Supplement, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their redemption amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 5(i)) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the relevant Issuer (or, if the Guarantee was called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the relevant Issuer or,

as the case may be, the Guarantor taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which OKH or, as the case may be, OCPL would be obliged to pay such additional amounts were a payment in respect of the Notes then due.

Negative Pledge	:	OCPL has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its subsidiaries (as defined in Condition 9) will, create or have outstanding any security over the whole or any part of their respective assets, property or revenues, present or future, save for any security which has been approved by the Noteholders by way of an Extraordinary Resolution (as defined in the Trust Deed).

OKH has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of the Principal Subsidiaries (as defined in Condition 9) will, create or have outstanding any security over the whole or any part of their respective assets, property or revenues, present or future, save for:

(i) any rights of set-off or liens arising solely by operation of law (or by an agreement evidencing the same), in respect of indebtedness which either (a) has been due for less than 30 days or (b) is being contested in good faith and by appropriate means;

(ii) any security existing as at the date of the Trust Deed over any of their respective assets, property or revenues and disclosed in writing to the Trustee on or prior to the date of the Trust Deed and any security to be created over such assets, property or revenues in connection with the refinancing of, extension of or increase in, any of the indebtedness secured by such assets, property or revenues;

(iii) any security on or over their respective assets ("**Development Assets**") acquired, renovated, refurbished or developed by it after the date of the Trust Deed (and including all related assets in connection with the Development Assets which, for the avoidance of doubt, includes but shall not be limited to insurances, receivables, contracts and bank accounts established in connection with or in respect of the Development Assets) for the sole purpose of financing the acquisition (including acquisition by way of acquisition of the shares in the company or entity owning (whether directly or indirectly) such assets), renovation, refurbishment or development of such assets and any security to be created over such assets in connection with the refinancing of, extension of or increase in, any of the indebtedness secured by such existing security, in each case, securing a principal amount not exceeding the cost of such acquisition, renovation, refurbishment or development or the market value of such asset;

(iv) pledges of goods, the related documents of title and/or other related documents arising or created in the ordinary course of business as security only for indebtedness to a bank or financial institution directly relating to the goods or documents on or over which that pledge exists;

(v) any security created by way of fixed and/or floating charge on or over their respective assets for the purpose of securing working capital facilities granted in the ordinary course of business;

(vi) any security created to secure their respective liabilities in respect of letters of credit, performance bonds and/or bank guarantees (including but not limited to secure the performance of bids, tenders or maintenance of performance bonds and/or bank guarantees) issued in the ordinary course of business;

(vii) any security over assets of a Principal Subsidiary subsisting as at the date on which it became a Principal Subsidiary; and

(viii) any other security which has been approved by the Noteholders by way of an Extraordinary Resolution (as defined in the Trust Deed).

Financial and Other Covenants : OKH has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will ensure that:

(i) the Consolidated Tangible Net Worth (as defined in the Trust Deed) shall not at any time be less than S$68,000,000;

(ii) the ratio of Consolidated Net Borrowings (as defined in the Trust Deed) to Consolidated Tangible Net Worth shall not at any time be more than 4:1; and

(iii) the ratio of Consolidated Total Secured Debt (as defined in the Trust Deed) to Consolidated Total Assets (as defined in the Trust Deed) shall not at any time be more than 0.65:1.

Restriction on Disposals : Each of OKH and OCPL has jointly and severally covenanted with the Trustee in the Trust Deed that each of them will not, and will ensure that none of the Principal Subsidiaries will, (whether by a single transaction or a number of related or unrelated transactions and whether at one time or over a period of time) sell, transfer, lease out, lend or otherwise dispose of (whether outright, by a sale-and-repurchase or sale-and-leaseback arrangement, or otherwise) all or substantially all of its assets nor of any part of its assets which, either alone or when aggregated with all other disposals required to be taken into account under Clause 16.28 of the Trust Deed, is substantial in relation to its assets, or those of itself and its subsidiaries, taken as a whole or the disposal of which (either alone or when so aggregated) could have a material adverse effect on it. The following disposals shall not be taken into account under this paragraph:

(i) any disposal in the ordinary course of business on arm's length basis and normal commercial terms;

		(ii) any disposal of its interests in joint ventures or disposals pursuant to or in connection with the termination (whether scheduled or early) of any of its joint ventures; (iii) the disposal of assets in exchange for other assets comparable or superior as to type, value and quality; (iv) the disposal of any asset which is obsolete or no longer required for their respective business; or (v) any disposal approved by the Noteholders by way of an Extraordinary Resolution.
Events of Default	:	See Condition 9.
Taxation	:	All payments in respect of the Notes and the Coupons by the Relevant Issuer or, as the case may be, the Guarantor shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the Relevant Issuer or, as the case may be, the Guarantor shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, save for certain exceptions. For further details, please see the section "Singapore Taxation" herein.
Listing	:	Each Series of the Notes may, if so agreed between the Relevant Issuer and the relevant Dealer(s), be listed on the SGX-ST or any stock exchange(s) as may be agreed between the Relevant Issuer and the relevant Dealer(s), subject to all necessary approvals having been obtained. If the application to the SGX-ST to list a particular Series of Notes is approved, for so long as such Notes are listed on the SGX-ST and the rules of the SGX-ST so require, such Notes will be traded on the SGX-ST in a minimum board lot size of at least S$200,000 or its equivalent in foreign currencies. For so long as any Notes are listed on the SGX-ST and the rules of the SGX-ST so require, a paying agent will be appointed and maintained in Singapore, where Definitive Notes may be presented or surrendered for payment or redemption. In the event that a Global Note is exchanged for Definitive Note(s), an announcement of such exchange will be made through the SGX-ST. Such announcement will include all material information with respect to the delivery of the Definitive Note(s), including details of the paying agent in Singapore.
Selling Restrictions	:	For a description of certain restrictions on offers, sales and deliveries of Notes and the distribution of offering material relating to the Notes, please see the section "Subscription, Purchase and Distribution" herein. Further restrictions may apply in connection with any particular Series or Tranche of Notes.
Governing Law	:	The Trust Deed, the Notes and the Coupons are governed by, and shall be construed in accordance with, the laws of Singapore.

Terms and Conditions of the Notes

The following is the text of the terms and conditions which, subject to completion and amendment and as supplemented or varied in accordance with the provisions of the relevant Pricing Supplement, will be endorsed on the Notes in definitive form issued in exchange for the Global Note(s) representing each Series. Either (i) the full text of these terms and conditions together with the relevant provisions of the Pricing Supplement or (ii) these terms and conditions as so completed, amended, supplemented or varied (and subject to simplification by the deletion of non-applicable provisions), shall be endorsed on such Notes. Unless otherwise stated, all capitalised terms that are not defined in these Conditions will have the meanings given to them in the relevant Pricing Supplement. Those definitions will be endorsed on the definitive Notes. References in the Conditions to "Notes" are to the Notes of one Series only, not to all Notes that may be issued under the Programme, details of the relevant Series being shown on the face of the relevant Notes and in the relevant Pricing Supplement.

The Notes are constituted by a Trust Deed (as amended and supplemented from time to time, the "**Trust Deed**") dated 20 January 2015 made between (1) OKH Global Ltd. ("**OKH**") and OKH Capital Pte. Ltd. ("**OCPL**") (together, the "**Issuers**" and each an "**Issuer**"), (2) OKH, in its capacity as guarantor for Notes issued by OCPL (the "**Guarantor**"), and (3) DB International Trust (Singapore) Limited (the "**Trustee**", which expression shall wherever the context so admits include such company and all other persons for the time being the trustee or trustees of the Trust Deed), as trustee for the Noteholders (as defined below), and (where applicable) the Notes are issued with the benefit of a deed of covenant executed by OKH by way of deed poll dated 20 January 2015 (as amended and supplemented from time to time, the "**Deed of Covenant (OKH)**"), relating to the Notes executed by OKH and a deed of covenant dated 20 January 2015 executed by OCPL by way of deed poll (as amended and supplemented from time to time, the "**Deed of Covenant (OCPL)**"), relating to the Notes executed by OCPL (the Deed of Covenant (OKH) and the Deed of Covenant (OCPL) together, the "**Deeds of Covenant**"). These terms and conditions (the "**Conditions**") include summaries of, and are subject to, the detailed provisions of the Trust Deed, which include the form of the Notes and Coupons referred to below. The Issuers and the Guarantor have entered into an Agency Agreement (as amended and supplemented from time to time, the "**Agency Agreement**") dated 20 January 2015 made between (1) the Issuers, as issuers, (2) the Guarantor, as guarantor, (3) Deutsche Bank AG, Singapore Branch, as principal paying agent (in such capacity, the "**Principal Paying Agent**"), (4) Deutsche Bank AG, Hong Kong Branch, as non-CDP paying agent (in such capacity, the "**Non-CDP Paying Agent**" and, together with the Principal Paying Agent and any other paying agents that may be appointed from time to time, the "**Paying Agents**"), and (5) the Trustee, as trustee. The Noteholders and the holders of the coupons (the "**Coupons**") appertaining to the interest-bearing Notes (the "**Couponholders**") are bound by and are deemed to have notice of all of the provisions of the Trust Deed, the Agency Agreement and the relevant Deed of Covenant. For the purposes of these Conditions, all references to the Principal Paying Agent shall, with respect to a Series of Notes to be cleared through a clearing system other than the CDP System (as defined in the Trust Deed), be deemed to be a reference to the Non-CDP Paying Agent and all such references shall be construed accordingly.

Copies of the Trust Deed, the Agency Agreement and the Deeds of Covenant are available for inspection at the principal office of the Trustee for the time being and at the respective specified offices of the Paying Agents for the time being.

1. Form, Denomination and Title

(a) Form and Denomination

(i) The Notes of the Series of which this Note forms part (in these Conditions, the "**Notes**") are issued in bearer form in each case in the Denomination Amount shown hereon.

(ii) This Note is a Fixed Rate Note, a Floating Rate Note, a Variable Rate Note, a Hybrid Note or a Zero Coupon Note (depending upon the Interest Basis shown on its face).

(iii) Notes are serially numbered and issued with Coupons attached, save in the case of Notes that do not bear interest in which case references to interest (other than in relation to default interest referred to in Condition 6(f)) in these Conditions are not applicable.

(b) Title

(i) Title to the Notes and the Coupons appertaining thereto shall pass by delivery.

(ii) Except as ordered by a court of competent jurisdiction or as required by law, the holder of any Note or Coupon shall be deemed to be and may be treated as the absolute owner of such Note or of such Coupon, as the case may be, for the purpose of receiving payment thereof or on account thereof and for all other purposes, whether or not such Note or Coupon shall be overdue and notwithstanding any notice of ownership, theft, loss or forgery thereof or any writing thereon made by anyone, and no person shall be liable for so treating the holder.

(iii) For so long as any of the Notes is represented by a Global Note and such Global Note is held by a common depositary for Euroclear Bank S.A./N.V. ("**Euroclear**") and Clearstream Banking, *société anonyme* ("**Clearstream, Luxembourg**") and/or The Central Depository (Pte) Limited (the "**Depository**"), each person who is for the time being shown in the records of Euroclear, Clearstream, Luxembourg and/or the Depository as the holder of a particular principal amount of such Notes (in which regard any certificate or other document issued by Euroclear, Clearstream, Luxembourg and/or the Depository as to the principal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save for manifest error) shall be treated by the relevant Issuer, (where the relevant Issuer is OCPL) the Guarantor, the Principal Paying Agent, the Non-CDP Paying Agent, the Calculation Agent, all other agents of the relevant Issuer and the Trustee as the holder of such principal amount of Notes other than with respect to the payment of principal, premium, interest, distribution, redemption, purchase and/or any other amounts in respect of the Notes, for which purpose the bearer of the Global Note shall be treated by the relevant Issuer, the Principal Paying Agent, the Non-CDP Paying Agent, the Calculation Agent, all other agents of the relevant Issuer and the Trustee as the holder of such Notes in accordance with and subject to the terms of the Global Note (and the expressions "**Noteholder**" and "**holder of Notes**" and related expressions shall be construed accordingly). Notes which are represented by the Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear, Clearstream, Luxembourg and/or the Depository.

(iv) In these Conditions, "**Global Note**" means the relevant Temporary Global Note representing each Series or the relevant Permanent Global Note representing each Series, "**Noteholder**" means the bearer of any Definitive Note (as defined in the Trust Deed) and "**holder**" (in relation to a Definitive Note or Coupon) means the bearer of any Definitive Note or Coupon, "**Series**" means (1) (in relation to Notes other than Variable Rate Notes) a Tranche, together with any further Tranche or Tranches, which are (A) expressed to be consolidated and forming a single series and (B) identical in all respects (including as to listing) except for their respective issue dates, issue prices and/or dates of the first payment of interest and (2) (in relation to Variable Rate Notes) Notes which are identical in all respects (including as to listing) except for their respective issue prices and rates of interest and "**Tranche**" means Notes which are identical in all respects (including as to listing).

(v) Words and expressions defined in the Trust Deed or used in the applicable Pricing Supplement (as defined in the Trust Deed) shall have the same meanings where used in these Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the applicable Pricing Supplement, the applicable Pricing Supplement will prevail.

2. Status and Guarantee

(a) Status

The Notes and Coupons of all Series constitute direct, unconditional, unsubordinated and unsecured obligations of the relevant Issuer and shall at all times rank *pari passu*, without any preference or priority among themselves, and *pari passu* with all other present and future unsecured obligations (other than subordinated obligations and priorities created by law) of the relevant Issuer.

(b) Guarantee

The payment of all sums expressed to be payable by OCPL under the Trust Deed, the Notes and the Coupons are unconditionally and irrevocably guaranteed by the Guarantor. The obligations of the Guarantor under the Guarantee (as defined in the Trust Deed) are contained in the Trust Deed. The payment obligations of the Guarantor under the Guarantee and the Trust Deed constitute direct, unconditional, unsubordinated and unsecured obligations of the Guarantor and shall rank *pari passu* with all other unsecured obligations (other than subordinated obligations and priorities created by law) of the Guarantor.

3. Negative Pledge and Financial Covenants

(a) Negative Pledge

(i) OCPL has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of its subsidiaries (as defined in Condition 9) will, create or have outstanding any security over the whole or any part of their respective assets, property or revenues, present or future, save for any security which has been approved by the Noteholders by way of an Extraordinary Resolution (as defined in the Trust Deed).

(ii) OKH has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will not, and will ensure that none of the Principal Subsidiaries (as defined in Condition 9) will, create or have outstanding any security over the whole or any part of their respective assets, property or revenues, present or future, save for:

(1) any rights of set-off or liens arising solely by operation of law (or by an agreement evidencing the same) in respect of indebtedness which either (A) has been due for less than 30 days or (B) is being contested in good faith and by appropriate means;

(2) any security existing as at the date of the Trust Deed over any of their respective assets, property or revenues and disclosed in writing to the Trustee on or prior to the date of the Trust Deed and any security to be created over such assets, property or revenues in connection with the refinancing of, extension of or increase in, any of the indebtedness secured by such assets, property or revenues;

(3) any security on or over their respective assets ("**Development Assets**") acquired, renovated, refurbished or developed by it after the date of the Trust Deed (and including all related assets in connection with the Development Assets which, for the avoidance of doubt, includes but shall not be limited to insurances, receivables, contracts and bank accounts established in connection with or in respect of the Development Assets) for the sole purpose of financing the acquisition (including acquisition by way of acquisition of the shares in the company or entity owning (whether directly or indirectly) such assets), renovation, refurbishment or development of such assets and any security to be created over such assets in connection with the refinancing of, extension of or increase in, any of the indebtedness secured by such existing security, in each case, securing a principal amount not exceeding the cost of such acquisition, renovation, refurbishment or development or the market value of such asset;

(4) pledges of goods, the related documents of title and/or other related documents arising or created in the ordinary course of business as security only for indebtedness to a bank or financial institution directly relating to the goods or documents on or over which that pledge exists;

(5) any security created by way of fixed and/or floating charge on or over their respective assets for the purpose of securing working capital facilities granted in the ordinary course of business;

(6) any security created to secure their respective liabilities in respect of letters of credit, performance bonds and/or bank guarantees (including but not limited to secure the performance of bids, tenders or maintenance of performance bonds and/or bank guarantees) issued in the ordinary course of business;

(7) any security over assets of a Principal Subsidiary subsisting as at the date on which it became a Principal Subsidiary; and

(8) any other security which has been approved by the Noteholders by way of an Extraordinary Resolution (as defined in the Trust Deed).

(b) Financial and Other Covenants

(i) OKH has covenanted with the Trustee in the Trust Deed that so long as any of the Notes remains outstanding, it will ensure that:

(1) the Consolidated Tangible Net Worth shall not at any time be less than S$68,000,000;

(2) the ratio of Consolidated Net Borrowings to Consolidated Tangible Net Worth shall not at any time be more than 4:1; and

(3) the ratio of Consolidated Total Secured Debt to Consolidated Total Assets shall not at any time be more than 0.65:1.

(ii) For the purposes of these Conditions:

(1) "**Consolidated Net Borrowings**" means Consolidated Total Borrowings less cash and cash equivalents (as determined in accordance with generally accepted accounting principles in Singapore);

(2) "**Consolidated Tangible Net Worth**" means the amount (expressed in Singapore dollars) for the time being, calculated in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of:

(A) the amount paid up or credited as paid up on the issued share capital of OKH; and

(B) the amounts standing to the credit of the capital and revenue reserves (including capital redemption reserve fund, revaluation reserves and profit and loss account) of the Group on a consolidated basis,

all as shown in the then latest audited consolidated balance sheet of the Group but after:

(aa) making such adjustments as may be appropriate in respect of any variation in the issued and paid up share capital and the capital and revenue reserves set out in paragraph (B) above of the Group since the date of the latest audited consolidated balance sheet of the Group;

(bb) excluding any sums set aside for future taxation; and

(cc) deducting:

(I) an amount equal to any distribution by any member of the Group out of profits earned prior to the date of the latest audited consolidated balance sheet of the Group and which have been declared, recommended or made since that date except so far as provided for in such balance sheet and/or paid or due to be paid to members of the Group;

(II) all goodwill and other intangible assets; and

(III) any debit balances on consolidated profit and loss account;

(3) "**Consolidated Total Assets**" means, at any particular time, the consolidated amount of the book values of all the assets of the Group, determined as assets in accordance with generally accepted accounting principles in Singapore;

(4) "**Consolidated Total Borrowings**" means in relation to the Group, an amount (expressed in Singapore dollars) for the time being, calculated on a consolidated basis, in accordance with generally accepted accounting principles in Singapore, equal to the aggregate of:

(A) bank overdrafts and all other indebtedness in respect of any borrowings;

(B) the principal amount of the Notes or any bonds or debentures of any member of the Group whether issued for cash or a consideration other than cash;

(C) the liabilities of the Issuers under the Trust Deed or the Notes;

(D) all other indebtedness whatsoever of the Group for borrowed moneys; and

(E) any redeemable preference shares issued by any member of the Group and which is regarded by generally accepted accounting principles in Singapore as debt or other liability of the Group;

(5) "**Consolidated Total Liabilities**" means the aggregate of Consolidated Total Borrowings plus, insofar as not already taken into account, all other liabilities of the Group calculated in accordance with generally accepted accounting principles in Singapore, including:

(A) current creditors, proposed dividends and taxation payable within 12 months;

(B) the principal amount raised by acceptances under any acceptance credit in favour of any member of the Group;

(C) the face amount of any bills of exchange (other than cheques) or other instruments upon which any member of the Group is liable as drawer, acceptor or endorser;

(D) all actual and contingent liabilities of whatsoever nature of any member of the Group including, without limitation, the maximum premium payable on a redemption of any debenture or other indebtedness of any member of the Group and all actual and contingent liabilities of any other person (including any shares and the principal amount of any debentures of any person) to the extent that such liabilities, shares or debentures are directly or indirectly guaranteed or secured by or are, directly or indirectly, the subject of an indemnity given by, or with a right of recourse against, any member of the Group;

(E) the aggregate of the principal amounts outstanding under all agreements or transactions entered into by any member of the Group for leasing, hire purchase, conditional sale or purchase on deferred terms, or provision of funds in support of obligations of third parties and similar transactions in relation to any property, and any other amounts due to creditors other than current creditors;

(F) amounts standing to the credit of any deferred tax account or tax equalisation reserve; and

(G) any amount proposed to be distributed to shareholders, provided that no liabilities shall be included in a calculation of Consolidated Total Liabilities more than once; and

(6) "**Consolidated Total Secured Debt**" means, at any particular time, the portion of Consolidated Total Liabilities secured by any security interest over any asset of the Group.

4. (I) Interest on Fixed Rate Notes

(a) Interest Rate and Accrual

Each Fixed Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date in respect thereof and as shown on the face of such Note at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of such Note in each year and on the Maturity Date shown on the face of such Note if that date does not fall on an Interest Payment Date.

The first payment of interest will be made on the Interest Payment Date next following the Interest Commencement Date (and if the Interest Commencement Date is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the Maturity Date falls before the date on which the first payment of interest would otherwise be due. If the Maturity Date is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the Interest Commencement Date, as the case may be) to the Maturity Date will amount to the Final Broken Amount shown on the face of the Note.

Interest will cease to accrue on each Fixed Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount shown on the face of the Note is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(I) to the Relevant Date (as defined in Condition 7).

(b) Calculations

In the case of a Fixed Rate Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note. The amount of interest payable per Calculation Amount for any Fixed Rate Interest Period in respect of any Fixed Rate Note shall be calculated by multiplying the product of the Interest Rate and the Calculation Amount by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency.

"**Fixed Rate Interest Period**" means the period beginning on (and including) Interest Commencement Date and ending on (but excluding) the first Interest Payment Date and each successive period beginning on (and including) an Interest Payment Date and ending on (but excluding) the next succeeding Interest Payment Date.

(II) Interest on Floating Rate Notes or Variable Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note or Variable Rate Note bears interest on its principal amount outstanding from the Interest Commencement Date in respect thereof and as shown on the face of such Note, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date (and which corresponds numerically with such preceding Interest Payment Date or the Interest Commencement Date, as the case may be), provided that the Agreed Yield (as defined in

Condition 4(II)(c)) in respect of any Variable Rate Note for any Interest Period (as defined below) relating to that Variable Rate Note shall be payable on the first day of that Interest Period. If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day (as defined below), then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

The period beginning on the Interest Commencement Date and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is herein called an "**Interest Period**".

Interest will cease to accrue on each Floating Rate Note or Variable Rate Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of the Redemption Amount is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(II) to the Relevant Date.

(b) Rate of Interest - Floating Rate Notes

(i) Each Floating Rate Note bears interest at a floating rate determined by reference to a Benchmark as stated on the face of such Floating Rate Note, being (in the case of Notes which are denominated in Singapore dollars) SIBOR (in which case such Note will be a SIBOR Note) or Swap Rate (in which case such Note will be a Swap Rate Note) or (in any other case or in the case of Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Note.

Such floating rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Note. The "**Spread**" is the percentage rate per annum specified on the face of such Note as being applicable to the rate of interest for such Note. The rate of interest so calculated shall be subject to Condition 4(V)(a) below.

The rate of interest payable in respect of a Floating Rate Note from time to time is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Rate of Interest payable from time to time in respect of each Floating Rate Note will be determined by the Calculation Agent on the basis of the following provisions:

(1) in the case of Floating Rate Notes which are SIBOR Notes:

(A) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period which shall be the offered rate for deposits in Singapore dollars for a period equal to the duration of such Interest Period which appears on the Reuters Screen ABSIRFIX01 Page under the caption "ABS SIBOR FIX - SIBOR AND SWAP OFFER RATES - RATES AT 11:00 HRS SINGAPORE TIME" and under the column headed "SGD SIBOR" (or such other replacement page thereof for the purpose of displaying SIBOR or such other Screen Page as may be provided hereon) and as adjusted by the Spread (if any);

(B) if no such rate appears on the Reuters Screen ABSIRFIX01 Page under the column headed "SGD SIBOR" (or such other replacement page thereof or if no rate appears on such other Screen Page as may be provided hereon) or if the Reuters Screen ABSIRFIX01 Page (or such other replacement page thereof or such other Screen Page as may be provided hereon) is unavailable for any reason, the Calculation Agent will request the principal Singapore offices of each of the Reference Banks to provide the Calculation Agent with the rate at which deposits in Singapore dollars are offered by it at approximately the Relevant Time on the Interest Determination Date to prime banks in the Singapore interbank market for a period equivalent to the duration of such Interest Period commencing on such Interest Payment Date in an amount comparable to the aggregate principal amount of the relevant Floating Rate Notes. The Rate of Interest for such Interest Period shall be the arithmetic mean (rounded up, if necessary, to four decimal places) of such offered quotations and as adjusted by the Spread (if any), as determined by the Calculation Agent;

(C) if on any Interest Determination Date two but not all of the Reference Banks provide the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be determined in accordance with (B) above on the basis of the quotations of those Reference Banks providing such quotations; and

(D) if on any Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotations, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about the Relevant Time on such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any) or if on such Interest Determination Date one only or none of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Reference Banks at or about the Relevant Time on such Interest Determination Date and as adjusted by the Spread (if any);

(2) in the case of Floating Rate Notes which are Swap Rate Notes:

(A) the Calculation Agent will, at or about the Relevant Time on the relevant Interest Determination Date in respect of each Interest Period, determine the Rate of Interest for such Interest Period as being the rate which appears on the Reuters Screen ABSFIX01 Page under the caption "SGD SOR rates as of 11:00hrs London Time" under the column headed "SGD SOR" (or such replacement page thereof for the purpose of displaying the swap rates of leading reference banks) at or about the Relevant Time on such Interest Determination Date and for a period equal to the duration of such Interest Period and as adjusted by the Spread (if any);

(B) if on any Interest Determination Date, no such rate is quoted on Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) or Reuters Screen ABSFIX01 Page (or such other replacement page as aforesaid) is unavailable for any reason, the Calculation Agent will determine the Rate of Interest for such Interest Period as being the rate (or, if there is more than one rate which is published, the arithmetic mean of those rates (rounded up, if necessary, to the nearest 1/16 per cent.)) for a period equal to the duration of such Interest Period published by a recognised industry body where such rate is widely used (after taking into account the industry practice at that time), or by such other relevant authority as the Calculation Agent may select; and

(C) if on any Interest Determination Date the Calculation Agent is otherwise unable to determine the Rate of Interest under paragraphs (b)(ii)(2)(A) and (b)(ii)(2)(B) above, the Rate of Interest shall be determined by the Calculation Agent to be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the rates quoted by the Singapore offices of the Reference Banks or those of them (being at least two in number) to the Calculation Agent at or about 11.00 a.m. (Singapore time) on the first business day following such Interest Determination Date as being their cost (including the cost occasioned by or attributable to complying with reserves, liquidity, deposit or other requirements imposed on them by any relevant authority or authorities) of funding, for the relevant Interest Period, an amount equal to the aggregate principal amount of the relevant Floating Rate Notes for such Interest Period by whatever means they determine to be most appropriate and as adjusted by the Spread (if any), or if on such day one only or none of the Singapore offices of the Reference Banks provides the Calculation Agent with such quotation, the Rate of Interest for the relevant Interest Period shall be the rate per annum equal to the arithmetic mean (rounded up, if necessary, to four decimal places) of the prime lending rates for Singapore dollars quoted by the Singapore offices of the Reference Banks at or about 11.00 a.m. (Singapore time) on such Interest Determination Date and as adjusted by the Spread (if any); and

(3) in the case of Floating Rate Notes which are not SIBOR Notes or Swap Rate Notes or which are denominated in a currency other than Singapore dollars, the Calculation Agent will determine the Rate of Interest in respect of any Interest Period at or about the Relevant Time on the Interest Determination Date in respect of such Interest Period as follows:

(A) if the Primary Source (as defined below) for the Floating Rate is a Screen Page (as defined below), subject as provided below, the Rate of Interest in respect of such Interest Period shall be:

(aa) the Relevant Rate (as defined below) (where such Relevant Rate on such Screen Page is a composite quotation or is customarily supplied by one entity); or

(bb) the arithmetic mean of the Relevant Rates of the persons whose Relevant Rates appear on that Screen Page, in each case appearing on such Screen Page at the Relevant Time on the Interest Determination Date,

and as adjusted by the Spread (if any);

(B) if the Primary Source for the Floating Rate is Reference Banks or if paragraph (b)(ii)(3)(A)(aa) applies and no Relevant Rate appears on the Screen Page at the Relevant Time on the Interest Determination Date or if paragraph (b)(ii)(3)(A)(bb) applies and fewer than two Relevant Rates appear on the Screen Page at the Relevant Time on the Interest Determination Date, subject as provided below, the Rate of Interest shall be the rate per annum which the Calculation Agent determines to be the arithmetic mean (rounded up, if necessary, to four decimal places) of the Relevant Rates that each of the Reference Banks is quoting to leading banks in the Relevant Financial Centre (as defined below) at the Relevant Time on the Interest Determination Date and as adjusted by the Spread (if any); and

(C) if paragraph (b)(ii)(3)(B) applies and the Calculation Agent determines that fewer than two Reference Banks are so quoting Relevant Rates, the Rate of Interest shall be the Rate of Interest determined on the previous Interest Determination Date.

(iii) On the last day of each Interest Period, the relevant Issuer will pay interest on each Floating Rate Note to which such Interest Period relates at the Rate of Interest for such Interest Period.

(iv) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(c) Rate of Interest - Variable Rate Notes

(i) Each Variable Rate Note bears interest at a variable rate determined in accordance with the provisions of this paragraph (c). The interest payable in respect of a Variable Rate Note on the first day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Agreed Yield**" and the rate of interest payable in respect of a Variable Rate Note on the last day of an Interest Period relating to that Variable Rate Note is referred to in these Conditions as the "**Rate of Interest**".

(ii) The Agreed Yield or, as the case may be, the Rate of Interest payable from time to time in respect of each Variable Rate Note for each Interest Period shall, subject as referred to in paragraph (c)(iv) below, be determined as follows:

(1) not earlier than 9.00 a.m. (Singapore time) on the ninth business day nor later than 3.00 p.m. (Singapore time) on the third business day prior to the commencement of each Interest Period, the relevant Issuer and the Relevant Dealer (as defined below) shall endeavour to agree on the following:

(A) whether interest in respect of such Variable Rate Note is to be paid on the first day or the last day of such Interest Period;

(B) if interest in respect of such Variable Rate Note is agreed between the relevant Issuer and the Relevant Dealer to be paid on the first day of such Interest Period, an Agreed Yield in respect of such Variable Rate Note for such Interest Period (and, in the event of the relevant Issuer and the Relevant Dealer so agreeing on such Agreed Yield, the Interest Amount (as defined below) for such Variable Rate Note for such Interest Period shall be zero); and

(C) if interest in respect of such Variable Rate Note is agreed between the relevant Issuer and the Relevant Dealer to be paid on the last day of such Interest Period, a Rate of Interest in respect of such Variable Rate Note for such Interest Period (an "**Agreed Rate**") and, in the event of the relevant Issuer and the Relevant Dealer so agreeing on an Agreed Rate, such Agreed Rate shall be the Rate of Interest for such Variable Rate Note for such Interest Period; and

(2) if the relevant Issuer and the Relevant Dealer shall not have agreed either an Agreed Yield or an Agreed Rate in respect of such Variable Rate Note for such Interest Period by 3.00 p.m. (Singapore time) on the third business day prior to the commencement of such Interest Period, or if there shall be no Relevant Dealer during the period for agreement referred to in (1) above, the Rate of

Interest for such Variable Rate Note for such Interest Period shall automatically be the rate per annum equal to the Fall Back Rate (as defined below) for such Interest Period.

(iii) The relevant Issuer has undertaken to the Principal Paying Agent and the Calculation Agent that it will as soon as possible after the Agreed Yield or, as the case may be, the Agreed Rate in respect of any Variable Rate Note is determined but not later than 10.30 a.m. (Singapore time) on the next following business day:

(1) notify or cause the Relevant Dealer to notify the Guarantor, the Principal Paying Agent and the Calculation Agent of the Agreed Yield or, as the case may be, the Agreed Rate for such Variable Rate Note for such Interest Period; and

(2) cause such Agreed Yield or, as the case may be, Agreed Rate for such Variable Rate Note to be notified by the Principal Paying Agent to the relevant Noteholder at its request.

(iv) For the purposes of sub-paragraph (ii) above, the Rate of Interest for each Interest Period for which there is neither an Agreed Yield nor Agreed Rate in respect of any Variable Rate Note or no Relevant Dealer in respect of the Variable Rate Note(s) shall be the rate (the "**Fall Back Rate**") determined by reference to a Benchmark as stated on the face of such Variable Rate Note(s), being (in the case of Variable Rate Notes which are denominated in Singapore dollars) SIBOR (in which case such Variable Rate Note(s) will be SIBOR Note(s)) or Swap Rate (in which case such Variable Rate Note(s) will be Swap Rate Note(s)) or (in any other case or in the case of Variable Rate Notes which are denominated in a currency other than Singapore dollars) such other Benchmark as is set out on the face of such Variable Rate Note(s).

Such rate may be adjusted by adding or subtracting the Spread (if any) stated on the face of such Variable Rate Note. The "**Spread**" is the percentage rate per annum specified on the face of such Variable Rate Note as being applicable to the rate of interest for such Variable Rate Note. The rate of interest so calculated shall be subject to Condition 4(V)(a) below.

The Fall Back Rate payable from time to time in respect of each Variable Rate Note will be determined by the Calculation Agent in accordance with the provisions of Condition 4(II)(b)(ii) above (*mutatis mutandis*) and references therein to "**Rate of Interest**" shall mean "**Fall Back Rate**".

(v) If interest is payable in respect of a Variable Rate Note on the first day of an Interest Period relating to such Variable Rate Note, the relevant Issuer will pay the Agreed Yield applicable to such Variable Rate Note for such Interest Period on the first day of such Interest Period. If interest is payable in respect of a Variable Rate Note on the last day of an Interest Period relating to such Variable Rate Note, the relevant Issuer will pay the Interest Amount for such Variable Rate Note for such Interest Period on the last day of such Interest Period.

(vi) For the avoidance of doubt, in the event that the Rate of Interest in relation to any Interest Period is less than zero, the Rate of Interest in relation to such Interest Period shall be equal to zero.

(d) Definitions

As used in these Conditions:

"**Benchmark**" means the rate specified as such in the applicable Pricing Supplement;

"**business day**" means, in respect of each Note, (i) a day (other than a Saturday, Sunday or gazetted public holiday) on which Euroclear, Clearstream, Luxembourg and the Depository, as applicable, are operating, (ii) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in the country of the Principal Paying Agent's specified office and (iii) (if a payment is to be made on that day) (1) (in the case of Notes denominated in Singapore dollars) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore, (2) (in the case of Notes denominated in Euros) a day on which the TARGET System is open for settlement in Euros and (3) (in the case of Notes denominated in a currency other than Singapore dollars and Euros) a day (other than a Saturday, Sunday or gazetted public holiday) on which banks and foreign exchange markets are open for general business in Singapore and the principal financial centre for that currency;

"**Calculation Agent** " means, in relation to any Series of Notes, the person appointed as calculation agent for that Series pursuant to the Agency Agreement or, as the case may be, the relevant Calculation Agency Agreement and as specified in the applicable Pricing Supplement, or its successor in such capacity;

"**Calculation Amount**" means the amount specified as such on the face of any Note, or if no such amount is so specified, the Denomination Amount of such Note as shown on the face thereof;

"**Euro**" means the currency of the member states of the European Union that adopt the single currency in accordance with the Treaty establishing the European Community, as amended from time to time;

"**Interest Commencement Date**" means the Issue Date or such other date as may be specified as the Interest Commencement Date on the face of such Note;

"**Interest Determination Date**" means, in respect of any Interest Period, that number of business days prior thereto as is set out in the applicable Pricing Supplement or on the face of the relevant Note;

"**Primary Source**" means the Screen Page specified as such in the applicable Pricing Supplement and (in the case of any Screen Page provided by any information service other than the Reuters Monitor Money Rates Service ("**Reuters**")) agreed to by the Calculation Agent;

"**Reference Banks**" means the institutions specified as such in the applicable Pricing Supplement or, if none, three major banks selected by the Calculation Agent in the interbank market that is most closely connected with the Benchmark;

"**Relevant Currency**" means the currency in which the Notes are denominated;

"**Relevant Dealer**" means, in respect of any Variable Rate Note, the Dealer party to the Programme Agreement (and as specified in the applicable Pricing Supplement) with whom the relevant Issuer has concluded or is negotiating an agreement for the issue of such Variable Rate Note pursuant to the Programme Agreement;

"**Relevant Financial Centre**" means, in the case of interest to be determined on an Interest Determination Date with respect to any Floating Rate Note or Variable Rate Note, the financial centre with which the relevant Benchmark is most closely connected or, if none is so connected, Singapore;

"**Relevant Rate**" means the Benchmark for a Calculation Amount of the Relevant Currency for a period (if applicable or appropriate to the Benchmark) equal to the relevant Interest Period;

"**Relevant Time**" means, with respect to any Interest Determination Date, the local time in the Relevant Financial Centre at which it is customary to determine bid and offered rates in respect of deposits in the Relevant Currency in the interbank market in the Relevant Financial Centre;

"**Screen Page**" means such page, section, caption, column or other part of a particular information service (including, but not limited to, Reuters) as may be specified hereon for the purpose of providing the Benchmark, or such other page, section, caption, column or other part as may replace it on that information service or on such other information service, in each case as may be nominated by the person or organisation providing or sponsoring the information appearing there for the purpose of displaying rates or prices comparable to the Benchmark; and

"**TARGET System**" means the Trans-European Automated Real-Time Gross Settlement Express Transfer (known as TARGET 2) System which was launched on 19 November 2007 or any successor thereto.

(III) Interest on Hybrid Notes

(a) Interest Rate and Accrual

Each Hybrid Note bears interest on its outstanding principal amount from the Interest Commencement Date in respect thereof and as shown on the face of such Note.

(b) Fixed Rate Period

(i) In respect of the Fixed Rate Period shown on the face of such Note, each Hybrid Note bears interest on its outstanding principal amount from the first day of the Fixed Rate Period at the rate per annum (expressed as a percentage) equal to the Interest Rate shown on the face of such Note payable in arrear on each Interest Payment Date or Interest Payment Dates shown on the face of the Note in each year and on the last day of the Fixed Rate Period if that date does not fall on an Interest Payment Date.

(ii) The first payment of interest will be made on the Interest Payment Date next following the first day of the Fixed Rate Period (and if the first day of the Fixed Rate Period is not an Interest Payment Date, will amount to the Initial Broken Amount shown on the face of such Note), unless the last day of the Fixed Rate Period falls before the date on which the first payment of interest would otherwise be due. If the last day of the Fixed Rate Period is not an Interest Payment Date, interest from the preceding Interest Payment Date (or from the first day of the Fixed Rate Period, as the case may be) to the last day of the Fixed Rate Period will amount to the Final Broken Amount shown on the face of the Note.

(iii) Where the due date of redemption of any Hybrid Note falls within the Fixed Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation and subject to the provisions of the Trust Deed, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest at such rate will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(III) to the Relevant Date.

(iv) In the case of a Hybrid Note, interest in respect of a period of less than one year will be calculated on the Day Count Fraction shown on the face of the Note during the Fixed Rate Period.

(c) Floating Rate Period

(i) In respect of the Floating Rate Period shown on the face of such Note, each Hybrid Note bears interest on its outstanding principal amount from the first day of the Floating Rate Period, and such interest will be payable in arrear on each interest payment date ("**Interest Payment Date**"). Such Interest Payment Date(s) is/are either shown hereon as Specified Interest Payment Date(s) or, if no Specified Interest Payment Date(s) is/are shown hereon, Interest Payment Date shall mean each date which (save as mentioned in these Conditions) falls the number of months specified as the Interest Period on the face of the Note (the "**Specified Number of Months**") after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the first day of the Floating Rate Period (and which corresponds numerically with such preceding Interest Payment Date or the first day of the Floating Rate Period, as the case may be). If any Interest Payment Date referred to in these Conditions that is specified to be subject to adjustment in accordance with a Business Day Convention would otherwise fall on a day that is not a business day, then if the Business Day Convention specified is (1) the Floating Rate Business Day Convention, such date shall be postponed to the next day which is a business day unless it would thereby fall into the next calendar month, in which event (i) such date shall be brought forward to the immediately preceding business day and (ii) each subsequent such date shall be the last business day of the month in which such date would have fallen had it not been subject to adjustment, (2) the Following Business Day Convention, such date shall be postponed to the next day that is a business day, (3) the Modified Following Business Day Convention, such date shall be postponed to the next day that is a business day unless it would thereby fall into the next calendar month, in which event such date shall be brought forward to the immediately preceding business day or (4) the Preceding Business Day Convention, such date shall be brought forward to the immediately preceding business day.

(ii) The period beginning on the first day of the Floating Rate Period and ending on the first Interest Payment Date and each successive period beginning on an Interest Payment Date and ending on the next succeeding Interest Payment Date is herein called an "**Interest Period**".

(iii) Where the due date of redemption of any Hybrid Note falls within the Floating Rate Period, interest will cease to accrue on the Note from the due date for redemption thereof unless, upon due presentation thereof, payment of principal (or Redemption Amount, as the case may be) is improperly withheld or refused, in which event interest will continue to accrue (as well after as before judgment) at the rate and in the manner provided in this Condition 4(III) to the Relevant Date.

(iv) The provisions of Condition 4(II)(b) shall apply to each Hybrid Note during the Floating Rate Period as though references therein to Floating Rate Notes are references to Hybrid Notes.

(IV) Zero Coupon Notes

Where a Note the Interest Basis of which is specified to be Zero Coupon is repayable prior to the Maturity Date and is not paid when due, the amount due and payable prior to the Maturity Date shall be the Early Redemption Amount of such Note (determined in accordance with Condition 5(i)). As from the Maturity Date, the rate of interest for any overdue principal of such a Note shall be a rate per annum (expressed as a percentage) equal to the Amortisation Yield (as defined in Condition 5(i)).

(V) Calculations

(a) Determination of Rate of Interest and Calculation of Interest Amounts

The Calculation Agent will, as soon as practicable after the Relevant Time on each Interest Determination Date determine the Rate of Interest and calculate the amount of interest payable (the "**Interest Amounts**") in respect of each Calculation Amount (as defined in Condition 4(II)(d)) of the relevant Floating Rate Notes, Variable Rate Notes or (where applicable) Hybrid Notes for the relevant Interest Period. The amount of interest payable per Calculation Amount in respect of any Floating Rate Note, Variable Rate Note or (where applicable) Hybrid Note shall be calculated by multiplying the product of the Rate of Interest and the Calculation Amount, by the Day Count Fraction shown on the Note and rounding the resultant figure to the nearest sub-unit of the Relevant Currency. The determination of any rate or amount, the obtaining of each quotation and the making of each determination or calculation by the Calculation Agent shall (in the absence of manifest error) be final and binding upon all parties and the Noteholders.

(b) Notification

The Calculation Agent will cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to the Principal Paying Agent, the Trustee, the relevant Issuer and the Guarantor as soon as possible after their determination but in no event later than the fourth business day thereafter. In the case of Floating Rate Notes, if so required by the relevant Issuer, the Calculation Agent will also cause the Rate of Interest and the Interest Amounts for each Interest Period and the relevant Interest Payment Date to be notified to Noteholders in accordance with Condition 15 as soon as possible after their determination. The Interest Amounts and the Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without notice in the event of an extension or shortening of the Interest Period by reason of any Interest Payment Date not being a business day. If the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes become due and payable under Condition 9, the Rate of Interest and Interest Amounts payable in respect of the Floating Rate Notes, Variable Rate Notes or, as the case may be, Hybrid Notes shall nevertheless continue to be calculated as previously in accordance with this Condition but no publication of the Rate of Interest and Interest Amounts need to be made unless the Trustee requires otherwise.

(c) Determination or Calculation by the Trustee

If the Calculation Agent does not at any material time determine or calculate the Rate of Interest for an Interest Period or any Interest Amount, the Trustee shall do so. In doing so, the Trustee shall apply the foregoing provisions of this Condition, with any necessary consequential amendments, to the extent that, in its opinion, it can do so, and, in all other respects, it shall do so in such manner as it shall deem fair and reasonable in all the circumstances.

(d) Calculation Agent and Reference Banks

The relevant Issuer will procure that, so long as any Floating Rate Note, Variable Rate Note or Hybrid Note remains outstanding, there shall at all times be three Reference Banks (or such other number as may be required) and, so long as any Floating Rate Note, Variable Rate Note, Hybrid Note or Zero Coupon Note remains outstanding, there shall at all times be a Calculation Agent. If any Reference Bank (acting through its relevant office) is unable or unwilling to continue to act as a Reference Bank or the Calculation Agent is unable or unwilling to act as such or if the Calculation Agent fails duly to establish the Rate of Interest for any Interest Period or to calculate the Interest Amounts, the relevant Issuer will appoint another bank with an office in the Relevant Financial Centre to act as such in its place. The Calculation Agent may not resign from its duties without a successor having been appointed as aforesaid.

5. Redemption and Purchase

(a) Final Redemption

Unless previously redeemed or purchased and cancelled as provided below, this Note will be redeemed at its Redemption Amount on the Maturity Date shown on its face (if this Note is shown on its face to be a Fixed Rate Note, Hybrid Note (during the Fixed Rate Period) or Zero Coupon Note) or on the Interest Payment Date falling in the Redemption Month shown on its face (if this Note is shown on its face to be a Floating Rate Note, Variable Rate Note or Hybrid Note (during the Floating Rate Period)).

(b) Purchase at the Option of the Relevant Issuer

If so provided hereon, the relevant Issuer shall have the option to purchase all or any of the Fixed Rate Notes, Floating Rate Notes, Variable Rate Notes or Hybrid Notes at their Redemption Amount on any date on which interest is due to be paid on such Notes and the Noteholders shall be bound to sell such Notes to the relevant Issuer accordingly. To exercise such option, the relevant Issuer shall give irrevocable notice to the Noteholders within the Issuer's Purchase Option Period shown on the face hereof. Such Notes may be held, resold or surrendered to the Principal Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the relevant

Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

In the case of a purchase of some only of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Notes to be purchased, which shall have been drawn by or on behalf of the relevant Issuer in such place and in such manner as may be agreed between the relevant Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange (as defined in the Trust Deed), the relevant Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any purchase of such Notes.

(c) Purchase at the Option of Noteholders

(i) Each Noteholder shall have the option to have all or any of his Variable Rate Notes purchased by the relevant Issuer at their Redemption Amount on any Interest Payment Date and the relevant Issuer will purchase such Variable Rate Notes accordingly. To exercise such option, a Noteholder shall deposit any Variable Rate Notes to be purchased with the Principal Paying Agent at its specified office together with all Coupons relating to such Variable Rate Notes which mature after the date fixed for purchase, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent within the Noteholders' VRN Purchase Option Period shown on the face hereof. Any Variable Rate Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the relevant Issuer. Such Variable Rate Notes may be held, resold or surrendered to the Principal Paying Agent for cancellation. The Variable Rate Notes so purchased, while held by or on behalf of the relevant Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

(ii) If so provided hereon, each Noteholder shall have the option to have all or any of his Fixed Rate Notes, Floating Rate Notes or Hybrid Notes purchased by the relevant Issuer at their Redemption Amount on any date on which interest is due to be paid on such Notes and the relevant Issuer will purchase such Notes accordingly. To exercise such option, a Noteholder shall deposit such Notes to be purchased with the Principal Paying Agent at its specified office together with all Coupons relating to such Notes which mature after the date fixed for purchase, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent within the Noteholders' Purchase Option Period shown on the face hereof. Any Notes so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the relevant Issuer. Such Notes may be held, resold or surrendered to the Principal Paying Agent for cancellation. The Notes so purchased, while held by or on behalf of the relevant Issuer, shall not entitle the holder to vote at any meetings of the Noteholders and shall not be deemed to be outstanding for the purposes of calculating quorums at meetings of the Noteholders or for the purposes of Conditions 9, 10 and 11.

(d) Redemption at the Option of the Relevant Issuer

If so provided hereon, the relevant Issuer may, on giving irrevocable notice to the Noteholders falling within the Issuer's Redemption Option Period shown on the face hereof, redeem all or, if so provided, some of the Notes at their Redemption Amount or integral multiples thereof and on the date or dates so provided. Any such redemption of Notes shall be at their Redemption Amount, together with interest accrued to the date fixed for redemption.

All Notes in respect of which any such notice is given shall be redeemed on the date specified in such notice in accordance with this Condition.

In the case of a partial redemption of the Notes, the notice to Noteholders shall also contain the certificate numbers of the Notes to be redeemed, which shall have been drawn by or on behalf of the relevant Issuer in such place and in such manner as may be agreed between the relevant Issuer and the Trustee, subject to compliance with any applicable laws. So long as the Notes are listed on any Stock Exchange, the relevant Issuer shall comply with the rules of such Stock Exchange in relation to the publication of any redemption of such Notes.

(e) Redemption at the Option of Noteholders

(i) If so provided hereon, the relevant Issuer shall, at the option of the holder of any Note, redeem such Note on the date or dates so provided at its Redemption Amount, together with interest accrued to the date fixed for redemption. To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Principal Paying Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent or the relevant Issuer (as applicable) within the Noteholders' Redemption Option Period shown on the face hereof. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the relevant Issuer.

(ii) If, for any reason, a Change of Control occurs, the relevant Issuer will within seven days of such occurrence give notice to the Noteholders of the occurrence of such event (the "**Notice**") and shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount, together with interest accrued to the date fixed for redemption, on the date falling 60 days from the date of the Notice (or if such date is not a business day, on the next day which is a business day). To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Principal Paying Agent at its specified office, together with a duly completed option exercise notice in the form obtainable from the Principal Paying Agent or the relevant Issuer (as applicable), no later than 30 days from the date of the Notice. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the relevant Issuer.

For the purposes of this Condition 5(e)(ii):

(1) a "**Change of Control**" will occur when a person (or persons) (other than Mr Bon Ween Foong), directly or indirectly, acting together, acquires control, directly or indirectly, of OKH or OCPL;

(2) "**control**" means the possession, directly or indirectly, of the power to direct or cause the direction of management or policies of OKH or OCPL, whether through the ownership of securities or partnership or other ownership interests, by contract or otherwise; and

(3) "**person**" includes any individual, company, corporation, firm, partnership, joint venture, undertaking, association, organisation, trust, state or agency of a state (in each case whether or not being a separate legal entity) but does not include the Board of Directors of OKH or OCPL or any other governing board and does not include OKH's wholly-owned direct or indirect subsidiaries.

(f) Redemption for Taxation Reasons

If so provided hereon, the Notes may be redeemed at the option of the relevant Issuer in whole, but not in part, on any Interest Payment Date or, if so specified hereon, at any time on giving not less than 30 nor more than 60 days' notice to the Noteholders (which notice shall be irrevocable), at their Redemption Amount or (in the case of Zero Coupon Notes) Early Redemption Amount (as defined in Condition 5(i) below) (together with interest accrued to (but excluding) the date fixed for redemption), if (i) the relevant Issuer (or, if the Guarantee was called, the Guarantor) has or will become obliged to pay additional amounts as provided or referred to in Condition 7, or increase the payment of such additional amounts, as a result of any change in, or amendment to, the laws (or any regulations, rulings or other administrative pronouncements promulgated thereunder) of Singapore or any political subdivision or any authority thereof or therein having power to tax, or any change in the application or official interpretation of such laws, regulations, rulings or other administrative pronouncements, which change or amendment is made public on or after the Issue Date or any other date specified in the Pricing Supplement, and (ii) such obligations cannot be avoided by the relevant Issuer or, as the case may be, the Guarantor, taking reasonable measures available to it, provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which OKH or, as the case may be, OCPL would be obliged to pay such additional amounts were a payment in respect of the Notes then due. Prior to the publication of any notice of redemption pursuant to this paragraph, the relevant Issuer shall deliver to the

Principal Paying Agent a certificate signed by a duly authorised signatory of the relevant Issuer or, as the case may be, the Guarantor, stating that the relevant Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the relevant Issuer so to redeem have occurred, and an opinion of independent legal, tax or any other professional advisers of recognised standing to the effect that the relevant Issuer or, as the case may be, the Guarantor has or is likely to become obliged to pay such additional amounts as a result of such change or amendment.

(g) Redemption at the Option of Noteholders upon Cessation or Suspension of Trading of Shares

In the event that (i) the shares of OKH cease to be traded on the SGX-ST or (ii) trading in the shares of OKH on the SGX-ST is suspended for a continuous period of more than seven market days, the relevant Issuer shall, at the option of the holder of any Note, redeem such Note at its Redemption Amount together with interest accrued to the date fixed for redemption on the later of (1) the immediately following date on which interest is due to be paid on such Notes and (2) the date falling 45 days after the Effective Date. The relevant Issuer shall within seven days after the Effective Date, give notice to the Trustee, the Principal Paying Agent and the Noteholders of the occurrence of the event specified in this paragraph (g) (provided that any failure by the relevant Issuer to give such notice shall not prejudice any Noteholder of such option). To exercise such option, the holder must deposit such Note (together with all unmatured Coupons) with the Principal Paying Agent at its specified office, together with an exercise notice in the form obtainable from the Principal Paying Agent or the relevant Issuer (as applicable) not later than 21 days after the Effective Date. Any Note so deposited may not be withdrawn (except as provided in the Agency Agreement) without the prior consent of the relevant Issuer.

As used in this Condition:

(A) "**Effective Date**" means (where the shares of OKH cease to be traded on the SGX-ST) the date of cessation of trading or (where trading in the shares of OKH on the SGX-ST is suspended for a continuous period of more than seven market days) the business day immediately following the expiry of such continuous period of seven market days; and

(B) "**market day**" means a day on which the SGX-ST is open for securities trading.

(h) Purchases

The relevant Issuer, the Guarantor or any of their respective related corporations may at any time purchase Notes at any price (provided that they are purchased together with all unmatured Coupons relating to them) in the open market or otherwise, provided that in any such case such purchase or purchases is in compliance with all relevant laws, regulations and directives.

Notes purchased by the relevant Issuer, the Guarantor or any of their respective related corporations may be surrendered by the purchaser through the relevant Issuer to the Principal Paying Agent for cancellation or may at the option of the relevant Issuer, the Guarantor or relevant related corporation be held or resold.

For the purposes of these Conditions, "**directive**" includes any present or future directive, regulation, request, requirement, rule or credit restraint programme of any relevant agency, authority, central bank department, government, legislative, minister, ministry, official public or statutory corporation, self-regulating organisation, or stock exchange.

(i) Early Redemption of Zero Coupon Notes

(i) The Early Redemption Amount payable in respect of any Zero Coupon Note, the Early Redemption Amount of which is not linked to an index and/or formula, upon redemption of such Note pursuant to Condition 5(f) or upon it becoming due and payable as provided in Condition 9, shall be the Amortised Face Amount (calculated as provided below) of such Note unless otherwise specified hereon.

(ii) Subject to the provisions of sub-paragraph (iii) below, the Amortised Face Amount of any such Note shall be the scheduled Redemption Amount of such Note on the Maturity Date discounted at a rate per annum (expressed as a percentage) equal to the Amortisation Yield (which, if none is shown hereon, shall be such rate as would produce an Amortised Face Amount equal to the issue price of the Notes if they were discounted back to their issue price on the Issue Date) compounded annually.

(iii) If the Early Redemption Amount payable in respect of any such Note upon its redemption pursuant to Condition 5(f) or upon it becoming due and payable as provided in Condition 9 is not paid when due, the Early Redemption Amount due and payable in respect of such Note shall be the Amortised Face Amount of such Note as defined in sub-paragraph (ii) above, except that such sub-paragraph shall have effect as though the date on which the Note becomes due and payable were the Relevant Date. The calculation of the Amortised Face Amount in accordance with this sub-paragraph will continue to be made (as well after as before judgment) until the Relevant Date, unless the Relevant Date falls on or after the Maturity Date, in which case the amount due and payable shall be the scheduled Redemption Amount of such Note on the Maturity Date together with any interest which may accrue in accordance with Condition 4(IV).

Where such calculation is to be made for a period of less than one year, it shall be made on the basis of the Day Count Fraction shown on the face of the Note.

(j) Cancellation

All Notes purchased by or on behalf of the relevant Issuer, the Guarantor or any of their respective related corporations may be surrendered for cancellation by surrendering each such Note together with all unmatured Coupons to the Principal Paying Agent at its specified office and, if so surrendered, shall, together with all Notes redeemed by the relevant Issuer, be cancelled forthwith (together with all unmatured Coupons attached thereto or surrendered therewith). Any Notes so surrendered for cancellation may not be reissued or resold.

6. Payments

(a) Principal and Interest

Payments of principal and interest in respect of the Notes will, subject as mentioned below, be made against presentation and surrender of the relevant Notes or Coupons, as the case may be, at the specified office of the Principal Paying Agent by a cheque drawn in the currency in which payment is due on, or, at the option of the holders, by transfer to an account maintained by the payee in that currency with, a bank in the principal financial centre for that currency.

(b) Payments subject to law etc.

All payments are subject in all cases to any applicable fiscal or other laws, regulations and directives, but without prejudice to the provisions of Condition 7. No commission or expenses shall be charged to the Noteholders or Couponholders in respect of such payments.

(c) Appointment of Agents

The Paying Agents initially appointed by the Issuers and the Guarantor and their respective specified offices are listed below. The Issuers and the Guarantor reserve the right at any time to vary or terminate the appointment of the Principal Paying Agent or the Non-CDP Paying Agent and to appoint additional or other Paying Agents, provided that they will at all times maintain a principal paying agent having a specified office in Singapore.

Notice of any such change in appointment or (if the Trustee considers it necessary) any change of any specified office will promptly be given to the Noteholders in accordance with Condition 15.

The Agency Agreement may be amended by the Issuers, the Guarantor, the Paying Agents and the Trustee, without the consent of any Noteholder, for the purpose of curing any ambiguity or of curing, correcting or supplementing any defective provision contained therein or where such amendment is in the opinion of the Trustee (i) of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Notes may be held or (ii) not materially prejudicial to the interests of the Noteholders.

(d) Unmatured Coupons

(i) Fixed Rate Notes and Hybrid Notes should be surrendered for payment together with all unmatured Coupons (if any) relating to such Notes (and, in the case of Hybrid Notes, relating to interest payable during the Fixed Rate Period), failing which an amount equal to the face value of each missing unmatured Coupon (or, in the case of payment not being made in full, that proportion of the amount of such missing unmatured Coupon which the sum of principal so paid bears to the total principal due) will be deducted from the Redemption Amount due for payment. Any amount so deducted will be paid in the manner mentioned above against surrender of such missing Coupon within a period of five years from the Relevant Date for the payment of such principal (whether or not such Coupon has become void pursuant to Condition 8).

(ii) Subject to the provisions of the relevant Pricing Supplement upon the due date for redemption of any Floating Rate Note, Variable Rate Note or Hybrid Note, unmatured Coupons relating to such Note (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period) (whether or not attached) shall become void and no payment shall be made in respect of them.

(iii) Where any Floating Rate Note, Variable Rate Note or Hybrid Note is presented for redemption without all unmatured Coupons relating to it (and, in the case of Hybrid Notes, relating to interest payable during the Floating Rate Period), redemption shall be made only against the provision of such indemnity as the relevant Issuer may require.

(iv) If the due date for redemption or repayment of any Note is not a due date for payment of interest, interest accrued from the preceding due date for payment of interest or the Interest Commencement Date, as the case may be, shall only be payable against presentation (and surrender if appropriate) of the relevant Note.

(e) Non-business days

Subject as provided in the relevant Pricing Supplement or subject as otherwise provided in these Conditions, if any date for the payment in respect of any Note or Coupon is not a business day, the holder shall not be entitled to payment until the next following business day and shall not be entitled to any further interest or other payment in respect of any such delay.

(f) Default Interest

If on or after the due date for payment of any sum in respect of the Notes, payment of all or any part of such sum is not made against due presentation of the Notes or, as the case may be, the Coupons, the relevant Issuer shall pay interest on the amount so unpaid from such due date up to the day of actual receipt by the relevant Noteholders or, as the case may be, Couponholders (as well after as before judgment) at a rate per annum determined by the Principal Paying Agent to be equal to two per cent. per annum above (in the case of a Fixed Rate Note or a Hybrid Note during the Fixed Rate Period) the Interest Rate applicable to such Note, (in the case of a Floating Rate Note or a Hybrid Note during the Floating Rate Period) the Rate of Interest applicable to such Note or (in the case of a Variable Rate Note) the variable rate by which the Agreed Yield applicable to such Note is determined or, as the case may be, the Rate of Interest applicable to such Note, or in the case of a Zero Coupon Note, as provided for in the relevant Pricing Supplement. So long as the default continues then such rate shall be re-calculated on the same basis at intervals of such duration as the Principal Paying Agent may select, save that the amount of unpaid interest at the above rate accruing during the preceding such period shall be added to the amount in respect of which the relevant Issuer is in default and itself bear interest accordingly. Interest at the rate(s) determined in accordance with this paragraph shall be calculated on the Day Count Fraction shown on the face of the Note and the actual number of days elapsed, shall accrue on a daily basis and shall be immediately due and payable by the relevant Issuer.

7. Taxation

All payments in respect of the Notes and the Coupons by the relevant Issuer or, as the case may be, the Guarantor shall be made free and clear of, and without deduction or withholding for or on account of, any present or future taxes, duties, assessments or governmental charges of whatever nature imposed, levied, collected, withheld or assessed by or within Singapore or any authority thereof or therein having power to tax, unless such withholding or deduction is required by law. In such event, the relevant Issuer or, as the case may be, the Guarantor shall pay such additional amounts as will result in the receipt by the Noteholders and the Couponholders of such amounts as would have been received by them had no such deduction or withholding been required, except that no such additional amounts shall be payable in respect of any Note or Coupon presented for payment:

(a) by, or on behalf of, a holder who is subject to such taxes, duties, assessments or governmental charges by reason of his being connected with Singapore otherwise than by reason only of the holding of such Note or Coupon or the receipt of any sums due in respect of such Note or Coupon (including, without limitation, the holder being a resident of, or a permanent establishment in, Singapore);

(b) more than 30 days after the Relevant Date except to the extent that the holder thereof would have been entitled to such additional amounts on presenting the same for payment on the last day of such period of 30 days; or

(c) by, or on behalf of, a holder who would be able to lawfully avoid (but has not so avoided) such deduction or withholding by making a declaration or any other statement including, but not limited to, a declaration of residence or non-residence, but fails to do so.

As used in these Conditions, "**Relevant Date**" in respect of any Note or Coupon means the date on which payment in respect thereof first becomes due or (if any amount of the money payable is improperly withheld or refused) the date on which payment in full of the amount outstanding is made or (if earlier) the date falling seven days after that on which notice is duly given to the Noteholders in accordance with Condition 15 that, upon further presentation of the Note or Coupon being made in accordance with the Conditions, such payment will be made, provided that payment is in fact made upon presentation, and references to "**principal**" shall be deemed to include any premium payable in respect of the Notes, all Redemption Amounts, Early Redemption Amounts and all other amounts in the nature of principal payable pursuant to Condition 5, "**interest**" shall be deemed to include all Interest Amounts and all other amounts payable pursuant to Condition 4 and any reference to "**principal**" and/or "**premium**" and/or "**Redemption Amounts**" and/or "**interest**" and/or "**Early Redemption Amounts**" shall be deemed to include any additional amounts which may be payable under these Conditions.

8. Prescription

The Notes and Coupons shall become void unless presented for payment within five years from the appropriate Relevant Date for payment.

9. Events of Default

If any of the following events ("**Events of Default**") occurs the Trustee at its discretion may, and if so requested by holders of at least 25 per cent. in principal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall, in each case, subject to it being indemnified and/or secured and/or pre-funded to its satisfaction give notice in writing to the relevant Issuer that the Notes are immediately repayable, whereupon the Redemption Amount of such Notes or (in the case of Zero Coupon Notes) the Early Redemption Amount of such Notes together with accrued interest to the date of payment shall become immediately due and payable:

(a) the relevant Issuer or the Guarantor does not pay (i) any principal payable by it under any of the Notes when due at the place at and in the currency in which it is expressed to be payable or (ii) any other sum (other than principal) payable by it under any of the Notes at the place at and in the currency in which it is expressed to be payable when due and such default continues for three business days after its due date;

(b) the relevant Issuer or the Guarantor does not perform or comply with any one or more of their respective obligations (other than the payment obligation of the relevant Issuer or the Guarantor referred to in paragraph (a)) under any of the Issue Documents (as defined in the Trust Deed) or any of the Notes and if that default is capable of remedy, it is not remedied within 30 days of the Trustee having given written notice to the relevant Issuer or, as the case may be, the Guarantor of the failure to perform or comply and requiring the same to be remedied;

(c) any representation, warranty or statement by the relevant Issuer or the Guarantor in any of the Issue Documents or any of the Notes or in any document delivered under any of the Issue Documents or any of the Notes is not complied with in any respect or is or proves to have been incorrect in any respect when made or deemed repeated and if that default is capable of remedy, it is not remedied within 30 days of the Trustee having given written notice to the relevant Issuer or, as the case may be, the Guarantor of such non-compliance or incorrect representation or warranty and requiring the circumstances resulting in such non-compliance or incorrectness to be remedied;

(d) (where the relevant Issuer is OCPL) the Guarantee is not (or is claimed by the Guarantor not to be) in full force and effect;

(e) (i) any other indebtedness of the relevant Issuer, the Guarantor or any of the Principal Subsidiaries in respect of borrowed moneys is or is declared to be or is capable of being rendered due and payable prior to its stated maturity by reason of any actual or potential default, event of default or the like (however described) or is not paid when due or, as a result of any actual or potential default, event of default or the like (however described) any facility relating to any such indebtedness is or is declared to be or is capable of being cancelled or terminated before its normal expiry date or any person otherwise entitled to use any such facility is not so entitled; or

(ii) the relevant Issuer, the Guarantor or any of the Principal Subsidiaries fails to pay when properly called upon to do so any guarantee of indebtedness for borrowed moneys,

provided however that no Event of Default shall occur under this Condition 9(e) unless and until the aggregate amount of the indebtedness for borrowed moneys or guarantee of indebtedness for borrowed moneys falling within paragraphs (e)(i) and (e)(ii) above exceeds S$15,000,000 (or its equivalent in any other currency or currencies);

(f) the relevant Issuer, the Guarantor or any of the Principal Subsidiaries is (or is deemed by law or a court to be) insolvent or unable to pay its debts, stops, suspends or threatens to stop or suspend payment of all or a material part of (or of a particular type of) its indebtedness, begins negotiations or takes any other step with a view to the deferral, rescheduling or other readjustment of all or a material part of (or of a particular type of) its indebtedness (or of any part which it will or might otherwise be unable to pay when due), proposes or makes a general assignment or an arrangement or composition with or for the benefit of the relevant creditors or a moratorium is agreed or declared in respect of or affecting all or a material part of (or of a particular type of) the indebtedness of the relevant Issuer, the Guarantor or any of the Principal Subsidiaries;

(g) a distress, attachment, execution or other legal process is levied, enforced or sued out on or against all or a material part of the property, assets or revenues of the relevant Issuer, the Guarantor or any of the Principal Subsidiaries and is not discharged or stayed within 30 days;

(h) any security on or over the whole or a material part of the property or assets of the relevant Issuer, the Guarantor or any of the Principal Subsidiaries becomes enforceable or any step is taken to enforce it (including the taking of possession or the appointment of a receiver, manager or other similar person);

(i) any step is taken by any person with a view to the winding-up of the relevant Issuer, the Guarantor or any of the Principal Subsidiaries (other than (i) for the purpose of and followed by a reconstruction, amalgamation, reorganisation, merger or consolidation on terms approved by the Noteholders by way of an Extraordinary Resolution or (ii) (in the case of a Principal Subsidiary only) a winding-up of such Principal Subsidiary following a disposal or other event permitted by, and in accordance with, Clause 16.28 of the Trust Deed or where such winding-up does not involve insolvency and results in such Principal Subsidiary being able to pay its creditors in full, in each case, provided that such event does not have a material adverse effect on either Issuer) or any step is taken for the appointment of a liquidator (including a provisional liquidator), receiver, manager, judicial manager, trustee, administrator, agent or similar officer of the relevant Issuer, the Guarantor or any of the Principal Subsidiaries or over the whole or a material part of the property or assets of the relevant Issuer, the Guarantor or any of the Principal Subsidiaries;

(j) the relevant Issuer, the Guarantor or any of the Principal Subsidiaries ceases or threatens to cease to carry on all or a material part of its business or (otherwise than as permitted by, and in accordance with, Clause 16.28 of the Trust Deed) disposes or threatens to dispose of the whole or any part of its property or assets;

(k) any step is taken by any person with a view to the seizure, compulsory acquisition, expropriation or nationalisation of all or a material part of the assets of the relevant Issuer, the Guarantor or any of the Principal Subsidiaries;

(l) any action, condition or thing (including the obtaining of any necessary consent) at any time required to be taken, fulfilled or done for any of the purposes stated in Clause 15.3 of the Trust Deed is not taken, fulfilled or done, or any such consent ceases to be in full force and effect without modification or any condition in or relating to any such consent is not complied with (unless that consent or condition is no longer required or applicable);

(m) it is or will become unlawful for the relevant Issuer or the Guarantor to perform or comply with any of their respective payment or other material obligations under any of the Issue Documents or any of the Notes;

(n) any of the Issue Documents or any of the Notes ceases for any reason (or is claimed by the relevant Issuer or the Guarantor not) to be the legal and valid obligations of the relevant Issuer or the Guarantor, binding upon it in accordance with its terms;

(o) any litigation, arbitration or administrative proceeding against the relevant Issuer, the Guarantor or any of the Principal Subsidiaries is current or pending (other than those of a frivolous or vexatious nature which are being contested in good faith by appropriate proceedings) (i) to restrain the exercise of any of the rights and/or the performance or enforcement of or compliance with any of the obligations of the relevant Issuer or the Guarantor under any of the Issue Documents or any of the Notes or (ii) which has or is reasonably likely to have a material adverse effect on the relevant Issuer or the Guarantor;

(p) any event occurs which, under the law of any relevant jurisdiction, has an analogous or equivalent effect to any of the events mentioned in paragraph (f), (g), (h), (i) or (k);

(q) the relevant Issuer, the Guarantor or any of the Principal Subsidiaries is declared by the Minister of Finance to be a declared company under the provisions of Part IX of the Companies Act, Chapter 50 of Singapore; and

(r) for any reason OKH ceases to own (directly or indirectly) the whole of the issued share capital for the time being of OCPL.

In these Conditions:

(1) "**Principal Subsidiary**" means, at any particular time, any subsidiary of either Issuer:

(A) whose gross revenue as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 10 per cent. of the consolidated gross revenue of the Group as shown by such audited consolidated accounts; or

(B) whose total assets, as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which the latest audited consolidated accounts of the Group have been prepared, are at least 10 per cent. of the total assets of the Group as shown by such audited consolidated accounts,

provided that if any such subsidiary (the "**transferor**") shall at any time transfer the whole or a substantial part of its business, undertaking or assets to another subsidiary or either Issuer (the "**transferee**") then:

(aa) if the whole of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall thereupon cease to be a Principal Subsidiary and the transferee (unless it is the relevant Issuer) shall thereupon become a Principal Subsidiary; and

(bb) if a substantial part only of the business, undertaking and assets of the transferor shall be so transferred, the transferor shall remain a Principal Subsidiary and the transferee (unless it is the relevant Issuer) shall thereupon become a Principal Subsidiary.

Any subsidiary which becomes a Principal Subsidiary by virtue of (aa) above or which remains or becomes a Principal Subsidiary by virtue of (bb) above shall continue to be a Principal Subsidiary until the date of issue of the first audited consolidated accounts of the Group prepared as at a date later than the date of the relevant transfer which show the gross revenue or, as the case may be, total assets as shown by the accounts of such subsidiary (consolidated in the case of a subsidiary which itself has subsidiaries), based upon which such audited consolidated accounts have been prepared, to be less than 10 per cent. of the consolidated gross revenue or, as the case may be, total assets of the Group, as shown by such audited consolidated accounts.

A report by the Auditors (as defined in the Trust Deed), who shall also be responsible for reviewing any *pro forma* accounts required for the above purposes, that in their opinion a subsidiary is or is not a Principal Subsidiary shall, in the absence of manifest error, be conclusive; and

(2) "**subsidiary**" has the meaning ascribed to it in Section 5 of the Companies Act, Chapter 50 of Singapore.

10. Enforcement of Rights

At any time after an Event of Default has occurred or after the Notes shall have become due and payable, the Trustee may, at its discretion and without further notice, institute such proceedings against the relevant Issuer or the Guarantor as it may think fit to enforce repayment of the Notes, together with accrued interest, and/or to enforce the provisions of the Issue Documents but it shall not be bound to take any such proceedings unless (a) it shall have been so directed by an Extraordinary Resolution of the Noteholders or so requested in writing by Noteholders holding not less than 25 per cent. in principal amount of the Notes outstanding and (b) it shall have been indemnified and/or secured and/or pre-funded to its satisfaction. No Noteholder or Couponholder shall be entitled to proceed directly against the relevant Issuer or the Guarantor unless the Trustee, having become bound to do so, fails or neglects to do so within a reasonable period and such failure or neglect shall be continuing.

11. Meeting of Noteholders and Modifications

The Trust Deed contains provisions for convening meetings of Noteholders of a Series to consider any matter affecting their interests, including modification by Extraordinary Resolution of the Notes of such Series (including these Conditions insofar as the same may apply to such Notes) or any of the provisions of the Trust Deed.

The Trustee, the relevant Issuer or the Guarantor at any time may, and the Trustee upon the request in writing by Noteholders holding not less than one-tenth of the principal amount of the Notes of any Series for the time being outstanding and after being indemnified and/or secured and/or pre-funded to its satisfaction against all costs and expenses shall, convene a meeting of the Noteholders of that Series. An Extraordinary Resolution duly passed at any such meeting shall be binding on all the Noteholders of the relevant Series, whether present or not and on all relevant Couponholders, except that any Extraordinary Resolution proposed, *inter alia*, (a) to amend the dates of maturity or redemption of the Notes or any date for payment of interest or Interest Amounts on the Notes, (b) to reduce or cancel the principal amount of, or any premium payable on redemption of, the Notes, (c) to reduce the rate or rates of interest in respect of the Notes or to vary the method or basis of calculating the rate or rates of interest or the basis for calculating any Interest Amount in respect of the Notes, (d) to vary any method of, or basis for, calculating the Redemption Amount or the Early Redemption Amount including the method of calculating the Amortised Face Amount, (e) to vary the currency or currencies of payment or denomination of the Notes, (f) to take any steps that as specified hereon may only be taken following approval by an Extraordinary Resolution to which the special quorum provisions apply or (g) to modify the provisions concerning the quorum required at any meeting of Noteholders or the majority required to pass the Extraordinary Resolution or (h) to modify or cancel the Guarantee, will only be binding if passed at a meeting of the Noteholders of the relevant Series (or at any adjournment thereof) at which a special quorum (provided for in the Trust Deed) is present.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or these Conditions which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or these Conditions which is in the opinion of the Trustee not materially prejudicial to the interests of the Noteholders. Any such modification, authorisation or waiver shall be binding on the Noteholders and the Couponholders and, unless the Trustee otherwise agrees in writing, the Issuers and the Guarantor shall cause such modification, authorisation or waiver to be notified to the Noteholders as soon as practicable in accordance with Condition 15.

In connection with the exercise of its functions (including but not limited to those in relation to any proposed modification, waiver, authorisation or substitution) the Trustee shall have regard to the interests of the Noteholders as a class and shall not have regard to the consequences of such exercise for individual Noteholders or Couponholders.

These Conditions may be amended, modified, or varied in relation to any Series of Notes by the terms of the relevant Pricing Supplement in relation to such Series.

12. Replacement of Notes and Coupons

If a Note or Coupon is lost, stolen, mutilated, defaced or destroyed it may be replaced, subject to applicable laws, regulations and stock exchange or other relevant authority regulations at the specified office of the Principal Paying Agent, or at the specified office of such other Paying Agent as may from time to time be designated by the relevant Issuer for the purpose and notice of whose designation is given to Noteholders in accordance with Condition 15, on payment by the claimant of the fees and costs incurred in connection therewith and on such terms as to evidence, undertaking, security and indemnity (which may provide, *inter alia*, that if the allegedly lost, stolen or destroyed Note or Coupon is subsequently presented for payment, there will be paid to the relevant Issuer on demand the amount payable by the relevant Issuer in respect of such Note or Coupon) and otherwise as the relevant Issuer may require. Mutilated or defaced Notes or Coupons must be surrendered before replacements will be issued.

13. Further Issues

The relevant Issuer may from time to time without the consent of the Noteholders or Couponholders create and issue further notes either having the same terms and conditions as the Notes in all respects (or in all respects except for the first payment of interest on them) and so that such further issue shall be consolidated and form a single series with the outstanding Notes of any series or upon such terms as the relevant Issuer may determine at the time of their issue. References in these Conditions to the Notes include (unless the context requires otherwise) any other notes issued pursuant to this Condition 13 and forming a single series with the Notes. Any further notes forming a single series with the outstanding Notes of any series constituted by the Trust Deed or any deed supplemental to it shall, be constituted by the Trust Deed. The Trust Deed contains provisions for convening a single meeting of the Noteholders and the holders of notes of other series where the Trustee so decides.

14. Indemnification of the Trustee

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking proceedings to enforce repayment unless indemnified and/or secured and/or pre-funded to its satisfaction. The Trust Deed also contains a provision entitling the Trustee or any corporation related to it to enter into business transactions with the relevant Issuer, the Guarantor or any of their respective subsidiaries without accounting to the Noteholders or Couponholders for any profit resulting from such transactions.

Each Noteholder shall be solely responsible for making and continuing to make its own independent appraisal and investigation into the financial condition, creditworthiness, condition, affairs, status and nature of the relevant Issuer or the Guarantor, and the Trustee shall not at any time have any responsibility for the same and each Noteholder shall not rely on the Trustee in respect thereof.

15. Notices

Notices to the holders will be valid if published in a leading newspaper in the English language of general circulation in Singapore (or, if the holders of any Series of Notes can be identified, notices to such holders will also be valid if they are given to each of such holders). It is expected that such publication will be made in *The Business Times*. Notices will, if published more than once or on different dates, be deemed to have been given on the date of the first publication in such newspaper as provided above. Couponholders shall be deemed for all purposes to have notice of the contents of any notice to the holders in accordance with this Condition 15.

Until such time as any Definitive Notes are issued, there may, so long as the Global Note(s) is or are held in its or their entirety on behalf of Euroclear, Clearstream, Luxembourg and/or the Depository, be substituted for such publication in such newspapers the delivery of the relevant notice to Euroclear, Clearstream, Luxembourg and/or (subject to the agreement of the Depository) the Depository for communication by it to the Noteholders, except that if the Notes are listed on the SGX-ST and the rules of such exchange so require, notice will in any event be published in accordance with the previous paragraph. Any such notice shall be deemed to have been given to the Noteholders on the seventh day after the day on which the said notice was given to Euroclear, Clearstream, Luxembourg and/or the Depository.

Notices to be given by any Noteholder pursuant hereto (including to the relevant Issuer or the Guarantor) shall be in writing and given by lodging the same, together with the relative Note or Notes, with the Principal Paying Agent or, as the case may be, Non-CDP Paying Agent. Whilst the Notes are represented by a Global Note, such notice may be given by any Noteholder to the Principal Paying Agent or, as the case may be, the Non-CDP Paying Agent through Euroclear, Clearstream, Luxembourg and/or the Depository in such manner as the Principal Paying Agent or, as the case may be, the Non-CDP Paying Agent and Euroclear, Clearstream, Luxembourg and/or the Depository may approve for this purpose.

Notwithstanding the other provisions of this Condition, in any case where the identities and addresses of all the Noteholders are known to the relevant Issuer, notices to such holders may be given individually by recorded delivery mail to such addresses and will be deemed to have been given when received at such addresses.

16. Contracts (Rights of Third Parties) Act

No person shall have any right to enforce any term or condition of the Notes under the Contracts (Rights of Third Parties) Act, Chapter 53B of Singapore.

17. Governing Law and Jurisdiction

(a) Governing Law

The Trust Deed, the Notes and the Coupons are governed by, and shall be construed in accordance with, the laws of Singapore.

(b) Jurisdiction

The courts of Singapore are to have jurisdiction to settle any disputes that may arise out of or in connection with the Trust Deed, the Notes, the Coupons or the Guarantee and accordingly any legal action or proceedings arising out of or in connection with the Trust Deed, the Notes, the Coupons or the Guarantee may be brought in such courts. Each of the Issuers and the Guarantor has in the Trust Deed irrevocably submitted to the jurisdiction of such courts.

(c) Process Agent

OKH has irrevocably appointed OCPL as its authorised agent for service of process in Singapore. If for any reason such agent shall cease to be such agent for service of process, OKH shall forthwith appoint a new agent for service of process in Singapore and deliver to the Trustee a copy of the new agent's acceptance of that appointment within 30 days. Nothing in the Trust Deed, the Notes or the Coupons shall affect the right to serve process in any other manner permitted by law.

Principal Paying Agent
Deutsche Bank AG, Singapore Branch
One Raffles Quay
#16-00 South Tower
Singapore 048583

Non-CDP Paying Agent
Deutsche Bank AG, Hong Kong Branch
Level 52, International Commerce Centre
1 Austin Road West
Kowloon, Hong Kong

OKH CAPITAL PTE. LTD.

1. HISTORY AND BUSINESS

OKH Capital Pte. Ltd. was incorporated with limited liability under the laws of the Republic of Singapore on 18 November 2014. It is a wholly-owned subsidiary of OKH Global Ltd.

Its principal activities are the provision of financial and treasury services to OKH and/or its subsidiaries, and any other activities that the director(s) of OCPL may deem fit.

2. REGISTERED OFFICE

The registered office of OCPL as at the date of this Information Memorandum is at 701 Sims Drive, #02-06, LHK Building, Singapore 387383.

3. SHAREHOLDING AND CAPITAL

As at the date of this Information Memorandum, the issued share capital of OCPL is S$2.00, comprising two ordinary shares. All the issued ordinary shares in the capital of OCPL are held by OKH.

4. DIRECTOR

As at the date of this Information Memorandum, the director and company secretary of OCPL are as follows:

Name/Designation	Business Address
Mr Bon Ween Foong *Director*	701 Sims Drive, #02-06, LHK Building, Singapore 387383
Mr Julian Yeap Chiaw Gam *Company Secretary*	701 Sims Drive, #02-06, LHK Building, Singapore 387383

OKH GLOBAL LTD.

1. HISTORY AND OVERVIEW

The Group is primarily involved in the business of property development and the provision of construction services and large-scale A&A works in Singapore. The Group also holds investment properties from which it derives rental income. Separately, the Group also has a business presence in the logistics and supply chain solutions industry through its shareholding in Pan Asia Logistics Holdings Singapore Pte. Ltd. ("**Pan Asia**").

Incorporated as a limited exempt private company in 1998, OKH started as a local contractor undertaking renovation projects and minor construction and A&A works for town councils and PUB. OKH then had a BCA grading under "CW01 — General Building" with a financial grading of C3 which, based on the BCA guidelines applicable at that time, enabled it to handle public sector projects with a contract value of up to S$100,000.

By 2004, OKH had upgraded its BCA grading to "CW01 — General Building" with a financial grading of C1 which, based on the BCA guidelines applicable at that time, enabled it to handle public sector projects with a contract value of up to S$3.0 million. Since then, OKH acquired valuable experience, knowledge and capabilities in construction and project management which enabled the Group to subsequently venture into building construction and A&A works projects.

In early 2005, OKH upgraded its BCA grading to "CW01 — General Building" with a financial grading of B1 which, based on the BCA guidelines applicable at that time, qualified the Group to undertake public sector projects with a higher contract value of up to S$30.0 million.

In 2008, as part of the Group's strategy to reduce its reliance on its business as a contractor carrying out projects for third parties, OKH decided to diversify its business by venturing into property development in Singapore.

On 28 January 2013, Sinobest Technology Holdings Ltd. ("**Sinobest**") completed the acquisition of the entire issued share capital of OKH Holdings Pte. Ltd. for a purchase consideration of approximately S$123.2 million which was satisfied in full by the issue and allotment of 1,026,538,825 shares (representing approximately 90.26% of all the shares in Sinobest). The acquisition resulted in a reverse takeover of Sinobest and Sinobest announced its change of name to OKH Global Ltd. with effect from 16 April 2013. The change of Sinobest's trading counter name on the SGX-ST took effect on 26 April 2013.

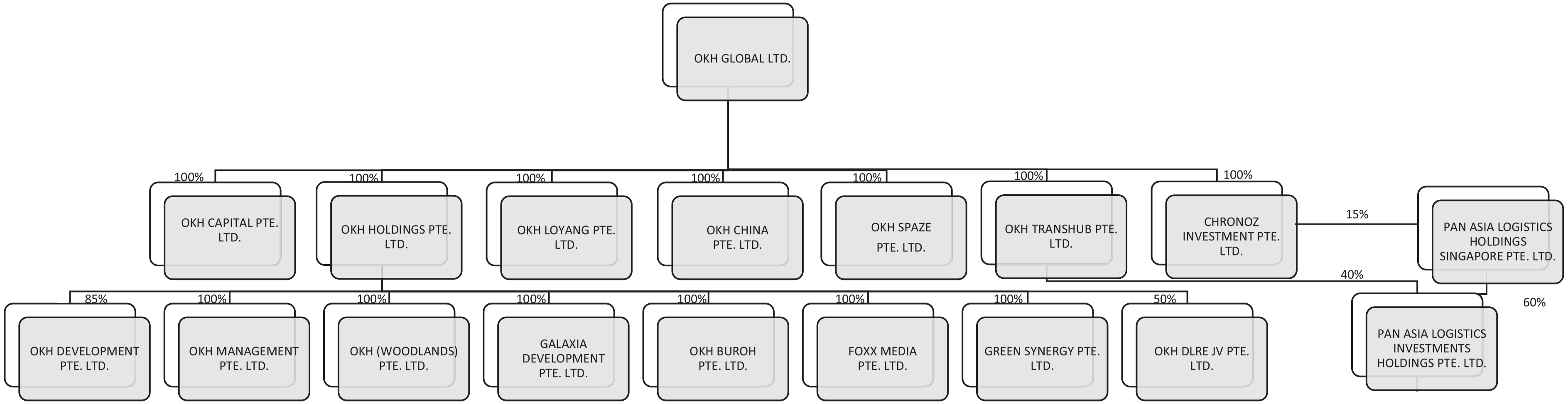
Currently, the focus of the Group's property development business is on industrial and commercial developments in Singapore. This is a natural progression from its construction business as it has the capabilities to design, build and manage its developments internally.

As a contractor, the Group's principal activity is the provision of construction services and large-scale A&A works to a wide range of clientele from both the private and public sectors in Singapore. OKH's current BCA grading of "CW01 — General Building" with a financial grading of B1 allows the Group to tender for any building or construction projects in the public sector with a project value up to S$40.0 million, based on the prevailing BCA guidelines.

In addition, the Group also derives rental income from its various investment properties, the bulk of which is derived from its dormitory at Seatown Industrial Centre, The Herencia and the three logistics properties held by its joint venture company, Pan Asia Logistics Investments Holdings Pte. Ltd. ("**Pan Asia Logistics**").

As at the Latest Practicable Date, the Group has a market capitalisation of S$358,334,744.

2. CORPORATE STRUCTURE



3. BUSINESS

A. Property development

Currently, the Group's property development activities are focused primarily on industrial and commercial developments in Singapore with a focus on aesthetic and eco-friendly features that is intended to cater to the demands of the expanding industrial and manufacturing industries in Singapore.

The initial stages of the Group's property development work include identifying viable and suitable opportunities for investment and sourcing for potential land use rights for acquisition and development. The Group's property development team regularly seeks out potential sites on both private and state-owned lands for development. Prior to the acquisition or the submission of tender for the bidding of the land, the Group will carry out feasibility studies to evaluate the viability, profitability and, more importantly, the risks involved in the development project. Considerations on the obtaining of necessary approvals from the relevant authorities and financing are also factored into the feasibility process.

The Group is able to leverage on its knowledge, experience and competence in the construction business as it has an in-house design team with capabilities in civil and structural works, mechanical and electrical works and building and construction compliance matters. With its in-house construction capabilities, the Group can turn to its construction division for the necessary civil and structural engineering and construction expertise when planning its property development. This enables the Group to gain a competitive edge at the early stage of identifying suitable land parcels for property development and conceptualising its development plans.

Further, OKH procures building materials for both its property development and construction business directly from local and overseas suppliers. This provides economies of scale in procurement, which in turn translates to costs savings for the property development and construction projects undertaken by the Group.

For the financial year ended 30 June 2014, the revenue derived from the Group's property development segment amounted to S$202.8 million, making up approximately 90.9% of the Group's total revenue for the period.

The Group's completed and ongoing property development projects, as at the Latest Practicable Date, are set out below:

Description of project	Type	Tenure	GFA (square feet)	Percentage sold as at the Latest Practicable Date (including those being leased out by the Group)	Date of TOP
Completed projects					
Seatown Industrial Centre	Industrial	Leasehold	274,352	100% sold[1]	March 2010
A'Posh BizHub	Industrial	Leasehold	381,928	100% sold	June 2012
Primz BizHub	Industrial	Leasehold	553,388	100% sold	June 2014
The Herencia[2]	Commercial	Leasehold	167,190[3]	89.32% leased	November 2013
Woodlands Horizon	Industrial	Leasehold	503,714	100% sold	November 2014
Ongoing projects					
Industrial building at Tai Seng Link[4]	Industrial	Leasehold	116,681	0% leased	Expected TOP: FY2015
ACE @Buroh	Industrial	Leasehold	475,780	22.77% sold	Expected TOP: FY2016
Loyang Enterprise	Industrial	Leasehold	555,000	24.50% sold	Expected TOP: FY2016

Notes:

(1) The development is fully sold except for the the three-storey ancillary dormitory which is retained by the Group for investment purposes.
(2) Investment property developed for the Group's recurring income and will not be launched for sale.
(3) Estimated lettable area of the property.
(4) Investment property developed for the Group's recurring income and will not be launched for sale.

I. Property development projects

(a) Completed projects

(i) <u>Seatown Industrial Centre</u>

The Group acquired a leasehold industrial property located in Tuas South Avenue 1 in March 2008 for S$5.2 million. As the Group had to fulfil various third party contracts at that time and was unable to provide sufficient manpower and resources for the construction of the project, it contracted the construction of the project to an unrelated third party contractor to ensure that it would meet the scheduled timelines. With an estimated total GFA of 274,352 square feet, the industrial development was named Seatown Industrial Centre, and comprises 23 units of terrace factories, one canteen and a three-storey ancillary dormitory.

Listed as "Business 1 Zoning" under the URA guidelines, the tenure of this leasehold property is 60 years commencing from 24 October 2000. The Seatown Industrial Centre development was launched for sale in July 2009 and was fully sold in December in the same year, except for the three-storey ancillary dormitory which is retained by the Group for investment purposes. Construction commenced in December 2008 and Seatown Industrial Centre received its TOP in March 2010.

(ii) <u>A'Posh BizHub</u>

The Group placed a top bid of S$27.2 million for a leasehold industrial site located at 1 Yishun Industrial Street 1 and was awarded the site by URA in April 2010. Listed as "Business 1 Zoning" under the URA guidelines, the tenure of this leasehold property is 60 years commencing from 26 August 2010.

Located near to Yishun MRT station, A'Posh BizHub has an estimated total GFA of 381,928 square feet and is easily accessible from the Seletar Expressway, the Tampines Expressway and the Central Expressway.

Built by the Group's construction division, A'Posh BizHub is a flatted factory development that incorporates aesthetic and eco-friendly features. This includes green landscaping within and around the development, use of recycled bio-fertilisers for landscaping, use of building materials and paint which promotes energy saving and use of water fittings which promote efficient water usage. In recognition of the development's green technologies and practices, BCA awarded A'Posh BizHub the BCA Green Mark "GOLD AWARD" on 7 March 2012. A'Posh Bizhub was also accorded the "Asia Pacific Property Awards" which celebrates the highest levels of achievement by companies operating in all sectors of the property and real estate industry. A'Posh Bizhub also won the prestigious FIABCI Singapore Property Award 2014, whose rules and judging criteria are similar to those of FIABCI Prix d'Excellence.

By May 2011, 100 per cent. of the total saleable area of the project had been sold. Construction commenced in October 2010 and A'Posh BizHub received its TOP in June 2012.

(iii) Primz BizHub

In line with plans to expand its property development business, the Group placed a top bid of S$84.24 million for a leasehold industrial site located at Land Parcel 818, Woodlands Avenue 12, Singapore (Parcel 2) and was awarded the site by URA in June 2011. Listed as "Business 1 Zoning" under the URA guidelines, the tenure of this leasehold property is 60 years commencing from 27 September 2011.

Located near to Admiralty MRT station, Primz BizHub is an industrial development with an estimated total GFA of 553,388 square feet and comprises 381 strata-titled units.

By November 2012, 100 per cent. of the total saleable area of the project had been sold. Construction commenced in March 2012 and TOP was received in June 2014.

(iv) The Herencia

The Herencia is a commercial property located at 46 & 58 Kim Yam Road and is situated in the vicinity of the popular Mohammad Sultan and Robertson Quay enclave. The property is leased from the Singapore Land Authority and refurbishing works were completed in November 2013. With an estimated lettable area of 167,190 square feet, the Herencia is ideal for rental as an office or commercial school.

The Herencia received its TOP in November 2013.

(v) Woodlands Horizon

In September 2011, the Group placed a top bid of S$71.84 million for another leasehold industrial site located at Land Parcel 824, Woodlands Avenue 12, Singapore (Parcel 3) and the Group was awarded the site by URA in the same month.

This leasehold industrial site is adjacent to the Group's industrial property site located at Land Parcel 818, Woodlands Avenue 12 Singapore (Parcel 2). Listed as "Business 1 Zoning" industrial property under the URA guidelines, Woodlands Horizon's functionally-designed units are ideal for small-medium enterprises requiring industrial spaces for clean and light industrial activities. The tenure of this leasehold property is 60 years commencing from 29 February 2012.

Located near Admiralty MRT station, Woodlands Horizon is an eight-storey strata-titled ramp-up industrial building with an estimated total GFA of 503,714 square feet.

The marketing for the sale of the project commenced in September 2012. As at 3 November 2014, the project has been fully sold.

Construction by the Group's construction division also commenced in September 2012 and TOP was received in November 2014.

(b) Ongoing projects

(i) Industrial building at Tai Seng Link

In June 2012, the Group placed a top bid of S$23.3 million for a leasehold industrial property site located at Tai Seng Link and was awarded the site by JTC Corporation in July 2012. The tenure of this leasehold property is 30 years commencing from 9 October 2012. The site is strategically located near Tai Seng MRT station and major roads such as Upper Paya Lebar Road and Airport Road. It is also located within the Paya Lebar iPark, which will be developed into a lifestyle park. With a permissible gross plot ratio of 2.5, the site can be developed into a "Business 2 Zoning" development with a maximum GFA of 116,681 square feet, to be used only for clean and light industries.

Under the conditions of the lease, the development is due for completion within 60 months from the date of acceptance of tender by JTC Corporation. In addition, the Group is not allowed to strata sub-divide the development in the first 10 years after the project is completed, and if approval for strata sub-division of the development is granted by the relevant authorities after the first 10 years, the GFA of each strata sub-divided unit cannot be less than 1,615 square feet.

Construction of the development commenced in October 2013 and TOP is expected to be granted by FY2015.

(ii) ACE @ Buroh

In April 2013, the Group was awarded the tender by JTC Corporation for a 30-year land parcel located at Buroh Crescent having an approximate site area of 190,317 square feet, at a tender price of S$39.02 million.

Located at Buroh Crescent within the Tuas precinct, this industrial property is well-connected to major expressways and is within close proximity to Tuas Second Link. ACE @ Buroh is listed as "Business 2 Zoning" under the URA guidelines and has a permissible gross plot ratio of 2.5 with a maximum GFA of up to 475,780 square feet. It will comprise 100 factories and one canteen.

Construction of the property commenced in November 2013 and TOP is expected to be granted by FY2016.

(iii) Loyang Enterprise

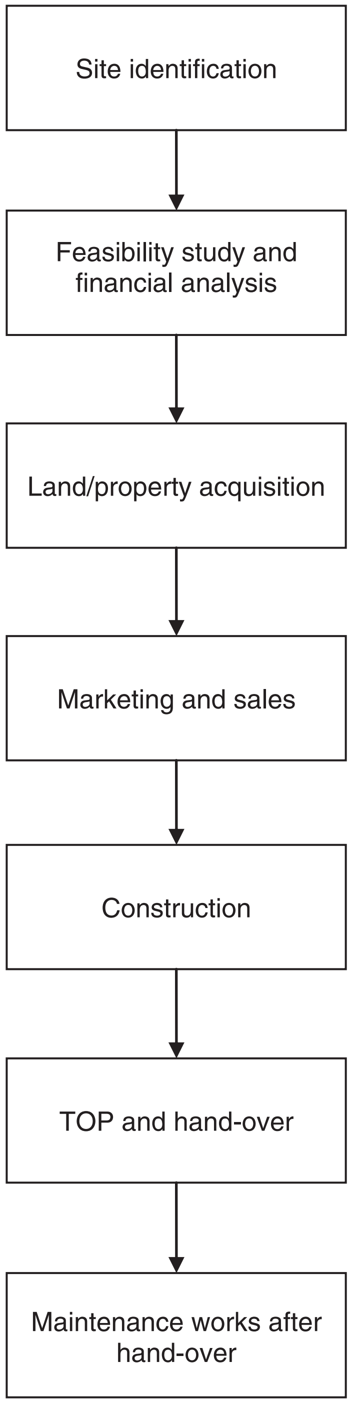
In June 2013, OKH announced that it had been awarded the tender by JTC Corporation for a 30-year land parcel located at Loyang Way having an approximate site area of 222,092 square feet, at a tender price of S$61.636 million.

Located near to the logistics hub in Changi, this industrial property is listed as a “Business 2 Zoning” industrial property under the URA guidelines and is a strata-titled project with a permissible gross plot ratio of 2.5 which can be developed into a development with a maximum GFA of 555,000 square feet.

Construction of the property commenced in January 2014 and TOP is expected to be granted by FY2016.

II. Key processes in a typical property development project by the Group

The following is a diagrammatical depiction of the stages and processes in a typical property development project by the Group in Singapore:



(a) Site identification

The Group sources for potential sites for development from announcements of public tender, the government land sales programme, private tenders or sales through its network of property agents and business contacts who recommend or source for land sites with the potential for development on its behalf.

(b) Feasibility study and financial analysis

In assessing the viability of a development site, the Group's property development team would typically undertake a feasibility study to evaluate the viability and profitability of the proposed development project as well as the associated risks by considering various factors including but not limited to the purchase price of the site, availability of financing, accessibility of the location, target group of buyers, necessary approvals from the relevant authorities, market conditions, supply and demand, direct competition and prevailing government regulation and policies.

Concurrently, the Group engages other external professional consultants to provide data analysis and other assessments to supplement its feasibility study.

(c) Land/property acquisition

Upon receiving satisfactory results from the feasibility study, the Group will then attempt to acquire the site through a property agent or submit a tender for its property development based on a pre-determined price range. Upon the acquisition of the land, a team of professional consultants, including architects, registered surveyors, mechanical and electrical engineers, and civil and structural engineers will be engaged to conceptualise the design and layout of the development project based on feedback from its in-house design team and property development team. These professional consultants will then provide support to its property development team to apply for and obtain the necessary approvals, permissions, licences and building plan clearances from the relevant authorities.

(d) Marketing and sales

Generally, the Group aims to launch the development project as soon as possible in order to shorten the overall development cycle. The exact timing of the launch, however, depends on market sentiment, among other things. The Group's management is responsible for formulating the marketing strategy for the project, while external consultants are engaged to execute the necessary marketing and sales activities, including media advertising and the design, production and distribution of promotional materials.

(e) Construction

Where possible, the Group will construct its property development projects with its in-house construction capabilities. The Group believes that by keeping construction costs to a minimum and sharing overheads and procurement costs, it would be able to achieve synergies and this will usually translate into cost savings. The Group's management and project team manages and supervises the progress of each construction stage of the development project closely, with the assistance of architects and other professional consultants engaged, to ensure that the building standards are met and that the project is completed within the set budget and scheduled timeline.

(f) TOP and hand-over

Once construction works are completed, an application will be submitted to BCA for the TOP to be issued in respect of the development. Upon the issue of TOP, the Group arranges for the purchasers to take possession of the individual units.

(g) Maintenance works after hand-over

Sale and purchase agreements would typically include a defects liability period, usually 12 months from the contractual date for the purchasers to take vacant possession in respect of the properties (approximately within two weeks of the TOP date), during which the Group will be responsible for making good any defects within its scope of work in the premises.

B. Construction services

The Group undertakes projects for building construction and large-scale A&A works for both private and public sector clients in Singapore. Where possible, the Group also undertakes the construction of its property development projects.

The Group's scope of work generally ranges from excavation, piling, constructing sub-structures and superstructures, architectural works, aluminium cladding and curtain walling, mechanical and electrical works and interior fitting-out works to external works and landscaping. Sub-contractors are appointed based on their experience and track record to ensure that the project deadlines and quality standards are strictly adhered to.

Over the years, the Group has leveraged on the expertise gained from its past construction projects and expanded its range of services to offer more comprehensive services. With more experience and capabilities, the Group has progressively expanded its customer base to harness new business opportunities. The Group also seeks to upgrade its BCA grading to enable it to tender for public construction projects of higher contract values.

In addition to the construction work done for commercial and industrial projects, the Group has also undertaken construction projects for residential houses for private individuals with project values ranging from approximately S$1.15 million to S$3.91 million.

For the financial year ended 30 June 2014, the revenue derived from the Group's construction services segment amounted to S$16.7 million, making up approximately 7.5% of the Group's total revenue for the period.

I. Construction projects

The construction projects undertaken by the Group in the last five years and up to the Latest Practicable Date are set out below:

Description of project	Client	Approximate contract value[1] (in millions)	Completion date
Expansion works to Singapore Budget Terminal	Civil Aviation Authority of Singapore	S$15.87	2010
Change of use from existing school to office and A&A works to existing one block of three-storey building and five blocks of one-storey building on Lot 98980I(PT), 155M & 234T TS 27 at 10 Winstedt Road (Newton Planning Area)	Allbest Property Management Pte. Ltd.	S$3.16	2010
A&A works to commercial spaces of Bukit Batok, Bukit Gombak, Kallang, Kembangan, Lavender and Tanah Merah MRT stations (pursuant to a joint-venture project with Dai-Dan Co., Ltd.)	SMRT	S$14.98	2011
A&A works to commercial spaces of Expo, Kranji, Redhill, Paya Lebar, Aljunied, Bugis and Tiong Bahru MRT stations (pursuant to a joint-venture project with Dai-Dan Co., Ltd.)	SMRT	S$10.64	2011

Description of project	Client	Approximate contract value[(1)] (in millions)	Completion date
A&A works to commercial spaces of Choa Chu Kang MRT station (pursuant to a joint-venture project with Dai-Dan Co., Ltd.)	SMRT	S$9.28	2011
A&A works to commercial spaces of Bedok, Dover, Lakeside, Pasir Ris, Queenstown and Tampines MRT stations (pursuant to a joint-venture project with Dai-Dan Co., Ltd.)	SMRT	S$23.90	2011
Erection of a two-storey detached dwelling house with a basement and an attic at 17A King Albert Park	Private individual	S$3.80	2011
Erection of a two-storey bungalow house with attic, basement and swimming pool at 24 Jervois Road	Private individual	S$3.40	2012
Erection of a block of five-storey terrace factory at No. 14 Tagore Lane	CHC Construction Pte. Ltd.	S$1.49	2012
Design, build, own, operate and maintain an intelligent micro-grid infrastructure with clean and renewable energy source on Pulau Ubin	Energy Market Authority of Singapore	S$4.09	2013
Construction of ACE The Place Community Club using design and build procurement for People's Association	People's Association	S$7.49	2014
Installation of additional bicycle racks at existing MRT stations	Land and Transport Authority	S$0.74	2014
A&A works to commercial spaces of Woodlands MRT station (project awarded solely to OKH Holdings Pte. Ltd.)	SMRT	S$17.45	2014
Installation of advertisement panels in Jurong East MRT station	SMRT	S$0.19	2014

Note:

(1) The approximate contract value excludes the value of works carried out pursuant to variation orders.

In addition to the above completed projects, the significant on-going projects undertaken by the Group as at the Latest Practicable Date include:

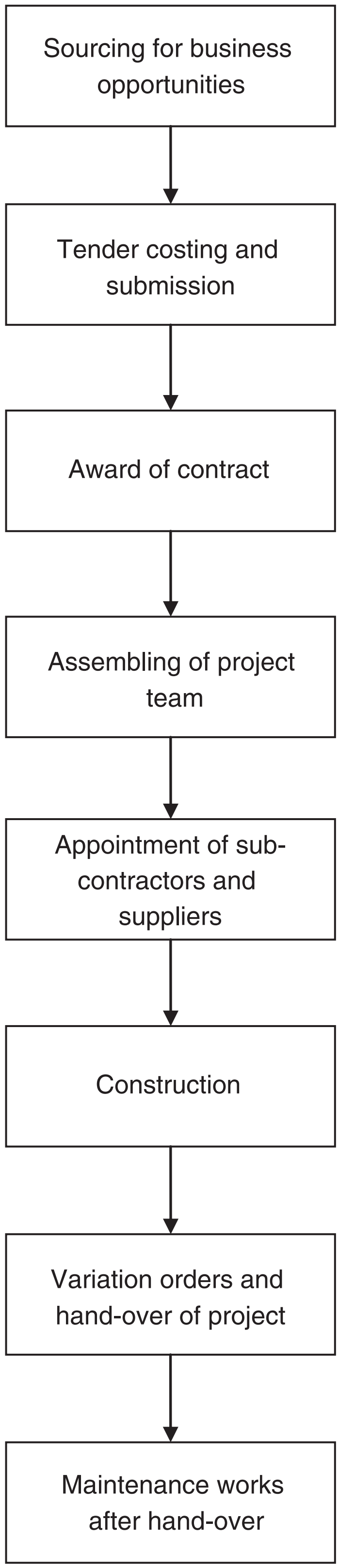
Description of project	Client	Approximate contract value[1] (in millions)	Estimated completion date
Proposed new erection of a four-storey warehouse with ramp-up facilities at No. 7 Pioneer Sector Lane	Nam Leong Co Pte. Ltd.	S$32.8	March 2015
Construction for the development of the industrial building at Tai Seng Link	In-house	S$17.5	FY2015
Construction for the development of ACE @ Buroh	In-house	S$37.0	FY2016
Construction for the development of Loyang Enterprise	In-house	S$66.6	FY2016

Note:

(1) The approximate contract value excludes the value of works carried out pursuant to variation orders.

II. Key processes in a typical construction project by the Group

The following is a diagrammatical depiction of the stages and processes of a typical construction project by the Group in Singapore:



(a) Sourcing for business opportunities

The Group secures its building and upgrading projects through open tenders for public sector projects or closed tenders for private sector projects. Information on open tenders is generally available via tender notices in newspapers and industrial publications. Participation in closed tenders is at the invitation of either the developers or their appointed project consultants based on their initial internal assessment of qualified building contractors which meet their requirements for the relevant project.

Other than the above, the Group's network of property agents and business contacts periodically recommend prospective clients and project consultants to it.

(b) Tender costing and submission

In preparation for a tender submission, the Group's tender committee, led by its project director, will first ascertain the difficulty level and risk involved in the project and that it has sufficient resources and expertise to execute and complete the project.

For private sector projects, its tender committee will assess the credit-worthiness of the developer before proceeding with further preparations for tender submission. The tender committee will consist of personnel from the project department, contracts department and construction and engineering department, all of whom will review the relevant documents to understand the specific requirements of the project and clarify any technical or legal ambiguities with the developer or its appointed consultant. After putting together the tender proposals, the tender committee will consult the Group's Chief Executive Officer before the final tender price is submitted.

Generally, the internal costing and budgetary estimates are compiled by obtaining quotations from selected suppliers and sub-contractors based on their track record and price competitiveness. In order to ensure that its tender is competitive, all technical and contractual ambiguities with the developer or its appointed consultants are resolved prior to tender submission. Generally, the contract value is fixed. However, in some of its projects, there are provisions for the Group to pass on cost fluctuations for certain construction materials.

(c) Award of contract

Construction contracts are typically awarded, on average, within three months after the close of tender. For private sector projects, contracts are normally awarded only after a comprehensive presentation by the Group's tender committee and after several rounds of interviews and clarifications with the developers and their consultants. Depending on the project and the prevailing issues, the whole process leading to the award of a contract may extend to more than six months from the submission of tenders.

(d) Assembling of project team

Upon the award of a contract, the Group will assemble a project team comprising the project director, the project manager, site supervisors, safety and health supervisors, engineers, mechanical and electrical coordinators, quantity surveyors and draftsmen from its construction department to manage the project on a full-time basis.

Site inspections and regular meetings would be held with various parties involved in the project to, amongst others, monitor the progress of the project, manage and co-ordinate the work of all parties, deploy the supply of all building materials and the usage of plant and machinery, ensure adherence to the internal budget and contract specifications and enforce safety and security procedures at the worksite.

(e) Appointment of sub-contractors and suppliers

After the Group has been notified of the award of a contract, its contracts department and project manager will analyse the building requirements and prepare a sourcing list detailing all the materials to be procured and sub-contract works to be awarded. These will be adhered to strictly to ensure that the required materials and works are procured on schedule. Wherever possible, contracts will be signed with sub-contractors on a lump sum basis for certainty and for the avoidance of disputes or discrepancies in relation to the quantity of materials or the scope of work at a later stage.

Appropriate sub-contractors will be selected based on their capabilities and track record relative to the scale and complexity of the project to ensure that they have sufficient experience and financial resources to complete the project within the stringent deadlines and quality standards.

At the negotiation meetings, the contract manager will be present to ensure that all technical details and completion requirements are included in the scope of work prior to an award so as to prevent potential disputes at a later stage.

The construction contract between the developer and the Group might specify that the developer is to nominate the sub-contractor for certain sub-contracting services or the supplier for certain building materials. In such an instance, the Group will not be exposed to any fluctuations of the costs for such sub-contracting services or prices for such building materials as these will be borne by the developer itself.

(f) Construction

Construction is generally divided into three main components: sub-structure works which are undertaken first, super-structure works which are undertaken subsequently and mechanical and electrical works.

Sub-structure works include piling and the construction of pile caps, ground and basement beams and slabs. Super-structure works comprise the construction of upper storey beams, columns, floor slabs and walls, mainly through pre-cast components although cast-in-situ are also employed.

Mechanical and electrical works are done concurrently as the super-structure is completed floor by floor. These works include the installation of elevators, air-conditioners, electrical works, sanitary and plumbing works and security systems. Thereafter, the finishing architectural works such as tiling, plastering and painting are carried out. During the construction process, the project manager or designated staff will ensure that the completed works meet specified requirements for the project.

(g) Variation orders and hand-over of project

During the course of construction, the Group may be required to perform variation orders for additional works not forming part of the original contract specifications or to carry out variations to the original specifications. As these are outside the scope of the original contract, the variation orders have to be separately documented and acknowledged by either the developer or its appointed project consultant and the contract value separately negotiated. To safeguard its interest, the Group will, as far as possible, carry out these works only upon the instructions of the developer or its appointed project consultant. For works which are urgent, the Group will write to the developer to confirm its instructions before carrying out the works. When the project is contractually completed, the Group will hand over the project to the developer and the architect will issue the relevant completion documents to contractually document the completion of the project.

(h) Maintenance works after hand-over

Construction contracts would typically include a defects liability period, usually 12 months after completion of the project, during which the Group will be responsible for making good any defects found in the completed building. During the defects liability period, the Group's customers will typically retain up to 2.5 per cent. of the contract sum as retention sum for the entire duration of the defects liability period. The Group's clients (typically the property developers) will also continue to retain the performance bond that was provided to them at the commencement of the construction project till the end of the defects liability period.

C. <u>Property investment</u>

I. Properties held by the Group for investment

The Group has also extended its business to the leasing, operating and/or managing of redeveloped and/or newly constructed properties. As at the Latest Practicable Date, the Group owns the following investment properties for lease:

Location	GFA (square feet)	Tenure
701 Sims Drive #02-05 LHK Building Singapore 387383	3,143	Estate in fee simple
701 Sims Drive #02-04 LHK Building Singapore 387383	2,282	Estate in fee simple
69H Tuas South Avenue 1 Seatown Industrial Centre Singapore 637509	77,920	60 years leasehold estate commencing from 24 October 2000
12, Tai Seng Link Singapore 534233	116,681	30 years commencing from 9 October 2012

As at the Latest Practicable Date, the Group also leases the following investment property:

Location	GFA (square feet)	Tenure
46 & 58 Kim Yam Road	220,186	Three-year renewable lease commencing 25 February 2013

For the financial year ended 30 June 2014, the revenue derived from the Group's property investment segment amounted to S$3.6 million, making up approximately 1.6% of the Group's total revenue for the period.

II. Partnership with Pan Asia

The Group has also extended its business presence in the logistics and supply chain solutions industry.

In October 2013, in order to enhance the Group's business platform for growth and value creation, the Group established a joint venture company, Pan Asia Logistics, with Pan Asia, to develop, own and manage logistics properties across Asia. The Group and Pan Asia have shareholding interests of 40 per cent. and 60 per cent. respectively in Pan Asia Logistics. Accordingly, Pan Asia Logistics is an associated company of the Group.

Pursuant to a joint venture agreement dated 9 October 2013 entered into between Pan Asia, OKH Transhub Pte. Ltd. and Pan Asia Logistics (the "**JVA**"), if Pan Asia or its affiliate (i.e. any other person controlling, controlled by or under common control with, Pan Asia and includes a subsidiary, holding company and related company) intends to invest in or acquire any logistics property, or take an equity stake in any entity which owns a logistics property, Pan Asia is obliged to refer such a business opportunity to Pan Asia Logistics. Pan Asia will be entitled to pursue the business opportunity only if the board of directors of Pan Asia Logistics decides not to take up, or no longer pursues, the business opportunity. In addition, the Group has a right of first refusal under the JVA to construct new buildings for any such business opportunity undertaken by Pan Asia Logistics.

The joint venture with Pan Asia provides an opportunity for the Group to develop, own and manage logistics buildings in Asia in order to derive recurrent income and OKH believes that the extension of its business to leasing and managing these properties is complementary to the Group's current portfolio. Pan Asia Logistics currently owns three logistics properties located in Singapore, Malaysia and Korea and the Group derives recurring lease income from these properties. The logistics properties are built to suit the requirements of specific customers and the Group intends to leverage on the strengths of Pan Asia to establish itself as a player in the logistics and supply chain solutions industry and to expand its presence in the region.

On 18 August 2014, the Group entered into an agreement to acquire a 15 per cent. stake in Pan Asia for approximately S$21.5 million.

Established and headquartered in Singapore since 2002, Pan Asia provides fully integrated logistics services and supply chain solutions worldwide. With a long-standing business relationship with European multinational corporations including Mercedes-Benz, Siemens, Panasonic, Porsche, BMW and VOLVO, Pan Asia has built up a diversified customer base of more than 1,000 customers across various industries.

An Enterprise 50 winner in 2012, Pan Asia has grown rapidly across the world with subsidiaries in 12 countries and a growing business presence in other emerging markets.

The acquisition of the 15 per cent. stake in Pan Asia will allow the Group to gain immediate access to a fast-growing and established logistics and supply chain solutions provider with extended reach to new geographical markets and provide opportunities for the Group to create new interlinked business opportunities in the real estate market which is complementary to the Group's current business. Pursuant to this acquisition, the Group has an additional deemed interest of nine per cent. in Pan Asia Logistics.

The table below sets out the properties owned by Pan Asia Logistics through its subsidiaries:

Location	**GFA (square feet)**	**Tenure**
Private Lot A3001226 MI 07 4180N at Tuas Bay Drive, Tuas View Industrial Estate, Singapore ("**PAL Singapore Property**")	430,553	30 years commencing from 16 September 2012
CP3A and CP3C, part of HS (D) 303868 PTD No 2423, Mukim Tanjung Kupang, District of Johor Bahru, integral part of Pelepas Free Zone, Port of Tanjung Pelepas, Gelang Patah, Johor, Malaysia ("**PAL Malaysia Property**")	424,078	43 years commencing from 1 March 2012
300-1, 465-7 of Dangchon-ri, Iljuk-myeon, Anseong-si Gyeonggi-do, Korea ("**PAL Korea Property**")	220,635	Freehold

PAL Singapore Property

PAL Malaysia Property

PAL Korea Property

4. SALES AND MARKETING

A. Property development

Before the launch of its property development projects, the Group usually engages the services of specialised commercial and industrial property agencies to carry out marketing and advertising activities for its property development projects. The Group is responsible for formulating the marketing strategy of the project, while the external agencies and consultants will work together to plan and execute sales and marketing activities such as media advertising and the production and distribution of brochures, flyers, as well as other promotional materials. Sales and marketing agents from such agencies also handle the sale of the Group's property developments through showrooms and occasional site visits.

B. Construction services

The Group obtains construction projects based on its participation in open and invited tenders for both public and private sector projects respectively. Most of the time, the Group secures its construction projects via public tenders and referrals from existing clients, consultants and business contacts.

For public sector projects, the Group currently has a BCA grading under the category "CW01 — General Building" with a financial grading of B1 which allows it to tender for public sector projects with a contract value of not more than S$40.0 million, based on the prevailing BCA guidelines. Information on open tenders is available by way of notices published either in the newspapers and/or in the government electronic business website.

For private and invited tenders, these invitations are made by prospective clients or consultants who have short-listed the Group after conducting an assessment of its capabilities, track record and financial strength.

C. Property investment

The marketing of the Group's investment properties is carried out by its in-house marketing team which sources for potential tenants through its network of business contacts, advertisements in newspapers and listings on online property portals.

5. STRATEGIES

A. Acquisition of new development sites for the Group's land bank

To ensure sustainable growth, the Group intends to continue to acquire new land parcels to build up its land bank for future property development. The Group strives to maintain a land bank of development sites sufficient to support a development pipeline of about three to five years on a continual basis. This will enable the Group to expand its development project pipeline and capitalise on suitable opportunities in favourable market conditions. The Group 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 and to adjust its land acquisition strategy accordingly.

B. Strengthening of the Group's presence in existing markets coupled with expansion of the Group's business in Asia

The Group intends to continue to grow and strengthen its presence in the markets it is currently situated in. For example, it continuously seeks to further solidify its position in the construction industry in Singapore.

The Group also continuously sources for attractive opportunities to develop its presence in Asia. Where such opportunities arise, and where the Group has identified strong growth potential and may leverage on its existing capabilities, expertise, value creation capabilities and partnerships, the Group will invest in and expand its business in the Asian region.

C. Expansion through acquisitions, joint ventures and/or strategic alliances

In addition to growing organically, the Group intends to continue expanding its business through acquisitions, joint ventures or strategic alliances with parties which create synergistic value with its existing business. Through such acquisitions, joint ventures or strategic alliances, the Group will look to strengthen its market position, expand its network, as well as expand into new businesses complementary to its current business.

In addition to growing its existing business in commercial and industrial developments, the Group may also explore potential opportunities to expand into other property segments such as residential and/or integrated properties, or expand into overseas markets, should appropriate opportunities arise. The Group believes that for its overseas ventures, forming joint ventures with business partners with local knowledge or local contacts is a prudent and cost-effective strategy of penetrating overseas markets.

Through the formation of joint ventures and/or strategic alliances, the Group may also be provided with opportunities to learn from its partners who possess the relevant experience and expertise in areas which are complementary to the Group's business.

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

The Group also plans to continue to expand its business through managing and renting properties, the construction or development of which the Group may be involved in. Both large and small corporations may need commercial or industrial space for their business, but may not wish to own or develop them due to the high costs of property ownership and construction in Singapore. Where such opportunities exist, the Group may acquire new or existing land parcels on its own or form joint ventures with other third parties to acquire and develop, or develop such properties for rental to the interested users on a long-term lease basis, and to manage and maintain such properties in order to derive recurring income.

For example, the Group has, through its joint venture with Pan Asia, expanded into the business of developing, owning and managing logistics properties across Asia. The Group intends to leverage on the strengths of Pan Asia to establish itself as a player in the logistics and supply chain solutions industry and to expand its presence in the region.

The Group believes that the extension of its business to leasing, operating and/or managing redeveloped and/or newly constructed properties is complementary to the Group's current portfolio.

E. Continue to grow the construction business

While focusing on the construction of its internal property development projects, the Group also intends to continue to grow its construction business in the private and public sector. It will leverage on its track record in handling building construction and large-scale A&A works projects to pitch for suitable projects for its future growth. The Group also plans to undertake more "design and build" projects in the future, where the scope of such projects will include designing, planning and construction of the building development.

6. COMPETITIVE STRENGTHS

The Group believes that it enjoys the following competitive strengths:

A. Leveraging on its construction expertise to carry out its own property development projects

The Group recognises the synergistic effects of its property development business and its construction business and the Group believes that this enables it to offer a comprehensive package of services ranging from site procurement, design and build services to project management. This complementary model enables the Group to utilise its knowledge and experience gained from its construction projects and develop effective work plans for its property development projects. The Group's familiarity with the entire construction cycle improves its productivity and enables it to fast track its development projects. The Group also enjoys synergy and cost savings when procuring supplies for both its property development and construction business activities.

B. Experienced and dedicated management team

Led by the Group's Chief Executive Officer, Mr Bon Ween Foong, the Group has established good business relationships on the strength of its delivery track record and high quality standards for its construction projects. Spearheading the growth and expansion of the Group, Mr Bon Ween Foong has over 16 years of experience in the relevant industries. The Group's management team, with an average of more than 16 years of industry experience, is also supported by a team of key executives who are experienced and competent in their respective functions.

C. Capability in handling a wide spectrum of projects

The Group has the experience and capability to undertake a diverse range of projects in the public and private sectors. Over the years, the Group has successfully completed a wide range of construction, A&A works, refurbishment and upgrading projects across various market segments such as the commercial, industrial, hotel and residential sectors. Hence, the Group is not overly dependent on a single project category for its revenue. With an in-house design team, the Group is also capable of taking on design and build or lease projects which provide diversification to its business.

D. Established business relationships and extensive network

Over the years, the Group has established business relationships and an extensive network with its partners, suppliers, financiers and consultants in the construction and property development sectors. This enables the management team to have ready access to data and information relating to new construction project tenders or development sites which are available for sale.

In addition, the Group employs a direct procurement strategy for its building materials, thus ensuring the quality and costs of its properties and construction projects.

7. INSURANCE

As at the Latest Practicable Date, the Group has taken up insurance policies in respect of the following:

(a) key-man insurance for the Group's Executive Chairman and Chief Executive Officer, Mr Bon Ween Foong;

(b) group hospitalisation, surgical and outpatient insurance for the Group's employees;

(c) work injury compensation insurance, public liability insurance and contractors' all risk insurance in connection with the Group's projects;

(d) fire on assets and any damage caused by force majeure to the Group's properties;

(e) all risk insurance for the Group's machinery; and

(f) directors' and officers' insurance.

The directors of OKH are of the view that the above insurance policies are adequate for the Group's current operations.

8. AWARDS, ACCOLADES AND ACCREDITATIONS

A. <u>Awards and accolades</u>

As a testimony to its reputation and track record, the Group has received numerous awards and accreditations.

As at the Latest Practicable Date, the awards and accolades which the Group has received are set out below:

Awards and accolades	Year	Awarded by
BCA Green Mark		
BCA Green Mark Gold Award (The BCA Green Mark Scheme is an initiative to drive Singapore's construction industry towards more environmentally-friendly buildings.)	2012	BCA
Small-to-Medium-Enterprise ("SME")		
Asia Pacific Property Awards	2014	International Property Awards
Best Industrial Development Singapore	2014	International New York Times
Best Industrial Development Asia Pacific	2014	International New York Times
Singapore Property Awards 2014	2014	Fédération Internationale des Administrateurs de Biens Conseils et Agents Immobiliers
Singapore SME 1000 Company	2014	DP Information Group
Asia Pacific Brands Award Singapore's Finest	2013	Asia Business Journal and Asia Pacific Brands Award Singapore
Asia Pacific Entrepreneurship Awards 2012 Entrepreneur of the Year	2012	Enterprise Asia
Innovative 40	2013	The New Economy
2012 Enterprise 50 Award	2012	KPMG and The Business Times
Singapore SME 1000 Company	2012	DP Information Group
Singapore SME 1000 Company	2011	DP Information Group
Prominent Award of the Year 2011 (SME1 Asia Awards Singapore)	2011	APF Group

Awards and accolades	Year	Awarded by
2011 Enterprise 50 Awards	2011	KPMG and The Business Times
Singapore SME 500 Company	2010	DP Information Group
Singapore SME 500 Company	2009	DP Information Group
50 Fastest Growing (Singapore 1000/SME 500 Company)	2008	DP Information Group
Singapore SME 500 Company	2008	DP Information Group
Singapore SME 500 Company	2007	DP Information Group
bizSAFE		
bizSAFE Partner Certificate (The bizSAFE Partner recognises bizSAFE partners who have been proactive and committed in bringing small and medium enterprises onboard the bizSAFE programme by incorporating safety as part of their business model (for example having bizSAFE Level 3 as a criteria in procurement contracts).)	2009	Workplace Safety and Health Council
bizSAFE STAR (The bizSAFE STAR is specially designed for SMEs that have tapped on the Workplace Safety and Health Council programme bizSAFE to improve their Workplace Safety and Health systems and processes.)	2012	Workplace Safety and Health Council
ASEAN Business Awards		
ASEAN Business Awards (Growth (Large Company)) (The ASEAN Business Awards recognises enterprises that have contributed to the growth and prosperity of the ASEAN economy. The annual awards has, since it was launched in 2007, 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.)	2013	ASEAN Business Advisory Council

B. Accreditations

The Group places strong emphasis on quality control to ensure that the quality of its projects comply with relevant regulations and to maintain its reputation and market standing.

As at the Latest Practicable Date, it has obtained the following accreditations:

Accreditations	Year	Awarded by
OHSAS 18001:2007 Certificate of Registration (Occupational Health and Safety Management System) for building construction services	2006	Anglo Japanese American Registrars
ISO 9001:2008 Certificate of Registration (Quality Management System) for building construction services	2006	Anglo Japanese American Registrars
ISO 14001:2004 Certificate of Registration (Environmental Management System) for building construction services	2006	Anglo Japanese American Registrars

9. BOARD OF DIRECTORS AND SENIOR MANAGEMENT

A. Board of directors

Mr Bon Ween Foong
Executive Chairman & Chief Executive Officer

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 16 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 and the 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 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, reviewing and evaluating 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 and project and workflow management. In all, Mr Lam has been in the building construction industry for more than 15 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 Tan Geok Chye
Executive Director

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

Mr Tan has been instrumental in the completion of the Group's property projects, Primz BizHub, The Herencia and Woodlands Horizon and he is spearheading the rest of the Group's property projects such as Ace @ Buroh and Loyang Enterprise.

Working in various property development and construction companies, he started his career as a site foreman before progressing to a 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 Ong Soon Teik
Lead Independent Director

Mr Ong was appointed as an Independent Director of OKH on 29 March 2010. He was an executive director of a mining and resource company from 2011 to 2013 and was responsible for the financial and administration matters of the company. Prior to this position, he was the chief operating officer of Chinese Global Investors Group Ltd. and prior to that, the senior vice president of the corporate finance department of Hong Leong Finance Limited from 2005 to 2008. He was the director of the corporate finance department of Deloitte & Touche from 2000 to 2005. He has worked with BMB Consultants NV as a merchant banking specialist attached to the Bangladesh Minister of State of Privatisation under an Asian development sponsored programme in 1999. Prior to that, Mr Ong had worked in corporate finance and banking positions in DBS Bank Ltd., Standard Chartered Merchant Bank Asia Limited (now known as Standard Chartered (2000) Limited), Nomura International (Hong Kong) and Peregrine Capital (and its successor Banco Santander Securities) from 1984 to 1999. Mr Ong graduated with degrees in Bachelor of Social Science (Second 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, a Certified Public Accountant of Australia and is also qualified as a Chartered Financial Analyst.

Mr Lim Eng Hoe
Independent Director

Mr Lim is a professional corporate adviser with strong background and good knowledge in capital and financial markets, and is well-versed in corporate affairs management in South Asia and Australia. Mr Lim has been involved in a number of corporate exercises of both public and private companies in the region. Previously, Mr Lim was the group finance director of a public listed company in Singapore and also served on the board of listed companies in Australia, Malaysia and Singapore. Mr Lim holds a Bachelor of Science in Economics (Honours) from the University of London.

Mr Lee Teck Leng Robson
Independent Director

Mr Lee is currently a partner in Shook Lin & Bok LLP's corporate finance and international finance practice and has been with the firm since 1994. Mr. Lee is also a partner in the firm's China practice, focusing on cross-border corporate transactions in the People's Republic of China. In addition, Mr Lee currently serves as an independent director on the boards of other listed companies in Singapore and Hong Kong. Mr Lee graduated from the National University of Singapore in 1993 with a Bachelor's degree in Law (Hons), and was admitted as a solicitor in England and Wales in 2008. He is a member of the Singapore Academy of Law and the Law Society of Singapore.

B. Senior management

Mr Patrick Lee
Chief Financial Officer

Mr Lee has over 25 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, the United States of America and Malaysia. He joined Sinobest Technology Pte. Ltd. as its chief financial officer in September 2008. Mr Lee was the group financial controller of Asian Information Resources Holdings Limited 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 and has been an associate member of the Hong Kong Institute of Certified Public Accountants since 1994.

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 project management team to assess new market opportunities. Having worked in various industries and countries as a consultant, Mr Ho has an extensive experience and market knowledge of Asian markets.

Ms Angeline Ang
Senior Property Development Manager

Ms Ang joined the Group in December 2012 and she is responsible for marketing and managing the Group's real estate portfolio in addition to other responsibilities. Ms Ang has over 10 years of experience in property planning and design, marketing and sales, project management, cost and quality management and consultancy services. Ms Ang holds a Master of Science (Real Estate) from the National University of Singapore, Bachelor of Applied Science (Property Economics) from the Queensland University of Technology as well as a Diploma in Building Management from the Ngee Ann Polytechnic.

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 the 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 and was responsible for the management of the premises. Mr Ong graduated from RMIT University with a Bachelor of Applied Science (Construction Management) with Honours First Class and Ngee Ann Polytechnic with a Diploma in Building and Real Estate Management.

SELECTED CONSOLIDATED FINANCIAL INFORMATION

The following tables set forth the Group's consolidated statements of profit or loss and other comprehensive income for the financial years ended 30 June 2012 ("**FY2012**"), 30 June 2013 ("**FY2013**") and 30 June 2014 ("**FY2014**"), the first quarter financial period ended 30 September 2013 ("**1Q2014**") and the first quarter financial period ended 30 September 2014 ("**1Q2015**") and the Group's consolidated statements of financial position as at 30 June 2012, 30 June 2013, 30 June 2014 and 30 September 2014. The selected consolidated financial data for FY2012, FY2013 and FY2014 in the tables below are derived from the historical financial statements of the Group, which have been audited by the independent auditors, Deloitte & Touche LLP and should be read in conjunction with the Group's audited financial statements including notes thereto for FY2012, FY2013 and FY2014 which are included elsewhere in this Information Memorandum.

In relation to the selected consolidated financial statements and information of the Group for FY2012, the acquisition by Sinobest of the entire issued capital of OKH Holdings Pte. Ltd. ("**OKHH**") has been accounted for as a reverse takeover and OKHH and its subsidiaries ("**OKHH Group**") is regarded as the acquirer and Sinobest and the Operating Subsidiaries[1] (the "**Sinobest Group**") as the acquiree for accounting purposes, in accordance with FRS 103 *Business Combinations*.

As such, the Group's consolidated financial statements have been prepared and presented as a continuation of OKHH Group's consolidated financial statements. Hence, FY2012 financial statements and information are that of OKHH Group.

[1] The Operating Subsidiaries refer to Guangzhou Sinobest Information Technology Ltd. and Sinobest Technologies (H.K.) Limited.

CONSOLIDATED STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

The audited consolidated statements of profit or loss and other comprehensive income of the Group for FY2012, FY2013 and FY2014 and the unaudited consolidated statements of profit or loss and other comprehensive income of the Group for 1Q2014 and 1Q2015 are set out below:

	Unaudited		**Audited**		
	1Q2015 (S$'000)	**1Q2014 (S$'000)**	**FY2014 (S$'000)**	**FY2013 (S$'000)**	**FY2012 (S$'000)**
Continuing operations					
Revenue	12,813	776	223,122	24,479	109,124
Cost of sales	(10,648)	(401)	(176,675)	(24,410)	(80,173)
Gross profit	2,165	375	46,447	69	28,951
Other income	93	66	3,667	20,281	4,859
General and administrative expenses	(5,650)	(5,574)	(17,068)	(18,874)	(12,652)
Finance costs	(1,522)	(348)	(3,023)	(1,704)	(1,674)
Share of loss of joint venture	–	–	–	(5)	–
Share of profit of associate	955	–	1,067	–	–
(Loss) Profit before income tax	(3,959)	(5,481)	31,090	(233)	19,484
Income tax	544	1	(6,964)	578	(3,379)
(Loss) Profit for the period/year from continuing operations	(3,415)	(5,480)	24,126	345	16,105
Discontinued operations					
(Loss) Profit from discontinued operations, net of tax	–	(546)	1,875	(2,043)	–
(Loss) Profit for the period/year	(3,415)	(6,026)	26,001	(1,698)	16,105
Other comprehensive income					
Currency translation difference arising from consolidation	(415)	(70)	(8)	839	–
Other comprehensive (loss) profit for the period/year, net of tax	(415)	(70)	(8)	839	–
Total comprehensive (loss) income for the period/year	(3,830)	(6,096)	25,993	(859)	16,105
(Loss) Profit for the period/year attributable to:					
Owners of the Company	(3,389)	(5,148)	26,030	(914)	16,174
Non-controlling interests	(26)	(878)	(29)	(784)	(69)
	(3,415)	(6,026)	26,001	(1,698)	16,105
Total comprehensive (loss) profit attributable to:					
Owners of the Company	(3,804)	(5,218)	26,022	(75)	16,174
Non-controlling interests	(26)	(878)	(29)	(784)	(69)
	(3,830)	(6,096)	25,993	(859)	16,105

The consolidated statements of financial position of the Group as at 30 June 2012, 30 June 2013, 30 June 2014 and 30 September 2014 are set out below:

	Unaudited	Audited		
	As at 30 September 2014 (S$'000)	As at 30 June 2014 (S$'000)	As at 30 June 2013 (S$'000)	As at 30 June 2012 (S$'000)
ASSETS				
Current assets				
Cash and cash equivalents	65,033	84,234	51,981	22,477
Trade and other receivables	108,801	79,293	45,028	87,002
Loan due from non-controlling interests	12,000	12,022	–	–
Completed properties held for sale	–	–	–	3,388
Properties under development	284,492	287,065	235,669	182,171
	470,326	462,614	332,678	295,038
Assets directly associated with disposal group classified as held-for-sale	–	–	73,286	–
Total current assets	470,326	462,614	405,964	295,038
Non-current assets				
Property, plant and equipment	12,299	12,646	14,627	3,137
Investment properties	62,788	62,036	53,240	23,640
Deposits	–	–	–	1,165
Investment in joint venture	–	–	–	–
Investment in associate	31,599	31,059	–	–
Deferred tax assets	–	–	1,994	1,416
Investment in unquoted securities	21,500	–	–	–
Total non-current assets	128,186	105,741	69,861	29,358
Total assets	598,512	568,355	475,825	324,396
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	233,648	159,214	194,560	70,641
Finance leases	398	349	437	160
Bank loans and overdrafts	120,291	158,954	22,115	85,979
Provisions	1,680	1,680	10,188	8,414
Income tax payable	5,059	5,059	20	2,362
Loan due to associate	8,000	8,000	–	–
Amount due to non-controlling interests	8,920	8,920	–	–
Liabilities directly associated with disposal group classified as held-for-sale	–	–	44,765	–
Total current liabilities	377,996	342,176	272,085	167,556
Non-current liabilities				
Amount due to non-controlling interests	–	–	8,665	8,418
Finance leases	1,395	1,313	1,362	363
Bank loans	133,515	135,815	153,596	120,695
Redeemable exchangeable preference shares	10,779	10,394	–	–
Total non-current liabilities	145,689	147,522	163,623	129,476
Total liabilities	523,685	489,698	435,708	297,032
Capital, reserves and non-controlling interests				
Share capital	59,283	59,283	19,793	6,500
Equity reserve	3,573	3,573	–	–
Translation reserve	(1,914)	(1,499)	839	–
Accumulated profits	14,496	17,885	19,719	20,633
Equity attributable to owners of the Company	75,438	79,242	40,351	27,133
Non-controlling interests	611	(585)	(234)	231
Total equity	74,827	78,657	40,117	27,364
Total liabilities and equity	598,512	568,355	475,825	324,396

PROFIT OR LOSS REVIEW

1Q2015 vs 1Q2014

Overall

The Group's revenue increased from approximately S$0.78 million in 1Q2014 to approximately S$12.81 million in 1Q2015. The increase was attributed to higher contribution from construction services and property investment income.

Construction Services

Construction revenue increased from approximately S$0.43 million in 1Q2014 to S$11.19 million in 1Q2015. The increase was largely due to an increase in the revenue recognised from the provision of construction services during the period.

Property Investment

Revenue recognised from property investment increased by approximately S$1.28 million from S$0.34 million in 1Q2014 to S$1.62 million in 1Q2015. The increase was mainly due to rental income from its investment property, The Herencia at Kim Yam Road, which received its TOP in late FY2014.

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

The Group recorded a GP increase from approximately S$0.38 million in 1Q2014 to approximately S$2.17 million in 1Q2015. However, GPM decreased to 16.9% in 1Q2015 as compared to 48.3% in 1Q2014. This was mainly due to lower margin contribution from property investment.

Other Income

Other income increased marginally from approximately S$0.07 million in 1Q2014 to approximately S$0.09 million in 1Q2015. The increase was largely contributed by management fees and interest income.

General and Administrative Expenses

General and administrative expenses increased by 1.4% from approximately S$5.57 million in 1Q2014 to approximately S$5.65 million in 1Q2015. The increase was largely due to higher bank charges and repair and maintenance charges for its development projects. The increase was partially offset by lower professional fees incurred during the period and also staff and related costs.

Finance Expense

Finance expenses increased by 337.4%, from approximately S$0.35 million in 1Q2014 to S$1.52 million in 1Q2015. The increase was mainly due to the issuance of redeemable exchangeable preference shares and higher level of bank loans to finance the increase in its business activities.

Share of Profits of Associate

For 1Q2015, the share of profits of an associate amounted to approximately S$0.96 million. There was no share of profits in the corresponding 1Q2014.

Income Tax

Due to the operating loss incurred for 1Q2015, the Group registered a tax credit of approximately S$0.54 million in 1Q2015 as compared to S$1,000 in tax credit in 1Q2014.

Loss from Operations, Net of Tax

As a result of the above, the Group registered a lower net loss of approximately S$3.42 million in 1Q2015 from its operations as compared to a net loss of approximately S$6.03 million in 1Q2014.

FY2014 vs FY2013

Overall

The Group's revenue increased by S$198.6 million or 811.5% from S$24.5 million in FY2013 to S$223.1 million in FY2014. The increase was mainly due to the revenue recognised from the TOP of Primz Bizhub.

Construction Services

Revenue recognised from the provision of construction services increased by S$0.7 million or 4.8%, from S$16.0 million in FY2013 to S$16.7 million in FY2014. Revenue in FY2014 was contributed by third party construction projects and reversal of provision for liquidated damages amounting to approximately S$8.5 million and S$8.2 million respectively for projects which encountered delays in completion due to adverse weather conditions, changes in customers' requirements and delays in obtaining approval from relevant authorities.

Revenue recognised by the Construction Services Division in respect of the construction works for the Group's development projects was eliminated during the consolidation of the Group results.

Property Development

Revenue recognised from property development increased by S$195.7 million or 2736.9% from S$7.1 million in FY2013 to S$202.8 million in FY2014. The increase was due to the TOP of Primz BizHub amounting to approximately S$202.8 million.

Property Investment

Revenue recognised from property investment increased by S$2.2 million or 163.9% from S$1.4 million in FY2013 to S$3.6 million in FY2014. The increase was mainly due to rental income from its investment property, The Herencia at Kim Yam Road, which received its TOP in FY2014.

Gross Profit / Gross Profit Margin

The Group recorded a GP increase of S$46.3 million from S$0.1 million in FY2013 to S$46.4 million in FY2014.

The Group noted an increase of GPM of approximately 20.5 percentage points from 0.3% in FY2013 to 20.8% in FY2014.

Other Income

Other income decreased by S$16.6 million or 81.9%, from S$20.3 million in FY2013 to S$3.7 million in FY2014. The decrease was mainly due to the absence of bargain purchase on reverse acquisition amounting to approximately S$15.5 million in FY2013.

General and Administrative Expenses

General and administrative expenses decreased by S$1.8 million or 9.6%, from S$18.9 million in FY2013 to S$17.1 million in FY2014. The decrease was mainly due to the decrease in sales commission amounting to approximately S$2.5 million and rental paid on the investment property, The Herencia at Kim Yam Road, of approximately S$1.9 million in FY2013 prior to its TOP. This was partially offset by the increase in depreciation on property, plant and equipment of approximately S$1.2 million and the annual incentive bonus in relation to the service contract of Mr. Bon Ween Foong of approximately S$1.5 million.

Finance Expense

Finance expenses increased by S$1.3 million or 77.4%, from S$1.7 million in FY2013 to S$3.0 million in FY2014. The increase was mainly due to interest recognised on the redeemable exchangeable preference shares.

Income Tax

The Group registered income tax expense of approximately S$7.0 million in FY2014 as compared to a tax credit of S$0.6 million in FY2013 due to the profit recognised for the year.

Profit/Loss from Continuing Operations, Net of Tax

As a result of the above, the Group registered a net profit of S$24.1 million from continuing operations in FY2014 as compared to a net profit of S$0.3 million in FY2013.

Profit from Discontinued Operations

Profit from discontinued operations was mainly contributed by the Operating Subsidiaries. The income statement of the Operating Subsidiaries for the period from 1 July 2013 up to the date of completion of the proposed distribution *in specie* (the "**Proposed Distribution**") of the Group's IT business, comprising the Operating Subsidiaries, is set out below:

	Group S$'000
Revenue	77,726
Cost of sales	(61,930)
Gross profit	15,796
Other income	1,696
General and administrative expenses	(15,250)
Profit before tax	2,242
Income tax expense	(367)
Profit for the period	1,875

FY2013 vs FY2012

Overall

The Group's revenue decreased by S$84.6 million or 77.6%, from S$109.1 million in FY2012 to S$24.5 million in FY2013. The decrease was mainly due to decrease in revenue from its property development division, partially offset by the increase in revenue from its construction division.

Construction Services

Revenue recognised from the provision of construction services increased by S$10.7 million or 201.8%, from S$5.3 million in FY2012 to S$16.0 million in FY2013. The increase in revenue was mainly due to higher revenue recognised from existing projects undertaken during the year and a lower level of liquidated damages of S$3.1 million provided in FY2013 as compared to S$6.8 million provided in FY2012.

Property Development

Revenue from property development decreased by S$95.3 million or 93.1%, from S$102.4 million in FY2012 to S$7.1 million in FY2013, mainly due to lower revenue recognised from the sales of units in the Group's development project, A'Posh BizHub. No new development projects received their TOP in FY2013.

Gross Profit / Gross Profit Margin

GP decreased by S$28.9 million or 99.8%, from S$29.0 million in FY2012 to S$0.07 million in FY2013.

GPM decreased by 26.2 percentage points, from 26.5% in FY2012 to 0.3% in FY2013.

Higher GP and GPM in prior reporting period were mainly due to contribution from the Group's development project, A'Posh BizHub, which obtained its TOP in FY2012. Additional provision for liquidated damages during the year also contributed to the lower GP and GPM.

Other Income

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 the 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 in other income. 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

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 expenses related to the reverse takeover as well as rental paid for the land parcel at Kim Yam Road. The increase was partially offset by a director's profit sharing provided in FY2012 but not in FY2013.

Loss from Discontinued Operations

Loss from discontinued operations is mainly contributed by the Operating Subsidiaries in the People's Republic of China as a result of pending divestments. As the Operating Subsidiaries were effectively acquired via the reverse takeover exercise on 28 January 2013, there is no comparative figure shown. The income statement of the Operating Subsidiaries for the period from 28 January 2013 to 30 June 2013 is set out below:

	Group 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 tax	(2,347)
Income tax credit	304
Loss for the period	(2,043)

STATEMENT OF FINANCIAL POSITION REVIEW

30 September 2014 vs 30 June 2014

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

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

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

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

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

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

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

30 June 2014 vs 30 June 2013

Trade and other receivables increased by S$34.3 million or 76.2%, from S$45.0 million as at 30 June 2013 to S$79.3 million as at 30 June 2014. The increase was mainly due to progress billings from its development projects, third party construction projects and rental receivable arising from the Group's investment property, The Herencia at Kim Yam Road.

Loan due from non-controlling interests amounted to approximately S$12.0 million as at 30 June 2014. The loan was extended to ZACD (Woodlands) Pte. Ltd., which has a non-controlling interest in OKHD. The loan is repayable upon the completion of Woodlands Horizon, a development project of OKHD, and carries an interest rate of 3.28% per annum.

Properties under development increased by S$51.4 million or 21.8%, from S$235.7 million as at 30 June 2013 to S$287.1 million as at 30 June 2014. The increase was due to the cost of construction works incurred for its development projects.

Investment in associate of S$31.1 million as at 30 June 2014 was due to the investment in Pan Asia Logistics and the share of post-acquisition reserves arising from the said associate.

Bank loans and overdrafts increased by S$119.1 million or 67.8%, from S$175.7 million as at 30 June 2013 to S$294.8 million as at 30 June 2014, mainly due to bank loans drawn down for its development projects and the Company's investment property at Tai Seng.

Finance leases decreased by S$0.1 million or 7.6%, from S$1.8 million as at 30 June 2013 to S$1.7 million as at 30 June 2014, mainly due to repayments made during the period.

Trade and other payables decreased by S$35.4 million or 18.2%, from S$194.6 million as at 30 June 2013 to S$159.2 million as at 30 June 2014. This was mainly due to the decrease in advance receipts from customers.

Provisions decreased by S$8.5 million or 83.5%, from S$10.2 million as at 30 June 2013 to S$1.7 million as at 30 June 2014, mainly due to the reversal of liquidated damages.

Share capital increased by S$39.5 million or 199.5%, from S$19.8 million as at 30 June 2013 to S$59.3 million as at 30 June 2014, due to the placement of 60,000,000 ordinary shares during the financial year.

Assets and liabilities directly associated with the disposal group classified as held-for-sale decreased by S$73.3 million and S$44.8 million respectively in FY2014 as a result of the completion of the Proposed Distribution.

30 June 2013 vs 30 June 2012

Trade and other receivables decreased by S$42.0 million or 48.3%, from S$87.0 million as at 30 June 2012 to S$45.0 million as at 30 June 2013, mainly due to sales proceeds received from customers of A'Posh BizHub. The decrease was partially offset by progress billings issued to the individual customers of Primz BizHub and Woodlands Horizon as well as the increase in deposits paid for land parcels at Buroh Crescent, Loyang Way and Kim Yam Road.

Completed properties held for sale decreased by S$3.4 million from 30 June 2012 to nil as at 30 June 2013, mainly due to the sale of the remaining units in A'Posh Bizhub.

Properties under development increased by S$53.5 million or 29.4%, from S$182.2 million as at 30 June 2012 to S$235.7 million as at 30 June 2013, mainly attributable to the cost of construction works incurred during the period for Primz BizHub and Woodlands Horizon.

Property, plant and equipment increased by S$11.5 million or 371.0%, from S$3.1 million as at 30 June 2012 to S$14.6 million as at 30 June 2013, mainly due to the completion of the acquisition of an industrial property at 5 Pioneer Sector Lane, an industrial unit at 701 Sims Drive, LHK Building as well as purchase of machineries and motor vehicles. The increase was partially offset by depreciation charges during the period.

Deposit decreased by S$1.2 million from 30 June 2012 to nil as at 30 June 2013, mainly attributable to the reclassification of the deposit paid for the land parcel at Tai Seng Link to investment properties upon the completion of the acquisition of the land parcel.

Investment properties increased by S$29.6 million or 125.4%, from S$23.6 million as at 30 June 2012 to S$53.2 million as at 30 June 2013, mainly attributable to the completion of the acquisition of the land parcel at Tai Seng Link and the cost of construction works incurred during the period for the development at Kim Yam Road. Fair value gain of certain existing investment properties also contributed to the increase.

Deferred tax assets increased by S$0.6 million or 42.9%, from S$1.4 million as at 30 June 2012 to S$2.0 million as at 30 June 2013, mainly due to deferred tax assets recognised in relation to unabsorbed losses during the year. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which such deferred tax assets can be utilised.

Trade and other payables increased by S$124.0 million or 175.6%, from S$70.6 million as at 30 June 2012 to S$194.6 million as at 30 June 2013, mainly due to increase in advance receipts from customers of Primz BizHub and Woodlands Horizon, increase in trade payables as well as other payables to third parties.

Finance leases increased by S$1.3 million or 260.0%, from S$0.5 million as at 30 June 2012 to S$1.8 million as at 30 June 2013, mainly attributable to hire purchase financing obtained for the purchase of new motor vehicles and machinery. The increase was partially offset by repayments during the period.

Bank loans and overdrafts decreased by S$31.0 million or 15.0%, from S$206.7 million as at 30 June 2012 to S$175.7 million as at 30 June 2013, mainly due to repayment of bank loans drawn down to finance the construction and development of A'Posh BizHub as well as decrease in bank overdrafts. The decrease is partially offset by the increase in bank loans drawn down to finance the acquisition of the land parcels at Tai Seng Link, 5 Pioneer Sector and an industrial unit at 701 Sims Drive, LHK Building, to pay for the deposits for the land parcels at Buroh Crescent and Loyang Way as well as to finance the construction and development of Primz BizHub and Woodlands Horizon.

Provision increased by S$1.8 million or 21.4%, from S$8.4 million as at 30 June 2012 to S$10.2 million as at 30 June 2013, mainly due to additional provision for liquidated damages for projects where responses to the Group's requests for extension of time have yet to be received.

Income tax payable decreased from S$2.4 million as at 30 June 2012 to S$0.02 million as at 30 June 2013 mainly due to payments made during the period.

Assets and liabilities directly associated with the disposal group classified as held-for-sale is mainly contributed by the Operating Subsidiaries in the People's Republic of China as a result of pending divestments. As the Operating Subsidiaries were effectively acquired via the reverse takeover exercise on 28 January 2013, there is no comparative figure shown. The assets and liabilities directly associated with the disposal group classified as held-for-sale is set out below.

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

Current assets	**S$'000**
Cash and bank balances	11,683
Trade receivables and other receivables	42,992
Inventory	9,872
Non-current assets	
Financial assets, available-for sale	77
Property, plant and equipment	7,009
Deferred tax assets	1,653
	73,286

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

	S$'000
Trade payables and other payables	44,035
Provisions	730
	44,765

INVESTMENT CONSIDERATIONS

Prior to making an investment or divestment decision, prospective investors in or existing Noteholders should carefully consider all the information set forth in this Information Memorandum including the investment considerations and risk factors set out below.

The investment considerations and risk factors set out below do not purport to be complete or comprehensive of all the investment considerations and risk factors that may be involved in the business, assets, financial condition, performance or prospects of the Issuers, the Guarantor and their respective subsidiaries or the properties owned by the Group or any decision to purchase, own or dispose of the Notes. Additional investment considerations and risk factors which the Issuers and the Guarantor are currently unaware of may also impair its business, assets, financial condition, performance or prospects. If any of the following investment considerations or risk factors develop into actual events, the business, assets, financial condition, performance or prospects of the Issuers, the Guarantor and/or the Group could be materially and adversely affected. In such cases, the ability of the Issuers and the Guarantor to comply with their respective obligations under the Trust Deed and the Notes may be adversely affected. Further, the market price of the Notes could decline, and investors may lose all or part of their investments in the Notes. The investment considerations and risk factors discussed below also include forward-looking statements and the Issuers', the Guarantor's and the Group's actual results may differ substantially from those discussed in these forward-looking statements. Sub-headings are for convenience only and investment considerations and risk factors that appear under a particular sub-heading may also apply to one or more other sub-headings.

Limitations of this Information Memorandum

This Information Memorandum does not purport to nor does it contain all information that a prospective investor in or existing Noteholder may require in investigating the Issuers, the Guarantor or the Group, prior to making an investment or divestment decision in relation to the Notes issued under the Programme

Neither this Information Memorandum nor any document or information (or any part thereof) delivered or supplied under or in relation to the Programme or the Notes (or any part thereof) is intended to provide the basis of any credit or other evaluation and should not be considered as a recommendation by the Issuers, the Guarantor, the Arranger or any of the Dealers that any recipient of this Information Memorandum or any such other document or information (or such part thereof) should subscribe for or purchase or sell any of the Notes.

This Information Memorandum is not, and does not purport to be, investment advice. A prospective investor should make an investment in the Notes only after it has determined that such investment is suitable for its investment objectives. Determining whether an investment in the Notes is suitable is a prospective investor's responsibility, even if the investor has received information to assist it in making such a determination. Each person receiving this Information Memorandum acknowledges that such person has not relied on the Issuers, the Guarantor, their respective subsidiaries (if any), associated companies (if any) and/or joint venture companies (if any), the Arranger, any of the Dealers or any person affiliated with each of them in connection with its investigation of the accuracy or completeness of the information contained herein or of any additional information considered by it to be necessary in connection with its investment or divestment decision. Any recipient of this Information Memorandum contemplating subscribing for or purchasing or selling any of the Notes should determine for itself the relevance of the information contained in this Information Memorandum and any such other document or information (or any part thereof) and its investment or divestment should be, and shall be deemed to be, based solely on its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the Issuers, the Guarantor and the Group, the terms and conditions of the Notes and any other factors relevant to its decision, including the merits and risks involved. A prospective investor should consult with its legal, tax and financial advisers prior to deciding to make an investment in the Notes.

RISKS RELATING TO NOTES

Limited liquidity of the Notes issued under the Programme

There can be no assurance regarding the future development of the market for the Notes issued under the Programme or the ability of the Noteholders, or the price at which the Noteholders may be able, to sell their Notes. The Notes may have no established trading market when issued, and one may never develop. Even if a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market. This is particularly the case for Notes that are especially sensitive to interest rate, currency or market risks, are designed for specific investment objectives or strategies or have been structured to meet the investment requirements of limited categories of investors. These types of Notes generally would have a more limited secondary market and more price volatility than conventional debt securities.

Liquidity may have a severely adverse effect on the market value of the Notes. Although the issue of additional Notes may increase the liquidity of the Notes, there can be no assurance that the price of such Notes will not be adversely affected by the issue in the market of such additional Notes.

Fluctuation of the market value of Notes issued under the Programme

Trading prices of the Notes are influenced by numerous factors, including the operating results and/or financial condition of the Issuers, the Guarantor, their respective subsidiaries (if any), its associated companies (if any) and/or joint venture companies (if any), political, economic, financial and any other factors that can affect the capital markets, the industry, the Issuers, the Guarantor, their respective subsidiaries (if any), its associated companies (if any) and/or joint venture companies (if any) generally. Adverse economic developments, in Singapore as well as countries in which the Issuers, the Guarantor, their respective subsidiaries (if any), its associated companies (if any) and/or joint venture companies (if any) operate or have business dealings, could have a material adverse effect on the operating results and/or the financial condition of the Issuers, the Guarantor, their respective subsidiaries (if any), its associated companies (if any) and/or joint venture companies (if any).

Global financial turmoil has resulted in substantial and continuing volatility in international capital markets. Any further deterioration in global financial conditions could have a material adverse effect on worldwide financial markets, which may also adversely affect the market price of the Notes.

Interest rate risk

Noteholders may suffer unforeseen losses due to fluctuations in interest rates. Generally, a rise in interest rates may cause a fall in bond prices, resulting in a capital loss for the Noteholders. However, the Noteholders may reinvest the interest payments at higher prevailing interest rates. Conversely, when interest rates fall, bond prices may rise. The Noteholders may enjoy a capital gain but interest payments received may be reinvested at lower prevailing interest rates.

Inflation risk

Noteholders may suffer erosion on the return of their investments due to inflation. Noteholders would have an anticipated rate of return based on expected inflation rates on the purchase of the Notes. An unexpected increase in inflation could reduce the actual returns.

Singapore taxation risk

The Notes to be issued from time to time under the Programme during the period from the date of this Information Memorandum to 31 December 2018 are, pursuant to the ITA and the MAS Circular FSD Cir 02/2013 entitled "Extension and Refinement of Tax Concessions for Promoting the Debt Market" issued by MAS on 28 June 2013, intended to be "qualifying debt securities" for the purposes of the ITA, subject to the fulfillment of certain conditions more particularly described in the section "Singapore Taxation" herein.

However, there is no assurance that such Notes will continue to enjoy the tax concessions in connection therewith should the relevant tax laws or MAS circulars be amended or revoked at any time.

The Notes may not be a suitable investment for all investors

Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor should:

(i) have sufficient knowledge and experience to make a meaningful evaluation of the relevant Notes, the merits and risks of investing in the relevant Notes and the information contained or incorporated by reference in this Information Memorandum or any applicable supplement to this Information Memorandum;

(ii) have access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the relevant Notes and the impact such investment will have on its overall investment portfolio;

(iii) have sufficient financial resources and liquidity to bear all of the risks of an investment in the relevant Notes, including Notes with principal or interest payable in one or more currencies, or where the currency for principal or interest payments is different from the potential investor's currency;

(iv) understand thoroughly the terms of the relevant Notes and be familiar with the behaviour of any relevant indices and financial markets; and

(v) be able to evaluate (either alone or with the help of a financial adviser) possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Some Notes are complex financial instruments and such instruments may be purchased as a way to reduce risk or enhance yield with an understood, measured, appropriate addition of risk to their overall portfolios. A potential investor should not invest in Notes which are complex financial instruments unless it has the expertise (either alone or with a financial adviser) to evaluate how the Notes will perform under changing conditions, the resulting effects on the value of such Notes and the impact this investment will have on the potential investor's overall investment portfolio.

Performance of contractual obligations by the Issuers is dependent on other parties

The ability of the Issuers to make payments in respect of the Notes may depend upon the due performance by the other parties to the Programme Agreement, the Trust Deed, the Agency Agreement and the Calculation Agency Agreement of their obligations thereunder including the performance by the Trustee, the Paying Agents and/or the Calculation Agent of their respective obligations. Whilst the non-performance of any relevant parties will not relieve the Issuers of their respective obligations to make payments in respect of the Notes, the Issuers may not, in such circumstance, be able to fulfill its obligations to the Noteholders and the Couponholders.

The Notes may be represented by Global Notes and holders of a beneficial interest in a Global Note must rely on the procedures of the relevant Clearing System (as defined below)

Notes issued under the Programme may be represented by one or more Global Notes. Such Global Notes will be deposited with or registered in the name of, or in the name of a nominee of, a common depositary for Euroclear and Clearstream, Luxembourg or lodged with CDP (each of Euroclear, Clearstream, Luxembourg and CDP, a "**Clearing System**"). Except in the circumstances described in the relevant Global Note, investors will not be entitled to receive Definitive Notes. The relevant Clearing System will maintain records of their accountholders in relation to the Global Notes.

While the Notes are represented by one or more Global Note, investors will be able to trade their beneficial interests only through the relevant Clearing System. While the Notes are represented by one or more Global Notes, the Issuer will discharge its payment obligations under the Notes by making payments to a common depositary for Euroclear and Clearstream, Luxembourg or, as the case may be, to CDP, for distribution to their accountholders or, as the case may be, to the relevant Paying Agent for distribution to the holders as appearing in the records of the relevant Clearing System. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant Clearing System to receive payments under the relevant Notes. The Issuer bears no responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in the Global Notes.

Holders of beneficial interests in the Global Notes will not have a direct right to vote in respect of the relevant Notes. Instead, such holders will be permitted to act only to the extent that they are enabled by the relevant Clearing System to appoint appropriate proxies.

The Trustee may request Noteholders to provide an indemnity and/or security and/or pre-funding to its satisfaction

In certain circumstances (pursuant to Condition 9), the Trustee may (at its sole discretion) request Noteholders to provide an indemnity and/or security and/or pre-funding to its satisfaction before it takes action on behalf of Noteholders. The Trustee shall not be obliged to take any such action if not indemnified and/or secured and/or pre-funded to its satisfaction. Negotiating and agreeing to an indemnity and/or security and/or pre-funding can be a lengthy process and may impact on when such actions can be taken. The Trustee may not be able to take action, notwithstanding the provision of an indemnity or security or pre-funding to it, in breach of the terms of the Trust Deed and in circumstances where there is uncertainty or dispute as to the applicable laws or regulations and, to the extent permitted by the agreements and the applicable law, it will be for the Noteholders to take such action directly.

The Notes may be subject to optional redemption by the Relevant Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when the Relevant Issuer may elect to redeem Notes, the market value of such Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period. The Relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Notes may be issued at a substantial discount or premium

The market values of securities issued at a substantial discount or premium from their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for conventional interest-bearing securities. Generally, the longer the remaining term of the securities, the greater the price volatility as compared to conventional interest-bearing securities with comparable maturities.

Modification

The Conditions contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

Exchange rate risks and exchange controls may result in Noteholders receiving less interest or principal than expected

The Issuers will pay principal and interest on the Notes in the currency specified. This presents certain risks relating to currency conversions if Noteholder's financial activities are denominated principally in a currency or currency unit (the "**Investor's Currency**") other than the currency in which the Notes are denominated. These include the risk that exchange rates may significantly change (including changes due to devaluation of the currency in which the Notes are denominated or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the currency in which the Notes are denominated would decrease (i) the Investor's Currency equivalent yield on the Notes, (ii) the Investor's Currency equivalent value of the principal payable on the Notes and (iii) the Investor's Currency equivalent market value of the Notes.

Provisions in the Trust Deed and the Conditions of the Notes may be modified

The Conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The Conditions of the Notes also provide that the Trustee may agree, without the consent of Noteholders or Couponholders, to (i) any modification of any of the provisions of the Trust Deed or the Conditions of the Notes which in the opinion of the Trustee is of a formal, minor or technical nature or is made to correct a manifest error or to comply with mandatory provisions of Singapore law or is required by Euroclear, Clearstream, Luxembourg, the Depository and/or any other clearing system in which the Notes may be held and (ii) any other modification (except as mentioned in the Trust Deed), and any waiver or authorisation of any breach or proposed breach, of any of the provisions of the Trust Deed or the Conditions of the Notes which in the opinion of the Trustee will not be materially prejudicial to the interests of the Noteholders.

Variable Rate Notes may have a multiplier or other leverage factor

Notes with variable interest rates can be volatile investments. If they are structured to include multipliers or other leverage factors, or caps or floors, or any combination of those features or other similar related features, their market values may be even more volatile than those for securities that do not include those features.

The Issuers' ability to comply with their respective obligations to repay the Notes may be dependent upon the earnings of, and distributions by, the members of the Group and future performance of the Group

The Issuers' ability to comply with its obligation to repay the Notes may depend on the earnings of the Group and the distribution of funds amongst members of the Group, primarily in the form of dividends. Whether or not the members of the Group can make distributions to OKH will depend on distributable earnings, cash flow conditions, restrictions that may be contained in the debt instruments of its members, applicable law and other arrangements. These restrictions could reduce the amount of distributions that OKH receives from other members of the Group, which would restrict OKH's ability to fund its business operations and to comply with its payment obligations under the Notes.

Further, the ability of the Issuers to make scheduled principal or interest payments on their respective indebtedness, including the Notes, and to fund its growth aspirations, will depend on the Group's future performance and its ability to generate cash, which to a certain extent is subject to general economic, financial, competitive, legislative, legal, regulatory and other factors, as well as other factors discussed in this section "Investment Considerations", many of which are beyond the control of the Issuers. If the Issuer's future cash flow from operations and other capital resources are insufficient to pay its debt obligations, including the Notes, or to fund its other liquidity needs, it may be forced to sell assets, attempt to restructure or refinance its existing indebtedness. No assurance can be given that the Issuers would be able to accomplish any of these measures on a timely basis or on satisfactory terms or at all.

Notes issued under the Programme have no current active trading market and may trade at a discount to their initial offering price and/or with limited liquidity

Notes issued under the Programme will be new Notes which may not be widely distributed and for which there is currently no active trading market (unless in the case of any particular Tranche, such Tranche is to be consolidated with and form a single series with a Tranche of Notes which is already issued). If the Notes are traded after their initial issuance, they may trade at a discount to their initial offering price, depending upon prevailing interest rates, the market for similar Notes, general economic conditions and the financial condition of the Relevant Issuer and/or the Guarantor. If the Notes are trading at a discount, investors may not be able to receive a favourable price for their Notes, and in some circumstances investors may not be able to sell their Notes at their fair market value or at all.

Although an application has been made for the Notes issued under the Programme to be admitted to listing on the SGX-ST, there is no assurance that such application will be accepted, that any particular Tranche of Notes will be so admitted or that an active trading market will develop. In addition, the market for investment grade and crossover grade debt has been subject to disruptions that have caused volatility in prices of notes similar to the Notes to be issued under the Programme. Accordingly, there is no assurance as to the development or liquidity of any trading market, or that disruptions will not occur, for any particular Tranche of Notes.

The Guarantee provided by the Guarantor will be subject to certain limitations on enforcement and may be limited by applicable laws or subject to certain defences that may limit its validity and enforceability

Notes issued by OCPL (the "**Guaranteed Notes**") will have the benefit of the Guarantee given by the Guarantor. The Guarantee given by the Guarantor provides holders of the Guaranteed Notes with a direct claim against the Guarantor in respect of OCPL's obligations under the Guaranteed Notes in accordance with the provisions of the Trust Deed. Enforcement of the Guarantee would be subject to certain generally available defences. Applicable laws and defences may vary, and may include those that relate to corporate benefit (*ultra vires*), fraudulent conveyance or transfer, voidable preference, financial assistance, corporate purpose, liability in tort, subordination and capital maintenance or similar laws and concepts. They may also include regulations or defences which affect the rights of creditors generally.

If a court were to find the Guarantee given by the Guarantor, or a portion thereof, void or unenforceable as a result of such applicable laws or defences, or to the extent that agreed limitations on guarantees apply, holders would cease to have any claim against the Guarantor and would be creditors solely of OCPL and, if payment had already been made under the Guarantee, the court could require that the recipient return the payment to the Guarantor.

RISKS RELATING TO THE GROUP'S INDUSTRIES, BUSINESSES AND OPERATIONS

The Group is subject to changes in the regulatory requirements and government policies in the countries in which it has operations

Property developers and building contractors are subject to laws and regulations relating to workplace health and safety, environmental pollution control and other areas that may concern its industry. There is no assurance that such regulatory standards will remain unchanged in the future.

Should the relevant authorities implement additional and/or more stringent requirements, the compliance with such new government legislation, regulations or policies may also increase its costs and any significant increase in compliance costs arising from such new government legislation, regulations or policies may adversely affect its results of operations. There is no assurance that any changes in government legislation, regulations and policies will not have an adverse effect on its financial performance. Besides, in the event of any non-compliance with such regulatory standards at its project sites, its project sites may be subject to temporary suspension or further examinations resulting in project delay. Should such situations arise, its business and financial performance may be adversely affected.

The Group is subject to the general risk of doing business overseas

Although the Group is based in Singapore, it has business presence in various other countries such as Malaysia and Korea and it may also expand into other countries in the future.

There are inherent risks in doing business overseas. These include unexpected changes in regulatory requirements and government policies, difficulties in and increase in costs of staffing and managing foreign operations, social and political instability, fluctuations in currency exchange rates and interest rates, inflation, potentially adverse tax consequences, price and wage controls, risks of nationalisation and expropriation of assets, tariffs and other trade barriers, variable and unexpected changes in local laws and regulations (including barriers to the repatriation of profits and regulations relating to the industries for which the Group has foreign operations) and terrorism threats, any of which could materially affect the Group's overseas operations.

In addition, the legal and regulatory regimes in these countries may be uncertain and subject to unforeseen changes. The interpretation or application of laws and regulations in these jurisdictions may be unclear and could affect issues such as rights to real property. These risks, if materialised, may affect the Group's business and financial condition. The Group has no control over such conditions and developments and can provide no assurance that such conditions and developments will not have a material adverse effect on its business, profitability, results of operations and financial condition.

Furthermore, repatriation of investment income and capital by foreign investors, such as the Group, may require certain governmental registrations and approvals. If the governments of the jurisdictions in which the Group operates tighten or otherwise adversely change their laws and regulations relating to the repatriation of their local currency, the ability of the Group's overseas operations to repatriate profits may be affected and accordingly, the Group's cash flow will be adversely affected.

As for the acquisition of land, the Group may be subject to a variety of risks incidental to the ownership of and investments in land and real estate in these countries, including changes in the supply of, or demand for, investment property in an area, changes in interest rates and the availability of financing, difficulties in mortgaging due to uncertainty in land and security regulations, difficulties which may be encountered at land or security registries, changes in property tax rates and/or land use and lease laws, problems caused by zoning or urban planning, credit risks of tenants, suppliers, contractors and borrowers, and environmental factors. The feasibility, marketability and value of any project in these countries may therefore be affected by factors beyond the Group's control.

The Group may not be able to successfully implement its future plans

There is no assurance that any initiatives undertaken by the Group to implement its future plans will achieve revenue that will be commensurate with its investment costs or that it will be successful in securing more projects. There is no certainty that the Group will be successful in securing more projects as a result of such initiatives or that it will not incur losses after this expenditure due to a potential increase in its operating costs incurred to finance its growth and expansion. Furthermore, there is no assurance that the actual demand for its development projects in the future will meet its expectations. If the Group fails to manage its operating costs or achieve a sufficient increase in revenue, the Group will not be able to recover its investment and its operations and future financial performance may be adversely affected.

The Group is highly dependent on financing to fund property development projects

Property development is a capital intensive business which requires the availability of substantial capital financing to acquire land and complete the development projects on time before positive cash flows may be generated through the pre-sales or sales stages of a completed property development.

The Group will have to seek financing for a large portion of its property development projects (including the costs for land acquisition) via bank loans and credit facilities. The availability of adequate financing (including bank financing) is crucial to the Group's ability to acquire land and complete its property development projects according to its schedule and plans. The Group's ability to obtain debt financing or funds from the capital markets for its requirements depends on the prevailing economic conditions, the general condition of the property market, its on-going performance and the acceptability of the financing terms offered. These facilities may also have variable interest rates and accordingly, any increase in such interest rates will have an adverse effect on the profitability and financial performance of the Group. In addition, the Group is subject to the risks associated with debt financing, including the risk that its cash flow may be insufficient to meet required payments of principal and interest, resulting from negative cash flow from operating activities.

The Group's cash flow is also dependent on its level of pre-sales and the timing and extent of receipt of payments from the purchasers. In the event that the Group is unable to achieve adequate pre-sales to meet the costs of financing its property development operations, it might experience risks of insufficient cash flow to meet the required payments of the principal and interest resulting from a negative cash flow from its operations.

The Group is highly dependent on financing to fund its property development projects and has high gearing. This could have a material adverse effect on the Group. For example, it could:

(i) require the Group to dedicate a large portion of its cash flow from operations to fund repayments of the loans and borrowings, thereby reducing the availability of its cash flow to fund working capital, capital expenditures and other general corporate purposes;

(ii) increase its vulnerability to adverse general economic or industry conditions;

(iii) limit its flexibility in planning for, or reacting to, changes to its business or the industry in which it operates;

(iv) limit its ability to raise additional debt or equity capital in the future or increase the cost of financing;

(v) restrict the Group from making strategic acquisitions or exploring business opportunities; and

(vi) increase its exposure to interest rate fluctuations. The total borrowing costs incurred by the Group for FY2012, FY2013 and FY2014 amounted to S$5.75 million, S$5.87 million and S$10.28 million respectively. As the majority of these facilities have variable interest rates, any increase in such interest rates will have an adverse effect on the profitability and financial performance of the Group.

In addition, failure to service its loans and borrowings could result in the imposition of penalties, including amongst other things, increases in the interest rates on such loans and borrowings or legal action against the Group by its creditors. This may negatively impact the business operations and financial performance of the Group.

The Group is highly dependent on its ability to replenish its land bank

The Group needs to continue identifying land suited for property development in order to maintain and grow its property development business. In Singapore, the Group typically sources for land by participating in public and private tenders, acquiring land through the government land sales programme as well as sourcing for suitable development sites through its network of property agents and business contacts. As land is scarce in Singapore, the Group has to compete with other property developers to bid and tender for new land sites and there is no guarantee that there will be suitable sites available at a price that is reasonable to the Group. Therefore, the Group might face difficulties in replenishing its land bank and may have to take on projects with a reduced profit margin. This might adversely affect the Group's business and gross profit margins.

The Group is highly dependent on the performance of the property industry in Singapore

Most of the Group's current and intended property development projects are located in Singapore. As such, the Group's business is highly dependent on the continuing growth of Singapore's economy and property industry which is cyclical in nature. The property market in Singapore is also subject to the effects of any anti-speculative measures and policies introduced by the Singapore government to cool down rising residential property prices, which may lead to a slowdown in the overall property market.

In the event that there is a downturn in the property market, demand for property development projects may fall significantly and this will adversely affect the Group's revenue and financial performance.

The Group is highly dependent on the demand of the industrial property industry in Singapore

Most of the Group's current property development projects are related to industrial properties. As such, the Group's business is highly dependent on the demand for industrial property in Singapore. The industrial property market is also subject to the laws and regulations introduced by the Singapore government to manage land redevelopment for Singapore's economic requirements.

In June 2012, the Singapore government announced new conditions for all B1 and B2 parcels for its Industrial Government Land Sales (IGLS) programme and shortened the tenure for all recommended sites in the IGLS programme for the second half of 2012 to a maximum term of 30 years, down from 60 years. Some of these new conditions under the IGLS programme include the restriction of strata subdivision of sites which are located near MRT stations for a period of 10 years from the date of issue of the TOP of that particular site.

Currently, the Group's land at Tai Seng Link will be affected by the new conditions. As Tai Seng Link is located near Tai Seng MRT station, the Group will not be able to develop and/or sell any units on this site for the initial 10-year period commencing on 9 October 2012. With respect to the land at Tai Seng Link, the Group intends to develop and lease the development once the project is completed. In the event that the Group is not able to substantially lease out its development project at Tai Seng Link, the Group has the option of selling the entire development project at Tai Seng Link as a whole.

As such, the implementation of these new conditions under the IGLS programme might adversely affect the Group's future profitability and financial performance in relation to any future industrial property sites the Group might acquire.

The Group's property development projects are subject to uncertainties

The Group's performance is dependent on its ability to identify property development projects with good potential returns and to complete such projects within a scheduled time frame to realise such returns. Such ability is based on the Group's understanding of the operational environment and/or anticipation of the market conditions.

The Group's property development projects may be adversely affected by a number of factors, including but not limited to, the international, regional and local economic climate, local real estate conditions, perception of property buyers, businesses, retailers or shoppers of the location and attractiveness of a property development, competition from other available properties, changes in market rates for comparable sales and increased business and operating costs. In particular, the Group's property development activities are subject to the risk of delays in obtaining required approvals, the availability of raw materials, shortage of labour, changes in interest rates, increases in construction costs and land costs, natural disasters and reliance on third-party contractors. Accordingly, there is no assurance that the Group will be consistently successful in identifying profitable property development projects and completing and launching such projects under the best possible market conditions as planned. There is also no assurance that any project, which may be assessed to be profitable at the initial phases, will not turn out to be a loss-making asset or investment of the Group due to changes in circumstances which are not within the Group's control. Should the Group's property development projects fail to be profitable or are not completed within a reasonable time, this will have an adverse effect on its business, financial condition, prospects and results of operations.

The Group's unsold property development assets may be illiquid

Real estate assets, such as the industrial properties developed and land sites acquired by the Group, are relatively illiquid. Such illiquidity limits its ability to convert its unsold property development assets into cash on short notice. Such illiquidity may also have a negative effect in determining the selling prices of its unsold completed property development assets in the event that it requires an urgent sale of these assets. Should such an event occur, its financial performance will be adversely affected.

The Group is highly dependent on the health and growth of the economy in Singapore

The Group's construction business is highly dependent on the health and growth of the construction industry in Singapore as all of its construction projects are in Singapore. In addition, the cyclical fluctuations of the economy in Singapore will in turn affect the construction industry and the property market in Singapore as well as the availability of government's infrastructure projects in Singapore. A downturn in the Singapore economy will dampen general sentiments in the local property market and reduce construction demand and erode profit margins due to keener competition amongst industry players which will invariably have a material adverse effect on the business operations, financial performance and financial condition of the Group.

The Group is vulnerable to revenue volatility

The Group is vulnerable to revenue volatility which is characteristic of property development and construction companies. Its revenue from the sale of development properties is recognised using the completion of construction method. The amount of revenue to be recognised in future financial years is dependent on the number and value of properties sold by the Group, which in turn depend on various factors such as availability of their resources, market sentiment, market competition and general economic conditions. In addition, there may be a lapse of time between the completion of its development projects and the commencement of subsequent development projects. As such, its earnings and financial performance during such periods may be adversely affected.

There is no certainty that the Group will be able to continuously attract and secure customers for its property development projects which are affected by the selling price, location, quality and timely completion of the developments. Thus, there is no assurance that the amount of revenue from the sale of development properties will remain comparable every year. Should there be any reasons that cause the Group to undertake fewer or no new property development projects or should there be any delay in the progress of any of the projects in its portfolio, its revenue recognised in a particular year will be adversely affected.

The Group's construction business is generally undertaken on a project basis and is non-recurring in nature. Its revenue and profit may therefore be subject to some degree of volatility. In the event that the Group is not able to continually and consistently secure new projects of similar value and volume, its business operations and financial performance may be adversely affected.

The Group is operating in highly competitive industries

The property development and construction industries are highly competitive in Singapore. For the Group's property development business, it faces competition from existing property developers as well as new entrants to the property development business. Some of these competitors may possess stronger financial resources, more extensive networks, better exposure to potential business opportunities, larger land banks and more prime or attractive land sites that enable them to compete more effectively as compared to the Group. Oversupply of properties may also occur, resulting in significant decreases in property prices, which will adversely affect the profitability and financial performance of the Group.

For the Group's construction business, it faces competition from existing construction companies and such competition may increase with the entry of new players in the business. In the event that the competitors of the Group are able to provide comparable construction services at lower prices or respond to changes in market conditions more swiftly or effectively than the Group, its business, results of operations and financial condition will be adversely affected. There is no assurance that the Group will be able to compete effectively with its existing and future competitors and adapt quickly to changing market conditions and trends. Any failure by the Group to remain competitive will adversely affect the demand for its business, results of operations and financial condition.

The Group is subject to risks associated with joint ventures and associated companies

The Group undertakes its business from time to time through the formation of joint ventures and associated companies with external parties. There is a potential alliance risk that may arise from disagreement between the Group and its business partners. These business partners may have economic or business interests or goals that are inconsistent with those of the Group's, or take actions which are not aligned with the Group's objectives, or are unable or unwilling to fulfil their obligations or differ with the Group as to the scope of their responsibilities and obligations.

Accordingly, disputes may arise from such differences. If any disputes with the Group's business partners cannot be resolved amicably, there is a risk that such dispute could escalate and become litigious or result in the early termination of such joint venture, associated company or co-operation arrangements which in turn could adversely affect the Group's business, financial condition and results of operations.

Political uncertainties or new government regulations such as restrictions on ownership or changes in economic, business and operating conditions may also result in a decline in the Group's investment in these joint ventures and associated companies or a loss in its ability to influence the management, directors and decisions made under these joint ventures and associated companies. There is no assurance that the Group will not encounter such risks which may have a material adverse effect on its business, financial condition and results of operations in the future.

The Group may be subject to restrictions in repatriation of funds

The Group may be subject to foreign exchange controls that may adversely affect the ability to repatriate the income or capital that are located outside of Singapore. Repatriation of income and capital may require the consent of the relevant governments. Delays in or refusals to grant any such approval, revocations or variations of consents previously granted, or the imposition of new restrictions may adversely affect the Group's business, results of operations and financial condition.

The Group may be adversely affected by any cost overruns and/or increase in costs

The time required to complete the Group's construction and property development projects depends on various factors, including the size of the project, prevailing market conditions and availability of resources. Delays may arise due to various factors, including adverse weather conditions, natural calamities, power failure, machinery and equipment breakdown, shortage of construction materials, shortage of labour, accidents and unexpected delay in obtaining required approvals. Such delays may result in cost overruns and increased financing costs which will adversely affect the Group's profitability.

Fluctuations in construction material prices may affect its earnings from its construction business. The construction materials used in its construction business include mainly concrete, sand, aggregates, cement, tiles, steel and aluminium. The prices of these construction materials may fluctuate due to changes in the supply and demand conditions. Any sudden shortage of supply or reduction in the allocation of construction materials to the Group from its suppliers for any reason may adversely affect its operations or result in it having to pay a higher cost for these construction materials.

Furthermore, a typical construction project generally spans more than one year. As a result, costs may increase beyond the Group's initial projections and this may result in a reduction in its previously estimated profit margins or the Group incurring a loss. In addition, public sector contracts typically do not allow for any cost adjustments upon the commencement of the project. Any such additional costs incurred by the Group such as the increase in the costs of construction materials in the midst of the construction project which have not been previously factored into the contract value will lead to cost overruns and would have to be absorbed by the Group. In the event of any significant increase in the costs of such construction materials and if the Group is unable to find a cheaper source of supply or pass on such increases in raw material prices to its customers, its business operations and financial performance will be adversely affected.

The Group may be liable for delays in the completion of projects, the resulting liquidated damages and additional overheads

The construction contract between a developer and its main contractor would normally include a provision for the payment of pre-determined liquidated damages by the latter to the former in the event that the project is completed after the stipulated date of completion stated in the contract. Delays in the completion of a project may occur from time to time due to several factors including but not limited to adverse weather conditions, shortages of labour, equipment and construction materials, the occurrence of natural disasters, labour disputes, disputes with suppliers and sub-contractors, industrial accidents, work stoppages arising from accidents or mishaps at the work site or delays in the delivery of building materials by the suppliers.

In the event of any delay in the completion of the project due to factors within its control, the Group could be liable to pay liquidated damages under the construction contract and incur additional overheads that will adversely affect its earnings and erode its profit margin for its project. In such event, its financial performance and financial condition would be adversely affected.

As at 30 June 2014, the Group has provided S$1.68 million in liquidated damages for projects which encountered delays in completion due to adverse weather conditions, changes in customers' requirements and delays in obtaining approval from relevant authorities. Requests for extension of time have been submitted by the Group to the customers, who have yet to respond to the requests.

The Group is subject to exposure to disputes and claims

It is not uncommon for clients in the construction industry to commence claims for delays, defective works, non-performance and non-compliance with the contract specifications. It is a common practice for clients to withhold a certain percentage of the contractual sum to ensure that such defects or non-compliance are rectified. There have been cases where clients have refused to release the retention monies upon the successful completion of the project and the Group would then have to lodge a claim or commence legal action to collect the outstanding monies. Such legal proceedings may have an adverse effect on its market reputation.

During the course of a construction project, there is a high possibility of clients requesting for alterations to the specifications agreed upon in the contract. Such requests are known as variation orders. To maintain the goodwill of the relationship and to avoid delays in the completion of the construction project, the Group will usually consent to making such variations to the contract specifications before such additional costs are agreed upon. This might result in a dispute in the additional costs. Where there is such a dispute, and if the additional costs are of a substantial amount, such disputes may result in the final value of variation orders being lower than what was initially estimated by the Group. This might in turn adversely affect the financial and business performance of the Group.

The Group is dependent on the services of the Group's sub-contractors

The Group engages sub-contractors to provide various services for its construction projects, including piling and foundation works, engineering, landscaping, installation of air-conditioning units and elevators, mechanical and electrical installation, utilities installation, interior decoration and any other specialist work. These sub-contractors are selected based on, amongst other things, the Group's past working experience with them, their competitiveness in terms of their pricing and their past performance. The Group cannot assure that the services rendered by sub-contractors will always be satisfactory or that they will always meet the Group's requirements for quality. In the event of any loss or damage which arises from the default of the sub-contractors engaged by the Group, the Group, being the main contractor, will nonetheless be liable for its sub-contractors' default. Furthermore, these sub-contractors may experience financial or other difficulties that may affect their ability to carry out the work for which they were contracted, thus delaying the completion of or failing to complete these construction projects, resulting in additional costs for the Group or exposing it to the risk of liquidated damages. Any of these factors could have a material adverse effect on its business operations, financial performance and financial condition.

The Group is dependent on foreign labour

The construction industry is highly labour intensive and with the shortage of local workers in Singapore, the Group is dependent on foreign workers. The Group mainly sources its construction workers from Bangladesh, India, Malaysia, Myanmar, Philippines and the People's Republic of China. The number of foreign workers that the Group and its sub-contractors are allowed to employ is subject to the policies and regulations imposed by the Ministry of Manpower of Singapore ("**MOM**"). For instance, the MOM imposes a quota on the number of foreign workers that can be employed in each of its construction projects. In addition, any changes in the policies of the foreign workers' countries of origin may affect the supply of foreign labour and cause disruptions to the Group's business operations which may in turn result in a delay in the completion of its projects. In addition, foreign worker levies are also payable by the Group to employ such foreign workers. Any increase in foreign worker levies may increase the Group's operation costs and materially and adversely affect its profitability and financial performance. Any introduction of any unfavourable legislations and/or regulations could have an adverse effect on the cash flow and business operations of the Group.

The Group may be subject to delay and disruptions in completing the property development projects

Delays in completing a property development project may arise due to various factors including adverse weather conditions, natural calamities, power failure, machinery and equipment breakdown, shortage of construction materials, shortage of labour, accidents, cessation of business of its contractors, disputes with its contractors and unexpected delay in obtaining the required approvals.

Such delays may result in cost overruns and increased financing costs and accordingly affect the Group's profitability. Delays in project completion may also expose the Group to claims for liquidated damages from the purchasers of the Group's property development projects.

The Group might be reimbursed by the contractors responsible for the delay or compensated via insurance under certain circumstances. However, there is no guarantee that the reimbursement or insurance compensation will cover the Group's losses in its entirety. In such an event, the Group would have to absorb the remaining losses. As such, its profitability and financial performance will be adversely affected.

The Group may be subject to claims from and disputes with third parties

The Group may be involved from time to time in claims and disputes with various third parties involved in the development and sale of the Group's properties such as sub-contractors, suppliers, purchasers, real estate agents and lenders. In the event of a major claim and/or dispute, the Group might have to pay damages and/or be subject to legal proceedings which might cause the Group to suffer additional costs and delays and may result in an adverse impact on its reputation.

Any project delays might also result in the delay of the construction and/or completion of the Group's property development projects and will adversely affect the Group's profitability and financial performance.

The Group is dependent on key personnel and skilled labour for its continued success and growth

The Group's success to date is attributable to the contributions and expertise of its executive directors and executive officers. Its continued success and growth will depend on its ability to retain the services of its executive directors, executive officers and managers. Any loss of services of its key management personnel without suitable and timely replacement or the inability to attract and retain other qualified personnel would have an adverse effect on its operations and financial performance. Its business is also highly dependent on skilled personnel. Having a team of experienced and skilled personnel is essential in maintaining the quality of its services. A high turnover of such personnel without suitable and timely replacements could have an adverse impact on its operations and competitiveness.

The value of the Group's properties and land sites is subject to fluctuations

The valuations of the Group's properties are conducted by professional independent valuers under certain assumptions and are not intended to be a prediction of the actual values likely to be realised by the Group from these investments. These valuations are subject to changes in market conditions or other relevant factors and thus may not accurately reflect the actual values of such properties upon realisation or disposal. Should the values of the Group's properties and land sites be lower for any reason upon realisation or disposal, their financial position and performance will be adversely affected. In addition, it may record impairment losses in its financial statements in the event that the market values of its unsold properties and land sites as determined by professional independent valuers fall below their carrying amounts.

Excessive warranty claims will adversely affect the Group's financial position

The Group provides limited warranty for its construction projects for up to 10 years depending on the type of work it does which may include but is not limited to waterproofing works, external painting works and anti-termite treatment. The limited warranty also covers defects and any premature wear and tear of the materials used in the projects. Rectification and repair works to be carried out under the limited warranty would not be chargeable to the customers. The Group provides such warranties jointly with its suppliers and/or sub-contractors. In the event that its suppliers and/or sub-contractors are not able to perform their obligations under the warranty, the Group will be liable for the claims pursuant to the warranty. Excessive warranty claims for rectification and repair works will have an adverse effect on its business operations and financial performance.

The Group is subject to solvency and credit risks of customers

The Group's financial performance and position are dependent, to a certain extent, on the creditworthiness of its customers. The payments for its building construction and alteration and additions work projects will only be made in accordance with the amount of work completed in the project. If there are any unforeseen circumstances affecting its customers' ability or willingness to pay, the Group may experience payment delays or non-payment. In any of such events, its financial performance and financial position will be affected adversely.

Although the Group adopts a policy of dealing with creditworthy counterparties and the Group regularly reviews its credit exposure to its customers, credit risks may nevertheless arise from events or circumstances that are difficult to anticipate or detect, including but not limited to political, social, legal, economic and foreign exchange risks that may have an impact on its customers' ability to make timely payment and render the Group's enforcement for payments ineffective.

The Group may be affected by accidents and/or violation of regulatory requirements at its work sites

Accidents or mishaps may occur at the work sites for the Group's projects even though the Group has put in place certain safety measures. As such, the Group is subject to personal injury claims by workers who are involved in accidents at its work sites during the course of their work from time to time.

Such accidents or mishaps may severely disrupt the Group's operations and lead to a delay in the completion of a project, and in the event of such delay, the Group could be liable to pay liquidated damages under the construction contracts with its customers. In such an event, the Group's business operations, financial performance and financial condition may be materially and adversely affected.

Further, such accidents or mishaps may subject the Group to claims from workers or other persons involved in such accidents or mishaps for damages suffered by them, and any significant claims which are not covered by the Group's insurance policies may materially and adversely affect its financial performance and financial condition.

Further, under the demerit points scheme for the construction industry introduced by the MOM, if the Group is found to have violated safety and health requirements at its work sites, it will be given demerit points. Continued accumulation of demerit points may result in the MOM taking stringent corrective action. If a contractor continues to commit workplace safety and health offences, applications from the company for new work passes and renewal of all types of work passes for all foreign employees may be rejected by the MOM.

In addition, in the event that its work sites contravene the requisite safety and health standards imposed by the regulatory authorities, the Group could be fined, or issued with partial or full stop-work orders. In the event that the Group is issued such stop-work orders, this may severely disrupt its operations and lead to a delay in the completion of a project. These circumstances may generate negative publicity and adversely affect the Group's market reputation, and may also have a material adverse impact on its business operations, financial performance and financial condition.

The Group's insurance coverage may not be adequate

The Group faces the risk of loss or damage to its construction projects, properties and machinery due to fire, theft and natural disasters. Such events may cause disruption or cessation in its operations, thus adversely affecting its business operations and financial performance. Whilst its insurance policies cover some losses in respect of loss or damage to its properties and machinery, its insurance may not be sufficient to cover all of its potential losses in extraordinary events. In the event that such loss exceeds the insurance coverage or is not covered by the insurance policies that the Group has taken up, it may be liable to cover the shortfall of the amounts claimed and its financial performance and financial condition may be adversely affected.

In relation to the construction projects which the Group undertakes as the main contractor, it will obtain the contractors' all risks insurance and workmen's compensation. In the event that the insurance coverage is insufficient to meet the claims arising in respect of the projects, the Group may be exposed to losses which may adversely affect its profitability.

The Group may be affected by adverse impact from terrorist attacks, other acts of violence, wars or the outbreak of communicable diseases

Any occurrence of terrorist attacks, acts of violence or wars in the countries in which the Group operates may cause damage or disruption to the Group and its employees, facilities and clients, any of which may adversely affect the Group's operations in the region and its financial performance.

Furthermore, an outbreak of communicable diseases in the countries or regions where the Group's operations are based may have an adverse impact on its operations and financial performance. Market sentiment and consumer confidence could be affected and this may lead to a deterioration of economic conditions. In the event that the Group's employees or its contractors or sub-contractors are infected or suspected of being infected with any communicable disease, the Group may be required by health authorities to temporarily shut down the affected project sites and quarantine the relevant workers to prevent the spread of the disease. This will result in delays in the Group's projects and adversely affect the Group's profitability and financial performance.

PURPOSE OF THE PROGRAMME AND USE OF PROCEEDS

The net proceeds arising from the issue of the Notes under the Programme (after deducting issue expenses) will be used for general corporate purposes, including, but not limited to, financing investments, repayment of existing borrowings, general working capital and capital expenditure requirements of OKH and/or its subsidiaries or such other purposes as may be specified in the relevant Pricing Supplement.

CLEARING AND SETTLEMENT

Clearance and Settlement under the Depository System

In respect of Notes which are accepted for clearance by CDP in Singapore, clearance will be effected through an electronic book-entry clearance and settlement system for the trading of debt securities ("**Depository System**") maintained by CDP. Notes that are to be listed on the SGX-ST may be cleared through CDP.

CDP, a wholly-owned subsidiary of Singapore Exchange Limited, is incorporated under the laws of Singapore and acts as a depository and clearing organisation. CDP holds securities for its accountholders and facilitates the clearance and settlement of securities transactions between accountholders through electronic book-entry changes in the securities accounts maintained by such accountholders with CDP.

In respect of Notes which are accepted for clearance by CDP, the entire issue of the Notes is to be held by CDP in the form of a Global Note for persons holding the Notes in securities accounts with CDP ("**Depositors**"). Delivery and transfer of Notes between Depositors is by electronic book-entries in the records of CDP only, as reflected in the securities accounts of Depositors. Although CDP encourages settlement on the third business day following the trade date of debt securities, market participants may mutually agree on a different settlement period if necessary.

Settlement of over-the-counter trades in the Notes through the Depository System may only be effected through certain corporate depositors ("**Depository Agents**") approved by CDP under the Companies Act to maintain securities sub-accounts and to hold the Notes in such securities sub-accounts for themselves and their clients. Accordingly, Notes for which trade settlement is to be effected through the Depository System must be held in securities sub-accounts with Depository Agents. Depositors holding the Notes in direct securities accounts with CDP, and who wish to trade Notes through the Depository System, must transfer the Notes to be traded from such direct securities accounts to a securities sub-account with a Depository Agent for trade settlement.

CDP is not involved in money settlement between Depository Agents (or any other persons) as CDP is not a counterparty in the settlement of trades of debt securities. However, CDP will make payment of interest and repayment of principal on behalf of issuers of debt securities.

Although CDP has established procedures to facilitate transfer of interests in the Notes in global form among Depositors, it is under no obligation to perform or continue to perform such procedures, and such procedures may be discontinued at any time. None of the Issuers, the Guarantor, the Principal Paying Agent or any other agent will have the responsibility for the performance by CDP of its obligations under the rules and procedures governing its operations.

Clearance and Settlement under Euroclear and/or Clearstream, Luxembourg

Euroclear and Clearstream, Luxembourg each holds securities for participating organisations and facilitates the clearance and settlement of securities transactions between their respective participants through electronic book-entry changes in the accounts of such participants, thereby eliminating the need for physical movements of certificates and any risks from lack of simultaneous transfer. Euroclear and Clearstream, Luxembourg provide to their respective participants, among other things, services for safekeeping, administration, clearance and settlement of internationally-traded securities and securities lending and borrowing. Euroclear and Clearstream, Luxembourg each also deals with domestic securities markets in several countries through established depository and custodial relationships. The respective systems of Euroclear and Clearstream, Luxembourg have established an electronic bridge between their two systems which enables their respective participants to settle trades with one another. Euroclear and Clearstream, Luxembourg participants are financial institutions throughout the world, including underwriters, securities brokers and dealers, banks, trust companies, clearing corporations and certain other organisations. Indirect access to Euroclear or Clearstream, Luxembourg is also available to other financial institutions, such as banks, brokers, dealers and trust companies which clear through or maintain a custodial relationship with a Euroclear or Clearstream, Luxembourg participant, either directly or indirectly.

A participant's overall contractual relations with either Euroclear or Clearstream, Luxembourg are governed by the respective rules and operating procedures of Euroclear or Clearstream, Luxembourg and any applicable laws. Both Euroclear and Clearstream, Luxembourg act under those rules and operating procedures only on behalf of their respective participants, and have no record of, or relationship with, persons holding any interests through their respective participants. Distributions of principal with respect to book-entry interests in the Notes held through Euroclear or Clearstream, Luxembourg will be credited, to the extent received by the Principal Paying Agent or, as the case may be, the Non-CDP Paying Agent, to the cash accounts of the relevant Euroclear or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures.

SINGAPORE TAXATION

The statements below are general in nature and are based on certain aspects of current tax laws in Singapore and Bermuda and (in the case of Singapore) administrative guidelines and circulars issued by MAS in force as at the date of this Information Memorandum and are subject to any changes in such laws, administrative guidelines or circulars, or the interpretation of those laws, guidelines or circulars, occurring after such date, which changes could be made on a retroactive basis. These laws, guidelines and circulars are also subject to various interpretations and the relevant tax authorities or the courts could later disagree with the explanations or conclusions set out below. Neither these statements nor any other statements in this Information Memorandum are intended or are to be regarded as advice on the tax position of any holder of the Notes or of any person acquiring, selling or otherwise dealing with the Notes or on any tax implications arising from the acquisition, sale or other dealings in respect of the Notes. The statements made herein do not purport to be a comprehensive or exhaustive description of all the tax considerations that may be relevant to a decision to subscribe for, purchase, own or dispose of the Notes and do not purport to deal with the tax consequences applicable to all categories of investors, some of which (such as dealers in securities or financial institutions in Singapore which have been granted the relevant Financial Sector Incentive(s)) may be subject to special rules or tax rates. Prospective holders of the Notes are advised to consult their own professional tax advisers as to the Singapore, Bermuda or other tax consequences of the acquisition, ownership of or disposal of the Notes, including, in particular, the effect of any foreign, state or local tax laws to which they are subject. It is emphasised that none of the Issuers, the Guarantor, the Arranger and any other persons involved in the Programme accepts responsibility for any tax effects or liabilities resulting from the subscription for, purchase, holding or disposal of the Notes.

A. SINGAPORE

1. Interest and Other Payments

Subject to the following paragraphs, under Section 12(6) of the ITA, the following payments are deemed to be derived from Singapore:

(a) any interest, commission, fee or any other payment in connection with any loan or indebtedness or with any arrangement, management, guarantee, or service relating to any loan or indebtedness which is (i) borne, directly or indirectly, by a person resident in Singapore or a permanent establishment in Singapore (except in respect of any business carried on outside Singapore through a permanent establishment outside Singapore or any immovable property situated outside Singapore) or (ii) deductible against any income accruing in or derived from Singapore; or

(b) any income derived from loans where the funds provided by such loans are brought into or used in Singapore.

Such payments, where made to a person not known to the paying party to be a resident in Singapore for tax purposes, are generally subject to withholding tax in Singapore. The rate at which tax is to be withheld for such payments (other than those subject to the 15.0 per cent. final withholding tax described below) to non-resident persons (other than non-resident individuals) is currently 17.0 per cent. The applicable rate for non-resident individuals is currently 20.0 per cent. However, if the payment is derived by a person not resident in Singapore otherwise than from any trade, business, profession or vocation carried on or exercised by such person in Singapore and is not effectively connected with any permanent establishment in Singapore of that person, the payment is subject to a final withholding tax of 15.0 per cent. The rate of 15.0 per cent. may be reduced by applicable tax treaties.

However, certain Singapore-sourced investment income derived by individuals from financial instruments is exempt from tax, including:

(a) interest from debt securities derived on or after 1 January 2004;

(b) discount income (not including discount income arising from secondary trading) from debt securities derived on or after 17 February 2006; and

(c) prepayment fee, redemption premium and break cost from debt securities derived on or after 15 February 2007,

except where such income is derived through a partnership in Singapore or is derived from the carrying on of a trade, business or profession.

In addition, as the Programme as a whole is arranged by United Overseas Bank Limited, which is a Financial Sector Incentive (Standard Tier) Company or Financial Sector Incentive (Capital Market) Company (as defined in the ITA) at such time, any tranche of the Notes (the "**Relevant Notes**") issued as debt securities under the Programme during the period from the date of this Information Memorandum to 31 December 2018 would be, pursuant to the ITA and the MAS Circular FSD Cir 02/2013 entitled "Extension and Refinement of Tax Concessions for Promoting the Debt Market" issued by MAS on 28 June 2013 (the "**MAS Circular**"), qualifying debt securities ("**QDS**") for the purposes of the ITA, to which the following treatment shall apply:

(i) subject to certain prescribed conditions having been fulfilled (including the furnishing of a return on debt securities for the Relevant Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Notes as the relevant authorities may require to MAS and such other relevant authorities as may be prescribed, and the inclusion by the Relevant Issuer in all offering documents relating to the Relevant Notes of a statement to the effect that where interest, discount income, prepayment fee, redemption premium or break cost from the Relevant Notes is derived by a person who is not resident in Singapore and who carries on any operation in Singapore through a permanent establishment in Singapore, the tax exemption for qualifying debt securities shall not apply if the non-resident person acquires the Relevant Notes using the funds and profits of such person's operations through the Singapore permanent establishment), interest, discount income (not including discount income arising from secondary trading), prepayment fee, redemption premium and break cost (collectively, the "**Qualifying Income**") from the Relevant Notes, paid by the Relevant Issuer and derived by a holder who is not resident in Singapore and who (aa) does not have any permanent establishment in Singapore or (bb) carries on any operation in Singapore through a permanent establishment in Singapore but the funds used by that person to acquire the Relevant Notes are not obtained from such person's operation through a permanent establishment in Singapore, are exempt from Singapore tax;

(ii) subject to certain conditions having been fulfilled (including the furnishing of a return on debt securities for the Relevant Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Notes as the relevant authorities may require to MAS and such other relevant authorities as may be prescribed), Qualifying Income from the Relevant Notes paid by the Relevant Issuer and derived by any company or body of persons (as defined in the ITA) in Singapore is subject to income tax at a concessionary rate of 10.0 per cent. (except for holders of the relevant Financial Sector Incentive(s) who may be taxed at different rates); and

(iii) subject to:

    (aa) the Relevant Issuer including in all offering documents relating to the Relevant Notes a statement to the effect that any person whose interest, discount income, prepayment fee, redemption premium or break cost derived from the Relevant Notes is not exempt from tax shall include such income in a return of income made under the ITA; and

    (bb) the furnishing of a return on debt securities for the Relevant Notes in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the Relevant Notes as the relevant authorities may require to MAS and such other relevant authorities as may be prescribed, payments of Qualifying Income derived from the Relevant Notes are not subject to withholding of tax by the Relevant Issuer.

Notwithstanding the foregoing:

(A) if during the primary launch of any tranche of Relevant Notes, the Relevant Notes of such tranche are issued to fewer than four persons and 50.0 per cent. or more of the issue of such Relevant Notes is beneficially held or funded, directly or indirectly, by related parties of the Relevant Issuer, such Relevant Notes would not qualify as QDS; and

(B) even though a particular tranche of Relevant Notes are QDS, if, at any time during the tenure of such tranche of Relevant Notes, 50.0 per cent. or more of the issue of such Relevant Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the Relevant Issuer, Qualifying Income derived from such Relevant Notes held by:-

   (i) any related party of the Relevant Issuer; or

   (ii) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Relevant Issuer,

   shall not be eligible for the tax exemption or concessionary rate of tax as described above.

The term "**related party**", in relation to a person, means any other person who, directly or indirectly, controls that person, or is controlled, directly or indirectly, by that person, or where he and that other person, directly or indirectly, are under the control of a common person.

The terms "**prepayment fee**", "**redemption premium**" and "**break cost**" are defined in the ITA as follows:

> "prepayment fee", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by the terms of the issuance of the securities;
>
> "redemption premium", in relation to debt securities and qualifying debt securities, means any premium payable by the issuer of the securities on the redemption of the securities upon their maturity; and
>
> "break cost", in relation to debt securities and qualifying debt securities, means any fee payable by the issuer of the securities on the early redemption of the securities, the amount of which is determined by any loss or liability incurred by the holder of the securities in connection with such redemption.

References to "prepayment fee", "redemption premium" and "break cost" in this Singapore tax disclosure have the same meaning as defined in the ITA.

Where interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) is derived from the Relevant Notes by any person who is not resident in Singapore and who carries on any operations in Singapore through a permanent establishment in Singapore, the tax exemption available for QDS under the ITA (as mentioned above) shall not apply if such person acquires the Relevant Notes using the funds and profits of such person's operations through a permanent establishment in Singapore. Any person whose interest, discount income, prepayment fee, redemption premium or break cost (i.e. the Qualifying Income) derived from the Relevant Notes is not exempt from tax is required to include such income in a return of income made under the ITA.

Under the Qualifying Debt Securities Plus Scheme ("**QDS Plus Scheme**"), subject to certain conditions having been fulfilled (including the furnishing of a return on debt securities in respect of the QDS in the prescribed format within such period as the relevant authorities may specify and such other particulars in connection with the QDS as the relevant authorities may require to MAS and such other relevant authorities as may be prescribed), income tax exemption is granted on Qualifying Income derived by any investor from QDS (excluding Singapore Government Securities) which:-

(a) are issued during the period from 16 February 2008 to 31 December 2018;

(b) have an original maturity of not less than 10 years;

(c) cannot be redeemed, called, exchanged or converted within 10 years from the date of their issue; and

(d) cannot be re-opened with a resulting tenure of less than 10 years to the original maturity date.

However, even if a particular tranche of the Relevant Notes are QDS which qualify under the QDS Plus Scheme, if, at any time during the tenure of such tranche of Relevant Notes, 50.0 per cent. or more of the issue of such Relevant Notes is held beneficially or funded, directly or indirectly, by any related party(ies) of the Relevant Issuer, Qualifying Income from such Relevant Notes derived by:

(aa) any related party of the Relevant Issuer; or

(bb) any other person where the funds used by such person to acquire such Relevant Notes are obtained, directly or indirectly, from any related party of the Relevant Issuer,

shall not be eligible for the tax exemption under the QDS Plus Scheme as described above.

The MAS Circular states that, with effect from 28 June 2013, the QDS Plus Scheme will be refined to allow QDS with certain standard early termination clauses (as prescribed in the MAS Circular) to qualify for the QDS Plus Scheme at the point of issuance of such debt securities. MAS has also clarified that if such debt securities are subsequently redeemed prematurely pursuant to such standard early termination clauses before the tenth year from the date of issuance of such debt securities, the tax exemption granted under the QDS Plus Scheme to Qualifying Income accrued prior to such redemption will not be clawed back. Under such circumstances, the QDS Plus status of such debt securities will be revoked prospectively for such outstanding debt securities (if any), and holders thereof may still enjoy the tax benefits under the QDS scheme if the QDS conditions continue to be met.

MAS has stated that, notwithstanding the above, QDS with embedded options with economic value (such as call, put, conversion or exchange options which can be triggered at specified prices or dates and are built into the pricing of such debt securities at the onset) which can be exercised within ten years from the date of issuance of such debt securities will continue to be excluded from the QDS Plus Scheme from such date of issuance.

2. Capital Gains

Any gains considered to be in the nature of capital made from the sale of the Notes will not be taxable in Singapore. However, any gains derived by any person from the sale of the Notes which are gains from any trade, business, profession or vocation carried on by that person, if accruing in or derived from Singapore, may be taxable as such gains are considered revenue in nature.

Holders of the Notes who apply or who are required to apply Singapore Financial Reporting Standard 39 ("**FRS 39**") may, for Singapore income tax purposes, be required to recognise gains or losses (not being gains or losses in the nature of capital) on the Notes, irrespective of disposal, in accordance with FRS 39. Please see the section below on "Adoption of FRS 39 Treatment for Singapore Income Tax Purposes".

3. Adoption of FRS 39 Treatment for Singapore Income Tax Purposes

The Inland Revenue Authority of Singapore has issued a circular entitled "Income Tax Implications Arising from the Adoption of FRS 39 - Financial Instruments: Recognition and Measurement" (the "**FRS 39 Circular**"). The ITA has since been amended to give effect to the FRS 39 Circular.

The FRS 39 Circular generally applies, subject to certain "opt-out" provisions, to taxpayers who are required to comply with FRS 39 for financial reporting purposes.

Holders of the Notes who may be subject to the tax treatment under the FRS 39 Circular should consult their own accounting and tax advisers regarding the Singapore income tax consequences of their acquisition, holding or disposal of the Notes.

4. Estate Duty

Singapore estate duty has been abolished with respect to all deaths occurring on or after 15 February 2008.

B. BERMUDA

1. Tax

Under current Bermuda legislation, there is no withholding tax, capital gains tax, income or profits tax, capital transfer tax, estate duty or inheritance tax payable in Bermuda by OKH Global Ltd. or any shareholders who are resident outside Bermuda. Furthermore, OKH Global Ltd. has obtained from the Minister of Finance in Bermuda, under the Exempted Undertakings Tax Protection Act 1966 (as amended), an assurance that, in the event of there being enacted in Bermuda any legislation which in the future may impose tax computed on profits or income, or computed on any capital asset, gain or appreciation, or any tax in the nature of estate duty or inheritance tax, such tax shall not, until 28 March 2016, which may upon application be extended to 31 March 2035, be applicable to OKH Global Ltd. or to any of its operations, or to shares, debentures or other obligations of OKH Global Ltd. except insofar as such tax applies to persons ordinarily resident in Bermuda and holding such shares, debentures or other obligations of OKH Global Ltd. or to land in Bermuda leased or let to OKH Global Ltd.

2. Stamp Duty

As an exempted company, OKH Global Ltd. is exempt from all stamp duties except on transactions involving "Bermuda property". This term relates essentially to real and personal property physically situated in Bermuda, including shares in local (as opposed to exempted) companies. None of OKH Global Ltd., its shareholders and the Noteholders, as the case may be (other than persons ordinarily resident in Bermuda), is subject to stamp duty or other similar duty in relation to the Notes (including the transfer thereof).

SUBSCRIPTION, PURCHASE AND DISTRIBUTION

The Programme Agreement provides for Notes to be offered from time to time through one or more Dealers. The price at which a Series or Tranche will be issued will be determined prior to its issue between the Relevant Issuer and the relevant Dealer(s). The Relevant Issuer may also from time to time agree with the relevant Dealer(s) that the Relevant Issuer may pay certain third party commissions (including, without limitation, rebates to private bank investors in the Notes). The obligations of the Dealers under the Programme Agreement will be subject to certain conditions set out in the Programme Agreement. Each Dealer (acting as principal) will subscribe for or procure subscribers for Notes from the Relevant Issuer pursuant to the Programme Agreement.

If a jurisdiction requires that the offering be made by a licensed broker or dealer and the joint lead managers or any affiliate of the joint lead managers is a licensed broker or dealer in that jurisdiction, the offering shall be deemed to be made by that joint lead manager or its affiliate on behalf of the Issuer in such jurisdiction.

United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act, and the Notes may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act ("**Regulation S**").

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. tax regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986, as amended, and regulations thereunder.

Each Dealer has agreed that, and each further Dealer appointed under the Programme will be required to agree that, except as permitted by the Programme Agreement, it will not offer, sell or deliver the Notes, (i) as part of their distribution at any time or (ii) otherwise until 40 days after the completion of the distribution of an identifiable tranche of which such Notes are a part, as determined and certified to the Principal Paying Agent by such Dealer (or, in the case of an identifiable tranche of Notes sold to or through more than one Dealer, by each of such Dealers with respect to Notes of an identifiable tranche purchased by or through it, in which case the Principal Paying Agent shall notify such Dealer when all such Dealers have so certified), within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each Dealer to which it sells Notes during the distribution compliance period a confirmation or other notice setting out the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons.

In addition, until 40 days after the commencement of the offering of any identifiable tranche of Notes, an offer or sale of Notes within the United States by any dealer that is not participating in the offering of such Notes may violate the registration requirements of the Securities Act.

Hong Kong

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

(i) it has not offered or sold and will not offer or sell in Hong Kong, by means of any document, any Notes other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Cap. 571) of Hong Kong and any rules made under that Ordinance; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong or which do not constitute an offer to the public within the meaning of that Ordinance; and

(ii) it has not issued or had in its possession for the purposes of issue, and will not issue or have in its possession for the purposes of issue, whether in Hong Kong or elsewhere, any advertisement, invitation or document relating to the Notes, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the Securities and Futures Ordinance and any rules made under that Ordinance.

Bermuda

The Notes may be offered or sold in Bermuda only in compliance with the provisions of the Investment Business Act 2003 of Bermuda. Non-Bermudian persons may not carry on or engage in any trade or business in Bermuda unless such persons are authorised to do so under applicable Bermuda legislation. Engaging in the activity of offering or marketing the Notes in Bermuda to persons in Bermuda may be deemed to be carrying on business in Bermuda.

Singapore

Each Dealer has acknowledged that this Information Memorandum has not been registered as a prospectus with the MAS. Accordingly, each Dealer has represented and agreed that it has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this Information Memorandum or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor under Section 274 of the SFA, (ii) to a relevant person pursuant to Section 275(1), or to any person pursuant to Section 275(1A), and in accordance with the conditions specified in Section 275, of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

General

Each Dealer has agreed that it will comply with all applicable securities laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers Notes or any interest therein or rights in respect thereof or has in its possession or distributes, this Information Memorandum or any other document or any Pricing Supplement.

Any person who may be in doubt as to the restrictions set out in the SFA or the laws, regulations and directives in each jurisdiction in which it subscribes for, purchases, offers, sells or delivers the Notes or any interest therein or rights in respect thereof and the consequences arising from a contravention thereof should consult his own professional adviser(s) and should make his own inquiries as to the laws, regulations and directives in force or applicable in any particular jurisdiction at any relevant time.

GENERAL AND OTHER INFORMATION

INFORMATION ON DIRECTORS

1. The name and position of the sole director of OCPL is set out below:

Name	Position
Mr Bon Ween Foong	Director

2. The name and position of each of the directors of OKH are set out below:

Name	Position
Mr Bon Ween Foong	Executive Chairman and Chief Executive Officer
Mr Lam Wee Yeow	Executive Director
Mr Tan Geok Chye	Executive Director
Mr Ong Soon Teik	Lead Independent Director
Mr Lim Eng Hoe	Independent Director
Mr Lee Teck Leng Robson	Independent Director

3. No director of the Issuers:

   (a) is the subject of a petition under any bankruptcy laws filed in any jurisdiction against such person or any partnership in which he was a partner or any corporation of which he was a director or an executive officer;

   (b) is the subject of a conviction of any offence, other than a traffic offence, or judgment, including findings in relation to fraud, misrepresentation or dishonesty, given against him in any civil proceedings in Singapore or elsewhere, or is a named subject to any pending proceedings which may lead to such a conviction or judgment or, so far as such person is aware, is the subject of any criminal investigation pending against him; or

   (c) is or was the subject of any order, judgment or ruling of any court of competent jurisdiction, tribunal or government body, permanently or temporarily enjoining him from acting as an investment adviser, dealer in securities, director or employee of a financial institution and engaging in any type of business practice or activity.

4. The directors of the Issuers are not related by blood or marriage to one another nor are they related to any substantial shareholder of OKH.

5. The interests of the directors of OKH and the substantial shareholders of OKH in the shares of OKH as at the Latest Practicable Date are as follows:

   <u>Director of OKH</u>

	Direct Interest		Deemed Interest	
	Number of Shares	%	Number of Shares	%
Bon Ween Foong	316,078,412	50.28	75,000,000	11.93

Substantial Shareholder

	Direct Interest		**Deemed Interest**	
	Number of Shares	**%**	**Number of Shares**	**%**
Bon Ween Foong	316,078,412	50.28	75,000,000	11.93

SHARE CAPITAL

6. As at the date of this Information Memorandum, there is only one class of ordinary shares in OKH. The rights and privileges attached to the shares are stated in the Bye-laws of OKH.

7. As at the date of this Information Memorandum, there is only one class of ordinary shares in OCPL. The rights and privileges attached to the shares in OCPL are stated in the Articles of Association of OCPL.

8. The issued share capital of OKH as at the Latest Practicable Date is as follows:

Share Designation	**Issued Share Capital (Number of Shares)**
Ordinary Shares	628,657,445

9. The issued share capital of OCPL as at the Latest Practicable Date is as follows:

Share Designation	**Issued Share Capital (Number of Shares)**
Ordinary Shares	2

BORROWINGS

10. Save as disclosed in Appendix III, the Group had as at 30 June 2014 no other borrowings or indebtedness in the nature of borrowings including bank overdrafts and liabilities under acceptances (other than normal trading bills) or acceptance credits, mortgages, charges, hire purchase commitments, guarantees or other material contingent liabilities.

WORKING CAPITAL

11. The Directors of the Issuers are of the opinion that, after taking into account the present banking facilities and the net proceeds of the issue of the Notes, the Issuers will have adequate working capital for their present requirements.

CHANGES IN ACCOUNTING POLICIES

12. There has been no significant change in the accounting policies of OKH since its audited consolidated financial statements for FY2014.

LITIGATION

13. There are no legal or arbitration proceedings pending or (to the best of the knowledge of the Issuers or, as the case may be, the Guarantor after making all reasonable enquiries) threatened against the Issuers, the Guarantor or any of their respective subsidiaries (if any) the outcome of which may have or have had during the 12 months prior to the date of this Information Memorandum a material adverse effect on the financial position of the Issuers, the Guarantor or the Group, taken as a whole.

MATERIAL ADVERSE CHANGE

14. There has been no material adverse change in the financial condition or business of OCPL since the date of its incorporation, or in the financial condition or business of OKH or the Group since 30 June 2014.

CONSENT

15. Deloitte & Touche LLP has given and has not withdrawn its written consent to the issue of this Information Memorandum with the references herein to its name and, where applicable, reports in the form and context in which they appear in this Information Memorandum.

DOCUMENTS AVAILABLE FOR INSPECTION

16. Copies of the following documents may be inspected at the registered office of OCPL at 701 Sims Drive, #02-06 LHK Building, Singapore 387383 during normal business hours for a period of six months from the date of this Information Memorandum:

    (a) the Memorandum of Association and Bye-laws of OKH;

    (b) the Memorandum and Articles of Association of OCPL;

    (c) the Trust Deed;

    (d) the letter of consent referred to in paragraph 15 above; and

    (e) the audited financial statements of OKH and its subsidiaries for the financial years ended 30 June 2013 and 30 June 2014.

FUNCTIONS, RIGHTS AND OBLIGATIONS OF THE TRUSTEE

17. The functions, rights and obligations of the Trustee are set out in the Trust Deed.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OKH GLOBAL LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2013

The information in this Appendix II has been reproduced from the annual report of OKH Global Ltd. and its subsidiaries for the financial year ended 30 June 2013 and has not been specifically prepared for inclusion in this Information Memorandum. Investors should read the consolidated financial data in conjunction with the related notes.

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.

Deloitte & Touche LLP
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 S$'000	2012 S$'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 S$'000	30-Jun-12 S$'000	30-Jun-13 S$'000	31-Dec-12 S$'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 S$'000	30-Jun-12 S$'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 S$'000	30-Jun-12 S$'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	30-Jun-12
	S$'000	S$'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	2012
	S$'000	S$'000
Interest on bank loans (Note 27)	**–**	80

11 PROPERTIES UNDER DEVELOPMENT

	Group	
	30-Jun-13	30-Jun-12
	S$'000	S$'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 S$'000	30-Jun-12 S$'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 S$'000	30-Jun-12 S$'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 S$'000	30-Jun-12 S$'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 S$'000	Company 31-Dec-12 S$'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$'000	30-Jun-12 S$'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 S$'000	30-Jun-12 S$'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 S$'000	2012 S$'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 S$'000	2012 S$'000	2013 S$'000	2012 S$'000	2013 S$'000	2012 S$'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 S$'000	2012 S$'000 (Restated)	2013 S$'000	2012 S$'000 (Restated)	2013 S$'000	2012 S$'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 S$'000	2012 S$'000 (Restated)	2013 S$'000	2012 S$'000 (Restated)	2013 S$'000	2012 S$'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 S$'000	2012 S$'000	2013 S$'000	2012 S$'000	2013 S$'000	2012 S$'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 S$'000	30-Jun-12 S$'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 S$'000	30-Jun-12 S$'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.

AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF OKH GLOBAL LTD. AND ITS SUBSIDIARIES FOR THE FINANCIAL YEAR ENDED 30 JUNE 2014

The information in this Appendix III has been reproduced from the annual report of OKH Global Ltd. and its subsidiaries for the financial year ended 30 June 2014 and has not been specifically prepared for inclusion in this Information Memorandum. Investors should read the consolidated financial data in conjunction with the related notes.

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF OKH GLOBAL LTD.

Report on the Financial Statements

We have audited the accompanying financial statements of OKH Global Ltd. (the "Company") and its subsidiaries (the "Group") which comprise the consolidated statements of financial position of the Group and the statement of financial position of the Company as at June 30, 2014, and the consolidated statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Group and statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 34 to 88.

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.

Opinion

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with 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, 2014 and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the year ended on that date.

Deloitte & Touche LLP
Public Accountants and
Chartered Accountants
Singapore

September 26, 2014

STATEMENTS OF FINANCIAL POSITION

June 30, 2014

	Note	Group 2014 S$'000	Group 2013 S$'000	Company 2014 S$'000	Company 2013 S$'000
ASSETS					
Current assets					
Cash and cash equivalents	7	**84,234**	51,981	**10**	185
Trade and other receivables	8	**79,293**	45,028	**56,174**	290
Loan due from non-controlling interests	6	**12,022**	–	**–**	–
Properties under development	10	**287,065**	235,669	**–**	–
		462,614	332,678	**56,184**	475
Non-current assets held-for-sale	11	**–**	–	**–**	20,099
Assets directly associated with disposal group classified as held-for-sale	11	**–**	73,286	**–**	–
Total current assets		**462,614**	405,964	**56,184**	20,574
Non-current assets					
Property, plant and equipment	12	**12,646**	14,627	**–**	–
Investment properties	13	**62,036**	53,240	**–**	–
Investments in subsidiaries	14	**–**	–	**129,185**	123,184
Investment in joint venture	15	**–**	–	**–**	–
Investment in associate	16	**31,059**	–	**–**	–
Deferred tax assets	17	**–**	1,994	**–**	–
Total non-current assets		**105,741**	69,861	**129,185**	123,184
Total assets		**568,355**	475,825	**185,369**	143,758
LIABILITIES AND EQUITY					
Current liabilities					
Trade and other payables	18	**159,214**	194,560	**30,892**	5,405
Finance leases	19	**349**	437	**–**	–
Loan due to associate	6	**8,000**	–	**–**	–
Amount due to non-controlling interests	6	**8,920**	–	**–**	–
Bank loans and overdrafts	20	**158,954**	22,115	**–**	–
Provisions	21	**1,680**	10,188	**–**	–
Income tax payable		**5,059**	20	**–**	–
		342,176	227,320	**30,892**	5,405
Liabilities directly associated with disposal group classified as held-for-sale	11	**–**	44,765	**–**	–
Total current liabilities		**342,176**	272,085	**30,892**	5,405

STATEMENTS OF FINANCIAL POSITION

June 30, 2014

	Note	Group 2014 S$'000	Group 2013 S$'000	Company 2014 S$'000	Company 2013 S$'000
Non-current liabilities					
Amount due to non-controlling interests	6	**–**	8,665	**–**	–
Finance leases	19	**1,313**	1,362	**–**	–
Bank loans	20	**135,815**	153,596	**–**	–
Redeemable exchangeable preference shares	22	**10,394**	–	**–**	–
Total non-current liabilities		**147,522**	163,623	**–**	–
Capital, reserves and non-controlling interests					
Share capital	23	**59,283**	19,793	**154,629**	130,844
Share premium		**–**	–	**2,851**	17,394
Equity reserve	22	**3,573**	–	**–**	–
Translation reserve	24	**(1,499)**	839	**(1,491)**	(1,491)
Accumulated profits (losses)		**17,885**	19,719	**(1,512)**	(8,394)
Equity attributable to owners of the Company		**79,242**	40,351	**154,477**	138,353
Non-controlling interests		**(585)**	(234)	**–**	–
Total equity		**78,657**	40,117	**154,477**	138,353
Total liabilities and equity		**568,355**	475,825	**185,369**	143,758

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

Financial year ended June 30, 2014

	Note	Group 2014 S$'000	Group 2013 S$'000
Continuing operations			
Revenue	25	**223,122**	24,479
Cost of sales		**(176,675)**	(24,410)
Gross profit		**46,447**	69
Other income	26	**3,667**	20,281
General and administrative expenses		**(17,068)**	(18,874)
Finance costs	27	**(3,023)**	(1,704)
Share of loss of joint venture	15	**–**	(5)
Share of profit of associate	16	**1,067**	–
Profit (Loss) before income tax	28	**31,090**	(233)
Income tax	29	**(6,964)**	578
Profit for the year from continuing operations		**24,126**	345
Discontinued operations			
Profit (Loss) from discontinued operations, net of tax	11	**1,875**	(2,043)
Profit (Loss) for the year		**26,001**	(1,698)
Other comprehensive income			
Items that may be reclassified subsequently to profit or loss			
Currency translation difference arising from consolidation		**(8)**	839
Other comprehensive (loss) income for the year, net of tax		**(8)**	839
Total comprehensive income (loss) for the year		**25,993**	(859)
Profit (Loss) for the year attributable to:			
Owners of the Company		**26,030**	(914)
Non-controlling interests		**(29)**	(784)
		26,001	(1,698)
Total comprehensive income (loss) for the year attributable to:			
Owners of the Company		**26,022**	(75)
Non-controlling interests		**(29)**	(784)
		25,993	(859)
Earnings (Loss) per share in cents			
From continuing and discontinued operations	30		
– Basic and diluted		**4.25**	(0.17)
From continuing operations	30		
– Basic and diluted		**3.95**	0.21
From discontinued operations	30		
– Basic		**0.31**	(0.38)
– Diluted		**0.30**	(0.38)

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Financial year ended June 30, 2014

	Attributable to owners of the Company						
	Share capital S$'000	Equity reserve S$'000	Translation reserve S$'000	Accumulated profits (losses) S$'000	Total S$'000	Non-controlling interests S$'000	Total equity S$'000
Group							
Balance at July 1, 2012	6,500	–	–	20,633	27,133	231	27,364
Total comprehensive income (loss) for the year							
Loss for the year	–	–	–	(914)	(914)	(784)	(1,698)
Other comprehensive income for the year	–	–	839	–	839	–	839
Total	–	–	839	(914)	(75)	(784)	(859)
Transactions with owners, recognised directly in equity							
Arising from reverse acquisition (Note 31)	13,293	–	–	–	13,293	319	13,612
Balance at June 30, 2013	19,793	–	839	19,719	40,351	(234)	40,117
Total comprehensive income (loss) for the year							
Profit (Loss) for the year	–	–	–	26,030	26,030	(29)	26,001
Other comprehensive loss for the year	–	–	(8)	–	(8)	–	(8)
Total	–	–	(8)	26,030	26,022	(29)	25,993
Transactions with owners, recognised directly in equity							
Share placement, net of expense (Note 23)	39,490	–	–	–	39,490	–	39,490
Recognition of equity component of redeemable exchangeable preference shares (Note 22)	–	3,573	–	–	3,573	–	3,573
Divestment of disposal group via distribution in specie (Note 11)	–	–	(2,330)	(27,864)	(30,194)	(322)	(30,516)
Total	39,490	3,573	(2,330)	(27,864)	12,869	(322)	12,547
Balance at June 30, 2014	**59,283**	**3,573**	**(1,499)**	**17,885**	**79,242**	**(585)**	**78,657**

See accompanying notes to financial statements.

STATEMENTS OF CHANGES IN EQUITY

Financial year ended June 30, 2014

	Share capital S$'000	Share premium S$'000	Translation reserve S$'000	Accumulated (losses) profits S$'000	Total S$'000
Company					
Balance at January 1, 2013	17,103	8,934	(1,491)	(6,086)	18,460
Loss for the year, representing total comprehensive loss for the year	–	–	–	(2,308)	(2,308)
Transactions with owners, recognised directly in equity					
Capital reduction (Note 23)	–	(983)	–	–	(983)
Issuance of consideration shares pursuant to reverse acquisition (Note 23)	113,741	9,443	–	–	123,184
Total	113,741	8,460	–	–	122,201
Balance at June 30, 2013	130,844	17,394	(1,491)	(8,394)	138,353
Loss for the year, representing total comprehensive loss for the year	–	–	–	(5,535)	(5,535)
Transactions with owners, recognised directly in equity					
Share placement, net of expense (Note 23)	39,490	–	–	–	39,490
Divestment of non-current assets held for sale via capital reduction (Note 11)	(15,705)	(14,543)	–	12,417	(17,831)
Total	23,785	(14,543)	–	12,417	21,659
Balance at June 30, 2014	**154,629**	**2,851**	**(1,491)**	**(1,512)**	**154,477**

See accompanying notes to financial statements.

CONSOLIDATED STATEMENT OF **CASH FLOWS**

Financial year ended June 30, 2014

	Group	
	2014	**2013**
	S$'000	**S$'000**
Operating activities		
Profit (Loss) after income tax	**26,001**	(1,698)
Adjustments for:		
Income tax expense (credit)	**7,331**	(882)
Reversal of doubtful debts	**(23)**	–
Allowance for doubtful receivables	**242**	–
Allowance for impairment of inventories obsolescence	**60**	–
Depreciation of property, plant and equipment	**5,221**	2,365
Share of profit of associate	**(1,067)**	–
Share of loss of joint venture	**–**	5
Interest expenses	**3,023**	1,704
Property, plant and equipment written off	**–**	25
Gain on change in fair value of investment properties	**(2,145)**	(3,830)
Interest income	**(164)**	(64)
Loss (Gain) on disposal of property, plant and equipment	**45**	(107)
(Decrease) Increase in provisions	**(8,508)**	1,900
Amortisation of deferred loss on redeemable exchangeable preference shares	**533**	–
Bargain purchase on reverse acquisition	**–**	(15,503)
Operating cash flows before movement in working capital	**30,549**	(16,085)
Trade and other receivables	**(33,420)**	44,328
Construction contracts	**(7,152)**	15,415
Completed properties held for sale	**–**	3,388
Properties under development	**(43,464)**	(48,667)
Inventories	**(4,635)**	(4,241)
Trade and other payables	**(30,384)**	94,058
Cash (used in) generated from operations	**(88,506)**	88,196
Interest paid	**(8,884)**	(5,873)
Income tax refunded (paid)	**1,507**	(3,907)
Net cash (used in) from operating activities	**(95,883)**	78,416
Investing activities		
Purchase of property, plant and equipment (Note A)	**(892)**	(12,560)
Additions to investment properties	**(6,619)**	(24,581)
Divestment of disposal group (Note 11 (b))	**(13,419)**	–
Acquisition of subsidiaries (Note 31)	**–**	24,506
Investment in joint venture	**–**	(5)
Investment in associate	**(30,000)**	–
Proceeds from disposal of property, plant and equipment	**82**	367
Interest received	**164**	64
Net cash used in investing activities	**(50,684)**	(12,209)

CONSOLIDATED STATEMENT OF CASH FLOWS

Financial year ended June 30, 2014

	Group	
	2014 S$'000	2013 S$'000
Financing activities		
Repayment of bank loans	**(101,645)**	(131,219)
Proceeds from bank loans	**242,062**	102,692
Repayment of obligations under finance lease	**(451)**	(525)
Decrease in fixed deposits pledged	**30**	–
(Repayment to) Advance from a director	**(16,978)**	6,732
Issuance of shares pursuant to share placement exercise	**39,490**	–
Loan from associate	**8,000**	–
Loan to non-controlling interests	**(12,000)**	–
Issuance of redeemable exchangeable preference shares	**10,000**	–
Net cash from (used in) financing activities	**168,508**	(22,320)
Net increase in cash and cash equivalents	**21,941**	43,887
Effects of exchange rate changes on cash balances held in foreign currencies	**(151)**	422
Cash and cash equivalents at beginning of year	**60,866**	16,557
Cash and cash equivalents at end of year (Note 7)	**82,656**	60,866

Note A: During the financial year, the Group purchased property, plant and equipment with aggregate cost of S$1,206,000 (2013: S$14,361,000), which were funded as follows:

	Group	
	2014 S$'000	2013 S$'000
Cash	**892**	12,560
Finance leases	**314**	1,801
	1,206	14,361

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

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 14 to the financial statements.

The consolidated financial statements of the Group for the financial year ended June 30, 2014 and the statement of financial position and statement of changes in equity of the Company for the financial year ended June 30, 2014 were authorised for issue by the Board of Directors on September 26, 2014.

2 THE REVERSE TAKEOVER

On July 4, 2011, the Company had entered into a sale and purchase agreement (which had 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 a 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 "Sinobest 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 a 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.

Consequently, the enlarged group comprised:

(i) OKH Global Ltd. and the Sinobest Operating Subsidiaries; and

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

(collectively, the "Enlarged Group")

In connection with the RTO, the Company had changed its financial year end from December 31 to June 30 to be coterminous with the financial year end of OKHH Group. Therefore, the financial statements of the Company for the previous financial year covered the six months period from January 1, 2013 to June 30, 2013.

The divestment of Sinobest Operating Subsidiaries was subsequently completed on June 24, 2014 (Note 11).

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

2 **THE REVERSE TAKEOVER (Continued)**

At Group level

The Acquisition has been accounted as a RTO in accordance with FRS 103 *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").

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Group takes into account the characteristics of the asset or liability which market participants would take into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these consolidated financial statements is determined on such a basis, except for share-based payment transactions that are within the scope of FRS 102, leasing transactions that are within the scope of FRS 17, and measurements that have some similarities to fair value but are not fair value, such as net realisable value in FRS 2 or value in use in FRS 36.

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

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

ADOPTION OF NEW AND REVISED STANDARDS – On July 1, 2013, the Group adopted all the new and revised FRSs that are effective from that date and are relevant to its operations. The adoption of these new/revised FRSs does not result in changes to the Group and the Company's accounting policies and has no material effect on the amounts reported for the current or prior years, except as disclosed below.

Amendments to FRS 1 Presentation of Items of Other Comprehensive Income

The Group has applied the amendments to FRS 1 *Presentation of Items of Other Comprehensive Income* retrospectively for the first time in the current year, and renamed the 'statement of comprehensive income' as the 'statement of profit or loss and other comprehensive income'. Under the amendments to FRS 1, the Group also grouped items of other comprehensive income into two categories in the other comprehensive income section: (a) items that will not be reclassified subsequently to profit or loss and (b) items that may be reclassified subsequently to profit or loss when specific conditions are met. Other than the above mentioned presentation changes, the application of the amendments to FRS 1 does not result in any impact on profit or loss, other comprehensive income or total comprehensive income.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

FRS 113 Fair Value Measurement

The Group has applied FRS 113 for the first time in the current year. FRS 113 establishes a single source of guidance for fair value measurements and disclosures about fair value measurements. The fair value measurement requirements of FRS 113 apply to both financial instrument items and non-financial assets for which other FRSs require or permit fair value measurements and disclosures about fair value measurements, except for share-based payment transactions that are within the scope of FRS 102 *Share-based Payment*, leasing transactions that are within FRS 17 *Leases*, and measurements that have some similarities to fair value but are not fair value (e.g. net realisable value for the purpose of measuring inventories or value in use for impairment assessment purposes).

FRS 113 includes extensive disclosure requirements, although specific transitional provisions were given to entities such that they need not apply the disclosure requirements set out in the Standard in comparative information provided for periods before the initial application of the Standard. Consequently the Group has not made any new disclosures required by FRS 113 for the comparative period.

Other than the additional disclosures, the application of FRS 113 has not had any material impact on the amounts recognised in the consolidated financial statements.

At the date of authorisation of these financial statements, the following 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 110, 111, 112 *Transition Guidance*
- Amendments to FRS 32 *Financial Instructions: Presentation*
- Amendments to FRS 36 *Impairment of Assets*

The management anticipates that the adoption of the above 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 112 Disclosure of Interests in Other Entities

FRS 112 requires an entity to provide more extensive disclosures regarding the nature of and risks associated with its interest in subsidiaries, associates, joint arrangements and unconsolidated structured entities.

FRS 112 will take effect from financial years beginning on or after January 1, 2014. Upon adoption of FRS 112, the Group expects expanded disclosures relating to its interests in subsidiaries, associates and joint arrangements.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

Financial assets

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 effect of discounting is immaterial.

Impairment of financial assets

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

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

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

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

NOTES TO **FINANCIAL STATEMENTS**

June 30, 2014

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

Impairment of financial assets (Continued)

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.

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*.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Redeemable exchangeable preference shares

Redeemable exchangeable preference shares are regarded as compound instruments, consisting of a liability component and an equity component. The component parts of compound instruments are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangement. At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for a similar non-redeemable instrument. This amount is recorded as a liability on an amortised cost basis until extinguished upon conversion or at the instrument's maturity date. The equity component is determined by deducting the amount of the liability component from the fair value of the compound instrument as a whole. This is recognised and included in equity, net of income effects, and is not subsequently remeasured.

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; or

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.

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.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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
Leasehold building	–	5.5 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.

INVESTMENT PROPERTIES – Investment property, which is property held to earn rentals and/or for capital appreciation, including property under construction for such purposes. They are 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. Where there is an inability to determine fair value reliably when comparable market transactions are infrequent and alternative reliable estimates of fair value are not available, the investment property is measured at cost.

INVESTMENT IN ASSOCIATE – An associate is an entity over which the Group has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

The results and assets and liabilities of associates are incorporated in these financial statements using the equity method of accounting, except when the investment is classified as held for sale, in which case it is accounted for under FRS 105 *Non-current Assets Held for Sale and Discontinued Operations*. Under the equity method, investments in associates are 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 associate, less any impairment in the value of individual investments. Losses of an associate in excess of the Group's interest in that associate (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate) are not recognised, unless the Group has incurred legal or constructive obligations or made payments on behalf of the associate.

Any excess of the cost of acquisition over the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities of the associate recognised at the date of acquisition is recognised as goodwill. The goodwill is included within the carrying amount of the investment and is assessed for impairment as part of the investment. Any excess of the Group's share of the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition, after reassessment, is recognised immediately in profit or loss.

Where a Group entity transacts with an associate of the Group, profits and losses are eliminated to the extent of the Group's interest in the relevant associate.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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

Deferred tax 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.

For the purposes of measuring deferred tax liabilities and deferred tax assets for investment properties that are measured using the fair value model the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. The Group has not rebutted the presumption that the carrying amount of the investment properties will be recovered entirely through sale, except for overseas properties.

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.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

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

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.

Accounting for deferred loss on redeemable exchangeable preference shares

The Group issued S$10 million redeemable exchangeable preference shares and recognised as compound instrument in accordance to FRS 39 *Financial Instruments: Recognition and Measurement*. At the date of issuance, management has assessed that the aggregate fair value of the liability and equity components to be in excess of its nominal value and concluded that such differences should be accounted for as deferred loss on redeemable exchangeable preference shares as the valuation technique involves significant unobservable inputs. Accordingly, the deferred loss is amortised over the period up to the maturity date. The fair value of the liability and equity component is based on the valuation performed by an independent professional valuer. The carrying amounts of the deferred loss and redeemable exchangeable preference shares are disclosed in Notes 8 and 22 to the financial statements respectively.

Key sources of estimation uncertainty

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

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 for construction contractor segment; or

b) contract costs incurred to date to the estimated total costs for the contract for IT business segment.

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

In addition, the valuation of construction contracts can be subject to uncertainty in respect of variation works and estimation of future costs. The carrying amounts of assets and liabilities arising from construction contracts are disclosed in Notes 8 and 18 to the financial statements respectively.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

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

Carrying amounts of properties under development

The aggregate carrying amount of these properties totalled S$287.1 million as at June 30, 2014 (2013: S$235.7 million), details of which are disclosed in Note 10. 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.

Fair value measurements and valuation processes

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

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

Information about the valuation techniques and inputs used in determining the fair value of various assets and liabilities are disclosed in Notes 13 and 22.

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, 2014

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	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
Financial assets				
Loans and receivables (including cash and cash equivalents)	**163,431**	81,855	**56,130**	467
Financial liability				
Amortised costs	**385,279**	242,760	**30,892**	5,405

(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, finance leases and bank loans are indicated in Notes 7, 19 and 20 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 and construction of investment properties are capitalised as cost of property development (Note 10) and investment properties (Note 13). All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

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, 2014 would have increased/decreased by S$915,000 (2013: S$631,000) and S$135,000 (2013: S$87,000) respectively.

If interest rates had been 50 basis points higher or lower and all other variables were held constant, the Group's profit for year ended June 30, 2014 would have decreased/increased by S$366,000 (2013: loss for the year increased/decreased by S$160,000).

(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.

(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 and bank loans and minimises liquidity risk by keeping committed credit lines available.

As at June 30, 2014, the Group has S$5,009,000 (2013: S$3,157,000) of available and undrawn committed bank credit facilities in respect of all condition precedent has been met.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

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

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						
June 30, 2014						
Non-interest bearing	**NA**	**57,323**	**–**	**–**	**–**	**57,323**
Bank overdrafts	**5.9**	**1,588**	**–**	**–**	**(10)**	**1,578**
Finance lease (fixed rate)	**4.5**	**397**	**1,240**	**282**	**(257)**	**1,662**
Other fixed rate instruments	**6.0 – 15.9**	**21,282**	**15,000**	**–**	**(4,757)**	**31,525**
Other variable interest rate instruments	**2.6**	**164,928**	**117,938**	**28,500**	**(18,175)**	**293,191**
		245,518	**134,178**	**28,782**	**(23,199)**	**385,279**
June 30, 2013						
Non-interest bearing	NA	65,250	–	–	–	65,250
Bank overdrafts	4.2	2,780	–	–	(12)	2,768
Finance lease (fixed rate)	4.3	479	1,267	274	(221)	1,799
Other fixed rate instruments	6.0	10,396	–	–	(103)	10,293
Other variable interest rate instruments	3.0	9,223	141,555	16,710	(4,838)	162,650
		88,128	142,822	16,984	(5,174)	242,760

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

Non-derivative financial assets

All financial assets of the Group and the Company in 2014 and 2013 are non-interest bearing and repayable on demand or current except for loan due from non-controlling interests as disclosed on Note 6.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

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

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

(v) Fair value of financial assets and liabilities

Except as detailed in the following table, 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.

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

	2014		2013	
	Carrying amount S$'000	Fair value S$'000	Carrying amount S$'000	Fair value S$'000
Financial liability				
Redeemable exchangeable preference shares	10,394	12,415	–	–

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

(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, reserves and accumulated profits.

In addition, the Group also specifically monitors the financial ratio of its debt covenants stated in the agreement with the financial institutions providing the facilities to the Group. The Group is in compliance with externally imposed capital requirements for the financial year ended June 30, 2014 for the facilities that has been utilised by the Group.

The Group reviews the capital structure on an annual basis. The Group's overall strategy remains unchanged from 2013.

6 HOLDING COMPANY AND OTHER RELATED PARTIES TRANSACTIONS

The Company's ultimate controlling party is Bon Ween Foong whose interest is held through his shareholdings in the Company. Related companies in this financial statements refer to members of the Company's group of companies.

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

Amount due to non-controlling interests is interest-free, unsecured and expected to be repaid by the financial year ending June 30, 2015 (2013: June 30, 2015).

Loan due from non-controlling interests bears interest at 3.3% per annum, unsecured and expected to be repaid by the financial year ending June 30, 2015.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

6 HOLDING COMPANY AND OTHER RELATED PARTIES TRANSACTIONS (Continued)

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

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	
	2014	**2013**
	S$'000	**S$'000**
Company owned by a director		
Rental income	**(42)**	(42)
Subcontracting services	**1,546**	1,221

Compensation of directors and key management personnel

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

	Group	
	2014	**2013**
	S$'000	**S$'000**
Short-term benefits	**3,944**	1,175
Post-employment benefit	**65**	378
	4,009	1,553

7 CASH AND CASH EQUIVALENTS

	Group		Company	
	2014	**2013**	**2014**	**2013**
	S$'000	**S$'000**	**S$'000**	**S$'000**
Cash at bank	**84,234**	51,951	**10**	185
Fixed deposits (pledged)	**–**	30	**–**	–
Total	**84,234**	51,981	**10**	185
Add: Cash held by disposal group (Note 11)	**–**	11,683	**–**	–
Less: Bank overdrafts (Note 20)	**(1,578)**	(2,768)	**–**	–
Fixed deposits	**–**	(30)	**–**	–
Cash and cash equivalents in the statements of cash flows	**82,656**	60,866	**10**	185

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

In 2013, the fixed deposits were pledged for the bank loan facilities for the purchase of the Group's freehold properties (Note 12) and investment properties (Note 13). They bore effective interest rates ranging from 0.03% to 0.05% per annum and for tenure of three months to one year.

Included in the cash at bank of the Group is amount of S$73.5 million (2013: S$44.8 million), withdrawals from which are restricted to payments for expenditure incurred on the properties under development (Note 10).

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

8 TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014	2013	2014	2013
	S$'000	S$'000	S$'000	S$'000
Trade receivables from outside parties	**54,683**	7,249	**–**	–
Due from customer for contract work (Note 9)	**4,937**	8,749	**–**	–
Deposits*	**950**	16,387	**–**	–
Advance payments to suppliers	**4,515**	6,375	**54**	8
Deferred loss on redeemable exchangeable preference shares	**2,666**	–	**–**	–
Other receivables from:				
– Third parties	**11,311**	6,142	**21**	–
– Subsidiaries (Note 14)	**–**	–	**56,089**	282
– Joint venture (Note 15)	**231**	126	**10**	–
	79,293	45,028	**56,174**	290

* In 2013, deposits included an amount of S$15.9 million paid for acquisition of land for development whereby the physical construction had commenced in 2014.

Other receivables due from third party as at year end are within their cash collection cycles and are not past due.

The average credit period is approximately 30 to 60 days (2013: 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	
	2014	2013
	S$'000	S$'000
Not past due and not impaired(i)	**41,681**	4,528
Past due but not impaired(ii)	**13,002**	2,721
	54,683	7,249
Impaired receivables – individually assessed(iii)		
– Past due and no response to repayment demands	**177**	–
Less: Allowance for impairment	**(177)**	–
	–	–
Total trade receivable, net	**54,683**	7,249

(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	
	2014	2013
	S$'000	S$'000
<3 months	**12,358**	2,490
3 months to 6 months	**323**	41
6 months to 12 months	**–**	–
>12 months	**321**	190
	13,002	2,721

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

8 TRADE AND OTHER RECEIVABLES (Continued)

(iii) These amounts are stated before any deduction for impairment losses.

Movements in the allowance for doubtful receivables:

	Group	
	2014	2013
	S$'000	S$'000
Balance at beginning of year	–	–
Increase in allowance recognised in profit or loss	177	–
Balance at end of year	177	–

9 CONSTRUCTION CONTRACTS

	Group	
	2014	2013
	S$'000	S$'000
Aggregate amount of contract costs incurred plus recognised profit	43,089	37,983
Less: Progress billings	(38,308)	(35,955)
	4,781	2,028
Presented as:		
Gross amounts due from customers for contract work included in trade and other receivables (Note 8)	4,937	8,749
Gross amounts due to customers for contract work included in trade and other payables (Note 18)	(156)	(6,721)

Retention monies held by customers for construction work amount to S$493,935 (2013: S$493,935).

10 PROPERTIES UNDER DEVELOPMENT

	Group	
	2014	2013
	S$'000	S$'000
At cost:		
Properties under development	287,065	235,669

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

The costs of development properties include the following interest capitalised:

	Group	
	2014	2013
	S$'000	S$'000
Interest on bank loans	6,038	8,168

The weighted average rate of capitalisation of the interest expense for the financial year ended June 30, 2014 is 2.3% (2013: 3.9%) per annum.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

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

Company

Details of the Sinobest 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 2014 %	2013 %	Principal activities
Guangzhou Sinobest Information Technology Ltd. ("GSITL")[1]	People's Republic of China	–[3]	99	Provision of computer and network system integration, building integration, software development and technical services
Sinobest Technologies (H.K.) Limited[2]	Hong Kong	–[3]	100	Trading and procurement of IT equipment

(1) Audited by Guangzhou Xin Zhong Nan CPAs Co. Ltd. This subsidiary is not considered a material subsidiary.

(2) Audited by Raymond Poon & Co. This subsidiary is not considered a material subsidiary.

(3) These entities were disposed during the year.

In 2013, the non-current assets held-for-sale of the Company pertains to cost of investments in Sinobest Operating Subsidiaries.

On June 24, 2014, the Company divested its investments in Sinobest Operating Subsidiaries to the shareholders by way of capital reduction (Note 23). The net gain of divestment amounting to S$12,417,000, adjusted for S$2,268,000 of intercompany payables waived upon divestment, was recognised directly in equity as it is transaction with shareholders.

Group

In 2013, the Disposal could not proceed as regulatory approval was not obtained (Note 2). However, the Disposal had already been approved by the shareholders in a special general meeting on January 23, 2013 and the management had acquired the Sinobest Operating Subsidiaries with a view to resell.

As such, the entire assets and liabilities relating to the Sinobest Operating Subsidiaries were classified as a disposal group held-for-sale on the statement of financial position as at June 30, 2013, and the entire results from the Sinobest Operating Subsidiaries were 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).

In 2014, the Group accounted for such divestment as distribution in specie to the shareholders, which was made on the basis of one share in the holding company of the disposal group for every one share held by entitled shareholders in the capital of the Company. The distribution in specie is valued based on net assets of the disposal group on the effective date of divestment amounting to S$30,248,000 (Note 11 (b)).

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

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

Group (Continued)

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

	Group	
	2014	**2013**
	S$'000	**S$'000**
Revenue (Note 25)	**77,726**	25,777
Cost of sales	**(61,930)**	(20,640)
Gross profit	**15,796**	5,137
Other income (Note 26)	**1,696**	21
General and administrative expenses	**(15,250)**	(7,505)
Profit (Loss) before income tax (Note 28)	**2,242**	(2,347)
Income tax (Note 29)	**(367)**	304
Profit (Loss) from discontinued operations	**1,875**	(2,043)

(b) The impact of the divestment of disposal group on cash flows of the Group for the financial year ended June 30, 2014 is as follows:

	Group
	2014
	S$'000
Cash and cash equivalents	**13,419**
Trade and other receivables	**39,373**
Inventories	**14,447**
Available-for-sales investment	**77**
Plant and equipment	**4,785**
Long term receivables	**617**
Deferred tax assets	**1,295**
Total assets associated with disposal group classified as held-for-sale	**74,013**
Trade and other payables	**42,974**
Provision for warranty	**791**
Total liabilities associated with disposal group classified as held-for-sale	**43,765**
Net assets of disposal group divested	**30,248**
Proceeds from divestment	**–**
Less: cash and cash equivalents of the disposal group	**(13,419)**
Net cash outflow on divestment	**(13,419)**

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

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

Group (Continued)

(c) The major classes of assets and liabilities comprising the disposal group classified as held-for-sale as at June 30, 2013 were 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

(d) The impact of the discontinued operations on the cash flows of the Group for the financial year ended June 30, 2013 was 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)

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

12 PROPERTY, PLANT AND EQUIPMENT

	Computer equipment S$'000	Freehold properties S$'000	Leasehold building 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, 2012	188	2,666	–	425	1,716	151	83	5,229
Additions	114	1,432	8,632	498	2,138	99	134	13,047
Disposals	–	–	–	–	(448)	–	–	(448)
At June 30, 2013	302	4,098	8,632	923	3,406	250	217	17,828
Additions	50	–	–	81	318	21	3	473
Disposals/Written off	(13)	(300)	–	–	(146)	–	–	(459)
At June 30, 2014	**339**	**3,798**	**8,632**	**1,004**	**3,578**	**271**	**220**	**17,842**
Accumulated depreciation:								
At July 1, 2012	134	64	–	308	1,113	101	72	1,792
Depreciation for the year	55	32	644	141	366	33	26	1,297
Disposals	–	–	–	–	(188)	–	–	(188)
At June 30, 2013	189	96	644	449	1,291	134	98	2,901
Depreciation for the year	71	37	1,546	151	544	33	46	2,428
Disposals	(13)	–	–	–	(120)	–	–	(133)
At June 30, 2014	**247**	**133**	**2,190**	**600**	**1,715**	**167**	**144**	**5,196**
Allowance for impairment:								
Balance at July 1, 2012 and balance at June 30, 2013	–	300	–	–	–	–	–	300
Written off	–	(300)	–	–	–	–	–	(300)
Balance at June 30, 2014	–	–	–	–	–	–	–	–
Carrying amount:								
At June 30, 2013	113	3,702	7,988	474	2,115	116	119	14,627
At June 30, 2014	92	3,665	6,442	404	1,863	104	76	12,646

The carrying amount of property, plant and equipment that are held under finance leases (Note 19) are as follows:

	Group 2014 S$'000	Group 2013 S$'000
Motor vehicles	**1,641**	1,896
Machinery	**–**	145

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

13 INVESTMENT PROPERTIES

	Group 2014 S$'000	2013 S$'000
At beginning of the year	**53,240**	23,640
Reclassified from deposit*	**–**	1,165
Additions during the year	**6,651**	24,605
Change in fair value (Note 26)	**2,145**	3,830
At end of year	**62,036**	53,240

* The deposit pertained to money paid for vacant leasehold land in 2012. The amount was reclassed to investment property in 2013 upon commencement of physical work.

The fair value of the Group's investment properties at June 30, 2014 and 2013 has been arrived at on the basis of valuation:

(a) carried out by an independent valuer having an appropriate professional qualification and recent experience in the location and category of the properties valued. 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 replying 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. The valuation was performed in accordance with International Valuation Standards; or

(b) carried out by management based on discounted cash flow approach.

There has been no change to the valuation technique during the year.

Details of the Group's investment properties and information about the fair value hierarchy as at June 30, 2014 are as follows:

	Level 1 S$'000	Level 2 S$'000	Level 3 S$'000	Fair value as at June 30, 2014 S$'000
Group				
Completed investment properties	–	–	**62,036**	**62,036**

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

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

13 INVESTMENT PROPERTIES (Continued)

The following table shows the significant unobservable inputs used in the valuation model:

Description	Fair value as at June 30, 2014 S$'000	Valuation technique(s)	Significant unobservable input(s)	Range
Completed investment properties	31,619	Market comparison	price per square foot(1)	S$615 – S$746
		Income capitalisation approach	market rent per bed space per month(1)	S$225 – S$248
			capitalisation rate(2)	6.5% – 7.25%
		Discounted cash flow approach	market rent per square meter per month(1)	S$4.10 – S$5.79
			discount rate(2)	5%
Investment property under construction	30,417	Residual approach	price per square foot(1)	S$390 – S$479

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

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

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

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

	Group	
	2014 S$'000	2013 S$'000
Gross rental income (Note 25)	**3,644**	1,381
Gross rental expenses	**807**	230

14 INVESTMENTS IN SUBSIDIARIES

	Company	
	2014 S$'000	2013 S$'000
Unquoted equity shares, at cost	**129,185**	123,184

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

14 INVESTMENTS IN SUBSIDIARIES (Continued)

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 2014 %	2013 %	Principal activities
OKH Holdings Pte. Ltd.[(1)]	Singapore	**100**	100	Construction activities
OKH Management Pte. Ltd.[(1)]	Singapore	**100**	100	Property development
OKH Development Pte. Ltd.[(1)(2)]	Singapore	**85**	85	Property development
Foxx Media Pte. Ltd.[(1)]	Singapore	**100**	100	Advertising and related activities
Green Synergy Pte. Ltd.[(1)]	Singapore	**100**	100	Building construction activities
OKH (Woodlands) Pte. Ltd.[(1)]	Singapore	**100**	100	Property development
Galaxia Development Pte. Ltd.[(1)]	Singapore	**100**	100	Investment properties
OKH Loyang Pte. Ltd.[(1)]	Singapore	**100**	100	Property development
OKH Buroh Pte. Ltd.[(1)]	Singapore	**100**	100	Property development
OKH Transhub Pte. Ltd.[(1)(3)]	Singapore	**100**	–	Investment properties
OKH Spaze Pte. Ltd.[(1)(3)]	Singapore	**100**	–	Property development

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

(2) Pursuant to the shareholders' transfer agreement signed between OKH Holdings Pte. Ltd. ("OKHH") and a third party, ZACD (Woodlands) Pte. Ltd. ("ZACD") on April 5, 2013 (as superseded and varied by a further shareholders' agreement dated October 11, 2013), ZACD agreed to acquire a 15% equity interest in OKH Development Pte. Ltd. ("OKHD") at a total consideration of S$300,000. Based on the terms of the agreement, ZACD would only limit its participation in OKHD only to the business relating to the development and sale of the units in a certain development project of OKHD (the "Business"). The agreement between OKHH and ZACD entitled each party to 70% and 30% of the assets and liabilities of the Business respectively.

(3) Newly incorporated during the year.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

15 INVESTMENT IN JOINT VENTURE

	Group 2014 S$'000	Group 2013 S$'000
Unquoted equity shares, at cost	**5**	5
Share of post-acquisition reserves	**(5)**	(5)
	–	–

Name	Country of incorporation	Percentage of ownership interest and voting power 2014 %	2013 %	Principal activities
OKH DLRE JV Pte. Ltd.[(1)]	Singapore	**50**	50	Generation, transmission, distribution and sale of electricity

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

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

	2014 S$'000	2013 S$'000
Total assets	**60**	17
Total liabilities	**(576)**	(157)
Net liabilities	**(516)**	(140)
Share of joint venture's net assets	**–**	–

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

	2014 S$'000	2013 S$'000
Revenue	**86**	–
Loss for the financial year	**(376)**	(150)
Share of joint venture's loss	**–**	(5)

16 INVESTMENT IN ASSOCIATE

	Group 2014 S$'000	Group 2013 S$'000
Unquoted equity shares, at cost	**30,000**	–
Share of post-acquisition reserves	**1,059**	–
	31,059	–

Included in the cost of investment in associate is goodwill of S$2,308,000.

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

16 INVESTMENT IN ASSOCIATE (Continued)

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

Name	Country of incorporation	Proportion of ownership interest 2014 %	2013 %	Proportion of voting power held 2014 %	2013 %	Principal activities
Held by OKH Transhub Pte. Ltd.						
Pan Asia Logistics Investments Holdings Pte. Ltd. ("PALIH")[1]	Singapore	**40**	–	**40**	–	Investment holding
Held by PALIH						
Pan Asia Logistics Investments Pte. Ltd. ("PALI")[1]	Singapore	**40**	–	**40**	–	Rental of property warehouse
Held by PALI						
Pan Asia Logistics PTP Malaysia Sdn. Bhd.[1]	Malaysia	**40**	–	**40**	–	Rental of property warehouse
Pan Asia Logistics (Korea) Ltd. ("PAL Korea")[1]	Korea	**–**[2]	–	**40**	–	Rental of property warehouse

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

(2) Pursuant to the sale and purchase agreement between a third party, Pan Asia Logistics Singapore Pte. Ltd. ("PAL Singapore") and PALIH dated October 29, 2013, PAL Singapore is required to transfer PAL Korea to PALI no later than September 12, 2015. Based on the terms of agreement, PALI has effective control over the financial and operating policies of the property business of PAL Korea despite the legal ownership of the entity has yet to be transferred to PALI as at June 30, 2014. Hence, the Group, with significant influence in PALIH, regards this entity as an associate.

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

	2014 S$'000	2013 S$'000
Total assets	**185,441**	–
Total liabilities	**113,563**	–
Net assets	**71,878**	–
Share of associate's net assets	**28,751**	–

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

	2014 S$'000	2013 S$'000
Revenue	**3,256**	–
Profit for the financial year	**32,163**	–
Share of associate's profit	**1,067**	–

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

17 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, 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
Overprovision in prior year (Note 29)	–	–	(1,431)	(1,431)
Charged to profit or loss (Note 29)	15	(578)	–	(563)
At June 30, 2014	–	–	–	–

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 forward available for offsetting against future taxable income as follows:

	2014 S$'000	2013 S$'000
Balance at beginning of year	**7,650**	3,670
Arising during the year (Net)	**4,411**	3,980
Balance at end of year	**12,061**	7,650
Deferred tax benefit on above recorded	**–**	578
Deferred tax benefit on above not recorded	**2,050**	723

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.

18 TRADE AND OTHER PAYABLES

	Group		Company	
	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000
Trade payables from third parties	**35,739**	7,244	**31**	–
Due to customer for contract work (Note 9)	**156**	6,721	**–**	–
Advance payments from customers	**98,387**	141,442	**–**	–
Other payables:				
– Third parties	**8,817**	6,978	**56**	–
– Subsidiaries (Note 14)	**–**	–	**29,071**	5,033
– Related parties (Note 6)	**–**	18	**–**	18
Advance from a director (Note 6)	**–**	16,978	**–**	–
Deferred interest income	**817**	–	**–**	–
Accrued expenses	**15,298**	15,179	**1,734**	354
	159,214	194,560	**30,892**	5,405

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

18 TRADE AND OTHER PAYABLES (Continued)

As at year end, the trade payables under trade financing amounted to S$21,131,000 with an interest rate at 6.0% per annum, repayable within one year. The trade financing are secured by the following:

(a) legal mortgage over the Group's properties (see Notes 12 and 13);

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

(c) assignment of rental proceeds; and

(d) a personal guarantee from a director.

19 FINANCE LEASES

	Group			
	Minimum lease payments		Present values of minimum lease payments	
	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000
Amounts payable under finance leases:				
Within 1 year	**397**	479	**349**	437
Within 2 to 5 years	**1,240**	1,267	**1,084**	1,132
More than 5 years	**282**	274	**229**	230
	1,919	2,020	**1,662**	1,799
Less: Future finance charges	**(257)**	(221)	**–**	–
Present values of lease obligations	**1,662**	1,799	**1,662**	1,799
Less: Amount due for settlement within 12 months (shown under current liabilities)			**(349)**	(437)
Amount due for settlement after 12 months			**1,313**	1,362

The average effective interest rate is 4.5% (2013: 4.3%) 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

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20 BANK LOANS AND OVERDRAFTS

	Group 2014 S$'000	Group 2013 S$'000
Secured		
Bank overdrafts[1] (Note 7)	**1,578**	2,768
Short-term bank loans[2]	**2,500**	15,293
Current portion of long-term bank loans[2][3]	**154,876**	4,054
Amount due for settlement within 12 months (shown under current liabilities)	**158,954**	22,115
Long-term bank loans repayable as follows[2]:		
In the second to fifth year inclusive	**109,470**	137,379
After five years	**26,345**	16,217
Amount due for settlement after 12 months	**135,815**	153,596
Total	**294,769**	175,711

(1) In 2014, bank overdrafts are secured and bear floating interest rates ranging from 3.9% to 6.5% (2013: 2.3% to 6.6%) per annum.

(2) In 2014, bank loans are secured and bear floating interest rates ranging from 1.7% to 8.3% (2013: 1.1% to 6.0%) per annum. The amounts are repayable at the dates ranging from 2014 to 2023 (2013: 2013 to 2023).

(3) In 2013, included in the bank loans was loan amounting to S$2.7 million being reclassified to current liabilities due to callable clauses in the loan agreements.

The bank overdrafts and bank loans 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 6 months 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.

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

	Group 2014 S$'000	Group 2013 S$'000
Properties under development (Note 10)	**287,065**	235,669
Freehold properties (Note 12)	**3,665**	3,702
Investment properties (Note 13)	**60,032**	53,240
Fixed deposits (Note 7)	**–**	30

In addition, the bank facilities are supported by corporate guarantees issued by the Company and personal guarantee from a director of the Company.

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21 PROVISIONS

Group

	Provision for liquidated damages S$'000	Provision for foreseeable losses S$'000	Others S$'000	Total S$'000
Balance at July 1, 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
Reversal during the year	(8,245)	(263)	–	(8,508)
Balance at June 30, 2014	**1,680**	**–**	**–**	**1,680**

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

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

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

22 REDEEMABLE EXCHANGEABLE PREFERENCE SHARES

On November 18, 2013, 100 redeemable exchangeable preference shares ("REPS") were issued by a subsidiary of the Company, OKH Transhub Pte. Ltd. at an issue price of S$100,000 per share with an option to exchange up to a total number of 22,222,222 ordinary shares of the Company (the "OKH Shares"). All issued REPS are fully paid. The main terms and conditions of the agreement are as follows:

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

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

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

The proceeds received from the issue of the REPS have been allocated between the liability and equity components. The equity component represents the fair value of the embedded option of the Company to convert the liability into equity.

	Group 2014 S$'000
Nominal value of REPS issued	**10,000**
Add: Fair value loss on REPS at date of issue	**3,199**
Fair value of REPS at date of issue	**13,199**
Equity component (recognised as equity reserve)	**(3,573)**
Liability component at date of issue	**9,626**
Cumulative interest accrued	**768**
Liability component at end of year	**10,394**

The cumulative interest accrued on REPS is calculated by applying an effective interest rate of 15.9% per annum on the liability component.

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22 REDEEMABLE EXCHANGEABLE PREFERENCE SHARES (Continued)

Management estimated the fair value of the liability component of the REPS to be approximately S$12,415,000 by discounting expected future cash flows at market incremental borrowing rate for similar types of borrowing at the end of the reporting period.

23 SHARE CAPITAL

	Company	
	2014	**2013**
	'000	**'000**
Number of ordinary shares		
Issued and paid up:		
At beginning of year	**568,657**	110,776
Arising from reverse acquisition	**–**	1,026,539
Issuance of placement of shares for cash	**60,000**	–
	628,657	1,137,315
Share consolidation[a]	**–**	(568,658)
At end of year	**628,657**	568,657

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

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.

In the consolidated financial statements, the cost of reverse acquisition in 2013 was 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$13,293,000 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) (Note 31). It was 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 reverse acquisition in 2013 was 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$123,184,000, pursuant to the reverse acquisition of which S$113,741,000 was issued from the share capital of the Company and S$9,443,000 was issued from share premium of the Company.

On January 9, 2013, cash distribution of S$0.009 per ordinary share by way of capital reduction amounting to S$983,000 was paid to shareholders of the Company.

On October 9, 2013, 60,000,000 new ordinary shares were allotted at S$0.68 per share each pursuant to the Company's share placement exercise. Share issue expenses incurred for the placement amounting to S$1,310,000 were charged against share capital.

On June 24, 2014, the Company divested its investment in Sinobest Operating Subsidiaries to the shareholders by way of capital reduction from share capital and share premium amounting to S$15,705,000 and S$14,543,000 respectively (Note 11).

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

24 TRANSLATION RESERVE

This represents:

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

b) in 2013, the Company changed its functional currency and presentation currency from RMB to S$. Accordingly, the exchange differences resulting from translation of assets, liabilities and equity at applicable rate are recognised under the translation reserve.

25 REVENUE

	Group	
	2014 S$'000	2013 S$'000
Continuing operations		
Revenue from construction contracts	**16,722**	15,951
Revenue from development properties	**202,756**	7,147
Rental income	**3,644**	1,381
	223,122	24,479
Discontinued operations		
Revenue from sale of goods	**39,060**	14,659
Revenue from rendering of services	**38,666**	11,118
	77,726	25,777
	300,848	50,256

26 OTHER INCOME

	Continuing operations		Discontinued operations		Total	
	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000	2014 S$'000	2013 S$'000
Group						
Gain on change in fair value of investment properties (Note 13)	**2,145**	3,830	**–**	–	**2,145**	3,830
Gain (Loss) on foreign exchange rate	**–**	398	**38**	(1)	**38**	397
Gain (Loss) on disposal of property, plant and equipment	**56**	107	**(101)**	–	**(45)**	107
Property, plant and equipment written off	**–**	–	**–**	(25)	**–**	(25)
Management fee	**42**	–	**–**	–	**42**	–
Interest income	**34**	18	**130**	46	**164**	64
Grant income	**161**	–	**1,424**	–	**1,585**	–
Forfeiture of deposit from sales cancellation[(i)]	**17**	313	**–**	–	**17**	313
Office insurance claims[(ii)]	**–**	16	**–**	–	**–**	16
Bargain purchase arising from reverse acquisition (Note 31)	**–**	15,503	**–**	–	**–**	15,503
Backcharges to contractor	**1,155**	–	**–**	–	**1,155**	–
Others	**57**	96	**205**	1	**262**	97
	3,667	20,281	**1,696**	21	**5,363**	20,302

(i) The forfeiture is recognised as other income as management had determined 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

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27 FINANCE COSTS

	Group 2014 S$'000	Group 2013 S$'000
Interest on bank loans and overdraft	**7,688**	5,127
Interest on factoring	**743**	698
Loan facility fee	**1,020**	–
Interest on obligations under finance leases	**58**	48
Interest on REPS	**768**	–
Total borrowing cost	**10,277**	5,873
Less: Amounts capitalised as cost of development properties (Note 10)	**(6,620)**	(4,169)
Less: Amounts capitalised as cost of investment properties (Note 13)	**(634)**	–
	3,023	1,704

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

28 PROFIT (LOSS) BEFORE INCOME TAX

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

	Continuing operations 2014 S$'000	Continuing operations 2013 S$'000	Discontinued operations 2014 S$'000	Discontinued operations 2013 S$'000	Total 2014 S$'000	Total 2013 S$'000
Group						
Depreciation of property, plant and equipment						
– Included in cost of sales	**2**	–	**–**	–	**2**	–
– Included in administrative expenses	**2,426**	1,297	**2,793**	1,068	**5,219**	2,365
Total depreciation of property, plant and equipment	**2,428**	1,297	**2,793**	1,068	**5,221**	2,365
Reversal of doubtful debts	**–**	–	**(23)**	–	**(23)**	–
Allowance for doubtful receivables	**177**	–	**65**	–	**242**	–
Allowance for impairment of inventories obsolescence	**–**	–	**60**	–	**60**	–
Amortisation of deferred loss on REPS	**533**	–	**–**	–	**533**	–
Employee benefits						
– directors' remuneration	**3,110**	1,553	**727**	92	**3,837**	1,645
– other than directors	**5,111**	5,697	**1,928**	9,845	**7,039**	15,542
Total employee benefits	**8,221**	7,250	**2,655**	9,937	**10,876**	17,187
Cost of defined contribution plans included in employee benefits	**274**	388	**–**	–	**274**	388
Audit fees						
– paid to auditors of the Company	**238**	234	**–**	–	**238**	234
– paid to other auditors	**–**	–	**33**	80	**33**	80
Total audit fees	**238**	234	**33**	80	**271**	314
Non-audit fees						
– paid to auditors of the Company	**32**	20	**–**	–	**32**	20

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

29 INCOME TAX

	Continuing operations 2014 S$'000	Continuing operations 2013 S$'000	Discontinued operations 2014 S$'000	Discontinued operations 2013 S$'000	Total 2014 S$'000	Total 2013 S$'000
Group						
Current tax	**4,745**	–	**367**	–	**5,112**	–
Underprovision of current tax in prior year	**225**	–	**–**	–	**225**	–
Deferred tax (Note 17)	**563**	(578)	**–**	(304)	**563**	(882)
Overprovision of deferred tax assets in prior year (Note 17)	**1,431**	–	**–**	–	**1,431**	–
	6,964	(578)	**367**	(304)	**7,331**	(882)

Domestic income tax is calculated at 17% (2013: 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 2014 S$'000	Continuing operations 2013 S$'000	Discontinued operations 2014 S$'000	Discontinued operations 2013 S$'000	Total 2014 S$'000	Total 2013 S$'000
Group						
Profit (Loss) before income tax	**31,090**	(233)	**2,242**	(2,347)	**33,332**	(2,580)
Tax at statutory rate (@17%)	**5,285**	(40)	**381**	(399)	**5,666**	(439)
Tax effect of share of results of associate	**(181)**	–	**–**	–	**(181)**	–
Tax effect of income/expenses that are not (taxable) deductible for tax purposes	**(93)**	(651)	**(194)**	44	**(287)**	(607)
Effect of tax exemption	**(88)**	–	**–**	–	**(88)**	–
Effect of tax losses not recognised on deferred tax assets	**1,327**	98	**–**	–	**1,327**	98
Effect of different tax rates of subsidiaries operating in other jurisdictions	**–**	–	**180**	47	**180**	47
Underprovision of prior year tax	**1,656**	–	**–**	–	**1,656**	–
Utilisation of tax losses previously unrecognised as deferred tax	**(1,045)**	–	**–**	–	**(1,045)**	–
Others	**103**	15	**–**	4	**103**	19
	6,964	(578)	**367**	(304)	**7,331**	(882)

NOTES TO FINANCIAL STATEMENTS

June 30, 2014

30 EARNINGS (LOSS) PER SHARE

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

	Group	
	2014 S$'000	2013 S$'000
Earnings from continuing and discontinued operations		
Earnings (Loss) for the purposes of basic earnings per share (Profit (Loss) for the year attributable to owners of the Company)	**26,030**	(914)
Effect of dilutive potential ordinary shares due to interest and amortisation of deferred loss on REPS, net of tax	**1,080**	–
Earnings (Loss) for the purposes of diluted earnings per share	**27,110**	(914)
Earnings from continuing operations		
Profit (Loss) for the year attributable to owners of the Company	**26,030**	(914)
Less: Profit (Loss) for the year from discontinued operation	**1,875**	(2,043)
Earnings for the purposes of basic earnings per share	**24,155**	1,129
Effect of dilutive potential ordinary shares due to interest and amortisation of deferred loss on REPS, net of tax	**1,080**	–
Earnings for the purposes of diluted earnings per share	**25,235**	1,129

	Group	
	2014 '000	2013 '000
Number of shares		
Weighted average number of ordinary shares for the purposes of basic earnings per share	**612,055**	536,639
Effect of dilutive potential ordinary shares due to REPS	**13,637**	–
Weighted average number of ordinary shares for the purposes of diluted earnings per share	**625,692**	536,539

The diluted earnings per share is the same as the basic earnings per share in 2014 as the effect of the REPS is anti-dilutive. There were no dilutive potential ordinary shares in 2013.

From discontinued operations

Basic earnings per share for the discontinued operation is 0.31 cents per share (2013: loss per share of 0.38 cents per share). Diluted earnings per share for the discontinued operation is 0.30 cents per share. There were no dilutive potential ordinary shares in 2013. Earnings per share from discontinued operation is based on the net profit for the year from discontinued operations of S$1,875,000 (2013: net loss for the year from discontinued operations of S$2,043,000) and the above number of shares for both basic and diluted earnings per share.

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31 ACQUISITION OF SUBSIDIARIES

As disclosed in Note 2, OKHH 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 were as follows:

	Group 2013 S$'000
Consideration transferred:	
Equity instruments issued as settlement of purchase consideration(1)	13,293
Carrying amount and fair value of assets acquired and liabilities assumed at the date of acquisition:	
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:	
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 was supposed to acquire OKHH and dispose Sinobest 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 Sinobest Operating Subsidiaries was not successful. As a result, the increase in net assets acquired due to the Sinobest 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 in 2013 contributed approximately S$26 million and S$2.3 million to the Group's revenue and loss before tax respectively in 2013. If the reverse acquisition had taken place at the beginning of the previous financial year, the Group's loss before tax would have been approximately S$0.4 million.

NOTES TO FINANCIAL STATEMENTS

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32 OPERATING LEASE ARRANGEMENTS

	Group	
	2014	2013
	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	**5,918**	2,683

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

	Group	
	2014	2013
	S$'000	S$'000
Within one year	**5,817**	3,405
In the second to fifth year inclusive	**4,338**	14,217
After five years	**–**	104
	10,155	17,726

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

	Group	
	2014	2013
	S$'000	S$'000
The Group as lessor		
Rental income (Note 25)	**3,644**	1,381

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

	Group	
	2014	2013
	S$'000	S$'000
Within one year	**6,315**	375
In the second to fifth year inclusive	**10,166**	39
	16,481	414

NOTES TO FINANCIAL STATEMENTS

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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 Sinobest operating subsidiaries which was discontinued (See Note 11). 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. Share of profit of associate are included in property investment segment in accordance with its business activities. 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 and financial assets attributable to each segment. All assets are allocated to reportable segments. Assets used jointly by reportable segments are allocated on the basis of the revenues earned by individual reportable segments. Segment liabilities include all operating liabilities and consist primarily of financial liabilities and income tax payable.

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, 2014

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						Discontinued Operations	
	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
2014								
Revenue:								
External customers	**16,722**	**202,756**	**3,644**	**–**	**–**	**223,122**	**77,726**	**300,848**
Inter-segment	**104,818**	**–**	**–**	**–**	**(104,818)**	**–**	**–**	**–**
Total revenue	**121,540**	**202,756**	**3,644**	**–**	**(104,818)**	**223,122**	**77,726**	**300,848**
Results	**14,393**	**31,591**	**(5,517)**	**(21)**	**885**	**41,331**	**2,242**	**43,573**
Unallocated expenses						**(7,218)**	**–**	**(7,218)**
Finance costs						**(3,023)**	**–**	**(3,023)**
Profit before income tax						**31,090**	**2,242**	**33,332**
Income tax expense						**(6,964)**	**(367)**	**(7,331)**
Profit for the year						**24,126**	**1,875**	**26,001**
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 loss of joint venture						(5)	–	(5)
Finance costs						(1,704)	–	(1,704)
Loss before income tax						(233)	(2,347)	(2,580)
Income tax credit						578	304	882
Loss for the year						345	(2,043)	(1,698)

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33 SEGMENT INFORMATION (Continued)

Segment assets and liabilities and other segment information

	Continuing Operations					Discontinued Operations	
	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
2014							
Segment assets:							
Total segment assets	41,157	429,054	98,021	29	568,261	–	568,261
Unallocated assets	–	–	–	–	94	–	94
Total consolidated assets					568,355	–	568,355
Segment liabilities:							
Total segment liabilities	66,819*	357,745	63,295	19	487,878	–	487,878
Unallocated liabilities	–	–	–	–	1,820	–	1,820
Total consolidated liabilities					489,698	–	489,698
Other segment information:							
Depreciation	2,425	–	3	–	2,428	2,793	5,221
Capital expenditure	448	–	25	–	473	733	1,206
Changes in fair value of investment properties	–	–	2,145	–	2,145	–	2,145

* 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, 2014

33 SEGMENT INFORMATION (Continued)

Segment assets and liabilities and other segment information (Continued)

	Continuing Operations					Discontinued Operations	
	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

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

Major customer information

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

	Group	
	2014 S$'000	2013 S$'000
Construction contractor segment		
Customer A	–	10,882
Customer B	–	4,593
Property development segment		
Customer C	–	1,271
Customer D	–	1,221

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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	
	2014	**2013**
	S$'000	**S$'000**
Construction of properties	**104,563**	49,791
Purchase of land	**–**	87,779
The Group's share of the capital commitments of its associate is as follows:		
Construction of properties	**53**	–

35 EVENTS AFTER THE REPORTING PERIOD

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

(a) On August 15, 2014, the Group incorporated Chronoz Investment Holding Pte. Ltd. ("Chronoz") with a paid up capital of S$1. The principal activity of the subsidiary is that of an investment holding company.

(b) On August 18, 2014, Chronoz entered into:

(i) a Subscription and Shareholder's Agreement ("SSA") with a third party, Pan Asia Logistics Holdings Singapore Pte. Ltd. ("PAL Holdings") to subscribe for 2,584,923 ordinary shares of PAL Holdings, representing a 12% equity interest of PAL Holdings at an aggregate subscription price of S$17.2 million ("Subscription Price"); and

(ii) a Sale and Purchase Agreement ("SPA") with a controlling shareholder of PAL Holdings ("Vendor") to acquire a 3% equity interest of PAL Holdings, comprising of 646,231 ordinary shares in the capital of PAL Holdings ("Sale Shares"), at an aggregate purchase consideration of S$4.3 million ("Purchase Consideration").

The Subscription Price and Purchase Consideration are paid by instalments.

Under the SPA, Chronoz is granted a put option which may be exercised once and in full, anytime during the period of 36 months commencing from July 1, 2015, to require the Vendor to acquire the Sale Shares from Chronoz. The put option price shall be 1.12 times to 1.36 times depending on the date of exercise.

The above acquisitions through SSA and SPA were completed on September 8, 2014 and September 9, 2014 respectively. This investment is accounted for as available-for-sale investments and carried at cost.

(c) The Group entered into a subscription agreement with a third party, Zana Asia Fund Limited dated September 5, 2014 to issue an aggregate principal amount of S$8 million redeemable convertible preference shares via Chronoz to partially fund the acquisition of the 15% equity interest in PAL Holdings.

(d) On September 3, 2014 the Group incorporated a wholly-owned subsidiary, OKH China Pte. Ltd. with a paid up capital of S$1. The principal activity of the subsidiary is that of an investment holding company.

ANNOUNCEMENT OF THE UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS OF OKH GLOBAL LTD. AND ITS SUBSIDIARIES FOR THE PERIOD ENDED 30 SEPTEMBER 2014

The information in this Appendix IV has been reproduced from the announcement of the unaudited first quarter financial statements of OKH Global Ltd. and its subsidiaries made by OKH Global Ltd. on 12 November 2014 and has not been specifically prepared for inclusion in this Information Memorandum.

FIRST QUARTER AND THREE MONTHS FINANCIAL STATEMENT AND RELATED ANNOUNCEMENT FOR THE PERIOD ENDED 30 SEPTEMBER 2014

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS.

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

1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Comprehensive Income

	Group		
	3MFY2015	**3MFY2014**	**change**
	3 months ended 30-Sep-14	**3 months ended 30-Sep-13**	
	S$'000	**S$'000**	
	Unaudited	**Unaudited**	
Continuing operations			
Revenue	12,813	776	1551.2%
Cost of sales	(10,648)	(401)	2555.4%
Gross profit	2,165	375	477.3%
Other income	93	66	40.9%
General and administrative expenses	(5,650)	(5,574)	1.4%
Finance costs	(1,522)	(348)	337.4%
Share of losses of joint venture	-	-	n.m.
Share of profits of associate	955	-	n.m.
Loss before tax from continuing operations	(3,959)	(5,481)	-27.8%
Income tax credit	544	1	54300.0%
Loss from continuing operations, net of tax	(3,415)	(5,480)	-37.7%
Discontinued operations			
Loss from discontinued operations, net of tax	-	(546)	n.m.
Total loss for the period	(3,415)	(6,026)	n.m.
Loss attributable to:			
Owners of the Company	(3,389)	(5,148)	-34.2%
Non-controlling interests	(26)	(878)	-97.0%
	(3,415)	(6,026)	n.m.

1(a)(i) **An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated Statement of Comprehensive Income (Cont'd)

	Group		
	3MFY2015	**3MFY2014**	**change**
	3 months ended 30-Sep-14	**3 months ended 30-Sep-13**	
	S$'000	**S$'000**	
	Unaudited	**Unaudited**	
Loss, net of tax	(3,415)	(6,026)	n.m.
Other comprehensive loss:			
Currency translation differences arising from consolidation	(415)	(70)	492.9%
Other comprehensive loss for the period, net of tax	(415)	(70)	n.m.
Total comprehensive loss for the period	(3,830)	(6,096)	n.m.
Total comprehensive loss attributable to:			
Owners of the Company	(3,804)	(5,218)	-27.1%
Non-controlling interests	(26)	(878)	-97.0%
	(3,830)	(6,096)	n.m.

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

	Group		
	3MFY2015	**3MFY2014**	**change**
	3 months ended 30-Sep-14	**3 months ended 30-Sep-13**	
	S$'000	**S$'000**	
	Unaudited	**Unaudited**	
Continuing Operations			
Depreciation of property, plant and equipment	(610)	(617)	-1.1%
Foreign exchange loss, net	(42)	-	n.m.
Interest expenses	(1,522)	(348)	337.4%
Gain on disposal of property, plant and equipment	-	56	n.m.
Interest income	33	8	312.5%
Forfeiture of deposit from lease cancellation	5	-	n.m.
Other income	55	-	n.m.
Discontinued Operations			
Depreciation and amortisation	-	(47)	n.m.
Foreign exchange gain, net	-	11	n.m.
Allowance of doubtful debts	-	(33)	n.m.
Interest income	-	19	n.m.
Total			
Depreciation of property, plant and equipment	(610)	(664)	-8.1%
Foreign exchange (loss)/gain, net	(42)	11	n.m.
Allowance of doubtful debts	-	(33)	n.m.
Interest expenses	(1,522)	(348)	337.4%
Gain on disposal of property, plant and equipment	-	56	n.m.
Interest income	33	27	22.2%
Forfeiture of deposit from lease cancellation	5	-	n.m.
Other income	55	-	n.m.

1(b)(i) **A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.**

Statements of Financial Position

	Group		Company	
	30-Sep-14	30-Jun-14	30-Sep-14	30-Jun-14
	S$'000	S$'000	S$'000	S$'000
	Unaudited	Audited	Unaudited	Audited
ASSETS				
Current assets				
Cash and cash equivalents	65,033	84,234	20	10
Trade and other receivables	108,801	79,293	53,433	56,174
Loan due from non-controlling interests	12,000	12,022	-	-
Properties under development	284,492	287,065	-	-
Total current assets	470,326	462,614	53,453	56,184
Non-current assets				
Property, plant and equipment	12,299	12,646	-	-
Investment properties	62,788	62,036	-	-
Investments in subsidiaries	-	-	129,185	129,185
Investments in joint venture	-	-	-	-
Investments in an associate	31,599	31,059	-	-
Investment in unquoted securities	21,500	-	-	-
Total non-current assets	128,186	105,741	129,185	129,185
Total assets	**598,512**	**568,355**	**182,638**	**185,369**
LIABILITIES AND EQUITY				
Current liabilities				
Trade and other payables	233,648	159,214	29,009	30,892
Finance leases	398	349	-	-
Loan due to associate	8,000	8,000	-	-
Amount due to non-controlling interests	8,920	8,920	-	-
Bank loans and overdrafts	120,291	158,954	-	-
Provisions	1,680	1,680	-	-
Income tax payable	5,059	5,059	-	-
Total current liabilities	377,996	342,176	29,009	30,892

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of Financial Position (Cont'd)

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

1(b)(ii) **In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year.**

Amount repayable in one year or less, or on demand

As at 30 Sep 2014		As at 30 June 2014	
Secured	Unsecured	Secured	Unsecured
S$'000	S$'000	S$'000	S$'000
120,689	16,920	159,303	16,920

Amount repayable after one year

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

Details of any collateral

The Group’s borrowings are secured by the Group’s properties, cash deposits and receivables, cash deposits of and personal guarantee from a Director, and assets under fixed term lease financing.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated Statement of Cash Flows

	Group	
	3 months ended 30-Sep-14 S$'000	**3 months ended 30-Sep-13 S$'000**
	Unaudited	**Unaudited**
Cash flows from operating activities		
Net loss after tax	(3,415)	(6,026)
Adjustments for:		
Income tax credit	(544)	(44)
Allowance of doubtful debts	-	33
Depreciation of property, plant and equipment	610	664
Gain on disposal of property, plant and equipment	-	(56)
Interest expenses	1,522	348
Interest income	(33)	(27)
Property, plant and equipment written off	-	122
Over provision for warranty	-	(4)
Share of profits of an associate	(955)	-
Operating cash flows before changes in working capital	(2,815)	(4,990)
Investment properties	-	(1,553)
Properties under development	4,381	(111,937)
Trade and other receivables	(6,951)	9,048
Inventories	-	(3,397)
Trade and other payables	33,728	12,421
Cash generated from/(used in) operations	28,343	(100,408)
Income tax refunded	544	5
Interest paid	(2,336)	(1,525)
Net cash generated from/(used in) operating activities	26,551	(101,928)

1(c) **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated Statement of Cash Flows (Cont'd)

	Group	
	3 months ended 30-Sep-14	**3 months ended 30-Sep-13**
	S$'000	**S$'000**
	Unaudited	**Unaudited**
Cash flow from investing activities		
Purchase of property, plant and equipment	(38)	(10)
Additions to investment properties	(553)	-
Proceeds from disposal of property, plant and equipment	(1)	82
Interest received	33	27
Investment in unquoted securities	(6,000)	-
Net cash (used in)/generated from investing activities	(6,559)	99
Cash flow from financing activities		
Proceeds from bank loans	25,800	111,444
Repayment of bank loans	(67,623)	(12,122)
Repayment of obligations under finance lease	(94)	(146)
Net cash (used in)/generated from financing activities	(41,917)	99,176
Net decrease in cash and cash equivalents	(21,925)	(2,653)
Cash and cash equivalents at beginning of period	82,656	60,866
Effects of exchange rate changes on cash balances held in foreign currencies	-	(58)
Cash and cash equivalents at end of period	60,731	58,155

	30-Sep-14	**30-Sep-13**
	S$'000	**S$'000**
Cash and bank balances	65,033	47,248
Cash held by disposal group	-	12,390
	65,033	59,638
Less: Bank overdrafts	(4,302)	(1,453)
Fixed deposits pledged	-	(30)
Cash and cash equivalents	60,731	58,155

Cash and cash equivalents at end of the period

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

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

Statements of Changes in Equity

	Attributable to owners of the Company						
	Share capital	**Equity reserves**	**Translation reserves**	**Accumulated profits/(losses)**	**Total**	**Non-controlling interests**	**Total equity**
Group	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Balance at 1 July 2014	59,283	3,573	(1,499)	17,885	79,242	(585)	78,657
Total comprehensive loss for the period	-	-	(415)	(3,389)	(3,804)	(26)	(3,830)
Balance at 30 Sep 2014	59,283	3,573	(1,914)	14,496	75,438	(611)	74,827
Balance at 1 July 2013	19,793	-	839	19,719	40,351	(234)	40,117
Total comprehensive loss for the period	-	-	(70)	(5,148)	(5,218)	(878)	(6,096)
Balance at 30 Sep 2013	19,793	-	769	14,571	35,133	(1,112)	34,021

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

Statements of Changes in Equity (Cont'd)

	Share capital	Share premium	Translation reserves	Accumulated losses	Total
Company	**S$'000**	**S$'000**	**S$'000**	**S$'000**	**S$'000**
Balance at 1 July 2014	154,629	2,851	(1,491)	(1,512)	154,477
Total comprehensive loss for the period	-	-	-	(848)	(848)
Balance at 30 Sep 2014	154,629	2,851	(1,491)	(2,360)	153,629
Balance at 1 July 2013	130,844	17,394	(1,491)	(8,394)	138,353
Total comprehensive loss for the period	-	-	-	(711)	(711)
Balance at 30 Sep 2013	130,844	17,394	(1,491)	(9,105)	137,642

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

There was no changes in the Company's share capital during 1Q2015.

	Number of ordinary shares	Share Capital S$'000
As at 30 September 2014:	628,657,445	154,629

On 18 November 2013, the Group have issued 100 Redeemable Exchangeable Preference Shares ("REPS") for a total of S$10 million. Holders of the REPS (the "Holders") shall have the right to exchange 50% of their holdings of REPS into the ordinary shares of the Company (the "OKH Shares") at the exchange price of S$0.45 at any time starting from the first anniversary and up to the maturity date. The Holders shall have the right to exchange another 50% of their holdings of REPS into OKH Shares at any time starting from the second anniversary and up to the maturity date.

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

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

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares excluding treasury shares as at 30 September 2014 and 30 June 2014 was 628,657,445.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

There were no treasury shares as at 30 September 2014.

2 Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice

The figures have not been audited or reviewed by the Company's auditors.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter)

Not applicable.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Except as disclosed in paragraph 5, the Group has applied consistent accounting policies and methods of computation in the financial statements for the current reporting period compared with those of the audited financial statements for the financial year ended 30 June 2014.

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

On July 1, 2013, the Group adopted all the new and revised FRSs and Interpretations of FRS ("INT FRS") that are effective from that date and are relevant to its operations. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRSs.

The adoption of these new/revised FRSs and INT FRSs has no material effect on the amounts reported for the current or prior periods.

6 **Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

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

Basic earnings per share ("EPS") is calculated based on the net loss attributable to equity holders of the Group set out in 1(a), divided by the weighted average number of ordinary shares on issue during the financial period. For diluted earnings per share ("EPS"), the weighted average number of ordinary shares includes the number of additional shares to be issued upon conversion of the REPS. Adjustment is made to net loss attributable to the equity holders of the Group to reflect the effect of the exchange of the REPS. The diluted EPS for the 3 months ended 30 September 2014 is the same as the basic EPS as the effect of the exchange of the REPS is anti-dilutive.

7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on; and (b) immediately preceding financial year.

	Group		
	30-Sep-14	30-Jun-14	Change %
Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on (cents)	11.90	12.51	-4.9
Total number of issued ordinary shares	628,657,445	628,657,445	

	Company		
	30-Sep-14	30-Jun-14	Change %
Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on (cents)	24.44	24.57	-0.5
Total number of issued ordinary shares	628,657,445	628,657,445	

8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-**

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

STATEMENT OF COMPREHENSIVE INCOME

CONTINUING OPERATIONS

3MFY2015 vs 3MFY2014

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

Revenue

Overall

1QFY2015 vs 1QFY2014

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

Construction Services

1QFY2015 vs 1QFY2014

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

Property Investment

1QFY2015 vs 1QFY2014

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

STATEMENT OF COMPREHENSIVE INCOME (Cont'd)

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

1QFY2015 vs 1QFY2014

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

Other income

1QFY20154 vs 1QFY2014

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

General and Administrative Expenses

1QFY2015 vs 1QFY2014

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

Finance Expense

1QFY2015 vs 1QFY2014

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

Share of profits of an associates

1QFY2015 vs 1QFY2014

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

Income Tax Expense

1QFY2015 vs 1QFY2014

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

STATEMENT OF COMPREHENSIVE INCOME (Cont'd)

Loss from operations, net of tax

1QFY2015 vs 1QFY2014

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

STATEMENT OF FINANCIAL POSITION

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

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

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

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

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

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

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

STATEMENT OF CASH FLOWS

Net cash outflow from operating activities

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

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

Net cash outflow in investing activities

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

Net cash inflow in financing activities

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

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

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

There is no variance with what was previously disclosed by the Company.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

Property Development Business

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

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

Construction Services Business

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

With construction costs likely to trend upwards as a result of progressive tightening of manpower policies and rise in other operating costs, the Group will exercise prudence in evaluating and exploring new construction projects in Singapore. Nevertheless, the Group will continue to focus on the completion of its own property development projects and existing construction projects.

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

11 Dividend

(a) Current Financial Period Reported On
Any dividend declared for the current financial period report on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year
Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not Applicable.

(d) Books closure date

Not Applicable.

12 If no Dividends has been declared (recommended), a statement to that effect

No dividends have been declared or recommended.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Company has not obtained a general mandate from shareholders for IPTs. There were no IPTs entered equal to or exceeding S$100,000 in aggregate between the Company or its subsidiaries with any of its interested persons during the period ended 30 September 2014.

14 Negative assurance

The Board of Directors of the Company hereby confirms to the best of its knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the unaudited financial statements for the three months financial period ended 30 September 2014 to be false or misleading in any material aspects.

15 Use of proceeds from the Placement

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

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

		Amount Utilised (S$'000)
(A)	**Amount utilised for funding for potential acquisitions, investments and business expansion plans in connection with the Group's business**	
	Increase of issued and paid-up share capital of OKH TransHub Pte. Ltd.	5,000
(B)	**Working capital requirements of the Group**	
	General working capital of the Company	3,839
	Payment for construction materials and services	12,000
	Repayment of advances to a Director	16,500
Total		**37,339**

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

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

BY ORDER OF THE BOARD

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