



OKH GLOBAL LTD.

(formerly known as Sinobest Technology Holdings Ltd.)
(Incorporated in Bermuda on June 17, 2004)
(Company Registration Number: 35479)

Unaudited Condensed Financial Statements and Related Announcement for the Financial Year ended June 30, 2022

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August 24, 2022



A. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

	Note	Group		change
		FY2022 12 months ended June 30, 2022 S\$'000	FY2021 12 months ended June 30, 2021 S\$'000 (restated)	
Revenue	6	16,458	16,132	2.0%
Cost of sales		(2,843)	(2,434)	16.8%
Gross profit		13,615	13,698	-0.6%
Other income		988	1,336	-26.0%
Other expenses		(27,706)	(5,707)	385.5%
Loss allowance on trade and other receivables		(28)	(180)	-84.4%
General and administrative expenses		(4,373)	(3,528)	23.9%
Finance costs		(3,656)	(3,873)	-5.6%
Share of (losses) profits of associates		(106)	1,884	-105.6%
(Loss) Profit before income tax	7	(21,266)	3,630	-685.8%
Income tax expense	8	(87)	-	n.m.
(Loss) Profit for the year		(21,353)	3,630	-688.2%
(Loss) Profit attributable to:				
Owners of the Company		(21,353)	3,630	-688.2%
Non-controlling interests		-	-	n.m.
		(21,353)	3,630	-688.2%



A. CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME (CONT'D)

	Group		
	FY2022	FY2021	change
	12 months ended June 30, 2022	12 months ended June 30, 2021	
Note	S\$'000	S\$'000	
(Loss) Profit for the year	(21,353)	3,630	-688.2%
Other comprehensive income:			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Share of other comprehensive income of associates	2,832	735	285.3%
Other comprehensive income for the year	<u>2,832</u>	<u>735</u>	285.3%
Total comprehensive (loss) income for the year	<u>(18,521)</u>	<u>4,365</u>	-524.3%
Total comprehensive (loss) income attributable to:			
Owners of the Company	(18,521)	4,365	-524.3%
Non-controlling interests	-	-	n.m.
	<u>(18,521)</u>	<u>4,365</u>	-524.3%



B. CONDENSED STATEMENTS OF FINANCIAL POSITION

Note	Group		Company		
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	
	S\$'000	S\$'000	S\$'000	S\$'000	
	Audited		Audited		
ASSETS					
Current assets					
		14,558	10,617	77	79
		3,966	3,540	15,476	36,213
	9	-	2,592	-	-
	10	850	-	-	-
		<u>19,374</u>	<u>16,749</u>	<u>15,553</u>	<u>36,292</u>
Non-current assets					
	11	408	38	-	-
	13	120,500	128,600	-	-
		-	-	10,000	10,000
		-	-	-	-
	14	-	59,014	-	-
	15	-	9,000	-	-
		<u>120,908</u>	<u>196,652</u>	<u>10,000</u>	<u>10,000</u>
		140,282	213,401	25,553	46,292
LIABILITIES AND EQUITY					
Current liabilities					
		9,435	8,888	48,315	19,041
	16	61	3,308	-	-
	17	21,920	77,822	-	-
		279	155	-	-
		<u>31,695</u>	<u>90,173</u>	<u>48,315</u>	<u>19,041</u>



B. CONDENSED STATEMENTS OF FINANCIAL POSITION (CONT'D)

	Group		Company	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
	S\$'000	S\$'000	S\$'000	S\$'000
	Audited		Audited	
Non-current liabilities				
Other payables	2,688	8,004	2,688	8,004
Loans due to a shareholder	18	3,000	43,537	3,000
Lease liabilities	16	195	29	-
Bank loans	17	49,567	-	-
Total non-current liabilities		55,450	51,570	5,688
Total liabilities		87,145	141,743	54,003
Capital, reserves and non-controlling interests				
Share capital	19	27,916	27,916	8,936
Share premium		69,304	69,304	72,155
Contributed surplus		12,063	12,063	126,389
Translation reserves		(1,491)	(4,141)	(1,491)
Other reserves		-	(182)	-
Accumulated losses		(54,655)	(33,602)	(234,439)
Equity attributable to owners of the Company		53,137	71,358	(28,450)
Non-controlling interests		-	300	-
Total equity (capital deficiency)		53,137	71,658	(28,450)
Total liabilities and equity (net of capital deficiency)		140,282	213,401	25,553



C. CONDENSED STATEMENTS OF CHANGES IN EQUITY

	← Attributable to owners of the Company →						Total	Non-controlling interests	Total equity
	Share capital	Share premium	Contributed surplus	Translation reserves	Other reserve	Accumulated losses			
Group	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at July 1, 2020	27,916	69,304	12,063	(4,582)	(476)	(37,232)	66,993	300	67,293
Total comprehensive income for the year:									
Profit for the year	-	-	-	-	-	3,630	3,630	-	3,630
Other comprehensive income for the year	-	-	-	441	294	-	735	-	735
Total	-	-	-	441	294	3,630	4,365	-	4,365
Balance at June 30, 2021	27,916	69,304	12,063	(4,141)	(182)	(33,602)	71,358	300	71,658
Balance at July 1, 2021	27,916	69,304	12,063	(4,141)	(182)	(33,602)	71,358	300	71,658
Total comprehensive loss for the year:									
Loss for the year	-	-	-	-	-	(21,353)	(21,353)	-	(21,353)
Other comprehensive income for the year	-	-	-	2,650	182	-	2,832	-	2,832
Total	-	-	-	2,650	182	(21,353)	(18,521)	-	(18,521)
Transaction recognised directly in equity:									
Change of ownership interest	-	-	-	-	-	300	300	(300)	-
Balance at June 30, 2022	27,916	69,304	12,063	(1,491)	-	(54,655)	53,137	-	53,137



C. CONDENSED STATEMENTS OF CHANGES IN EQUITY (CONT'D)

Company	Share capital	Share premium	Contributed surplus	Translation reserves	Accumulated losses	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at July 1, 2020	8,936	72,155	126,389	(1,491)	(230,001)	(24,012)
Loss for the year, representing total comprehensive loss for the year	-	-	-	-	(278)	(278)
Balance at June 30, 2021	8,936	72,155	126,389	(1,491)	(230,279)	(24,290)
Balance at July 1, 2021	8,936	72,155	126,389	(1,491)	(230,279)	(24,290)
Loss for the year, representing total comprehensive loss for the year	-	-	-	-	(4,160)	(4,160)
Balance at June 30, 2022	8,936	72,155	126,389	(1,491)	(234,439)	(28,450)



D. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group	
		12 months	12 months
		ended June 30, 2022	ended June 30, 2021
		S\$'000	S\$'000
Operating activities			
(Loss) Profit for the year		(21,353)	3,630
Adjustments for:			
Income tax expense		87	-
Loss allowance on trade receivables	7	24	80
Loss allowance on amount due from a joint venture	7	4	100
Loss on sale of investment properties	7	19	40
Loss on disposal of investment in associates	7	18,342	-
Loss on disposal of financial asset at fair value through profit or loss	7	1,000	-
Gain on disposal of property, plant and equipment	7	(149)	-
Depreciation of property, plant and equipment	11	108	11
Interest expense		3,656	3,873
Changes in fair value of investment properties	13	8,364	5,611
Diminution in value of properties for sale	9	-	96
Reversal of payables and accruals	7	-	(134)
Interest income	7	-	(1)
Share of losses (profits) of associates		106	(1,884)
Operating cash flows before movement in working capital		10,208	11,422
Trade and other receivables		(454)	(41)
Trade and other payables		(7,299)	(486)
Cash generated from operations		2,455	10,895
Income tax refund (paid)		36	(105)
Interest paid		(1,684)	(1,783)
Net cash from operating activities		807	9,007



D. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS (CONT'D)

	Note	Group	
		12 months ended	12 months ended
		June 30, 2022	June 30, 2021
		S\$'000	S\$'000
Investing activities			
Purchase of property, plant and equipment	11	(478)	(15)
Proceeds from disposal of property, plant and equipment		149	-
Proceeds from sale of investment properties		1,459	960
Proceeds from sale of investment in associates		43,400	-
Proceeds from sale of investment in financial asset at fair value through profit or loss		8,000	-
Interest received		-	1
Net cash from investing activities		52,530	946
Financing activities			
Repayment of bank loans		(10,335)	(1,716)
Repayment of lease liabilities		(2,524)	(4,802)
Proceeds from bank loan		4,000	-
Repayment of loans due to a shareholder		(40,537)	-
Net cash used in financing activities		(49,396)	(6,518)
Net increase in cash and cash equivalents		3,941	3,435
Cash and cash equivalents at beginning of year		10,617	7,182
Cash and cash equivalents at end of year		14,558	10,617
June 30, 2022 June 30, 2021			
		S\$'000	S\$'000
Cash and bank balances		14,558	10,617
Less: Bank overdrafts		-	-
Fixed deposits pledged		-	-
Cash and cash equivalents		14,558	10,617



E. NOTES TO THE CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

1. CORPORATE INFORMATION

The Company is incorporated in Bermuda with its principal place of business and registered office at 46 Kim Yam Road, #01-11, The Herencia, Singapore 239351 and Clarendon House, 2 Church Street, Hamilton HM11 Bermuda respectively. The Company is listed on the Singapore Exchange Securities Trading Limited.

The principal activity of the Company is that of investment holding. The principal activities of the subsidiaries, are provision of construction services, property development and rental of investment properties.

2. BASIS OF PREPARATION

The condensed financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group's financial position and performance of the Group.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with IFRSs, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed financial statements are expressed in Singapore Dollars ("S\$").

2.1. New and amended standards adopted by the Group

On July 1, 2021, the Group and the Company adopted all the new and revised IFRS pronouncements that are relevant to its operations. The adoption of these new/revised IFRS pronouncements does not result in changes to the Group's and the Company's accounting policies and has no material effect on the disclosures or on the amounts reported for the current or prior years.

2.2. Use of judgements and estimates

In preparing the condensed financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. 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.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the last annual report.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next financial period are included in the following notes:

- Note 9 – Carrying amounts of properties for sale
- Note 12 – Valuation of investment properties
- Note 13 – Valuation of investment in associates
- Note 14 – Valuation of unquoted equity shares



2.2. Use of judgements and estimates (cont'd)

Other information about assumptions and estimation uncertainties are discussed below.

Impairment in investments in subsidiaries

The Group assesses annually whether its investments in subsidiaries has any indication of impairment in accordance with its accounting policy. Management has carried out a review of the recoverable amount of the investment in subsidiaries having regard to the existing performance and the carrying value of the net tangible assets of the respective subsidiaries. Management has estimated that the net tangible assets of the respective subsidiaries approximate their fair values less cost to sell as the investment properties, if any, recorded in these subsidiaries' books are already measured at fair value. The remaining assets which are largely current together with the current liabilities approximate their respective fair values and non-current liabilities relate mainly to bank loans. Allowance for impairment is provided for, where necessary.

3. SEASONAL OPERATIONS

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. SEGMENT AND REVENUE INFORMATION

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

- (i) Construction services: 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.

These operating segments are reported in a manner consistent with internal reporting provided to the chief operating decision maker who is responsible for allocating resources and assessing performance of the operating segments.



4. SEGMENT AND REVENUE INFORMATION (CONT'D)

4.1. Reportable segments

	Construction Services \$'000	Property Development \$'000	Property Investment \$'000	Eliminations \$'000	Total \$'000
FY2022					
Revenue:					
External customers, representing total revenue	124	-	16,334	-	16,458
Total revenue	124	-	16,334	-	16,458
Results	(191)	-	(15,564)	(125)	(15,880)
Unallocated expenses					(1,730)
Finance costs					(3,656)
Profit before tax					(21,266)
Income tax expense					(87)
Profit for the year					(21,353)
FY2021					
Revenue:					
External customers, representing total revenue	101	-	16,031	-	16,132
Total revenue	101	-	16,031	-	16,132
Results	(125)	(124)	8,593	(142)	8,202
Unallocated expenses					(699)
Finance costs					(3,873)
Loss before tax					3,630
Income tax expense					-
Loss for the year					3,630



4. SEGMENT AND REVENUE INFORMATION (CONT'D)

4.1. Reportable segments (cont'd)

	Construction Services \$'000	Property Development \$'000	Property Investment \$'000	Total \$'000
FY2022				
Segment assets:				
Total segment assets	1,795	-	137,051	138,846
Unallocated assets				1,436
Total consolidated assets				140,282
Segment liabilities:				
Total segment liabilities	1,695	-	79,632	81,327
Unallocated liabilities				5,818
Total consolidated liabilities				87,145
Other segment information:				
Loss on disposal of investment properties	-	-	(19)	(19)
Loss on disposal of investment in associates	-	-	(18,342)	(18,342)
Depreciation	(108)	-	-	(108)
Change in fair value of investment properties	-	-	(8,364)	(8,364)
Loss allowance on amount due from joint venture	(4)	-	-	(4)
FY2021				
Segment assets:				
Total segment assets	1,503	2,592	199,578	203,673
Unallocated assets				9,728
Total consolidated assets				213,401
Segment liabilities:				
Total segment liabilities	1,671	-	88,021	89,692
Unallocated liabilities				52,051
Total consolidated liabilities				141,743
Other segment information:				
Loss on disposal of investment properties	-	-	(40)	(40)
Diminution in value of completed properties held for sale	-	(96)	-	(96)
Depreciation	(11)	-	-	(11)
Change in fair value of investment properties	-	-	(5,611)	(5,611)
Loss allowance on trade receivables	(13)	-	-	(13)
Loss allowance on amount due from joint venture	(100)	-	-	(100)



5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

	Group		Company	
	FY2022 S\$'000	FY2021 S\$'000	FY2022 S\$'000	FY2021 S\$'000
Financial assets				
At amortised cost:				
Cash and bank balances	14,558	10,617	77	79
Trade and other receivables	3,362	2,871	15,420	36,168
At fair value through profit or loss:				
Financial asset at fair value through profit or loss	-	9,000	-	-
	17,920	22,488	15,497	36,247
Financial liabilities				
At amortised cost:				
Bank loans and overdrafts	71,487	77,822	-	-
Trade and other payables	9,713	15,368	51,003	27,045
Lease liabilities	256	3,337	-	-
Loans due to a shareholder	3,000	43,537	3,000	43,537
	84,456	140,064	54,003	70,582

6. REVENUE

	Group	
	FY2022 S\$'000	FY2021 S\$'000
Type of goods and services		
Revenue from construction services	124	101
Rental income	12,459	12,564
Rental related income	3,875	3,467
	16,458	16,132
Timing of revenue recognition		
At a point in time	124	101
Over time	3,875	3,467

A breakdown of sales:

	Group		
	FY2022 S\$'000	FY2021 S\$'000	Change
Sales reported for first half year	8,151	8,091	1%
Operating profit after tax before deducting minority interests reported for first half year	5,264	4,714	12%
Sales reported for second half year	8,307	8,041	3%
Operating loss after tax before deducting minority interests reported for second half year	(26,617)	(1,084)	n.m.



7. (LOSS) PROFIT BEFORE INCOME TAX

The following significant items have been included in arriving at (loss) profit before income tax:

	Group	
	FY2022	FY2021
	S\$'000	S\$'000
Depreciation of property, plant and equipment	108	11
Loss allowance on trade receivables	24	80
Loss allowance on amount due from a joint venture	4	100
Changes in fair value of investment properties	8,364	5,611
Diminution in value of properties for sale	-	96
Loss on sale of investment properties	19	40
Loss on sale of investment in associates	18,342	-
Loss on sale of financial asset at fair value through profit or loss	1,000	-
Reversal of payables and accruals	-	(134)
Gain on disposal of property, plant and equipment	(149)	-
Interest income	-	(1)
Grant income	(665)	(930)
Employee benefits expense	1,858	2,031

8. INCOME TAX EXPENSE

	Group	
	FY2022	FY2021
	S\$'000	S\$'000
Current year tax expense	195	-
Overprovision of current tax in prior year	(108)	-
	87	-

9. PROPERTIES FOR SALE

	Group	
	FY2022	FY2021
	S\$'000	S\$'000
Cost incurred for properties for sale	311,141	311,141
Less: Allowance for diminution in value	-	(892)
Cost of units of property recognised as cost of sales, to date	(182,943)	(182,943)
Transferred to investment property, to date	(128,198)	(124,714)
Net properties for sale	-	2,592

Movement in the allowance of diminution in value

	Group	
	FY2022	FY2021
	S\$'000	S\$'000
Balance at beginning of the year	892	8,394
Charge to profit or loss (Note 7)	-	96
Transferred to investment property (Note 12)	(892)	(7,598)
Balance at end of the year	-	892

The aggregate carrying amount of properties for sale is disclosed is stated at the lower of cost and net realisable value, 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.



10. NON-CURRENT ASSET CLASSIFIED AS HELD FOR SALE

On May 26, 2022, the Company's wholly owned subsidiary, OKH Loyang Pte Ltd entered into a binding option to purchase with a buyer for 1 unit at Loyang Enterprise for the price of S\$850,000.

As at June 30, 2022, the property which was held as investment property amounting to S\$769,000 was reclassified as non-current asset classified as held for sale and the carrying amount of the investment property was revalued to its realisable value of S\$850,000.

The sale transaction was completed on July 26, 2022.



11. PROPERTY, PLANT AND EQUIPMENT

Group	Computer equipment S\$'000	Machinery S\$'000	Motor vehicles S\$'000	Office equipment and fittings S\$'000	Renovation S\$'000	Total S\$'000
Cost:						
At July 1, 2020	395	383	1,101	273	220	2,372
Additions	15	-	-	-	-	15
At June 30, 2021	410	383	1,101	273	220	2,387
Additions	32	-	446	-	-	478
Disposals	(52)	-	(493)	-	-	(545)
At June 30, 2022	390	383	1,054	273	220	2,320
Accumulated depreciation:						
At July 1, 2020	366	383	1,101	268	220	2,338
Depreciation for the year	10	-	-	1	-	11
At June 30, 2021	376	383	1,101	269	220	2,349
Depreciation for the year	19	-	89	-	-	108
Disposals	(52)	-	(493)	-	-	(545)
At June 30, 2022	343	383	697	269	220	1,912
Carrying amount:						
At June 30, 2021	34	-	-	4	-	38
At June 30, 2022	47	-	357	4	-	408

Right-of-use assets acquired under leasing arrangements are presented together with the owned assets of the same class. Details of such leased assets are disclosed in Note 11.



12. RIGHT-OF-USE ASSETS

The Group leases computer equipment and motor vehicles. The lease term ranges from 1 – 7 years.

	Motor vehicles S\$'000	Computer equipment S\$'000	Total S\$'000
Cost:			
At July 1, 2020 and June 30, 2021	6	26	32
Additions	446	-	446
At June 30, 2022	452	26	478
Accumulated depreciation:			
At July 1, 2020	6	6	12
Depreciation for the year	-	6	6
At June 30, 2021	6	12	18
Depreciation for the year	89	6	95
At June 30 2022	95	18	113
Carrying amount:			
At June 30, 2021	-	14	14
At June 30, 2022	357	8	365

13. INVESTMENT PROPERTIES

	Group	
	FY2022 S\$'000	FY2021 S\$'000
At fair value		
Balance at beginning of the year	128,600	125,863
Transfer from properties for sale (Note 9)	2,592	9,348
Sale of investment properties during the year	(1,478)	(1,000)
Change in fair value included in profit or loss (Note 7)	(8,364)	(5,611)
Reclassified to non-current asset classified as held for sale	(850)	-
Balance at end of the year	120,500	128,600

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

The right-of-use asset presented as investment properties has a carrying amount of S\$2,500,000 as at June 30, 2021, it no longer qualifies to be presented as right-of-use asset as at June 30, 2022.

As at June 30, 2022, the fair value of the Group's investment properties amounting to S\$120,500,000 (FY2021 : S\$128,600,000) has been arrived at on the basis of a valuation carried out by an independent qualified professional valuers not connected with the Group, which has appropriate qualifications and recent experiences in the valuation of similar properties in the relevant locations.

Fair value measurement

The fair value of the Group's investment properties is determined based on significant unobservable inputs and is categorised under Level 3 of the fair value measurement hierarchy. The valuations of completed investment properties are determined by:



13. INVESTMENT PROPERTIES (CONT'D)

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

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

14. INVESTMENT IN ASSOCIATES

	Group	
	FY2022	FY2021
	S\$'000	S\$'000
Unquoted equity shares, at cost	30,000	30,000
Goodwill	3,987	3,987
Share of post-acquisition profits and other comprehensive income, net dividend received	23,919	25,027
Derecognise due to disposal	(57,906)	-
	-	59,014

The Group sold of its entire 40% stake in Equalbase Pte. Ltd. on 8 June 2022 which accounts for the Group's entire investment in associates. The proceed from the disposal amounts to S\$43,400,000 and the carrying amount derecognised is S\$57,906,000. A net loss of disposal of S\$18,342,000 is recorded in the consolidated statement of comprehensive income.

Fair value measurement

The Group has an associate with wholly-owned subsidiaries (collectively known as the "Associate Group") that hold investment properties which are leased out and measured at fair value. The financial position and results of the Associate Group which is equity accounted by the Group is largely dependent on the fair values of the underlying investment properties held by the Associate Group.

In estimating the fair values of the underlying investment properties held by the Associate Group, 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.

These estimated fair values may differ significantly from the prices at which these properties and investments can be sold due to the actual negotiations between willing buyers and sellers as well as changes in assumptions and conditions arising from unforeseen events particularly during COVID-19. Consequently, the actual results and the realisation of these properties could differ significantly from the estimated fair values determined. Consequently, the financial position and results of the Associate Group may be impacted with the changes in the estimated fair values of the properties.

15. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	FY2022	FY2021
	S\$'000	S\$'000
Unquoted equity shares:		
Financial asset at fair value through profit or loss	-	9,000



15. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS (CONT'D)

The investment in unquoted equity shares represents a 15% equity interest of Deltanvil Pte Ltd. The investment in unquoted equity shares was acquired in September 2014 and is recognised as a financial asset measured at fair value through profit or loss.

The Group disposed of its entire 15% equity interest of Deltanvil Pte Ltd on 8 June 2022 for S\$8,000,000 and a loss of disposal amounting to S\$1,000,000 was recognised in the consolidated statement of comprehensive income.

Fair value measurement

The fair value of the investment in unquoted equity shares is estimated based on the net asset value approach with fair value hierarchy categorised as Level 3 with significant unobservable inputs relating to the assets and liabilities of the investee. Management considers the net asset value approximates the fair value of its investment due to the following reasons:

- The investee has investment properties measured at fair value, whereby third party qualified valuers are engaged to perform the valuation.
- Investee's non-current liabilities mainly comprise bank loans which carrying amount approximates its fair value. The carrying amounts of the current assets and liabilities in the investee approximate their respective fair values at the end of the reporting period due to their relatively short-term maturity.

16. LEASE LIABILITIES

	Group	
	FY2022	FY2021
	S\$'000	S\$'000
Current	61	3,308
Non-current	195	29
	256	3,337

Reconciliation of liabilities arising from financing activities

	At beginning of year	Net financing cash flow	Non-cash changes	At end of year
			Re-classification to payables	
Group	S\$'000	S\$'000		S\$'000
<u>FY2022</u>				
Bank loans	77,822	(6,335)		71,487
Lease liabilities	3,337	(2,524)	(557)	256
Loans due to a shareholder	43,537	(40,537)		3,000
	124,696	(49,396)	(557)	74,743



16. LEASE LIABILITIES (CONT'D)

<u>Group</u>	At beginning of year S\$'000	Net financing cash flow S\$'000	At end of year S\$'000
<u>FY2021</u>			
Bank loans	79,538	(1,716)	77,822
Lease liabilities	8,139	(4,802)	3,337
	<u>87,677</u>	<u>(6,518)</u>	<u>81,159</u>

17. BANK LOANS

	<u>Group</u>	
	<u>FY2022</u> S\$'000	<u>FY2021</u> S\$'000
Short-term bank loans	20,360	37,902
Current portion of long-term bank loans	1,560	39,920
Amount due for settlement within 12 months, secured (shown under current liabilities)	<u>21,920</u>	<u>77,822</u>
Long-term bank loans repayable as follows:		
More than one year, but not exceeding two years	1,560	-
More than two years, but not more than five years	48,007	-
More than five years	-	-
Amount due for settlement after 12 months, secured (shown under non-current liabilities)	<u>-</u>	<u>-</u>
Total	<u>71,487</u>	<u>77,822</u>

As at June 30, 2021, the Group had not complied with a financial covenant relating to a bank loan amounting to S\$37,902,000 of which S\$17,302,000 is contractually due in 2024 and hence, was reclassified to current liabilities, the breach was subsequently cured during the year. Subsequent to June 30, 2021, the Group had also renewed a current portion of the long-term bank loan amounting to S\$24,192,000 for a further 3 years.

The bank loans of the Group are secured over certain investment properties, the properties for sale of the Group and corporate guarantees issued by the Company.

18. LOANS DUE TO A SHAREHOLDER

As at June 30, 2022, the Company has one (2021: three) loan due to a shareholder amounting to S\$3,000,000 (2021: S\$43,437,000), Haiyi Holdings Pte. Ltd.

The loan of S\$3,000,000 is unsecured, bears interest of 4.8% per annum, and due for repayment in July 2023.

As at June 30, 2021, two of the loans are secured on the Group's entire shareholding in Equalbase Pte Ltd and Deltanvil Pte Ltd, these two loans were repaid on June 8, 2022 using the proceeds received from the disposal of the Group's entire shareholding in Equalbase Pte Ltd and Deltanvil Pte Ltd.



18. LOANS DUE TO A SHAREHOLDER (CONT'D)

In addition to the related party transactions disclosed elsewhere in the condensed financial statements, the Group has entered into the following significant related party transaction with a related party:

	Group	
	FY2022	FY2021
	S\$'000	S\$'000
<u>Shareholder</u>		
Interest on loans due to a shareholder, recorded as other payables	1,972	2,090

19. SHARE CAPITAL

	Company			
	FY2022	FY2021	FY2022	FY2021
	Number of ordinary shares '000		S\$'000	S\$'000
Issued and fully paid up:				
At the beginning and end of the year	1,128,657	1,128,657	8,936	8,936

There were no treasury shares and subsidiary holdings as at June 30, 2022 and June 30, 2021.

20. EARNINGS PER ORDINARY SHARE

	Group		
	FY2022	FY2021	Change
Basic and diluted (loss) earnings per share			
(Loss) Earnings per ordinary share based on the weighted average number of ordinary shares on issue (cents)	(1.98)	0.32	-688.2%
Total number of issued ordinary shares	1,128,657,445	1,128,657,445	

21. NET ASSET VALUE PER ORDINARY SHARE

	Group		
	FY2022	FY2021	Change
Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on (cents) (excluding non-controlling interests)	4.71	6.32	-25.5%
Total number of issued ordinary shares	1,128,657,445	1,128,657,445	

	Company		
	FY2022	FY2021	Change
Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on (cents) (excluding non-controlling interests)	(2.52)	(2.15)	17.2%
Total number of issued ordinary shares	1,128,657,445	1,128,657,445	



22. RECLASSIFICATION

The prior year's comparative figures have been reclassified to enhance the comparability with current financial year's financial statement.

As a result of the above, certain line items have been amended in the condensed consolidated statement of profit or loss and other comprehensive income as set out below:

	As previously stated	Reclassification	As restated
	S\$'000	S\$'000	S\$'000
Financial period from July 1, 2020 to June 30, 2021			
Cost of sales	(1,094)	(1,340)	(2,434)
General and administrative expenses	(4,868)	1,340	(3,528)



F. OTHER INFORMATION REQUIRED BY LISTING RULE

1. Review

The condensed consolidated statement of financial position of OKH Global Ltd and its subsidiaries as at June 30, 2022 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the twelve-month period then ended and certain explanatory notes have not been audited or reviewed.

2. Review of performance of the group

Condensed consolidated statement of profit or loss and other comprehensive income

Revenue

The Group posted revenue of approximately S\$16.46 million in FY2022 as compared to S\$16.13 million in FY2021. The increase in the reported revenue for FY2022 was attributed to the Group's property investment segment due to increased leasing activities.

Gross profit ("GP") / Gross profit margin ("GPM")

The Group recorded a lower gross profit of approximately S\$13.62 million in FY2022 as compared to approximately S\$13.70 million in FY2021. The lower gross profit in FY2022 was largely attributed to lesser repair and maintenance and increase in utilities expenses. One-off maintenance and sinking funds rebate given in FY2021 also contributed to the higher gross profit in FY2021. As a result, the Group's GPM was lower at 82.7% in FY2022 as compared to 84.9% in FY2021.

Other income

Other income for FY2022 was lower at approximately S\$0.99 million as compared to S\$1.34 million in FY2021. Amongst others, the decrease was largely attributed to lower grant income in FY2022 and absence of one-off income from long outstanding payables written off.

Other expenses

Other expenses for FY2022 increased to approximately S\$27.71 million as compared to S\$5.71 million in FY2021. The increase was mainly attributed to the higher fair value loss on the Group's investment properties as the industrial property market segment and a one-off loss on disposal of investment in associates and financial asset at fair value through profit or loss. The loss on disposal is due to the Group's sale of its entire equity stake in Equalbase Pte Ltd and Deltanvil Pte Ltd on 8 June 2022.

Loss allowance on trade and other receivables

Loss allowance on trade and other receivables decreased to approximately S\$0.03 million in FY2022 from S\$0.18 million in FY2021 mainly due to less impairment loss on amount due from a joint venture made in FY2022 as less cost was incurred on behalf of the joint venture, less allowance were also required for trade receivables as tenants are paying more promptly.

General and administrative expenses

General and administrative expenses increased by 24.0% from approximately S\$3.53 million in FY2021 to S\$4.37 million in FY2022. The increase was largely due to rental paid to SLA is recognised as rental expense as the property, The Herencia is no longer classified as an investment property under right-of-use asset.



Finance costs

Finance costs decreased by 5.6% from approximately S\$3.87 million in FY2021 to S\$3.66 million in FY2022. The decrease was due to the lower outstanding bank loans and shareholder loans in FY2022 due to repayments made in during the year.

Share of (losses) profits of associates

Share of profits of associate of S\$1.88 million in FY2021 decreased to a share of losses of associates of S\$0.12 million in FY2022 as the share of results of the associates did not account for 1 full year in FY2022 due to the disposal on 8 June 2022.

Income tax expense

For FY2022, income tax expense amounts to S\$0.09 million as compared to S\$nil million in FY2021. This is mainly due to tax provided for current year taxable profit for some subsidiaries of the Group. This was partially offset by the reversal of overprovision of tax made in prior year.

(Loss) Profit for the year

As a result of the foregoing, the Group registered a total loss of approximately S\$21.35 million in FY2022 as compared to a profit of S\$3.63 million in FY2021.

Condensed statements of financial position

As at June 30, 2022, total current assets stood at approximately S\$19.37 million as compared to S\$16.75 million as at June 30, 2021. The increase in total current assets was largely due to higher cash and bank balances due to the sale of the Group's investment in associates and financial asset at fair value through profit or loss and the reclassification of a property from investment properties to non-current asset classified as held for sale due. The increase was partially offset by the reclassification of a property for sale to investment properties.

Total non-current assets stood at approximately S\$120.91 million as at June 30, 2022 as compared to approximately S\$196.65 million as at June 30, 2021. The decrease was a result the Group's sale of its investment in associates and financial asset at fair value through profit or loss, fair value loss on the Group's investment properties, sale of 1 unit of investment property and the reclassification of 1 unit of investment property to non-current asset classified as held for sale.

As at June 30, 2022, total current liabilities increased to approximately S\$31.70 million as compared to approximately S\$90.17 million as at June 30, 2021. This was largely attributed to reclassification of bank loans from current liabilities to non-current liabilities as the maturity date of the bank loans were extended and a breach of financial covenant was cured during the year. The increase was partially offset by the lower lease liabilities balance due to repayment during the year.

Total non-current liabilities increased to approximately S\$55.45 million as at June 30, 2022 as compared to approximately S\$51.57 million as at June 30, 2021. The increase was largely due to reclassification of a bank loans from current liabilities to non-current liabilities and the repayment of loans to a shareholder and its corresponding accrued interest.



Condensed consolidated statement of cash flows

Net cash from operating activities

For the financial year ended June 30, 2022, the Group generated a net cash from operating activities of approximately S\$0.81 million as compared to a net cash of approximately S\$9.01 million for the preceding financial year. The net cash inflow was primarily due to the collection from rental of investment properties and lower interest paid, payment of accrued interest of the shareholder loans contributed to the lower net cash generated.

Net cash from investing activities

The Group recorded a net cash from investing activities of approximately S\$52.53 million for the year ended June 30, 2022 as compared to net cash from investing activities of approximately S\$0.95 million in the in the preceding financial year. The net cash inflow in FY2022 is largely due to proceeds from the disposal of investment in associates, financial asset at fair value through profit or loss and investment property in the current year. This was partially offset by the purchase of new motor vehicle classified under property, plant and equipment.

Net cash used in financing activities

The Group recorded net cash used in financing activities of approximately S\$49.40 million for the year ended June 30, 2022 as compared to a net cash outflow of S\$6.52 million in the corresponding period last year. The net cash outflow was largely due to a repayment of bank loans and lease liabilities and the repayment of loans due to a shareholder.

As a result of the above, the Group recorded a net increase in cash and cash equivalents of approximately S\$3.94 million for the financial year ended June 30, 2022.

Cash and cash equivalents as at June 30, 2022 stood at S\$14.56 million.

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

Not applicable.

4. 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 operating period and the next 12 months

The current state of the industrial real estate market in Singapore continues to remain challenging amidst the COVID-19 pandemic, even as Singapore gradually open up its economy. The ongoing global geopolitics has also impacted global economies and many businesses. As there is no certainty on when the global economy will recover and resume normal business operations, many of our customers prefer to lease as opposed to buying our properties at this time. Hence, although the Group's property sales have been slow, rental income had grown over the past few years and has now stabilised.

The Group owns a portfolio of development and investment properties. As part of its continuous review, the Group is assessing the relevance of the properties against its overall strategies. The Group may monetise some of these assets through sales so as to further strengthen the financial strength of the Group as it explores new business opportunities.



5. Dividend Information

No dividends have been declared or recommended as the funds are retained for working capital purposes.

6. Interested person transactions

The Company has not obtained a general mandate from shareholders for IPTs. The Group did not obtain a mandate under Rule 920(1)(a)(ii). The value of interested person transactions entered into during the period under review were as follows:-

Name of interested party	Nature of relationship	Aggregate value of all interested person transaction during the financial period under review (excluding transactions conducted under shareholders' mandate pursuant to Rule 920) S\$'000	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 S\$'000
<u>Haigi Holdings Pte Ltd</u> Interest on loan*	Controlling shareholder	1,972	-

*Please refer to Note 18 on Page 21 of the Condensed Financial Statements for more information on the Loans Due to a Shareholder.

7. Confirmation that the issuer has procured undertaking from all its directors and executive officers under Rule 720(1)

The Company hereby confirms that it has procured undertakings from all its directors and executive officers under Rule 720(1).

8. Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder

Pursuant to Rule 704(13), we confirm that there is no person occupying managerial positions in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholders of the Company.

9. Disclosure pursuant to Rule 706A of the Listing Manual

On June 30, 2022, the Company's wholly-owned subsidiary, OKH Holdings Pte Ltd ("OKHH") had purchased 300,000 paid-up ordinary shares for a nominal fee of S\$1 from the minority shareholder, ZACD (Woodlands) Pte Ltd, this represent 15% of the issued and paid-up ordinary share capital of OKH Development Pte Ltd ("OKHD"), making OKHD the wholly-owned subsidiary of OKHH.

The transaction is not expected to have any material financial impact on the net tangible assets per share and earnings per share of the Company and the Group for the financial year ended June 30, 2022.



None of the Directors or Substantial Shareholders of the Company have any interest, direct or indirect in the above transactions other than their shareholdings interest in the Company.

There were no other changes to the Company's and the Group's shareholding percentage in its respective subsidiaries or associated companies nor incorporation of any new subsidiary or associate by the Company or any of the Group's entities during the financial year ended June 30, 2022 and as at the date of this announcement.

BY ORDER OF THE BOARD

LOCK WAI HAN
EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER
AUGUST 24, 2022