



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, 2021

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September 29, 2021



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

	Note	Group		
		FY2021 12 months ended June 30, 2021 S\$'000	FY2020 12 months ended June 30, 2020 S\$'000	change
Revenue	6	16,132	15,254	5.8%
Cost of sales		(1,094)	(1,362)	-19.7%
Gross profit		15,038	13,892	8.2%
Other income		1,336	4,810	-72.2%
Other expenses		(5,707)	(25,099)	-77.3%
Loss allowance on trade and other receivables		(180)	(1,199)	-85.0%
General and administrative expenses		(4,868)	(6,777)	-28.2%
Finance costs		(3,873)	(5,870)	-34.0%
Share of profits (losses) of associates		1,884	(1,433)	n.m.
Profit (Loss) before income tax	7	3,630	(21,676)	-116.7%
Income tax expense	8	-	(687)	-100.0%
Profit (Loss) for the year		3,630	(22,363)	-116.2%
Profit (Loss) attributable to:				
Owners of the Company		3,630	(22,363)	-116.2%
Non-controlling interests		-	-	n.m.
		3,630	(22,363)	-116.2%



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

	Group		
	FY2021 12 months ended June 30, 2021 S\$'000	FY2020 12 months ended June 30, 2020 S\$'000	change
Note			
Profit (Loss) for the year	3,630	(22,363)	-116.2%
Other comprehensive income (loss):			
<i>Item that may be reclassified subsequently to profit or loss</i>			
Share of other comprehensive income (losses) of associates	735	(1,243)	-159.1%
Other comprehensive income (loss) for the year	<u>735</u>	<u>(1,243)</u>	-159.1%
Total comprehensive income (loss) for the year	<u><u>4,365</u></u>	<u><u>(23,606)</u></u>	-118.5%
Total comprehensive income (loss) attributable to:			
Owners of the Company	4,365	(23,606)	-118.5%
Non-controlling interests	-	-	n.m.
	<u><u>4,365</u></u>	<u><u>(23,606)</u></u>	-118.5%



B. CONDENSED STATEMENTS OF FINANCIAL POSITION

Note	Group		Company		
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020	
	S\$'000	S\$'000	S\$'000	S\$'000	
	Audited		Audited		
ASSETS					
Current assets					
		10,617	7,182	79	105
		3,540	3,679	36,213	34,408
	9	2,592	12,036	-	-
		<u>16,749</u>	<u>22,897</u>	<u>36,292</u>	<u>34,513</u>
Non-current assets					
	10	38	34	-	-
	12	128,600	125,863	-	-
		-	-	10,000	10,000
		-	-	-	-
	13	59,014	56,395	-	-
	14	9,000	9,000	-	-
		<u>196,652</u>	<u>191,292</u>	<u>10,000</u>	<u>10,000</u>
		213,401	214,189	46,292	44,513
LIABILITIES AND EQUITY					
Current liabilities					
		8,888	9,508	19,041	19,074
	15	3,308	4,802	-	-
	16	77,822	38,696	-	-
		155	260	-	-
		<u>90,173</u>	<u>53,266</u>	<u>19,041</u>	<u>19,074</u>



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

	Group		Company	
	June 30, 2021	June 30, 2020	June 30, 2021	June 30, 2020
	S\$'000	S\$'000	S\$'000	S\$'000
	Audited		Audited	
Non-current liabilities				
Other payables	8,004	5,914	8,004	5,914
Loans due to a shareholder	17	43,537	43,537	43,537
Lease liabilities	15	29	-	-
Bank loans	16	-	40,842	-
Total non-current liabilities	51,570	93,630	51,541	49,451
Total liabilities	141,743	146,896	70,582	68,525
Capital, reserves and non-controlling interests				
Share capital	18	27,916	27,916	8,936
Share premium		69,304	69,304	72,155
Contributed surplus		12,063	12,063	126,389
Translation reserves		(4,141)	(4,582)	(1,491)
Other reserves		(182)	(476)	-
Accumulated losses		(33,602)	(37,232)	(230,279)
Equity attributable to owners of the Company		71,358	66,993	(24,290)
Non-controlling interests		300	300	-
Total equity (capital deficiency)		71,658	67,293	(24,012)
Total liabilities and equity (net of capital deficiency)		213,401	214,189	46,292
		44,513		



C. CONDENSED STATEMENTS OF CHANGES IN EQUITY

Group	← Attributable to owners of the Company →						Total	Non-controlling interests	Total equity
	Share capital	Share premium	Contributed surplus	Translation reserves	Other reserve	Accumulated losses			
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance at July 1, 2019	27,916	69,304	12,063	(3,815)	-	(14,117)	91,351	300	91,651
Adjustment due to the adoption of IFRS 16	-	-	-	-	-	(752)	(752)	-	(752)
Balance at July 1, 2019 (restated)	27,916	69,304	12,063	(3,815)	-	(14,869)	90,599	300	90,899
Total comprehensive loss for the year:									
Loss for the year	-	-	-	-	-	(22,363)	(22,363)	-	(22,363)
Other comprehensive loss for the year	-	-	-	(767)	(476)	-	(1,243)	-	(1,243)
Total	-	-	-	(767)	(476)	(22,363)	(23,606)	-	(23,606)
Balance at June 30, 2020	27,916	69,304	12,063	(4,582)	(476)	(37,232)	66,993	300	67,293
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



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, 2019	8,936	72,155	126,389	(1,491)	(209,155)	(3,166)
Loss for the year, representing total comprehensive loss for the year	-	-	-	-	(20,846)	(20,846)
Balance at June 30, 2020	8,936	72,155	126,389	(1,491)	(230,001)	(24,012)
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)



D. CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	Group	
		12 months ended June 30, 2021 S\$'000	12 months ended June 30, 2020 S\$'000
Operating activities			
Profit (Loss) for the year		3,630	(22,363)
Adjustments for:			
Income tax expense		-	687
Bad debt expense	7	80	156
Loss allowance on amount due from a joint venture	7	100	1,199
Loss (Gain) on sale of investment properties	7	40	(1,099)
Depreciation of property, plant and equipment	10	11	26
Interest expense		3,873	5,870
Changes in fair value of investment properties	12	5,611	23,174
Diminution in value of properties for sale	9	96	1,925
Dividend income from investment in financial asset at fair value through profit or loss	7	-	(240)
Reversal of payables and accruals	7	(134)	(1,085)
Interest income	7	(1)	(28)
Share of (profits) losses of associates		(1,884)	1,433
Operating cash flows before movement in working capital		11,422	9,655
Trade and other receivables		(41)	(90)
Trade and other payables		(486)	(394)
Cash generated from operations		10,895	9,171
Income tax paid		(105)	(427)
Interest paid		(1,783)	(3,401)
Net cash from operating activities		9,007	5,343



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

	Note	Group	
		12 months ended	12 months ended
		June 30, 2021	June 30, 2020
		S\$'000	S\$'000
Investing activities			
Purchase of property, plant and equipment	10	(15)	(11)
Proceeds from disposal of property, plant and equipment		-	4,000
Proceeds from sale of investment properties		960	24,968
Dividend received from associates		-	1,600
Dividend income from investment in financial asset at fair value through profit or loss		-	240
Interest received		1	19
Net cash from investing activities		946	30,816
Financing activities			
Repayment of bank loans		(1,716)	(16,837)
Repayment of lease liabilities		(4,802)	(4,147)
Decrease in fixed deposits pledged		-	1,000
Repayment of loans due to a shareholder		-	(11,000)
Net cash used in financing activities		(6,518)	(30,984)
Net increase in cash and cash equivalents		3,435	5,175
Cash and cash equivalents at beginning of year		7,182	2,007
Cash and cash equivalents at end of year		10,617	7,182



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 701 Sims Drive, #02-06, LHK Building, Singapore 387383 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, 2020, 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
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)
Profit before tax					3,630
Income tax expense					-
Profit for the year					3,630
FY2020					
Revenue:					
External customers, representing total revenue	25	-	15,229	-	15,254
Total revenue	25	-	15,229	-	15,254
Results	(739)	(3,844)	(10,518)	(272)	(15,373)
Unallocated expenses					(433)
Finance costs					(5,870)
Loss before tax					(21,676)
Income tax expense					(687)
Loss for the year					(22,363)



4. SEGMENT AND REVENUE INFORMATION (CONT'D)

4.1. Reportable segments (cont'd)

	Construction Services \$'000	Property Development \$'000	Property Investment \$'000	Total \$'000
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 amount due from joint venture	(100)	-	-	(100)
FY2020				
Segment assets:				
Total segment assets	2,012	15,843	186,574	204,429
Unallocated assets				9,760
Total consolidated assets				214,189
Segment liabilities:				
Total segment liabilities	1,845	43,143	52,110	97,098
Unallocated liabilities				49,798
Total consolidated liabilities				146,896
Other segment information:				
Gain on disposal of investment properties	-	-	1,099	1,099
Diminution in value of completed properties held for sale	-	(1,925)	-	(1,925)
Depreciation	(26)	-	-	(26)
Change in fair value of investment properties	-	-	(23,174)	(23,174)
Loss allowance on amount due from joint venture	(1,199)	-	-	(1,199)



5. FINANCIAL ASSETS AND FINANCIAL LIABILITIES

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

	Group		Company	
	FY2021 S\$'000	FY2020 S\$'000	FY2021 S\$'000	FY2020 S\$'000
Financial assets				
At amortised cost:				
Cash and bank balances	10,617	7,182	79	105
Trade and other receivables	2,869	2,839	36,168	34,363
At fair value through profit or loss:				
Financial asset at fair value through profit or loss	9,000	9,000	-	-
	<u>22,486</u>	<u>19,021</u>	<u>36,247</u>	<u>34,468</u>
Financial liabilities				
At amortised cost:				
Bank loans and overdrafts	77,822	79,538	-	-
Trade and other payables	15,368	14,067	27,045	24,988
Lease liabilities	3,337	8,139	-	-
Loans due to a shareholder	43,537	43,537	43,537	43,537
	<u>140,064</u>	<u>145,281</u>	<u>70,582</u>	<u>68,525</u>

6. REVENUE

	Group	
	FY2021 S\$'000	FY2020 S\$'000
Type of goods and services		
Revenue from construction services	101	25
Rental income	12,631	11,961
Rental related income	3,400	3,268
	<u>16,132</u>	<u>15,254</u>
Timing of revenue recognition		
Over time	<u>3,400</u>	<u>3,293</u>

A breakdown of sales:

	Group		
	FY2021 S\$'000	FY2020 S\$'000	Change
Sales reported for first half year	8,091	8,207	-1%
Operating profit after tax before deducting minority interests reported for first half year	4,714	2,315	104%
Sales reported for second half year	8,041	7,047	14%
Operating loss after tax before deducting minority interests reported for second half year	(1,084)	(24,678)	-96%



7. PROFIT (LOSS) BEFORE INCOME TAX

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

	Group	
	FY2021	FY2020
	S\$'000	S\$'000
Depreciation of property, plant and equipment	11	26
Bad debt expense	80	156
Loss allowance on amount due from a joint venture	100	1,199
Changes in fair value of investment properties	5,611	23,174
Diminution in value of properties for sale	96	1,925
Loss (Gain) on sale of investment properties	40	(1,099)
Reversal of payables and accruals	(134)	(1,085)
Dividend income from financial asset at fair value through profit or loss	-	(240)
Interest income	(1)	(28)
Grant income	(930)	(1,616)
Grant expenses	-	1,183
Employee benefits expense	2,031	2,267

8. INCOME TAX EXPENSE

	Group	
	FY2021	FY2020
	S\$'000	S\$'000
Current year tax expense	-	260
Under provision of current tax in prior year	-	427
	-	687

9. PROPERTIES FOR SALE

	Group	
	FY2021	FY2020
	S\$'000	S\$'000
Cost incurred for properties for sale	311,141	311,141
Less: Allowance for diminution in value	(892)	(8,394)
Cost of units of property recognised as cost of sales, to date	(182,943)	(182,943)
Transferred to investment property, to date	(124,714)	(107,768)
Net properties for sale	2,592	12,036

Movement in the allowance of diminution in value

	Group	
	FY2021	FY2020
	S\$'000	S\$'000
Balance at beginning of the year	8,394	7,825
Charge to profit or loss (Note 7)	96	1,925
Transferred to investment property (Note 12)	(7,598)	(1,356)
Balance at end of the year	892	8,394

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. 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	Construction in progress S\$'000	Total S\$'000
Cost:							
At July 1, 2019	386	383	1,101	273	220	28,357	30,720
Additions	11	-	-	-	-	-	11
Disposals	(2)	-	-	-	-	(28,357)	(28,359)
At June 30, 2020	395	383	1,101	273	220	-	2,372
Additions	15	-	-	-	-	-	15
At June 30, 2021	410	383	1,101	273	220	-	2,387
Accumulated depreciation:							
At July 1, 2019	353	378	1,095	268	220	-	2,314
Depreciation for the year	15	5	6	-	-	-	26
Disposals	(2)	-	-	-	-	-	(2)
At June 30, 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
Carrying amount:							
At June 30, 2020	29	-	-	5	-	-	34
At June 30, 2021	34	-	-	4	-	-	38

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.



11. RIGHT-OF-USE ASSETS

The Group leases computer equipment. The lease term ranges from 1 – 4 years.

	Motor vehicles S\$'000	Computer equipment S\$'000	Total S\$'000
Cost:			
At July 1, 2019 and June 30, 2020	6	26	32
Accumulated depreciation:			
At July 1, 2019	-	-	-
Depreciation for the year	6	6	12
At June 30, 2020	6	6	12
Depreciation for the year	-	6	6
At June 30 2021	6	12	18
Carrying amount:			
At June 30, 2020	-	20	20
At June 30, 2021	-	14	14

12. INVESTMENT PROPERTIES

	Group	
	FY2021	FY2020
	S\$'000	S\$'000
At fair value		
Balance at beginning of the year	125,863	167,930
Transfer from properties for sale (Note 9)	9,348	4,976
Sale of investment properties during the year	(1,000)	(23,869)
Change in fair value included in profit or loss (Note 7)	(5,611)	(23,174)
Balance at end of the year	128,600	125,863

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 (FY2020: S\$6,000,000).

As at June 30, 2021, the fair value of the Group's investment properties amounting to S\$128,600,000 (FY2020 : S\$125,863,000) 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:



12. 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.

13. INVESTMENT IN ASSOCIATES

	Group	
	FY2021	FY2020
	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	25,027	22,408
	59,014	56,395

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.

14. FINANCIAL ASSET AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	FY2021	FY2020
	S\$'000	S\$'000
Unquoted equity shares:		
Financial asset at fair value through profit or loss	9,000	9,000

The investment in unquoted equity shares represents a 15% equity interest of Deltanvil Pte Ltd (formerly known as Pan Asia Logistics Holdings Singapore 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.



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

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.

15. LEASE LIABILITIES

	Group	
	FY2021	FY2020
	S\$'000	S\$'000
Current	3,308	4,802
Non-current	29	3,337
	3,337	8,139

Reconciliation of liabilities arising from financing activities

Group	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
	87,677	(6,518)	81,159

Group	Non-cash changes				
	July 1, 2019 S\$'000	Net financing cash flow S\$'000	Other changes S\$'000	Re- classification to payables S\$'000	At end of year S\$'000
Bank loans	96,375	(16,837)	-	-	79,538
Lease liabilities	12,845	(4,147)	-	(559)	8,139
Obligation under finance leases	-	-	-	-	-
Loans due to shareholder	52,778	(11,000)	1,759	-	43,537
	161,998	(31,984)	1,759	(559)	131,214



16. BANK LOANS

	Group	
	FY2021	FY2020
	S\$'000	S\$'000
Short-term bank loans	37,902	38,696
Current portion of long-term bank loans	39,920	-
Amount due for settlement within 12 months, secured (shown under current liabilities)	<u>77,822</u>	<u>38,696</u>
Long-term bank loans repayable as follows:		
More than one year, but not exceeding two years	-	24,442
More than two years, but not more than five years	-	16,400
More than five years	-	-
Amount due for settlement after 12 months, secured (shown under non-current liabilities)	<u>-</u>	<u>40,842</u>
Total	<u>77,822</u>	<u>79,538</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. 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.

17. LOANS DUE TO A SHAREHOLDER

As at June 30, 2021, the Company has three (2020: three) loans due to a shareholder, Haiyi Holdings Pte. Ltd. The loans are due for repayment in July 2022.

Two of the loans are secured on the Group's entire shareholding in Equalbase Pte Ltd (formerly known as Pan Asia Logistics Investment Holdings Pte Ltd) and Deltanvil Pte Ltd (formerly known as Pan Asia Logistics Holdings Singapore Pte Ltd).

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	
	FY2021	FY2020
	S\$'000	S\$'000
<u>Shareholder</u>		
Interest on loans due to a shareholder	<u>2,090</u>	<u>2,433</u>



18. SHARE CAPITAL

	Company			
	FY2021	FY2020	FY2021	FY2020
	Number of ordinary shares '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, 2021 and June 30, 2020.

19. EARNINGS PER ORDINARY SHARE

	Group		
	FY2021	FY2020	Change
Basic and diluted earnings (loss) per share			
Earnings (Loss) per ordinary share based on the weighted average number of ordinary shares on issue (cents)	0.32	(1.98)	-116.2%
Total number of issued ordinary shares	1,128,657,445	1,128,657,445	

20. NET ASSET VALUE PER ORDINARY SHARE

	Group		
	FY2021	FY2020	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)	6.32	5.94	6.4%
Total number of issued ordinary shares	1,128,657,445	1,128,657,445	

	Company		
	FY2021	FY2020	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)	(2.15)	(2.13)	0.9%
Total number of issued ordinary shares	1,128,657,445	1,128,657,445	



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, 2021 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\$16.13 million in FY2021 as compared to S\$15.25 million in FY2020. The increase in the reported revenue for FY2021 was attributed to the Group's property investment segment due to increased leasing activities while rental rebates given to eligible tenants as mandated by the COVID-19 (Temporary Measures) (Amendment) Act ("Act") in FY2020 also contributed to the lower revenue in FY2020.

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

The Group recorded a higher gross profit of approximately S\$15.04 million in FY2021 as compared to approximately S\$13.89 million in FY2020. The higher gross profit in FY2021 was largely attributed to the increase in revenue and cost of sales decreasing by approximately S\$0.27 million in FY2021 due to lesser repair and maintenance performed in FY2021 as compared to FY2020, savings in utilities expenses also contributed to the decrease in cost of sales for FY2021. As a result, the Group's GPM was higher at 93.2% in FY2021 as compared to 91.1% in FY2020.

Other income

Other income for FY2021 was lower at approximately S\$1.34 million as compared to S\$4.81 million in FY2020. Amongst others, the decrease was largely attributed to the absence of one-off income derived from the gain on disposal of investment properties of approximately S\$1.10 million, grant income of approximately S\$1.62 million, gain from surrendering of an insurance policy and the dividend income from the Group's investment in a financial asset at fair value through profit or loss in FY2021. Other income in FY2021 mainly derive from S\$0.93 million of grant income.

Other expenses

Other expenses for FY2021 decreased to approximately S\$5.71 million as compared to S\$25.10 million in FY2020. The decrease was mainly attributed to the lower diminution of value of properties for sale and fair value loss on the Group's investment properties as the industrial property market segment is gradually recovering from the economic impact of COVID-19 pandemic.

Loss allowance on trade and other receivables

Impairment loss on trade and other receivables decreased to approximately S\$0.18 million in FY2021 from S\$1.20 million in FY2020 mainly due to less impairment loss on amount due from a joint venture made in FY2021 as less cost was incurred on behalf of the joint venture.



General and administrative expenses

General and administrative expenses decreased by 28.2% from approximately S\$6.78 million in FY2020 to S\$4.87 million in FY2021. The decrease was largely due to lesser grant expenses for rental rebates provided to tenants in FY2021, lower bad debt expenses and lower staff and related costs.

Finance costs

Finance costs decreased by 34.0% from approximately S\$5.87 million in FY2020 to S\$3.87 million in FY2021. The decrease was due to the lower outstanding bank loans and shareholder loans in FY2021 due to repayments made in FY2020.

Share of profits (losses) of associates

Share of profits of associate increased to S\$1.88 million in FY2021 from a share of losses of S\$1.43 million in FY2020 mainly due to lesser fair value change in valuations of the associates' investment properties as the industrial property market segment gradually recovers from the COVID-19 pandemic.

Income tax expense

For FY2021, income tax expense amounts to S\$nil as compared to S\$0.69 million in FY2020.

Profit (Loss) for the year

As a result of the foregoing, the Group registered a total profit of approximately S\$3.63 million in FY2021 as compared to a loss of S\$22.36 million in FY2020.

Condensed statements of financial position

As at June 30, 2021, total current assets stood at approximately S\$16.75 million as compared to S\$22.90 million as at June 30, 2020. The decrease in total current assets was largely attributed the reclassification of units in properties for sale to investment properties due to them being leased out, and the diminution of value of properties for sale, the decrease was partially offset by higher cash and bank balances.

Total non-current assets stood at approximately S\$196.65 million as at June 30, 2021 as compared to approximately S\$191.29 million as at June 30, 2020. The increase was a result of the transfer of units in properties for sale to investment properties and increase in investment in associates due to equity accounting for the share of profits of associates. The increase was partially offset by fair value loss on the Group's investment properties and sale of 1 unit of investment property.

As at June 30, 2021, total current liabilities increased to approximately S\$90.17 million as compared to approximately S\$53.27 million as at June 30, 2020. This was largely attributed to reclassification of a bank loans from non-current liabilities to current liabilities as the maturity date of the bank loans is within 1 year of June 30, 2021. The increase was partially offset by the lower lease liabilities balance due to repayment during the year.

Total non-current liabilities decreased to approximately S\$51.57 million as at June 30, 2021 as compared to approximately S\$93.63 million as at June 30, 2020. The decrease was largely due to reclassification of a bank loans from non-current liabilities to current liabilities and lower lease liabilities balance.

Condensed consolidated statement of cash flows

Net cash from operating activities

For the financial year ended June 30, 2021, the Group generated a net cash from operating activities of approximately S\$9.01 million as compared to a net cash of approximately S\$5.34 million in for the



corresponding period in the preceding financial year. The net cash inflow was primarily due to the collection from rental of investment properties and lower interest paid.

Net cash from investing activities

The Group recorded a net cash of approximately S\$0.95 million for the 12 months period ended June 30, 2021 from investing activities as compared to net cash from investing activities of approximately S\$30.82 million in the corresponding period in the preceding year. The net cash inflow in FY2021 is largely due to proceeds from the disposal of investment property in the current year whereas the higher net cash from investing activities in the prior year is due to disposal of more investment properties and property, plant and equipment and dividends received from the Group's investment in associates and a financial asset at fair value through profit or loss.

Net cash used in financing activities

The Group recorded net cash used in financing activities of approximately S\$6.52 million in the 12 months period ended June 30, 2021 as compared to a net cash outflow of S\$30.98 million in the corresponding period last year. The net cash outflow was largely due to a repayment of bank loans and lease liabilities.

As a result of the above, the Group recorded a net increase in cash and cash equivalents of approximately S\$3.44 million for the 12 months period ended June 30, 2021.

Cash and cash equivalents as at June 30, 2021 stood at S\$10.62 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. This has impacted global economies and many businesses. There is no certainty on when the global economy will recover to pre-COVID-19 levels and when each country will fully resume normal business operations and/or normal daily social activities.

In accordance to guidelines issued by the relevant authorities, the Group has established precautionary measures to protect the health and safety of our employees and the Group will implement additional short-term precautionary measures, as and when required.

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	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>Haiyi Holdings Pte Ltd</u> Interest on loan	2,090	-

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

During the financial year ended June 30, 2021 and as at the date of this announcement, there were no 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.

BY ORDER OF THE BOARD

LOCK WAI HAN
EXECUTIVE DIRECTOR AND CHIEF EXECUTIVE OFFICER
SEPTEMBER 29, 2021